



ASIAN DEVELOPMENT BANK

# ANNUAL REPORT 2021

TOWARD A GREEN AND  
INCLUSIVE RECOVERY

ADB

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ASIAN DEVELOPMENT BANK

# ANNUAL REPORT 2021

TOWARD A GREEN AND  
INCLUSIVE RECOVERY



# President's Message

“Our sustained COVID-19 response has laid the foundations for an inclusive, resilient, and green recovery, ensuring progress toward our Strategy 2030 objectives.”



I am pleased to share with you the 2021 Asian Development Bank (ADB) Annual Report, a detailed account of our operations and financial results for the year. The report summarizes how ADB's finance, knowledge, and partnerships continued to play a vital role in helping our developing member countries (DMCs) navigate the coronavirus disease

(COVID-19) pandemic in 2021 and rebuild for a green and inclusive recovery.

It was another challenging year for the Asia and Pacific region. New waves of COVID-19—with many more lives lost—forestalled hopes of a full economic recovery and a rapid return to a more normal way of life. Pandemic-induced setbacks to poverty reduction, gender equality, and education continue to be of grave concern. However, there was also cause for optimism as most economies in the region bounced back in varying degrees from the downturns of 2020 and our DMCs increasingly demonstrated both resilience and adaptability.

In 2021, ADB committed \$22.8 billion in loans, grants, equity investments, guarantees, and technical assistance to governments and the private sector. This was enabled by our second-largest borrowing program ever which raised \$35.8 billion through capital markets. We sold a record volume of thematic bonds, issuing education bonds and blue bonds for ocean health for the first time. Through our strong partnerships we mobilized an additional \$12.9 billion in cofinancing.

Of ADB's commitments, \$13.5 billion was for COVID-19 response, including \$4.1 billion to help DMCs procure and deliver safe and effective vaccines. We also provided substantial support to ease the budgetary constraints faced by governments, and invested heavily in education, public health, and social protection throughout the region.

Of the total \$4.3 billion in support to the private sector during 2021, \$3.3 billion was for COVID-19 response. These commitments are shoring up businesses under strain,

bolstering trade, and supporting the rollout of medical products and services needed to fight the pandemic.

ADB firmly believes that addressing the impacts of the pandemic and supporting long-term development are not mutually exclusive. Our sustained COVID-19 response has laid the foundations for an inclusive, resilient, and green recovery, ensuring progress toward our Strategy 2030 objectives. For example, our \$5.9 billion in health sector investments during the year are creating systems that will better cope with future crises and move countries closer to delivering universal health coverage.

The debt burdens incurred by DMCs to fight the pandemic demonstrate how quickly governments can exhaust vital resources set aside to finance development programs and sustainable growth. As such, we increased our support for domestic resource mobilization through country-specific initiatives and by launching the Asia Pacific Tax Hub as a vehicle to support tax and related reform efforts region-wide.

The pandemic's impacts have also emphasized the importance of regional cooperation and integration for addressing shared development challenges. In 2021, we financed projects to maintain trade flows and keep borders open. We also strengthened regional cooperation and integration in relatively new areas such as regional health security, gender and social protection, sustainable tourism, and ocean health.

ADB continued to focus on the battle against climate change in 2021, announcing a series of new and innovative financing initiatives—including an Energy Transition Mechanism—to spur the region's low-carbon development and elevated our 2030 cumulative climate financing ambition to \$100 billion. A new ADB Energy Policy will also support the region's clean energy transition and improve access to affordable energy.

Action on gender equality is an ongoing priority for ADB, and I am delighted to report that in 2021, for the first time, 100% of our committed projects included elements that should directly improve the lives of women and girls.

ADB has been and will continue to be responsive to the different and changing needs of our DMCs. A new operational approach for small island developing states and those in fragile and conflict-affected situations will ensure a more tailored approach to our most vulnerable members. Meanwhile, a new



➔ President Asakawa in his office at ADB headquarters in 2021. The vast majority of ADB staff worked remotely for a second consecutive year due to the coronavirus pandemic.

Knowledge Management Action Plan will guide and improve the knowledge solutions we provide to meet the new and cross-sectoral challenges our DMCs increasingly face.

Internally, an organizational review—launched in June 2021—will complement other ongoing internal reforms to ensure that ADB has the right skills, culture, structure, and tools to support our mission in Asia and the Pacific amid a rapidly changing development landscape.

The Board of Directors has been invaluable in their guidance and strong support for these and other initiatives. ADB staff worked diligently to deliver a comprehensive program of support through a second year of working from home. I thank them for their ongoing dedication.

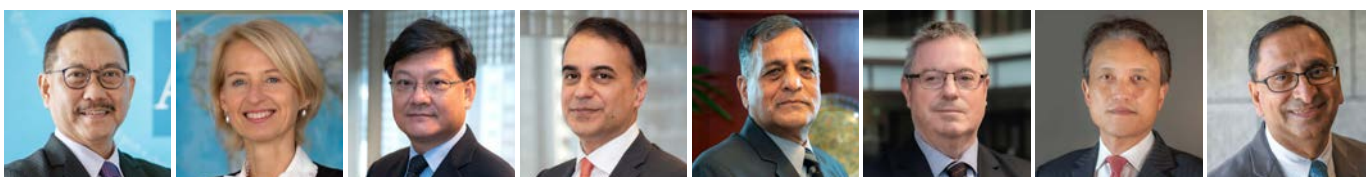
I am also grateful to our donors and our bilateral and multilateral development partners for their ongoing contributions to ADB's work in the region.

We have started to see the shoots of a green recovery, but the long-term effects of the pandemic, climate change, and the outbreak of conflicts still threaten lives and prosperity. ADB will continue to work closely with our members and development partners through the challenges ahead, so that we can achieve a better future for all in Asia and the Pacific.

**MASATSUGU ASAKAWA**

President and Chairperson  
of the Board of Directors

#### MANAGEMENT TEAM



Left to right: Vice-Presidents Bambang Susantono, Ingrid van Wees (term ended on 9 December 2021), Shixin Chen, Ahmed M. Saeed, Ashok Lavasa, Bruce Gosper; Managing Director General Woonchong Um; The Secretary Muhammad Ehsan Khan.

# Board of Directors

The Board of Directors is responsible for the direction of the general operations of ADB. The bank's 68 members are represented on the Board through 12 constituencies, each with a director and an alternate director.

The Board held 53 formal meetings, 87 informal sessions, and 43 committee meetings in 2021. It approved 113 loans, grants, financing facilities, equity investments, and guarantees. It also, among other things, approved both a revised disaster and emergency assistance policy and a revised emergency assistance loan policy, as well as the 2022 ADB budget. With ADB headquarters continuing to operate under extended work-from-home arrangements, Board-related meetings were conducted virtually for a second year.

## MAJOR INITIATIVES

The Board continued to focus on ADB's response to the coronavirus disease (COVID-19) pandemic in 2021. Through the COVID-19 Vaccines for Recovery Project, under the Asia Pacific Vaccine Access Facility (APVAX), the Board approved 13 projects to procure and deliver safe, high-quality COVID-19 vaccines and reinforce vaccination monitoring systems, vaccine transport, and related medical waste management. It also monitored market developments closely and responded flexibly to changes in context where needed, including through a variation to the APVAX policy that broadened the criteria for vaccine eligibility while maintaining efficacy and safety standards.

The Board approved the Review of ADB's Comprehensive Response to the COVID-19 Pandemic Policy, which recommended actions that will enhance the bank's ability to quickly and effectively provide its developing member countries (DMCs) with tailored solutions during health emergencies. These included extending most special policy variations until the end of 2021 to enable key features of ADB's response package to be incorporated into the bank's regular sovereign and nonsovereign instruments in 2022.

The Board engaged in organizational reforms designed to strengthen ADB's ability to meet DMC demand for knowledge solutions, including the Knowledge Management Action Plan 2021–2025 and a review of ADB's technical assistance operations. In October, the Board approved a strategic framework to rebalance ADB's workforce over the period 2022–2027, which will increase the number of staff providing support directly to DMCs, instead of through consultants.

The Board approved the 2021 Energy Policy to help DMCs accelerate the development of sustainable and resilient power systems that provide reliable and affordable access

to energy for all, foster inclusive economic growth and social development, and support the region's low-carbon transition. The policy responds to current development and climate imperatives while aligning energy sector operations with ADB's Strategy 2030 and global commitments such as the Sustainable Development Goals and the Paris Agreement.

The Board also endorsed new country partnership strategies for Bangladesh, the People's Republic of China, Mongolia, Pakistan, Tajikistan, and Thailand, as well as a new regional country partnership strategy for 12 small Pacific island countries.

At the 54th Annual Meeting in 2021, the Board submitted its first report to the ADB Board of Governors on Gender Diversity at the ADB Board of Directors. The report includes recommendations for raising awareness on gender diversity on the Board, developing the Board's evolving gender diversity strategy, and promoting the strategy to ADB members. The Board Working Group on Gender Diversity focused in 2021 on strengthening analysis and understanding of gender diversity at the ADB Board of Directors and increasing engagement with relevant stakeholders, including peer institutions.

## PARTNERSHIPS AND DIALOGUE

The Board held its first virtual Board Group Visit to Timor-Leste. Board members met via a digital platform with the Prime Minister of Timor-Leste His Excellency Taur Matan Ruak, Finance Minister and ADB Governor Honorable Rui Augusto Gomes, Finance Vice-Minister and ADB Alternate Governor Sara Lobo Brites, other ministers and government officials, development partners, and private sector representatives. The discussions during the 3-day event strengthened the Board's understanding of ADB's partnership with Timor-Leste and the country's development needs, ahead of a new country partnership strategy to be developed in 2022. The visit also reinforced the bank's long-term commitment to Timor-Leste in addressing poverty, supporting institutional capacity building for public financial management, and ensuring fiscal sustainability.

The annual Board and Management Retreat was held virtually for the second year. The retreat is a forum for strategic dialogue to set the direction of ADB's operations. Discussions focused on initiatives to enhance the bank's support to DMCs amid ongoing pandemic challenges. These included ways to ensure ADB continues to be agile in responding to specific country situations and that the bank's current financial instruments remain fit for purpose. Discussions also focused on measures to improve ADB's knowledge solutions to better service the complex and dynamic needs of DMCs.



## DIRECTORS



**ADB Board of Directors as of 31 December 2021** (Left to right, from top to bottom): Kris Panday, Anthony McDonald, Roger Fischer, Takahiro Yasui, Sergio Lugaresi, Sameer Kumar Khare, Weihua Liu, Kisun Bang, Arif Baharudin, Noor Ahmed, Wan Farisan bin Wan Sulaiman.

