

# OPERATIONAL AND FINANCIAL OVERVIEW, 2002

## Loan approvals

- Lending for both public and private sector operations totaled \$5,676 million for 89 loans in 71 projects.
- Lending to the public sector amounted to \$5,531 million for 67 projects, comprising \$3,898 million from ordinary capital resources and \$1,633 million from the Asian Development Fund.
- Of the total public sector loan approvals, 15 were policy-based programs totaling \$1,685 million, representing 31% of total lending. This includes program components of sector development programs.
- Of the total program lending, \$1,300 million or 77% will be funded from the ordinary capital resources and \$385 million or 23% from the Asian Development Fund.
- Twenty-one developing member countries and three regional projects received ADB loans.
- India received the largest amount (\$1,184 million or 21% of total lending), followed by Pakistan, People's Republic of China, Indonesia, and Viet Nam.
- Operations in Afghanistan were resumed for the first time after 23 years.
- The transport and communications sector received the highest share of loans with \$1,613 million or 28% of the total lending.
- The "Others" sector received 14% of total lending. This includes projects not falling under ADB's economic sector classification, such as central government administration, operation and regulation, customs operations, public sector reform programs, judicial and legislative operations, public finance management, fiscal reforms, environment projects, gender, governance, and tourism.
- The average loan size was \$64 million.

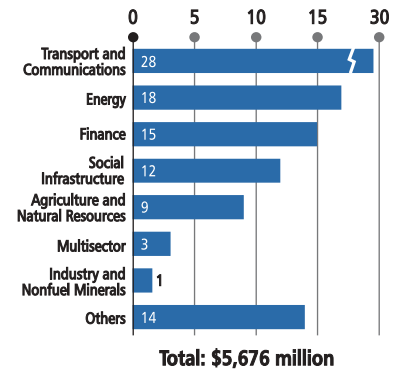
## Thematic classification

- The project mix of the 67 public sector loan projects and programs, based on a thematic classification, consisted of 18 projects (27%) supporting economic growth; 6 projects (9%) supporting human development; 3 projects (4%) supporting environmental protection; 2 projects (3%) supporting good governance; 1 project (2%) supporting gender and development as the main theme; and 37 projects (55%) classified as multithemes/others. Multithematic projects include a combination of two or more themes such as economic growth, environmental protection, good governance, private sector development, human development, regional cooperation, and gender and development.

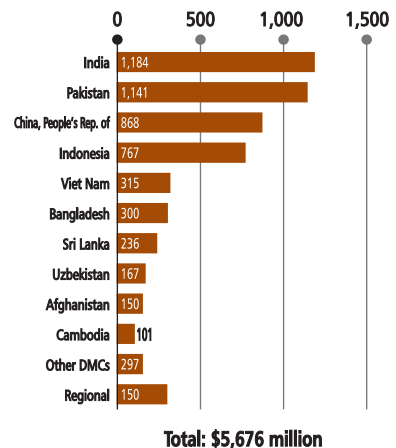
## Poverty reduction

- Of the 67 public sector loan projects and programs, 7 were categorized as core poverty intervention and 31 as poverty intervention projects. These projects amounted to \$2,327 million for 38 projects or 41% of the total lending.
- Sixteen projects totaling \$49.3 million were approved for grant financing provided by the Japan Fund for Poverty Reduction.
- A new thematic poverty-focused multidonor channel financing agreement was established with the first contribution made by the United Kingdom for an amount equivalent to \$60 million. ADB acts as administrator of the funds.

