



# **CANADIAN TRADE COMMISSIONERS DELEGATION TO ADB**

## **WORKING WITH ADB'S RESIDENT MISSIONS**

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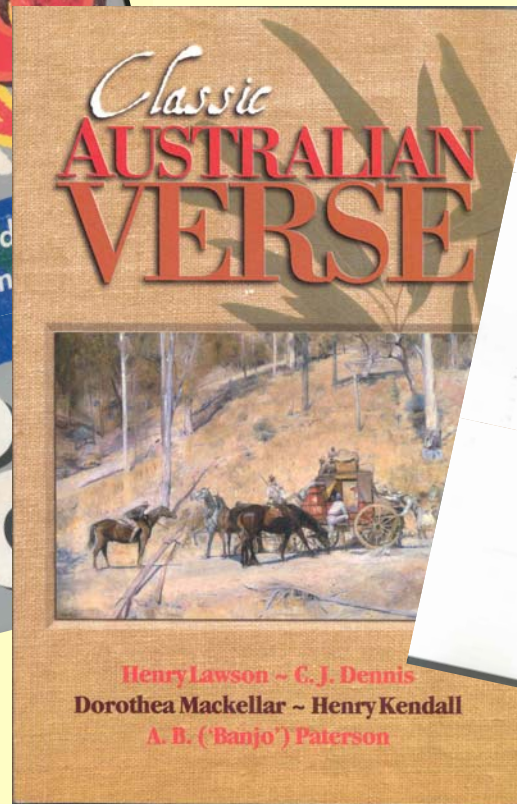