## ALTERNATE DIRECTORS



**Alternate Directors** (Left to right, from top to bottom): Ernesto Braam, David Cavanaugh, Philip Rose, Kenzo Ohe, Alberto Cerdán, Md. Azizul Alam, Xia Lyu, Yu-Peng (James) Tseng, Karen Murray, Paul Dominguez, San Thida, John Hurley.

## COMMITTEE HIGHLIGHTS

Directors serve on committees to oversee and guide ADB's operations.

The **Audit and Risk Committee** promoted best practices in good governance by updating its terms of reference, which were subsequently approved by the Board. To clarify areas of responsibility, the committee's name was updated from "Audit" to "Audit and Risk." The committee held discussions on ADB's cybersecurity and digital agenda, business continuity and organizational resilience, risk management, and approval of the 2020 financial statements. The Chair and Secretariat implemented initiatives to increase efficiency and effectiveness for meetings, data sharing, and communications.

The **Budget Review Committee** discussed ADB's 2022 budget preparation, work program and budget framework for 2022–2024, budget utilization in 2021, and budget management in response to uncertainties under pandemic conditions. It also discussed the bank's workforce analysis and 2022 salary and benefit proposals with the Human Resources, and Audit and Risk committees, and with the ADB Management committee on information technology and data.

The **Compliance Review Committee** assessed actions to address complaints from stakeholders through ADB's Accountability Mechanism. The committee assessed an eligibility report on a complaint in Georgia and recommended that the Board authorize a compliance review. It also evaluated the Office of the Compliance Review Panel's findings on the pandemic's effect on the Accountability Mechanism.

The **Development Effectiveness Committee** assessed major evaluations of ADB's climate change work as well as its response

to the COVID-19 pandemic. It discussed program evaluations for Bangladesh and for the Greater Mekong Subregion Program, 2012–2020, and reviewed ADB's performance reports and approved the Independent Evaluation Department's rolling program for 2022–2024. The committee led the search and selection process for the Director General of the Independent Evaluation Department, a mandate carried out every 5 years.

The **Human Resources Committee** discussed 2022 salary and benefits proposals and workforce analysis, and the role of the Budget, People, and Management Systems Department in response to the pandemic. The committee reviewed initiatives for talent acquisition, staff learning and development, the bank's human resources framework, and diversity and inclusion. It also discussed the 2020 Ombudsperson Annual Report, the external review of the functions of the Office of the Ombudsperson, and Office of Professional Conduct activities.

### Good Governance: Harmonizing Board Committees' Rules of Procedure and Updating Terms of Reference

To promote good governance, the Board approved and adopted the Rules of Procedure for the Board Committees (ROP) and Revised Terms of Reference for Certain Committees in June. The adoption of the ROP successfully concluded the Board committee reform process that began in 2018 and harmonized policies and procedures for all committees. Board committees that updated their Terms of Reference included the Audit and Risk Committee, Budget Review Committee, Development Effectiveness Committee, Human Resources Committee, and Ethics Committee.

## BY THE NUMBERS

\$22.8 B

TOTAL ADB OPERATIONS

\$12.9 B

COFINANCING, INCLUDING TRUST FUNDS<sup>c</sup>

## OPERATIONAL HIGHLIGHTS

ADB Commitments,<sup>a</sup> 2017–2021 (\$ million)

	2017	2018	2019	2020		2021	
Item	Total	Total	Total	Total	COVID-19 Response	Total	COVID-19 Response
<b>A. Loans, Grants, and Others</b>							
<b>By Source</b>							
Regular Ordinary Capital Resources	17,230	16,286	17,155	22,723	11,677	16,459	8,307
Loans	16,445	16,012	16,824	22,468	11,677	16,195	8,307
Equity Investments	287	274	155	255	–	265	–
Guarantees	498	–	175	–	–	–	–
Concessional Resources	2,457	5,290	4,488	5,449	1,861	2,993	2,124
Concessional Ordinary Capital Resources Loans	2,267	3,872	3,644	4,432	1,466	2,648	1,998
Asian Development Fund Grants	191	1,418	844	1,017	395	344	126
<b>Regular Ordinary Capital and Concessional Resources</b>	<b>19,687</b>	<b>21,576</b>	<b>21,643</b>	<b>28,172</b>	<b>13,538</b>	<b>19,452</b>	<b>10,430</b>
<b>Trade and Supply Chain Finance Program and Microfinance Program<sup>b</sup></b>	<b>1,897</b>	<b>2,696</b>	<b>2,136<sup>c</sup></b>	<b>3,056<sup>c</sup></b>	<b>2,419</b>	<b>3,072<sup>d</sup></b>	<b>3,047</b>
Long term (maturity of 365 days or more)	98	61	102	151	125	221	221
Short term (maturity of less than 365 days)	1,800	2,634	2,034	2,904	2,294	2,851	2,826
<b>Regular Ordinary Capital and Concessional Resources with Trade and Supply Chain Finance Program<sup>b</sup> and Microfinance Program</b>	<b>21,585</b>	<b>24,271</b>	<b>23,779</b>	<b>31,228</b>	<b>15,957</b>	<b>22,524</b>	<b>13,478</b>
<b>Special Funds<sup>e</sup></b>	<b>2</b>	<b>6</b>	<b>–</b>	<b>60</b>	<b>55</b>	<b>5</b>	<b>3</b>
Grants	2	6	–	60	55	5	3
<b>Subtotal (A)</b>	<b>21,587</b>	<b>24,277</b>	<b>23,779</b>	<b>31,287</b>	<b>16,013</b>	<b>22,529</b>	<b>13,481</b>
<b>By Operations</b>							
<b>Sovereign</b>	<b>17,403</b>	<b>18,446</b>	<b>18,643</b>	<b>26,826</b>	<b>13,152</b>	<b>18,272</b>	<b>10,176</b>
Loans	16,712	17,022	17,799	25,749	12,701	17,922	10,047
Guarantees	498	–	–	–	–	–	–
Grants	193	1,423	844	1,077	450	349	129
<b>Nonsovereign</b>	<b>2,287</b>	<b>3,136</b>	<b>3,000</b>	<b>1,406</b>	<b>442</b>	<b>1,186</b>	<b>257</b>
Loans	2,000	2,862	2,670	1,151	442	921	257
Equity Investments	287	274	155	255	–	265	–
Guarantees	–	–	175	–	–	–	–
<b>Trade and Supply Chain Finance Program and Microfinance Program<sup>b</sup></b>	<b>1,897</b>	<b>2,696</b>	<b>2,136<sup>c</sup></b>	<b>3,056<sup>c</sup></b>	<b>2,419</b>	<b>3,072<sup>d</sup></b>	<b>3,047</b>
Long term (maturity of 365 days or more)	98	61	102	151	125	221	221
Short term (maturity of less than 365 days)	1,800	2,634	2,034	2,904	2,294	2,851	2,826
<b>Subtotal (A)</b>	<b>21,587</b>	<b>24,277</b>	<b>23,779</b>	<b>31,287</b>	<b>16,013</b>	<b>22,529</b>	<b>13,481</b>
<b>B. Technical Assistance</b>							
Sovereign	192	227	221	282	128	209	23
Nonsovereign	9	14	17	12	6	21	7
<b>Subtotal (B)</b>	<b>201</b>	<b>241</b>	<b>237</b>	<b>294</b>	<b>134</b>	<b>230</b>	<b>30</b>
<b>TOTAL ADB OPERATIONS (A + B)</b>	<b>21,788</b>	<b>24,518</b>	<b>24,017</b>	<b>31,581</b>	<b>16,146</b>	<b>22,759</b>	<b>13,511</b>
ADB Operations without Trade and Supply Chain Finance Program <sup>b</sup> and Microfinance Program	19,890	21,823	21,880	28,525	13,727	19,687	10,463
<b>C. Cofinancing including Trust Funds</b>							
<b>Sovereign</b>	<b>5,976</b>	<b>6,753</b>	<b>5,424</b>	<b>11,123</b>	<b>8,187</b>	<b>4,967</b>	<b>2,907</b>
Trust Funds Administered by ADB	86	216	181	288	18	116	46
Bilateral	3,460	2,113	3,714 <sup>f</sup>	4,554	3,319	2,051	1,360
Multilateral	2,120	3,304	1,380	6,281	4,850	2,680	1,501
Others <sup>g</sup>	310	1,120	149	0	0	120	–
<b>Nonsovereign<sup>h</sup></b>	<b>2,882</b>	<b>3,161</b>	<b>3,283</b>	<b>1,937</b>	<b>158</b>	<b>1,753</b>	<b>209</b>
<b>Trade and Supply Chain Finance Program and Microfinance Program<sup>b</sup></b>	<b>3,039</b>	<b>3,992</b>	<b>3,693</b>	<b>3,272</b>	<b>2,496</b>	<b>5,790</b>	<b>5,765</b>
Long term (maturity of 365 days or more)	136	134	128	171	157	218	218
Short term (maturity of less than 365 days)	2,903	3,857	3,565 <sup>i</sup>	3,101	2,339	5,572	5,547
<b>Transaction Advisory Service</b>	<b>–</b>	<b>405</b>	<b>113</b>	<b>76</b>	<b>–</b>	<b>423</b>	<b>–</b>
<b>TOTAL COFINANCING</b>	<b>11,896</b>	<b>14,310</b>	<b>12,512</b>	<b>16,409</b>	<b>10,841</b>	<b>12,933</b>	<b>8,881</b>

– = nil, 0 = less than \$500,000, ADB = Asian Development Bank, COVID-19 = coronavirus disease.

Notes:

1. Beginning in 2020, commitments from ADB's internal resources include private sector programs (the Trade and Supply Chain Finance Program and Microfinance Program). Inclusion of ADB's exposure (or committed redeployed capital) under private sector programs fully reflects the total financing committed, while at the same time, ADB reports on cofinancing mobilized by these programs. Commitments under private sector programs will distinguish long-term and short-term financing.

2. Numbers may not sum precisely because of rounding.

<sup>a</sup> Commitment is the financing approved by the ADB Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB. It is the amount indicated in the investment agreement that may or may not be equal to the approved amount, depending on the exchange rate at the time of signing. In the case of official and commercial cofinancing not administered by ADB for which the signed amount is not readily available, the approved amount is used.

<sup>b</sup> In August 2020, ADB's Trade Finance Program and Supply Chain Finance Program merged their operations.