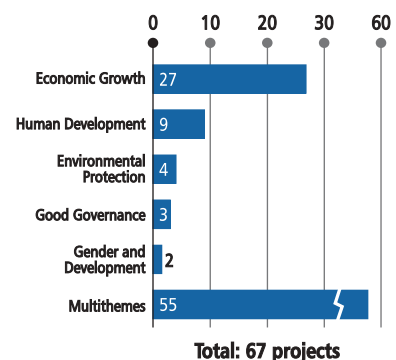
Loans by Sector, 2002  
(percent)



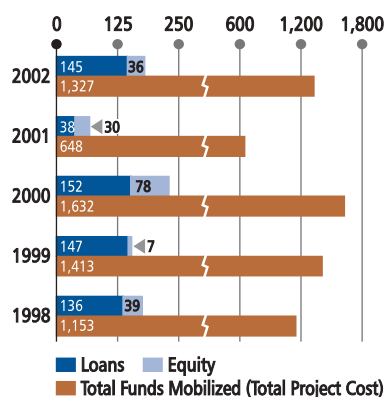
Borrowers, 2002  
(\$ million)



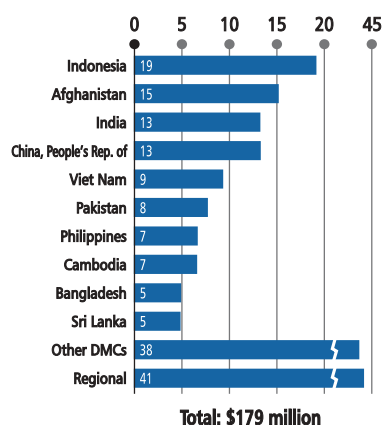
Public Sector Projects and Programs by Themes, 2002  
(percent)



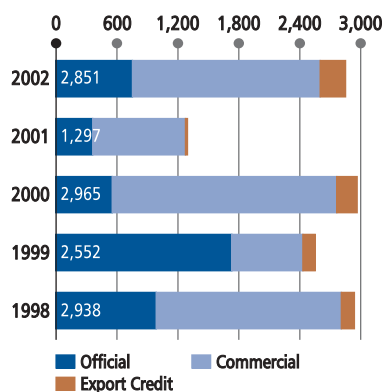
### Private Sector Loans, Equity Investments, and Total Funds Mobilized, 1998–2002 (\$ million)



### Recipients of Technical Assistance Grants, 2002 (\$ million)



### Cofinancing Arrangements, 1998–2002 (\$ million)



- Ten poverty partnership agreements were signed between ADB and Cambodia, Cook Islands, Maldives, Marshall Islands, Federated States of Micronesia, Pakistan, Sri Lanka, Tajikistan, Tonga, and Viet Nam.

### Private sector operations

- Lending to the private sector totaled \$145 million for four loans.
- Four equity investments in the private sector, totaling \$36 million, were approved.
- Two political risk guarantees for the private sector, totaling \$60 million, were approved.

### Technical assistance

- A total of 324 technical assistance grants amounting to \$179 million were approved.
- Of the total amount for technical assistance, \$56 million came from ordinary capital resources current income; \$46.7 million from the Technical Assistance Special Fund resources; \$36.4 million from the Japan Special Fund; \$9.6 million from the Asian Currency Crisis Support Facility; and the remaining \$30.3 million from other multilateral and bilateral sources.
- Of the technical assistance projects, 87 were for project preparation, 160 for advisory and operational purposes, and 77 for regional activities.
- The largest share of total project-specific technical assistance went to the social infrastructure sector (\$22.1 million or 16%), followed by multisector, finance, transport and communications, agriculture and natural resources, energy, and industry and nonfuel minerals.
- Indonesia received the largest share of country-specific technical assistance grants (\$19.1 million or 11% of total). Other top recipients were Afghanistan, India, and the People's Republic of China.

### Grants

- Fifteen ADB loan projects received grant cofinancing amounting to \$221.4 million from bilateral and multilateral sources.
- Eighteen projects were fully funded by grant financing: 16 from the Japan Fund for Poverty Reduction (\$49.3 million) and 2 were from the Japan Fund for Information and Communication Technology (\$0.7 million).