# 3 premier literary pieces ...

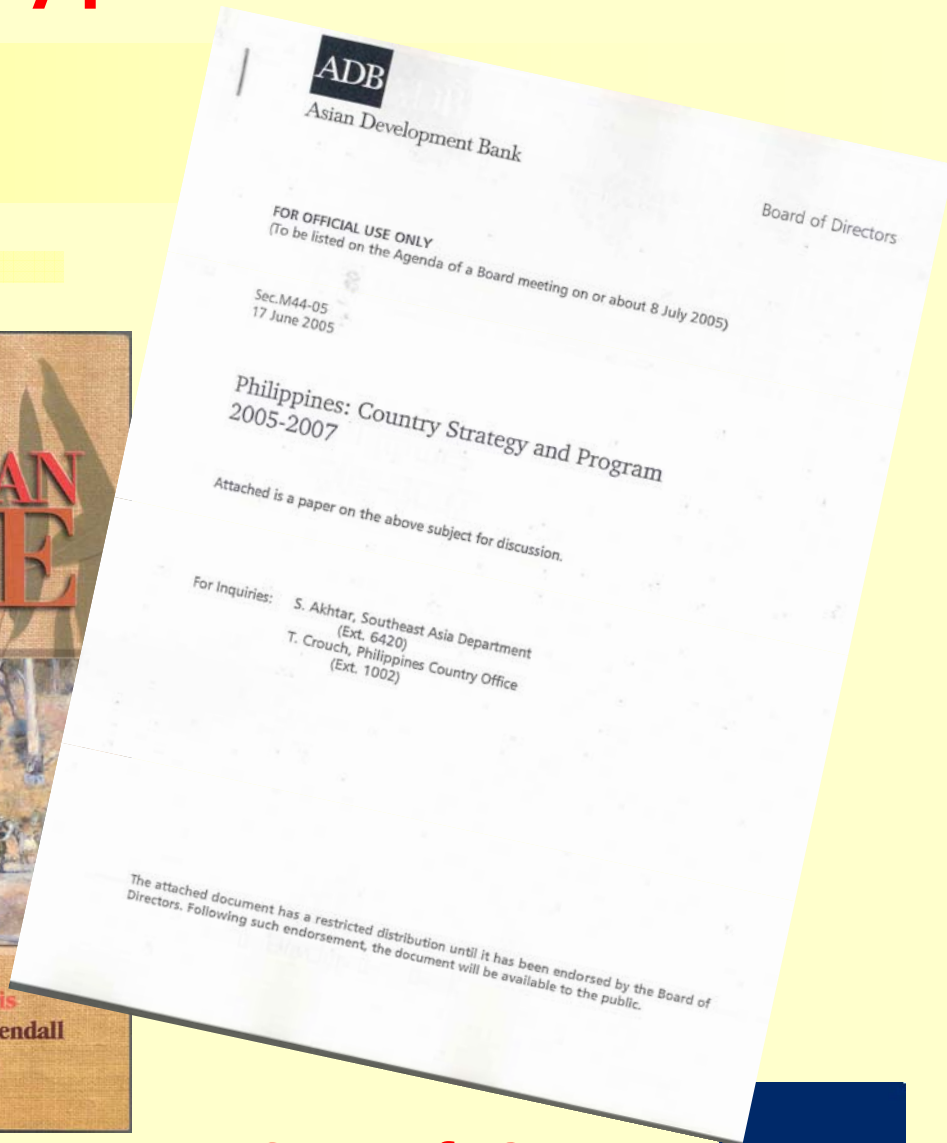


The first few nanoseconds

2



Perennial themes



Soporific?



# SCIENCE, POETRY & RESIDENT MISSIONS

*"In science, one tries to tell people, in such a way as to be understood by everyone, something that no one ever knew before. In poetry, it's the exact opposite."*

*Paul Dirac, quoted in Simon Singh, 2004: "Big Bang".*

*Resident missions provide the clarity of science to the often confusing jargon-laden world of development*

# CONTEXT: THE BIG PICTURE

- ADB in a dramatically transforming region
- Responding to change – the Eminent Persons Group Report: *Toward a New Asian Development Bank in a New Asia* (March 2007)

*How do resident missions fit into this?*

# CONTEXT: THE PARIS DECLARATION ON AID EFFECTIVENESS (2005)

- Country **ownership**
- Development partner **alignment** with national priorities
- **Harmonization** among partners and with country systems to reduce transaction costs
- **Managing for results** – outcomes vs inputs & outputs
- **Joint accountability** for results

*Philippines is very effectively customizing this global agenda for its national circumstances*



# RESPONDING TO CLIENT NEEDS

- Staying relevant and responsive – changes in policies, procedures, products, organization set-up, people
- With the objective of enhancing development effectiveness
- In part, this has resulted in a shift to decentralized operations to facilitate greater country focus

*To remain relevant for middle income countries like the Philippines, ADB must be nimble*



# ADB: DECENTRALIZING OPERATIONS

- 67 members
- 48 regional members; 19 non-regional
- 42 active borrowers
- 22 missions in borrowing countries
- 3 regional offices – Europe, Japan, North America
- Pacific liaison & coordination office – Sydney
- About 17% (340+) staff are outside HQ

*Philippines Country Office – the primary portal to ADB's Philippine operations*



# ADB'S RESIDENT MISSIONS HAVE RESPONSIBILITIES FOR ...

- Strategy preparation
- Project pipeline identification
- Economic analysis and reporting
- Policy dialogue
- Project administration
- Portfolio management
- Development partner coordination
- Media engagement

*... just about everything*



# EXPERTISE IN RESIDENT MISSIONS

- Country director
- Economist
- Program coordination specialist
- Portfolio management specialist
- Sector specialist
- Project implementation specialist
- Thematic specialist
- Media specialist

*... and if we don't have it, we know  
where to get it*



# ADB-PHILIPPINES PARTNERSHIP: defining characteristics

- **Host— unique** among ADB's 67 members
- **Shareholder— significant**: 2.2% of voting power; 11<sup>th</sup> largest of 67 members, 4<sup>th</sup> largest of 42 active borrowers (after IND, PRC, INO)
- **Client— active**: 5<sup>th</sup> largest net loans (after cancellations); 5<sup>th</sup> largest cumulative disbursements; largest client for private sector operations
- **Supplier— competitive**: 9<sup>th</sup> in winning loan contracts; 6<sup>th</sup> for TA contracts

*A similar profile can be prepared  
for each DMC*



# ADB's OWNERS: voting shares

Japan & USA	12.8% each
PRC	5.4%
India	5.4%
Australia	4.9%
Indonesia	4.6%
<b>Canada</b>	<b>4.5%</b>
Rep of Korea	4.3%
Germany	3.8%
Malaysia	2.5%
<b>Philippines</b>	<b>2.2%</b>
France	2.2%
Others (53)	34.6%

Regional (48)	65%
Non-regional (19)	35%

Active Borrower (42) a/	39%
Non-borrower + non-active borrowers (26)	61%

a/ Regional minus Australia; Japan; Hong Kong, China; New Zealand; Republic of Korea; Singapore; Taipei, China

**PHI: 11<sup>th</sup> largest; 4<sup>th</sup> largest  
of active borrowers**

Source: [www.adb.org](http://www.adb.org)