<sup>c</sup> The 2019 and 2020 adjusted figures exclude \$150,000 and \$13 million under nonsovereign ADB financing, respectively, to reduce the trade finance component of the Trade and Supply Chain Finance Program amounts as finalized by the Private Sector Operations Department.

<sup>d</sup> The trade finance component of the Trade and Supply Chain Finance Program represents 86% of this figure and supported 6,790 transactions during the reporting period, with an average maturity of 162 days.

<sup>e</sup> Comprises funds other than the Asian Development Fund, such as the Asia Pacific Disaster Response Fund and the Climate Change Fund.

<sup>f</sup> This figure includes \$6 million under sovereign cofinancing commitments for one project.

<sup>g</sup> "Others" includes concessional cofinancing for sovereign operations from public and private entities (including state-owned commercial banks, foundations, corporate social responsibility programs, and civil society organizations) other than official development assistance sources.

<sup>h</sup> Nonsovereign cofinancing includes commercial cofinancing such as B loans and parallel loans, among others. B loans are cofinancing arrangements involving the coordinated process of pooling funds from various sources for a single borrower or grant recipient and/or distributing related risks among such other financiers. The 2019 adjusted figure includes \$65 million under nonsovereign cofinancing for two projects.

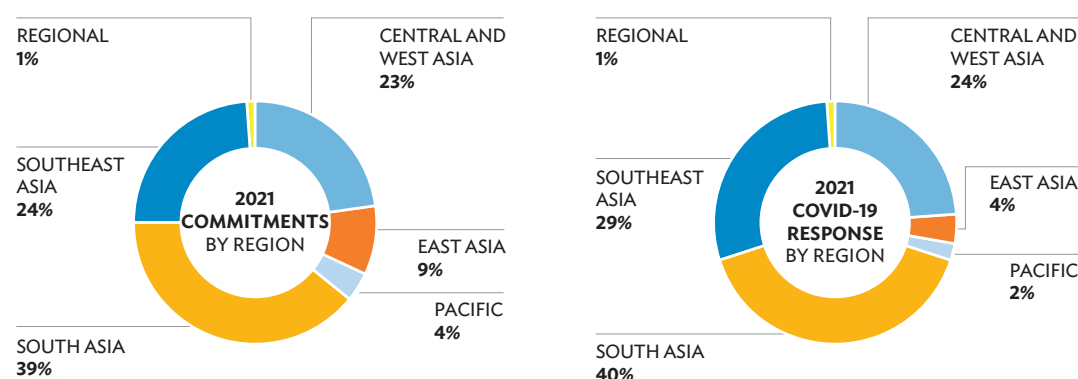
<sup>i</sup> This figure includes \$150,000 under nonsovereign cofinancing commitments to increase the trade finance component of the Trade and Supply Chain Finance Program amount as finalized by the Private Sector Operations Department.



### ADB Commitments by Region, 2017–2021 (\$ million)

Region	2017	2018	2019	2020		2021	
	Total	Total	Total	Total	COVID-19 Response	Total	COVID-19 Response
Central and West Asia	6,067	5,700	6,111	6,565	3,964	5,193	3,276
East Asia	2,810	3,162	2,663	2,893	385	2,034	478
Pacific	740	369	461	1,150	671	853	317
South Asia	7,238	7,621	7,307	9,034	3,983	8,819	5,409
Southeast Asia	4,668	7,143	7,181	11,628	7,039	5,579	3,944
Regional	265	523	294	310	105	282	85
<b>TOTAL</b>	<b>21,788</b>	<b>24,518</b>	<b>24,017</b>	<b>31,581</b>	<b>16,146</b>	<b>22,759</b>	<b>13,511</b>

Note: Numbers may not sum precisely because of rounding.

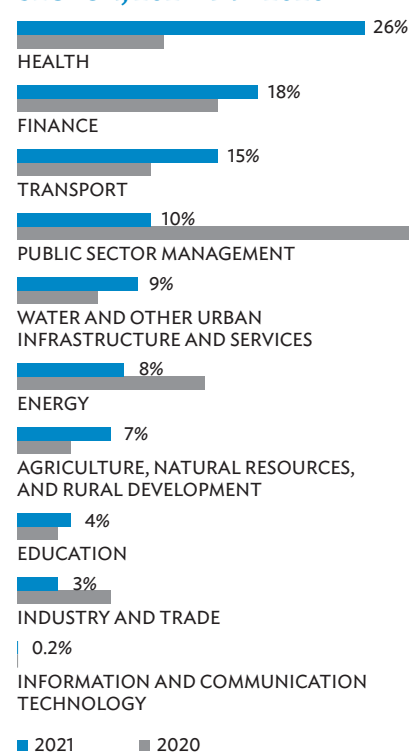


### ADB Commitments by Sector, 2017–2021 (\$ million)

Sector	2017	2018	2019	2020	2021
Agriculture, Natural Resources, and Rural Development	1,546	2,375	2,309	1,281	1,490
Education	723	1,643	1,138	1,066	975
Energy	6,230	5,095	2,660	4,292	1,837
Finance	3,787	3,430	3,325	4,601	4,116
Health	219	524	644	3,512	5,882
Industry and Trade	1,261	1,899	1,592	2,215	716
Information and Communication Technology	73	62	579	32	55
Multisector	4	5	3	12	10
Public Sector Management	1,293	2,307	2,985	9,561	2,294
Transport	5,058	4,957	7,536	3,147	3,396
Water and Other Urban Infrastructure and Services	1,594	2,220	1,245	1,862	1,989
<b>TOTAL</b>	<b>21,788</b>	<b>24,518</b>	<b>24,017</b>	<b>31,581</b>	<b>22,759</b>

Note: Numbers may not sum precisely because of rounding.

### ADB COMMITMENTS BY SECTOR, 2021 AND 2020



## DISBURSEMENTS FOR LOANS, GRANTS, DEBT SECURITIES, AND EQUITY INVESTMENTS, 2017–2021

(\$ million)

2017	11,443
2018	14,186
2019	16,470
2020	23,585
2021	18,220

## Portfolio, 2017–2021 (\$ million)

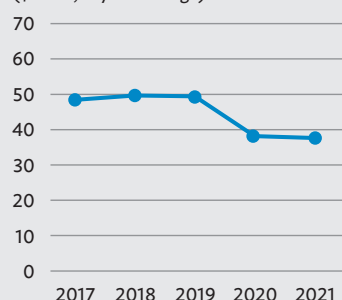
Item	2017	2018	2019	2020 <sup>a</sup>	2021
<b>A. Ongoing Projects<sup>b</sup></b>					
<b>By Source</b>					
Regular Ordinary Capital Resources					
Loans	61,442	67,731	68,289	80,161	82,860
Other Debt Securities	237	620	929	1,034	915
Guarantees	2,114	2,049	2,202	2,703	2,795
Equity Investments	1,538	1,699	1,975	1,799	1,940
Concessional Resources					
Loans	14,336	15,504	17,872	19,966	20,049
Grants	4,249	5,233	5,321	5,234	5,298
Other Special Funds					
Grants	10	7	4	56	42
<b>By Operations</b>					
Sovereign	73,084	80,428	82,808	96,616	99,850
Nonsovereign	10,842	12,414	13,785	14,337	14,050
<b>Total</b>	<b>83,926</b>	<b>92,843</b>	<b>96,592</b>	<b>110,953</b>	<b>113,900</b>
<b>B. Disbursements</b>					
<b>By Source</b>					
Regular Ordinary Capital Resources					
Loans	8,717	11,475	13,148	18,891	14,726
Equity Investments	242	143	135	86	141
Debt Securities	75	446	161	349	43
Concessional Resources					
Loans	1,926	1,645	2,513	3,382	2,918
Grants	481	476	511	824	380
Other Special Funds	2	2	3	53	12
<b>By Operations</b>					
Sovereign <sup>c</sup>	10,072	12,234	14,210	21,306	16,559
Nonsovereign	1,371	1,953	2,260	2,279	1,661
<b>Total</b>	<b>11,443</b>	<b>14,186</b>	<b>16,470</b>	<b>23,585</b>	<b>18,220</b>
<b>C. Net Resources Transfer to Developing Member Countries<sup>d</sup></b>					
	<b>3,608</b>	<b>4,622</b>	<b>5,670</b>	<b>12,058</b>	<b>7,924</b>

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> The 2020 figures differ from those in the 2020 Annual Report due to adjustments after year-end.<sup>b</sup> Sovereign portfolio consists of loans, grants, equity investments, and guarantees committed and not financially closed.<sup>c</sup> Nonsovereign portfolio consists of (i) committed loan, other debt security and equity (carrying or fair value) portfolio, which includes the outstanding balances plus undisbursed balances; and (ii) the committed guarantee portfolio, which includes the outstanding balances on executed guarantees plus non-executed commitments.<sup>d</sup> Includes the Asian Development Fund and Other Special Funds grants.<sup>e</sup> Net Resources Transfer includes loans, other debt securities, equity investments, the Asian Development Fund, and Other Special Funds grants. Net Resources Transfer to developing member countries refers to the net amount of disbursements in excess of payments of principal, interest, and other charges.

## INTERNAL ADMINISTRATIVE EXPENSES PER \$1 MILLION DISBURSEMENT

(\$ '000, 3-year average)



## INSTITUTIONAL HIGHLIGHTS

Item	2017	2018	2019	2020	2021
<b>A. Staff</b>					
<b>Staff<sup>a</sup> (number)</b>	<b>3,085</b>	<b>3,127</b>	<b>3,374</b>	<b>3,646</b>	<b>3,687</b>
International Staff and Board Staff	1,103	1,136	1,242	1,317	1,337
National and Administrative Staff	1,982	1,991	2,132	2,329	2,350
National Staff	762	790	876	990	1,030
Administrative Staff	1,220	1,201	1,256	1,339	1,320
<b>International Staff and Board Staff</b>	<b>1,103</b>	<b>1,136</b>	<b>1,242</b>	<b>1,317</b>	<b>1,337</b>
<b>Location<sup>a</sup> (number)</b>					
Resident Missions <sup>b</sup>	160	182	194	198	186
Headquarters	943	954	1,048	1,119	1,151
<b>International Staff and Board Staff</b>	<b>1,103</b>	<b>1,136</b>	<b>1,242</b>	<b>1,317</b>	<b>1,337</b>
<b>Gender<sup>a</sup> (number)</b>					
Male	728	736	791	820	830
Female	375	400	451	497	507
<b>B. Internal Administrative Budget (\$ '000)</b>					
	<b>646,988</b>	<b>672,264</b>	<b>690,488</b>	<b>726,718</b>	<b>771,188</b>

<sup>a</sup> "Staff" refers to all international staff, board staff (i.e., Director's Advisors), national staff, and administrative staff. The figures exclude Management, Board of Directors, and Seconded staff.<sup>b</sup> Includes staff in outposted positions and in ADB's Philippines Country Office.