### Cofinancing and guarantee operations

- Cofinancing for loan projects mobilized from all sources amounted to about \$2,851 million for 38 public and private sector loan projects in 15 developing member countries—equivalent to about 50% of ADB's total lending for the year.
- Cofinancing arrangements made with commercial sources, including export credits, totaled \$2,097 million, and with official sources, \$754 million.
- Of the total commercial cofinancing, \$885 million was raised using ADB guarantees. Guarantee operations comprised a partial credit guarantee of \$500 million, and four political risk guarantees in three public and private sector projects with an aggregate total of \$385 million.
- Additional commercial cofinancing was raised in the form of export credits (\$249 million) and parallel cofinancing (\$963 million), mainly from domestic financial institutions in the People's Republic of China.

## Loan disbursements

- A total of \$4,202.1 million was disbursed. Of this, \$1,998.4 million or 48% was for project loans, followed by program, sector, and private sector loans.

## Financial resources

- Authorized capital stock amounted to \$47,288 million. Subscribed capital stood at \$47,234 million.
- Borrowings totaled \$6,145 million, including \$5,945 million in long-term funds through 77 structured private placement transactions and 3 public offerings.
- Gross income amounted to \$2,060.1 million, of which \$1,710.0 million was generated from the loan portfolio, \$330.4 million from the investment portfolio, and \$19.7 million from other sources.
- ADB's Special Funds consisted of the concessional Asian Development Fund with committed resources amounting to \$610.2 million; Technical Assistance Special Fund, \$8.7 million; Japan Special Fund, \$188.1 million; and ADB Institute Special Fund, \$9.8 million.

## Policies

- Policies on the environment, education, and liquidity were discussed and approved by the Board of Directors.

## Reorganization

- The new organizational structure went into effect on 1 January. The major features include stronger country focus, more stakeholder participation, enhanced quality control and safeguard compliance, greater emphasis on knowledge management and regional cooperation, and clearer accountability.

## Resident missions

- ADB approved the establishment of three new resident missions in Afghanistan, Papua New Guinea, and Tajikistan.
- The Bangladesh Resident Mission celebrated its 20<sup>th</sup> anniversary.
- The India Resident Mission moved to a new location in New Delhi in the first building constructed and owned by ADB outside its headquarters.

## Members

- Portugal and the Democratic Republic of Timor-Leste joined ADB, bringing total membership to 61.

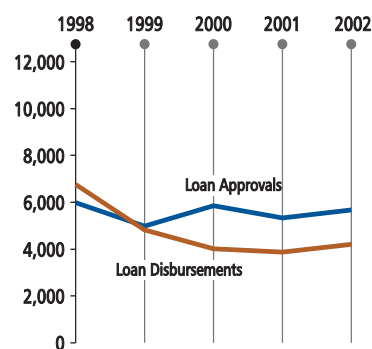
## Annual meeting

- The 35<sup>th</sup> Annual Meeting of Board of Governors was held in Shanghai from 10 to 12 May.

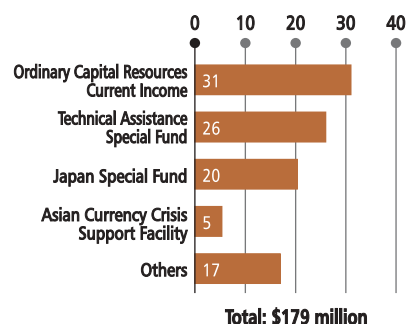
## Other highlights

- ADB was accredited as an Observer at the United Nations General Assembly.

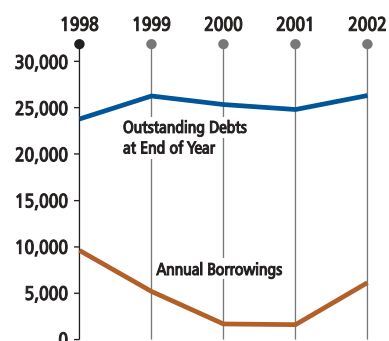
Loan Approvals and Disbursements, 1998–2002  
(\$ million)



Technical Assistance Grants by Source, 2002  
(percent)



Borrowings, 1998–2002  
(\$ million)



Net Income, 1998–2002  
(\$ million)