**ADB**

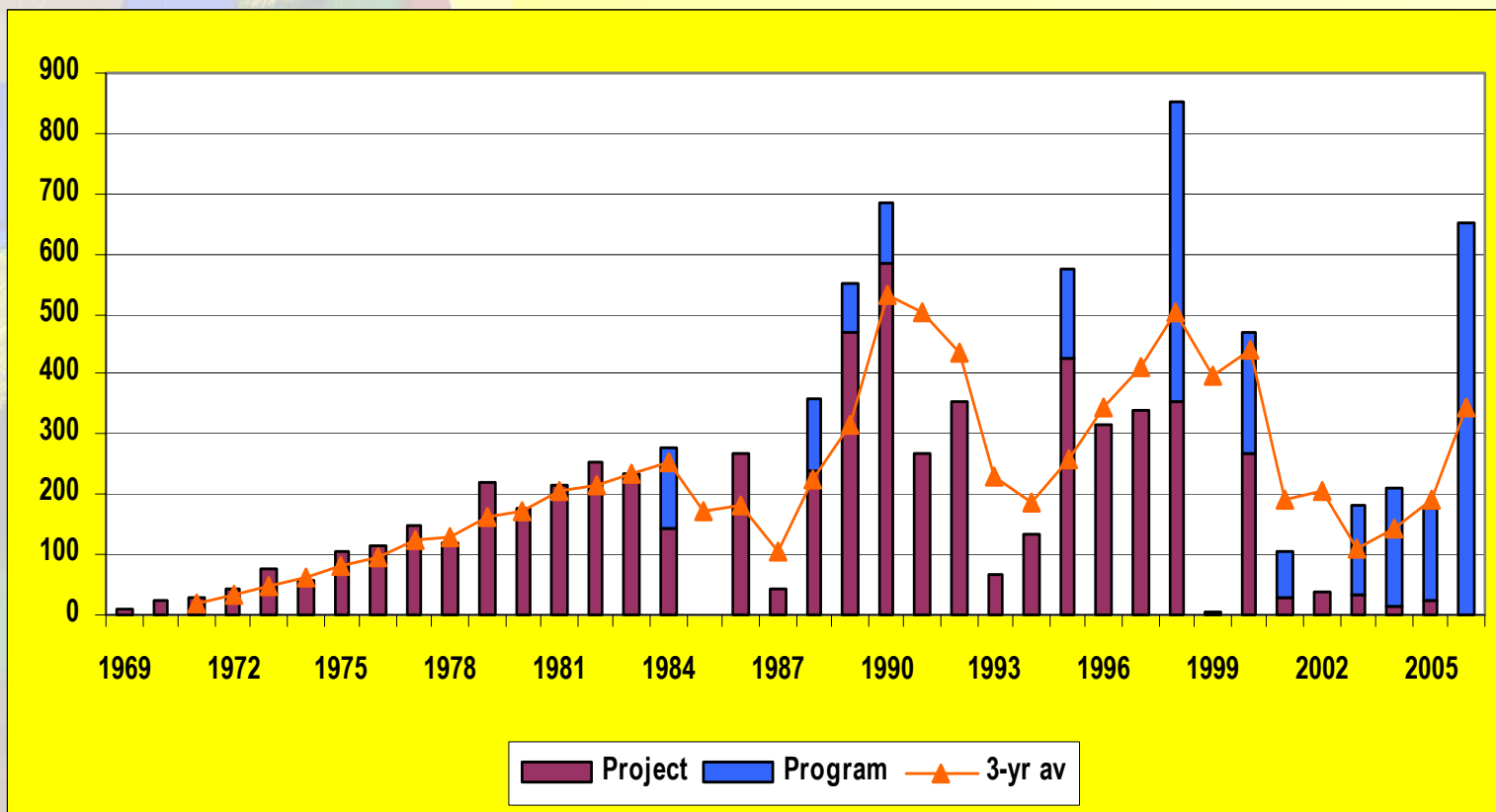
# PHI – A MAJOR CLIENT: 10 LARGEST CLIENTS - LOANS

**\$ million; 1967-2006; public & private sector**

Cum Approved	Loans(\$123bn)	Disbursements	(\$84bn)
INO	21513(17%)	INO	16138
PRC	17947 (15%)	PAK	11321
PAK	16571 (13%)	PRC	10908
IND	16448 (13%)	IND	8856
<b>PHI</b>	<b>9249 (8%)</b>	<b>PHI</b>	<b>7116 (8%)</b>
BAN	8300 (7%)	BAN	5894
ROK	6338 (5%)	ROK	5560
THA	5388 (4%)	THA	4204
VIE	4040(3%)	SRI	2754
SRI	3763 (3%)	VIE	2139