## ADB RESOURCES AND FINANCIAL DATA (\$ million)

Item	2017	2018	2019	2020	2021
<b>Ordinary Capital Resources</b>					
<b>Selected Balance Sheet Data</b>					
Total Assets	182,381	191,860	221,866	271,741	282,084
of which					
Loans Outstanding - Operations	101,008	106,405	114,389	129,788	137,163
Investments for Liquidity Purpose	36,478	35,215	39,312	41,963	43,287
Equity Investments - Operations	1,185	1,280	1,619	1,289	1,322
Derivative Assets	40,761	45,500	62,619	87,778	92,860
Total Liabilities	132,112	140,876	169,948	219,104	229,229
of which					
Outstanding Borrowings <sup>a</sup>	87,281	90,423	104,996	128,757	134,071
Derivative Liabilities	42,852	48,996	62,569	84,517	91,947
Total Equity <sup>b</sup>	50,269	50,984	51,918	52,637	52,855
of which					
Paid-in Capital	7,002	7,029	7,175	7,566	7,381
Reserves <sup>c</sup>	43,267	43,955	44,743	45,071	45,474
<b>Income Statement Data</b>					
Total Revenue	2,625	3,741	4,265	3,072	2,399
Total Expenses	(1,869)	(2,883)	(3,173)	(2,158)	(1,227)
of which					
Borrowings and Related Expenses	(1,247)	(2,159)	(2,530)	(1,351)	(460)
Administrative Expenses	(578)	(591)	(598)	(669)	(819)
Net Realized Gains	9	22	28	230	159
Net Unrealized Gains (Losses)	9	(130)	434	228	(601)
Net Income	774 <sup>d</sup>	750	1,554	1,372	730
Allocable Net Income <sup>e</sup>	690	841	1,069	1,132	1,161 <sup>f</sup>
Allocation to Ordinary Reserve	351	499	616	734	778
Allocation to ADF	259	259	259	292	292
Allocation to Other Special Funds	80	83	194	105	90
<b>Annual Borrowings<sup>g</sup></b>	<b>28,593</b>	<b>23,538</b>	<b>24,613</b>	<b>35,765</b>	<b>35,761</b>
of which					
Thematic Bonds	1,662	1,822	2,657	1,224	5,087
Local Currency Funding <sup>h</sup>	744	535	764	930	880
<b>Capital Utilization Ratio (%)<sup>i</sup></b>	<b>56.0</b>	<b>54.6</b>	<b>62.1</b>	<b>69.1</b>	<b>74.0</b>
<b>Available Resources of Asian Development Fund Resources<sup>j</sup></b>	<b>2,067</b>	<b>1,956</b>	<b>2,498</b>	<b>2,312</b>	<b>2,322</b>
<b>Special Fund Resources (Other than ADF) - Uncommitted Balances</b>					
Technical Assistance Special Fund	400	304	196	87	464
Japan Special Fund <sup>k</sup>	107	109	112	112	112
ADB Institute	12	16	19	24	26
Regional Cooperation and Integration Fund	14	10	5	25	12
Climate Change Fund	20	18	10	27	20
Asia Pacific Disaster Response Fund	26	21	21	47	56
Financial Sector Development Partnership Special Fund	5	4	5	3	3
<b>Total</b>	<b>584</b>	<b>482</b>	<b>368</b>	<b>325</b>	<b>694</b>

( ) = negative value, ADF = Asian Development Fund.

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Includes accrued interest and commission, unamortized premium, and/or discounts.

<sup>b</sup> As of 31 December 2021, authorized and subscribed capital amounted to \$148,903 million.

<sup>c</sup> Reserves include ordinary reserve, special reserve, loan loss reserve, surplus, net income after appropriation, nonnegotiable, noninterest-bearing demand obligations and receivables on account of subscribed capital, net notional amounts required to maintain the value of currency holdings, cumulative revaluation adjustment, and accumulated other comprehensive income or loss. Reserves include the one-time income from ADF asset transfer on 1 January 2017.

<sup>d</sup> The 2017 Net Income refers to net income after allocation of one-time income from ADF asset transfer to Ordinary Reserve.

<sup>e</sup> Allocable net income is defined as net income after appropriation of guarantee fees to special reserve and certain adjustments set aside in the cumulative revaluation adjustments account. This is the amount that ADB may, subject to approval by the Board of Governors, annually allocate to reserves and surplus, and transfers to Special Funds.

<sup>f</sup> The 2021 net income allocation is subject to the approval of the Board of Governors at the ADB Annual Meeting in 2022.

<sup>g</sup> Excludes short-term borrowings.

<sup>h</sup> Local Currency Funding includes bond, swaps, and repo.

<sup>i</sup> The capital utilization ratio is the ratio of total economic capital used (numerator) to equity (denominator). The new capital adequacy framework was applied in the capital utilization ratios from 2019 to 2021.

<sup>j</sup> Includes the total fund balance and nonnegotiable, noninterest-bearing demand obligations on account of contributions.

<sup>k</sup> The Japan Special Fund (JSF) resources include the Asian Currency Crisis Support Facility (ACCSF). In 2021, the ACCSF's account was closed after transferring ACCSF's residual balance to JSF.





# Toward a Green and Inclusive Recovery

➔ Staff doing maintenance work at a solar farm in Lombok, Indonesia.

Asia and the Pacific began recovering from the coronavirus disease (COVID-19) pandemic in 2021, even though the impacts of the crisis continued to be felt acutely. Growth in the region's developing economies rebounded from the downturn of 2020 by an estimated 7%. This was assisted in part by a sharp acceleration in vaccine rollouts in the second half of 2021, which resulted in approximately 55% of the population being fully vaccinated by the end of the year, up from only 3% midyear.

The strength of recovery, however, varied markedly among ADB's developing member countries (DMCs), with output in more than half of them remaining below pre-pandemic levels. The economies of tourism-dependent countries, particularly those in the Pacific, continued to be held back by restricted international travel, while several large DMCs in Southeast Asia (notably Indonesia, the Philippines, Thailand, and Viet Nam) were hampered by consecutive waves of COVID-19 infections. Meanwhile, the region's largest developing economies—the People's Republic of China (PRC) and India—recovered strongly, just as buoyant commodity prices and resurgent foreign trade supported recovery in some other DMCs, including several in Central and West Asia and South Asia.

The socioeconomic impacts of the pandemic continued in 2021, with the poor and other vulnerable groups being most severely affected. ADB estimates that the COVID-19 crisis

has set back progress in poverty reduction across Asia and the Pacific by at least 2 years. The pandemic also led to food demand and supply shocks that magnified food insecurity and issues related to malnutrition. Women—in particular, young women—were impacted more than men, suffering greater job losses and being burdened by increased unpaid work and confronted with rising gender-based violence. Migrant workers and their families also continued to struggle. Remittance flows recovered modestly in 2021, growing 2.5%, but they did not recover to pre-pandemic levels in three out of five of the region's developing economies.

Some pandemic responses have increased the risk of long-term socioeconomic scarring for the people of Asia and the Pacific. One example is the learning losses caused by enforced school closures, with students in developing Asia having lost, on average, 1.1 years of learning from the onset of the pandemic to the end of 2021. Moreover, the impacts have been disproportionately felt by children in the poorest 20% of households, who on average have lost 1.3 years of learning compared with slightly less than 1 year lost among children in the wealthiest 20% of households. The increasing prevalence of mental health problems during the pandemic, especially among children and young people, may also have long-term consequences.

## ADB'S SUPPORT FOR PANDEMIC RESPONSE AND RECOVERY

ADB continued to provide agile and tailored support to its DMCs in 2021, balancing the need to address short-term COVID-19 response with ensuring longer-term pandemic recovery.

Combining COVID-19 response with financing for broader operational priorities, ADB commitments from its own resources for lending, grants, guarantees, equity investments, and technical assistance amounted to \$22.8 billion in 2021. This is below the record level of financing in 2020, but in line with total commitments in the years prior to the pandemic.

In support of the region's [COVID-19 response](#) in 2021, ADB committed \$13.5 billion across five key pillars.

**Delivering safe and effective vaccines.** Under its \$9 billion Asia Pacific Vaccine Access Facility (APVAX), ADB committed a total of \$4.1 billion, making it the largest multilateral financier of vaccines in the region.

**Providing rapid-disbursing financing.** ADB committed a total of \$4.9 billion through rapid-disbursing operations, including policy-based lending (\$4.6 billion) and the COVID-19 Pandemic Response Option (\$250 million) in 2021. This addressed critical development financing gaps, supported government-led structural reforms to overcome ongoing challenges from the pandemic, and helped address challenges in debt sustainability.

**Supporting the private sector.** ADB's nonsovereign operations provided a total of \$3.3 billion in COVID-19 support in 2021, with \$3 billion of this provided under the bank's Trade and Supply Chain Finance Program and Microfinance Program. The remaining \$257 million was provided as direct financing for companies providing vital health supplies and medical equipment, and as working capital to keep businesses open and save jobs.

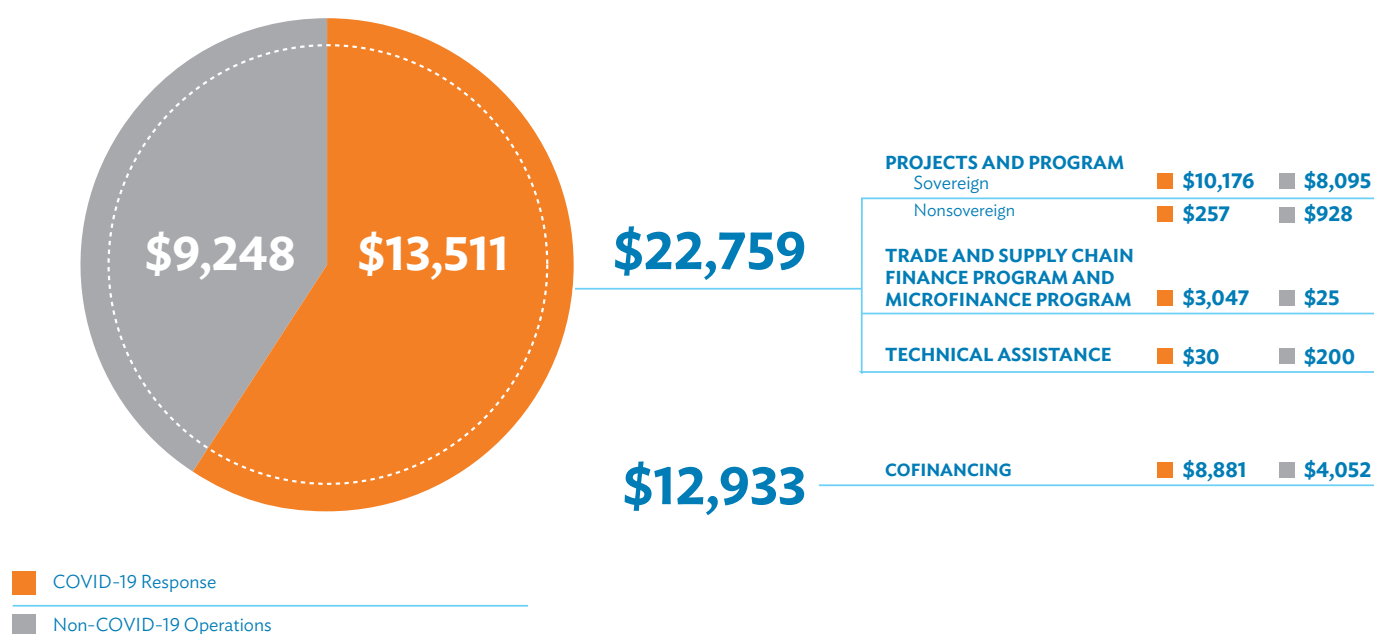
**Investing in education, health, and social protection.** To help address serious essential service and coverage gaps exposed by the pandemic, and enhance resilience to future pandemics and other shocks, ADB provided \$1.3 billion for programs and projects supporting COVID-19 response in education, public health, and social protection.

**Providing targeted COVID-19 knowledge solutions for DMCs.** With governments needing unprecedented policy advice and informational support on evolving pandemic scenarios, ADB provided a broad range of knowledge solutions for DMCs to tackle the COVID-19 crisis and inform recovery plans. These included a series of guidance notes on actions needed to drive sustainable recovery in sectors such as education, finance, and water.

On top of \$13.5 billion for COVID-19 response, ADB committed \$9 billion across priority development sectors to stimulate a green and inclusive recovery.

### TOTAL ADB COMMITMENTS, 2021

(\$ MILLION)



## Accelerating Vaccine Rollouts

The \$9 billion Asia Pacific Vaccine Access Facility (APVAX) is the centerpiece of ADB's support to ensure adequate coverage of safe and effective coronavirus disease (COVID-19) vaccines to protect the people of Asia and the Pacific.

To accelerate vaccine rollouts in 2021, ADB updated the APVAX regulatory framework as well as the bank's financing approach to unlock additional vaccine supplies and to ensure adequate financing for procurement.

By the end of the year, the bank had committed \$4.1 billion in loan and grant financing for 15 developing member countries (DMCs) under APVAX, secured an additional \$1.1 billion in cofinancing, and delivered an initial 227 million doses of vaccines in six countries.

ADB financing through APVAX included \$14.6 million in technical assistance to support the rollout of vaccination programs in DMCs through activities such as research on supply chains and logistics, capacity building for policymakers, vaccine training for health workers, and private sector engagement. In 2021, the bank also implemented initiatives to resolve regulatory and trade-related barriers to vaccine supply.

In response to DMC demand, ADB generated knowledge solutions for developing vaccine prioritization and deployment plans, and gave recommendations on countering vaccine hesitancy and improving medical waste management. In addition, the bank hosted seven knowledge events throughout 2021 to help DMCs share critical guidance on COVID-19 responses on topics such as vaccine safety and digital transformation for health systems.

ADB also worked closely with DMCs to strengthen gender considerations in APVAX rollouts. In the Pacific, for example, the bank contributed to the development of a database to track immunization side effects by sex. This will help improve safety surveillance and inform campaigns with gender-specific messaging.

## LEVERAGING PARTNERSHIPS FOR FINANCING AND KNOWLEDGE

ADB's strong and reliable long-term partnerships have played a major role in mobilizing financial resources and specialist knowledge during the pandemic.

In 2021, the bank mobilized \$5 billion in external resources for its sovereign operations from 14 bilateral partners, 11 multilateral partners, 3 private sector partners, and 7 multi-partner trust funds. More than half of this financing was for COVID-19 response. The bank also attracted \$7.5 billion in cofinancing for its nonsovereign operations.

ADB developed several new partnership structures in 2021. These included a number of innovative climate-related initiatives launched at the United Nations Climate Change Conference in Glasgow (COP26), and the Artificial Intelligence and Digitalization Innovation Fund, which aims to commercialize promising clean energy technologies. The bank also refreshed its largest single-donor trust fund, the Japan Fund for Poverty Reduction, which became the Japan Fund for Prosperous and Resilient Asia and the Pacific and will focus on advancements in universal health coverage, climate change action and disaster risk management, quality infrastructure investment, and public financial management.

During the year, ADB worked with civil society organizations to inform reviews of the bank's energy and safeguards policies. ADB also supported civil society organizations' efforts to address the COVID-19 pandemic by selecting and implementing 10 community initiatives to be scaled up across the region.

### COVID-19 RESPONSE SOVEREIGN LOANS AND GRANTS, 2021

(\$ MILLION)

**\$10,176**

**ADB COMMITMENTS**

\$6,119

\$4,058

**\$2,884**

**COFINANCING**

\$1,813

\$1,071

Asia Pacific Vaccine Access Facility  
Other COVID-19 Operations



➔ COVID-19 vaccinations being recorded at a vaccination center in the Philippines.



At the [54th Annual Meeting of its Board of Governors](#) in May—held in a virtual format—ADB brought together 4,600 government officials, private sector and civil society representatives, and other development partners to discuss topics under the theme “Collaboration for a Resilient and Green Recovery.” Knowledge partnerships took center stage in multiple sessions and influenced high-level discussions around reducing pandemic impacts on women and girls, addressing the climate challenge, and ensuring a recovery that leaves no one behind.

## OPERATIONAL PRIORITIES IN THE CONTEXT OF PANDEMIC RECOVERY

ADB recognizes that its support for COVID-19 response needs to gradually shift toward a broader range of integrated solutions that not only mitigate the direct impacts of the pandemic but also accelerate the transition toward a green, resilient, and inclusive recovery. The bank pursued these objectives in taking action under the seven operational priorities of its [Strategy 2030](#).



### Addressing Remaining Poverty and Reducing Inequalities

The COVID-19 pandemic pushed tens of millions of additional people in Asia and the Pacific into extreme poverty and exposed weaknesses in health, education, and social protection systems. In 2021, ADB responded by dedicating almost 40% of its total commitments to these three sectors.

The bank significantly increased its financing for the health sector, which reached 26% of total commitments in 2021. In addition to its APVAX support, ADB also committed resources for strengthening national health systems and expanding the coverage of health services (especially for the disadvantaged) in DMCs.

Improving education quality and access are priorities across the region to support sustainable pandemic recovery and longer-term poverty reduction. Among the bank’s key education investments were interest-free lending to low-income families for higher education in Azerbaijan, enhancing enrollments through conditional cash transfers for education in Pakistan, and school-to-work transition for youth in the Philippines.

To expand social protection, ADB provided financing for COVID-19-related assistance, cash, and other welfare transfers as well as social insurance and labor market programs that will help address poverty and inequality across Asia and the Pacific. The bank also approved a new [disability inclusion road map for 2021–2025](#). The road map contributes to inclusive growth by strengthening ADB’s ability to integrate disability inclusion into its operations and business processes.



## PROGRESS AGAINST STRATEGY 2030 TARGETS

### GENDER

During 2019–2021, **96%** of ADB’s committed operations promoted gender equality, up from 89% in 2018–2020, and on track to exceed the target of 75% in 2030.



### Accelerating Progress in Gender Equality

During the COVID-19 pandemic, women have experienced higher job losses than men because they tend to work in the hardest-hit occupations and sectors. Women accounted for 38.9% of total employment before the COVID-19 crisis, but have since made up 47.6% of all job losses.

In response, ADB invested in a range of projects and programs in 2021 to reinvigorate employment in critically affected sectors. It continued to address persistent gender inequalities, including unequal access to quality jobs and finance. The bank also boosted women’s access to essential services and supported various initiatives to tackle gender-based violence.

These operations included nonsovereign loans to two banks in Viet Nam to provide critical financing for small and medium-sized enterprises owned or led by women. Meanwhile, in Pakistan, a loan will enhance education opportunities for girls from poor families and improve health services for vulnerable mothers and children.

Fostering longer-term gender equality, ADB is contributing to skills development and career progression for women. In the Indian state of Assam, for example, the bank is financing an education project that will deliver industry-aligned training (including in digital skills) for at least 3,600 women, increasing their prospects of securing higher-paying, more satisfying jobs.



→ ADB is supporting small businesses in Asia and the Pacific to overcome challenges brought about by the pandemic.

## Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

The Asia and Pacific region is facing the triple challenge of climate change, nature loss, and pollution and waste.

In 2021, the bank declared its ambition to reach \$100 billion in cumulative climate financing to DMCs by 2030, up from the \$80 billion stated in its Strategy 2030. In addition, ADB pledged to enhance its investments in [climate adaptation and resilience](#) to a cumulative total of \$9 billion by 2024 and \$34 billion by 2030. The bank announced that it will fully align all new sovereign operations with the goals of the Paris Agreement by July 2023. It will similarly align at least 85% of its nonsovereign operations with the Paris Agreement by July 2023 and 100% by July 2025.

Decarbonizing the region's energy networks is critical to achieve the objectives of the Paris Agreement. To support universal access to clean, reliable, and affordable energy services while promoting the transition to low-carbon economies, ADB adopted a new [Energy Policy](#) in 2021. The policy formally commits ADB to abstain from financing new coal-fired power generation.

At the same time, the bank has strengthened its focus on “nature-positive” investments to reverse the causes of nature loss and promote the protection, restoration, and sustainable use of natural resources and associated services. At the COP15 United Nations Biodiversity Conference, held in Kunming, PRC in October, ADB established a new regional dialogue platform to accelerate investments in natural capital. It also launched a regional “flyway” initiative to preserve, protect, and restore wetland ecosystems.

Disaster resilience and immediate response to emergencies are vital for many DMCs. To help strengthen support for such measures, ADB approved the [Revised Disaster and Emergency Assistance Policy](#), the [Revised Emergency Assistance Loan Policy](#), and the [Establishment of a Second Window of Assistance](#) under the [Asia Pacific Disaster Response Fund](#).