# PHI: ANNUAL LENDING COMMITMENTS

## \$million

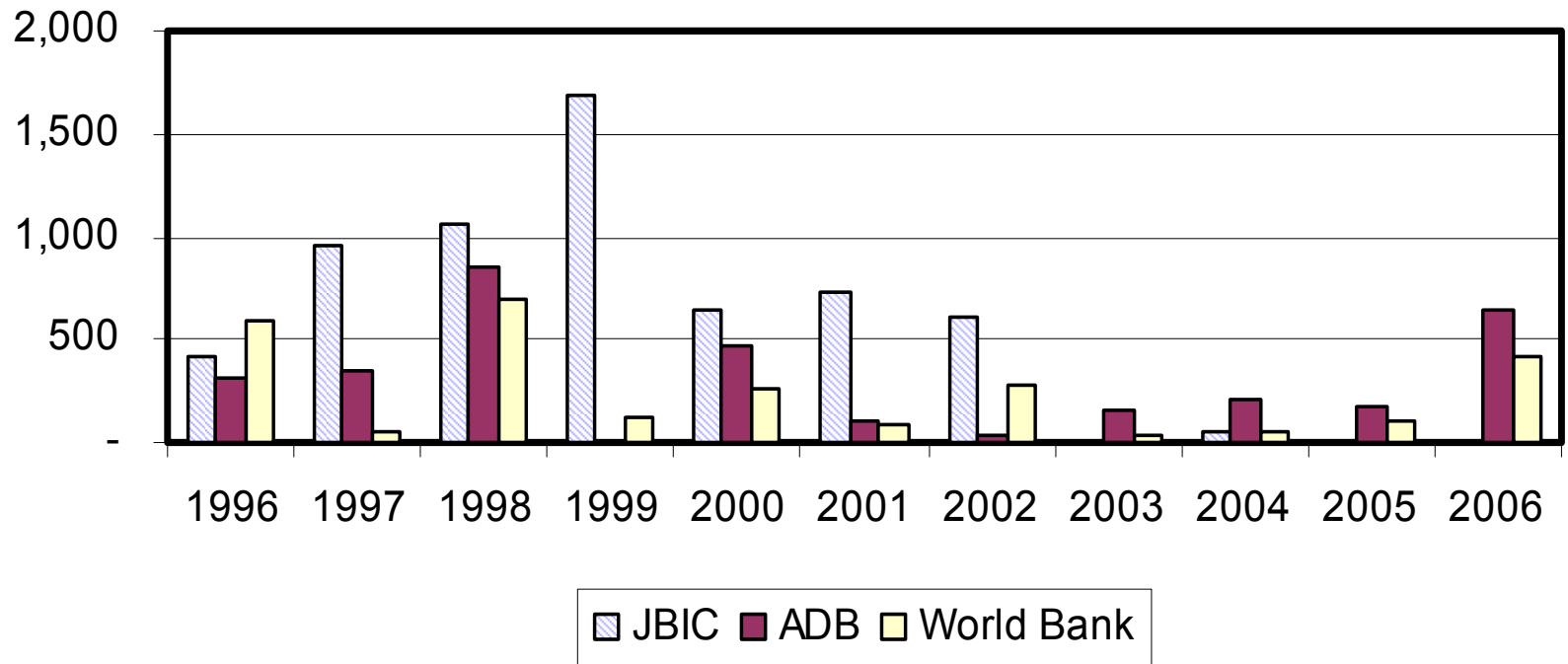


Program lending. Since 1998, 72% of new lending has been for program loans. Under the Country Strategy and Program 2005-2007, ADB agreed with Government it would be appropriate to continue to provide a high proportion of policy-based loans, reflecting: (i) limited absorptive capacity (lack of budget cover) for investment projects as Philippines implemented its fiscal consolidation program; and (ii) the need to supports priority reforms and strengthen the policy environment to improve the climate for sustainable investment projects. Thus, in 2005 and 2006, 86% and 100% of new lending commitments were program loans.