Across the region, ADB continues to highlight the link between climate finance and green recovery. The bank is demonstrating how pandemic recovery plans that unite economic priorities with climate and environmental goals can bolster a national economy and create jobs. Supporting this work, ADB entered into a partnership with the Rockefeller Foundation to focus on accelerating energy transition and expanding access to clean energy. The foundation's \$100 million planned commitment to the bank over the next 5 years is set to be the largest ever from a philanthropic foundation.



### PROGRESS AGAINST STRATEGY 2030 TARGETS



## CLIMATE CHANGE

In 2021, ADB provided \$3.5 billion for climate change mitigation and adaptation, reaching **\$14.3 billion** cumulative financing for 2019–2021. The bank is committed to providing a total of \$35 billion by 2024 and elevated its ambition to \$100 billion by 2030.

### ADB Showcases Its Climate Commitment at COP26

At the United Nations Climate Change Conference in Glasgow (COP26), ADB joined with other multilateral development banks to sign a statement of intent on nature, people, and planet.

The bank backed this pledge to protect ecosystems and biodiversity with transformative initiatives to ramp up support for low-carbon infrastructure, energy transition, climate adaptation, and carbon mitigation.

ADB launched the \$665 million ASEAN Green Recovery Platform, which aims to accelerate pandemic recovery and mobilize an additional \$7 billion for low-carbon and climate-resilient infrastructure projects in Southeast Asia.

Jointly with Indonesia and the Philippines, ADB announced the [Energy Transition Mechanism](#). Established to accelerate Asia and the Pacific's transition to clean energy, the mechanism will leverage private and public investments to finance the early retirement of coal-power assets. The Government of Japan has committed a grant of \$25 million as the first seed financing.

To help its developing member countries scale up climate adaptation, ADB announced the [Community Resilience Partnership Program](#) to support community-level investments in climate change adaptation and resilience, focusing especially on women and poor households. The Government of the United Kingdom is providing £45 million (around \$61 million) and the Nordic Development Fund is contributing €6 million (around \$7 million) for the facility.

ADB rounded out its COP26 engagement by launching the Climate Action Catalyst Fund to advance carbon mitigation in Asia and the Pacific, along with the Urban Resilience Trust Fund, financed with £70 million (around \$100 million) from the Government of the United Kingdom, to combat climate change through resilience planning and innovative urban projects.



## Making Cities More Livable

Many cities in Asia and the Pacific are characterized by inadequate urban services and deficits in basic municipal and social infrastructure. Their residents have been further challenged during the COVID-19 pandemic, with the capacity of essential services critically overstretched due to diminished government resources.

In 2021, ADB continued to assist DMCs in investing in sustainable urban infrastructure and overcoming the service shortfalls experienced during the pandemic. In Uzbekistan and Cambodia, for instance, the bank promoted greater use of digital solutions in urban operations and services, and is supporting the development of green and resilient infrastructure. In Georgia, a new ADB project is helping expand services to improve water, sanitation, hygiene, and health practices and supporting the financial recovery of city-based micro, small, and medium-sized enterprises.

ADB provided both nonsovereign and sovereign financing to address housing shortages in the region, especially for the poor and vulnerable. In Bhutan, for example, an ADB project will build 1,000 rental units for low-income families, ensuring these homes are disaster resilient, energy efficient, and affordable.

Complementing these investments, ADB developed a range of knowledge products in 2021 to support the livable cities agenda across Asia and the Pacific. For example, in the book *Creating Livable Asian Cities*, the bank highlighted key priorities for realizing a sustainable urban future in the region. These include ensuring smart and inclusive planning, creating sustainable urban transport and energy systems, mobilizing finance, and focusing on resilience and rejuvenation.

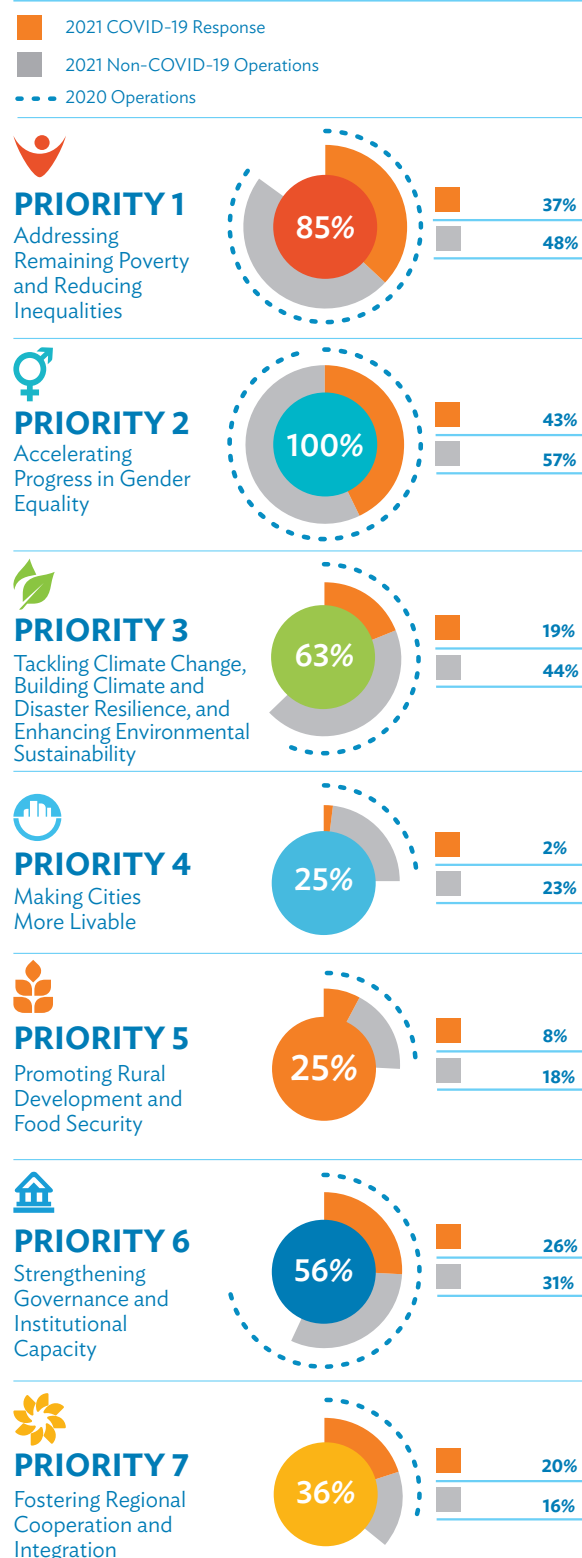


## Promoting Rural Development and Food Security

Asia and the Pacific is home to more than 700 million extremely poor people and around 80% reside in rural communities. About three-quarters of these people are smallholder farmers with limited access to basic services and infrastructure, leaving them extremely vulnerable to the impacts of climate change, health crises, and other shocks. During the COVID-19 pandemic, farmers and agricultural enterprises have seen international markets shrink while at the same time the rural poor have found it more difficult to purchase nutritious food.

To support vulnerable rural communities and a green and inclusive recovery for the rural economies of Asia and the Pacific, ADB supported a range of agriculture, natural resources, and rural development initiatives in 2021. These included loans to agribusinesses in the region to cover shortfalls in operational finance caused by the pandemic. In Azerbaijan, ADB bolstered the government's COVID-19 response by providing budget

## PERCENTAGE OF ADB'S COMMITTED OPERATIONS SUPPORTING STRATEGY 2030 PRIORITIES



Notes: Most new ADB operations address multiple operational priorities. The sum of COVID-19 Response and Non-COVID-19 Operations percentages may not equal the total percentage figure for some operational priorities due to rounding.



“Through the Asia Pacific Tax Hub, ADB will ramp up its operational support to our DMCs’ efforts to address debt sustainability and to achieve the Sustainable Development Goals.”

ADB PRESIDENT MASATSUGU ASAKAWA

support to lessen the impact of high fuel prices on agricultural producers. In Papua New Guinea, the bank provided additional financing to extend upgrades to a major highway that is a vital lifeline for many remote communities.

ADB’s 2021 knowledge work on agriculture and rural development included events on mapping rice plots and crop yields amid lockdowns in Cambodia, on policy responses to ensure food security in the wake of the COVID-19 pandemic, and on promoting better nutrition post-pandemic. The bank also provided regional technical assistance to assess the

impacts of the pandemic on food and nutrition security and rural livelihoods across Asia and the Pacific, and to help DMCs mobilize investments for a greener and resilient recovery of agri-food value chains and rural economies.



### Strengthening Governance and Institutional Capacity

The demands the COVID-19 pandemic has placed on public finances and administrative services underscore the importance of strong governance and institutional capacity in DMCs. The pandemic has highlighted the need to design and manage cost-effective public infrastructure, reform state-owned enterprises, and improve the capacity of taxation systems to raise revenue.

Several new ADB knowledge products, including a special report on *Supporting Quality Infrastructure in Developing Member Countries* and the publication *The Bankable SOE: Commercial Financing for State-Owned Enterprises*, were released during 2021 to inform DMC efforts to address some of these issues.

To bolster DMC efforts to raise tax revenue more effectively and equitably, ADB launched the *Asia Pacific Tax Hub* at its 2021 ADB Annual Meeting. The hub will help strengthen domestic resource mobilization and international tax cooperation.

By the end of 2021, hub representatives had undertaken bilateral consultations with 41 DMCs, ADB nonborrowing members, and development partners, and conducted a survey covering 39 DMCs. This information is helping create tailored improvements to resource mobilization, which will support DMCs in achieving the Sustainable Development Goals and other priorities for a green and inclusive recovery.

ADB is providing ongoing assistance to Solomon Islands’ Ministry of Finance and Treasury to update the country’s tax legislation framework, including preparing a new tax administration bill and a value-added tax bill. Complementing this work, a new ADB project will fund the restructuring of the country’s Inland Revenue Division, install a new tax administration information system, provide training to staff, and deliver a national campaign to increase taxpayer understanding and compliance.



➔ ADB is supporting its developing member countries in the Pacific to improve the governance of public utilities such as electricity.

Also in the Pacific, ADB regional technical assistance is strengthening the governance and institutional capacity of public utilities, supporting a stronger and more sustainable recovery from the COVID-19 pandemic.



### Fostering Regional Cooperation and Integration

Rebounding from the COVID-19 pandemic will require greater and more expansive regional cooperation and integration (RCI) among countries in Asia and the Pacific. Strengthened RCI is needed to overcome the debilitating effects of pandemic restrictions, which have not only substantially disrupted the flow of goods, people, and capital across borders but also have disproportionately affected poorer countries and vulnerable communities.