# ADB, JBIC & WORLD BANK

LENDING: JBIC, ADB, WORLD BANK (\$m)



*The ODA landscape in the Philippines*



# PHI: a major client for TA

## Ten largest TA clients 1967-2006

Member	\$'000	%
PRC	270,440	8.9
INO	247,449	8.2
BAN	170,948	5.7
PAK	159,816	5.3
<b>PHI</b>	<b>146,204</b>	<b>4.8</b>
IND	144,410	4.8
VIE	138,274	4.6
NEP	120,374	4.0
LAO	108,842	3.6
SRI	93,898	3.1

Source: ADB *Annual Report*

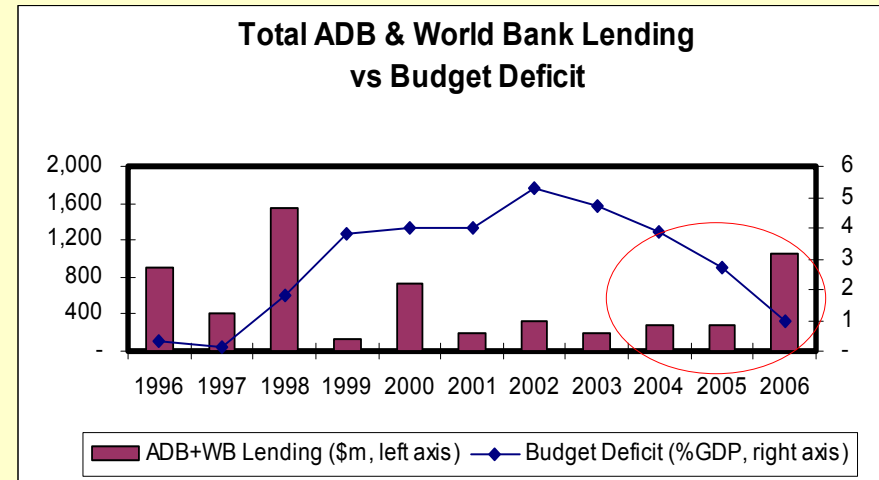
# PHI: COMPETITIVE SUPPLIER

## 10 largest suppliers, 1967-2006

Project Loan Contracts (\$62bn)		TA contracts (\$2416m)	
PRC	\$9912m; 15.5%	USA	\$471m; 19.5%
IND	\$7694m; 12.1%	UKG	\$348m; 14.4%
INO	\$6640m; 10.4%	AUS	\$297; 12.3%
JAP	\$5482m; 8.6%	<b>CAN</b>	<b>\$189m; 7.8%</b>
ROK	\$3559m; 5.6%	NZL	\$137m; 5.7%
PAK	\$3410m; 5.3%	<b>PHI</b>	<b>\$130m; 5.4%</b>
USA	\$2679m; 4.2%	IND	\$75m; 3.1%
BAN	\$2635m; 4.1%	NED	\$69; 2.8%
<b>PHI</b>	<b>\$2295m; 3.6%</b>	GER	\$67m; 2.8%
GER	\$2225m; 3.5%	JAP	\$64m; 2.6%

# 2005-2007 Lending Levels – Public Sector

*“ The ADB Executive Board has endorsed a new 3-year strategy for operations in the Philippines under which **new lending could range from zero to as much as \$1.5 billion**, depending on the pace of fiscal consolidation and key sector reforms.”* ADB New Release, 13 July 2005 ([www.adb.org/media](http://www.adb.org/media))



*Performance based lending*



# AREAS OF SUPPORT

- Public sector finance
- Decentralization
- Governance
- Judicial reform
- Finance
- Infrastructure – power, transport, water
- Urban development
- Rural development & agrarian reform
- Social sectors

# **ADB-PHILIPPINES PARTNERSHIP: more than public sector lending**

- Technical assistance
- Private sector operations
- Knowledge products
- Sub-regional economic cooperation

*ADB effectively bundles knowledge and experience with its financing*

# **ADB-PHILIPPINES PARTNERSHIP: OUR VISION**

*As a long term development partner, living and working in Manila, ADB understands the challenges and shares the aspiration of achieving*  
***a Philippines free of poverty.***

*We are committed to*  
***working with all Filipinos***  
*to move more rapidly to this goal.*





**Thank you**

[www.adb.org/phco](http://www.adb.org/phco)

To register for our e-newsletter, and  
other information on the ADB-  
Philippines partnership

[tcrouch@adb.org](mailto:tcrouch@adb.org)