In 2021, ADB financed projects to help keep borders open, maintain trade flows, and protect the livelihoods of small and medium-sized enterprises, border area residents, and migrant workers. This included approving an additional \$800 million from the trade finance component of ADB's Trade and Supply Chain Finance Program, which provided guarantees and loans to help commercial lenders in DMCs continue to finance trade as the global economy experienced major shocks.

ADB provided support for wider, deeper, and more open RCI to assist recovery and sustain long-term growth. In South Asia, for instance, the bank committed financing to bolster trade by upgrading a major highway that connects Bangladesh to the border with northeastern India and further to Bhutan.

ADB is expanding the scope of its regional cooperation initiatives to cover relatively new areas such as regional health security, gender and social protection, sustainable tourism, ocean health, environmentally appropriate maritime transport, and international law reforms. The latter included ADB support for international arbitration reforms in Palau, Timor-Leste, Tonga, and Uzbekistan, fostering more effective resolution of cross-border commercial and investment disputes.

Throughout 2021, ADB facilitated regional collaboration to develop and share knowledge solutions among DMCs. A highlight in this area was the bank's support for Greater Mekong Subregion countries in finalizing a collaborative plan to contain the COVID-19 pandemic and promote economic recovery.

ADB also supported the development of new health and digital strategies for the Central Asia Regional Economic Cooperation (CAREC) Program and published a report about the pandemic's impacts on micro, small, and medium-sized enterprises in CAREC countries.



→ Timor-Leste's coastal infrastructure needs to be resilient to meet the challenges of a changing climate.

### Pursuing Better Outcomes for ADB's Most Vulnerable Members

ADB classifies 11 of its developing member countries (DMCs) as being in fragile and conflict-affected situations (FCAS), while 16 are small island developing states (SIDS), eight of which are also classified as FCAS. These DMCs require specialized attention to ensure development financing and knowledge services are appropriately designed and distributed.

Differentiated approaches—based on understanding the causes and drivers of fragility and conflict in each specific FCAS and/or SIDS context—are crucial to more productive ADB engagement and, ultimately, better outcomes for such DMCs.

In 2021, ADB adopted the [Fragile and Conflict-Affected Situations and Small Island Developing States Approach](#) (FSA). The approach provides ADB staff and consultants with guidance and tools to address the transient challenges of FCAS and the more permanent vulnerabilities of SIDS. For instance, under the FSA, the bank has introduced fragility and resilience assessments and knowledge analytics to help country teams better tailor responses to the particular needs of FCAS and/or SIDS.

ADB also drafted a fragility and resilience assessment for Timor-Leste. Among the report's many findings was that extreme weather brought by climate change poses an increasing threat to roads, bridges, ports, and airports. Therefore, the assessment recommended that ADB focus more on disaster risk reduction in Timor-Leste and shift the emphasis of its country portfolio away from the construction of infrastructure and toward operation and maintenance.





## Leveraging Knowledge for a Green and Inclusive Recovery

➔ A water management group meeting in Narail, Bangladesh, supported by an ADB project.

ADB's Strategy 2030 calls for the bank to maximize its impact by delivering a combination of finance, knowledge, and partnerships for its developing member countries (DMCs). As a result, the bank creates knowledge solutions every year that help DMCs address a range of development issues—from providing vulnerable communities with new ways to adapt to climate change to improving regional cooperation for more effectively managing communicable diseases.

The COVID-19 pandemic has underlined the importance of ADB's knowledge work in Asia and the Pacific, with governments needing to make well-informed decisions—both immediate and long-range—to limit the impact of the crisis and plan for recovery.

Providing research and policy advice on crucial pandemic issues, and delivering effective knowledge solutions longer term, has required ADB to hone its understanding of what its DMCs need. The bank recognizes that it must firmly align its knowledge work with national and regional development priorities.

In response, ADB launched its [Knowledge Management Action Plan](#) (KMAP) 2021–2025. The KMAP aims to strengthen the bank's ability to deliver tailored knowledge solutions for its clients by improving how knowledge is managed across all ADB business processes.

The KMAP guides ADB's evolution from being transactional (counting knowledge products and services) to being transformational (understanding the demand for, and impacts of, its knowledge work).

The plan emphasizes the value of strategic partnerships in producing differentiated knowledge services that address the specific needs of each DMC. It highlights the importance of an organizational culture in which the value of knowledge and learning is recognized throughout ADB and is reflected in all the bank's processes and systems. It also identifies innovation as a key driver for organizational knowledge management, fostering the nimble and effective responses needed to address increasingly complex and ever-changing development challenges.

Reflecting these priorities, the KMAP includes the application of management tools to enhance knowledge flow, the combination of new and old knowledge from inside and outside ADB to promote synergies and efficiencies, and the encouragement of innovative thinking in the bank's operations. The plan calls for a balance between demand- and supply-driven, top-down and bottom-up knowledge services, with solutions that leverage collective action and information technology.

Above all, the KMAP is results-focused, so that the outcomes of all ADB's knowledge work are monitored and measured, maximizing their contribution to the bank's objectives under Strategy 2030.

The KMAP was showcased at the ADB Knowledge Forum 2021 where knowledge experts gathered to discuss how to drive positive change in development work. Keynote speakers at the forum—including ADB President Masatsugu Asakawa, World Health Organization Chief Scientist Dr. Soumya Swaminathan, former United Nations Secretary-General Ban Ki-moon, and

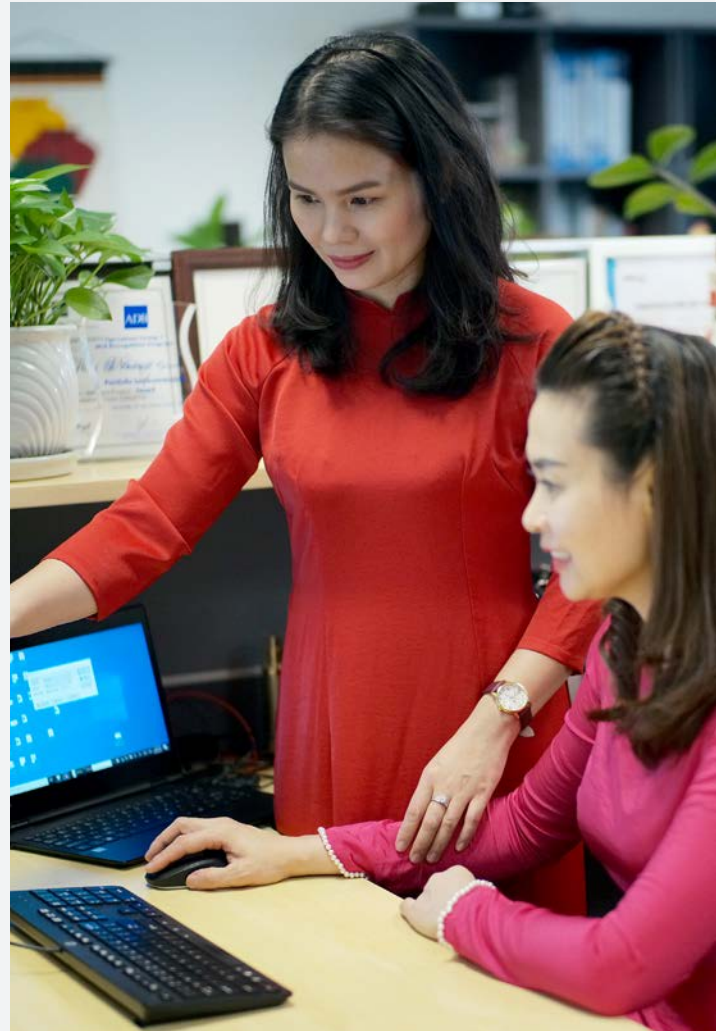


Prime Minister of Samoa Fiamē Naomi Mataʻafa—all agreed that better knowledge management can boost sustainable development in Asia and the Pacific.

ADB's implementation of the KMAP in 2021 focused on embedding knowledge management across the bank by appointing 88 staff as knowledge focal points and developing knowledge management road maps for each ADB department. In addition, the process for formulating country knowledge plans for 12 country partnership strategies—the foundational documents guiding the bank's work with each developing economy—was revised to better align with DMC demand and development context.

As an example, during 2021 in Bangladesh, where climate change is a major concern, ADB initiated climate risk and vulnerability analyses for 22 coastal towns to determine appropriate climate investments for each locality. In Viet Nam, the bank mapped out how it could meet the country's knowledge needs, including policy advice, in areas such as inclusive public services, enhanced private sector development, and climate-related reforms to critical infrastructure.

The first phase of KMAP's implementation also saw ADB launch a bank-wide innovation hub, which provides a forum for experimentation and applied learning about innovative management tools. The hub brings together ADB's work on design and systems thinking, application of behavioral science, innovation challenges, and futures thinking and foresight. Benefits of this work are already materializing, notably in Armenia, where ADB provided the government with ideas on how to use futures thinking for policy development. Work through the hub, meanwhile, helped government planners in Indonesia explore alternative futures and how these might shape the country's national development plan through to 2045.



➔ ADB's resident missions are being better resourced to deliver knowledge and other solutions for developing member countries.

## Organizational Reforms Empowering Knowledge Services

ADB is undertaking a suite of new and ongoing institutional reforms that together are reshaping the bank to be more responsive to the changing needs of its developing member countries (DMCs). Guided by the bank's Strategy 2030, these reforms will enhance how ADB combines finance, knowledge, and partnerships to deliver more impact. In doing so, they will enable and complement efforts under the Knowledge Management Action Plan to improve the design and delivery of tailored knowledge solutions.

During 2021, ADB started an organizational review to map out how the bank can improve its effectiveness and better empower staff to deliver Strategy 2030 objectives. The review will shape measures to increase support for private sector development, deliver more innovative and knowledge-driven development solutions, create pathways for ADB to achieve its climate ambitions, and find new ways of working to deliver value and impact for clients.

Reviews of ADB's operations in its resident missions and of its technical assistance operations, along with a workforce rebalancing exercise, will see the bank enhance its support to DMCs. This includes additional staffing for country teams, bolstering ADB's on-the-ground expertise and enabling the bank to work more closely and effectively with DMC clients to deliver strategic policy advice, operations, and knowledge solutions.

Meanwhile, ADB's ongoing Culture Transformation Initiative is ensuring the bank's culture serves as an enabler for Strategy 2030. It is ingraining ADB values of being client-centric, trustworthy, and transformational to empower staff to work closer together to innovate and roll out development solutions, including through knowledge initiatives.

# Central and West Asia

Afghanistan, Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, Uzbekistan

➔ A man in Pakistan helps his mother put on a mask during a COVID-19 lockdown.

## BY THE NUMBERS

**\$5.2 B**

COMMITTED

**\$3.3 B**

COVID-19 RESPONSE

**\$3.3 B**

DISBURSED

**\$2.7 B**

COFINANCED

Growth momentum returned across Central and West Asia in 2021. The regional economy was buoyed by fiscal stimulus and some easing of lockdowns and other COVID-19 containment measures. The reopening of the Russian Federation to migrant workers also improved remittances to economies in Central Asia.

However, immediate growth prospects for Central and West Asia remain at risk due to further waves of COVID-19 spread and generally slow rollout of vaccination programs (vaccination rates varied from 15% to 52.4% by the end of 2021). Inflation rose across the region due to higher food and energy prices, currency depreciation, stronger-than-expected recovery in aggregate demand, and continued disruptions in global supply chains.

The socioeconomic impacts of the pandemic continued to be felt strongly across Central and West Asia, particularly



by low-income households and vulnerable groups. Business closures and restricted trade fueled unemployment, particularly among women, who are mostly employed in hard-hit sectors such as agriculture, tourism, and small-scale manufacturing. Despite some economic recovery in 2021, the number of people living in extreme poverty in the region remains higher than its pre-pandemic level.

In response, ADB's developing member countries (DMCs) in Central and West Asia continued to allocate public resources during the year to strengthen health care, support liquidity in the banking sector, provide assistance to socially disadvantaged groups, and sustain economic activity.

Throughout the year, ADB actively supported its DMCs in responding to and recovering from the COVID-19 pandemic. Nearly two-thirds of the bank's \$5.2 billion commitments for Central and West Asia in 2021 were to support COVID-19 response. ADB's commitments to the region also included \$1.3 billion for nonsovereign operations, with significant support for small businesses impacted by the pandemic.

Through the Asia Pacific Vaccine Access Facility (APVAX), ADB provided \$564.7 million to procure more than 45 million doses of COVID-19 vaccines, covering some 23 million people in priority groups in Georgia, the Kyrgyz Republic, Pakistan, and Tajikistan. APVAX also assisted DMCs with international and national logistics to transport vaccines from their place of purchase to national, regional, and district health facilities.

In addition to supporting COVID-19 response, ADB commitments in 2021 are helping rebuild competitive economies, modernize transportation networks, rehabilitate energy and water infrastructure, and boost education and skills development.

ADB placed its regular assistance to [Afghanistan](#) on hold effective 15 August 2021 but remains committed to supporting the economic and social development of the Afghan people, including addressing their humanitarian needs to secure the basis for future development.

## STRATEGIC FOCUS

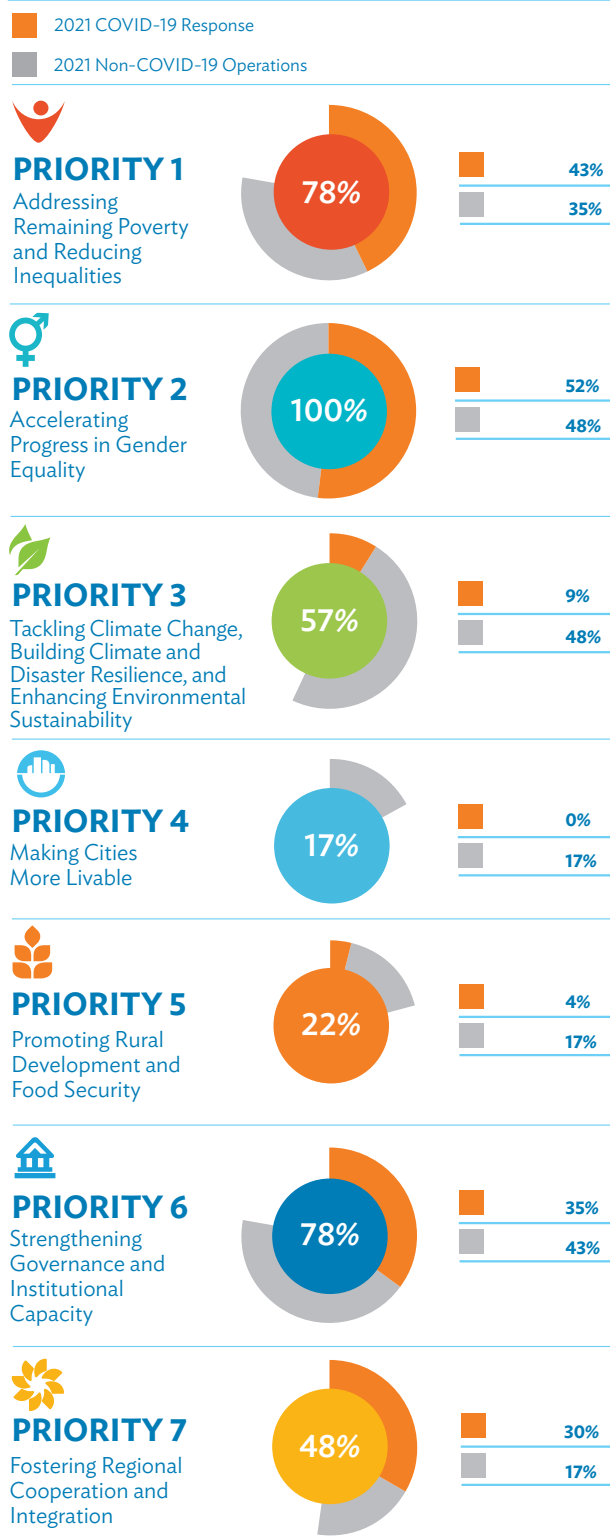


### Addressing Remaining Poverty and Reducing Inequalities

In 2021, ADB's support for disadvantaged communities and other vulnerable groups across Central and West Asia focused on reducing the socioeconomic impacts of the COVID-19 pandemic.

Under its COVID-19 Pandemic Response Option, ADB signed a loan of \$250 million for budget support to [Azerbaijan](#). The loan is strengthening COVID-19 response mechanisms and health services, expanding social protection for poor people and vulnerable households, and preventing job losses caused by economic downturn.

## PERCENTAGE OF ADB'S COMMITTED OPERATIONS IN CENTRAL AND WEST ASIA SUPPORTING EACH STRATEGY 2030 PRIORITY



Notes: Most new ADB operations address multiple operational priorities. The sum of COVID-19 Response and Non-COVID-19 Operations percentages may not equal the total percentage figure for some operational priorities due to rounding.



In [Georgia](#), ADB provided \$14.7 million in APVAX financing to procure and deliver 700,000 COVID-19 vaccine doses for about 300,000 people. The support includes training programs for health officials to ensure vaccine coverage for women and marginalized groups. Other APVAX grant support to the region included \$25 million to the [Kyrgyz Republic](#) for 1.7 million doses, \$500 million to [Pakistan](#) for nearly 40 million doses, and \$25 million to [Tajikistan](#) for over 3 million doses.

Meanwhile, ADB's work to break the longer-term poverty cycle continued in 2021, with skills development and job creation an important focus.

To support better job opportunities for young people and the unemployed, the bank committed a \$93 million loan in [Uzbekistan](#). The financing will help develop a skilled workforce in five priority trades: construction, textiles and garments, information and communication technology, agribusiness and food processing, and machinery repair and maintenance. Under the project, ADB will help improve employment options for at least 60,000 people, including 48,000 job seekers and 500 persons with disabilities.

In Pakistan, ADB committed \$300 million to support the construction of a 300-megawatt, run-of-river hydropower plant in Balakot, Khyber Pakhtunkhwa Province. In addition to reducing dependence on fossil fuels and increasing energy security, the project will boost economic activity and create jobs for local communities. During construction, more than 1,200 workers will be hired and at least 500 community members, including many women, will benefit from skills development programs.



### Accelerating Progress in Gender Equality

ADB's operations in Central and West Asia continued to prioritize gender mainstreaming in 2021. The bank's investments during the year will benefit women in areas such as business finance, social protection, health, skills training, and career advancement.

To provide much-needed funding for micro, small, and medium-sized enterprises (MSMEs), especially those owned

and led by women, ADB provided a \$100 million nonsovereign loan. Through this financing, the Bank of Georgia aims to increase its number of women business borrowers by at least 70% by 2025. The project includes support for a program to help women entrepreneurs cope with impacts of the COVID-19 pandemic.

ADB provided a loan to strengthen and expand social protection programs in Pakistan. The project includes measures to boost access to secondary education for children and adolescents of poor families, especially girls. It will also enhance access to health services and nutrition supplies for impoverished mothers and children in 22 districts.

In Tajikistan, where more than 75% of the agricultural labor force is female, ADB committed a \$30 million grant to modernize irrigation and drainage systems in the lower Vakhsh River basin. The grant will also help about 800 women gain broader access to irrigation knowledge and services, increased representation in water users' associations, and greater participation in decision-making on land and water management. The project will also benefit around 4,200 kitchen gardens managed mostly by women.

ADB provided \$121 million in additional financing for a project in Uzbekistan to complete the modernization of the railway network in the Fergana Valley. The project will build gender-responsive facilities such as mother-and-child rooms at major railway stations to provide safer travel for women and children.



### Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

ADB continued to have a strong focus on climate change adaptation and mitigation and disaster resilience in its Central and West Asia operations in 2021.

In the Kyrgyz Republic, ADB committed \$35 million to safeguard rural communities in areas prone to landslides. The project will help protect around 4,700 people, as well as vital infrastructure, with landslide mitigation measures and monitoring systems. To support sustainability, local community members, particularly women, will be engaged in the planning, implementation, and operation of these systems.

#### IN 2021, ADB COMMITMENTS IN CENTRAL AND WEST ASIA WERE PRIMARILY IN THESE SECTORS

**22%**

HEALTH

**19%**

ENERGY

**17%**

WATER AND  
OTHER URBAN  
INFRASTRUCTURE  
AND SERVICES

**15%**

TRANSPORT

**11%**

EDUCATION

ADB provided technical assistance to help [Armenia](#) improve land resources management covering water resources and forests, special protected natural areas, and land with historical or cultural significance. By standardizing data on landownership and other geographic information, the assistance will help create an electronic national system for better land-use planning and management.

The bank also committed a \$20 million nonsovereign loan to rehabilitate and expand the distribution network of Armenia's sole electricity distributor, Electric Networks of Armenia CJSC. The project will install automated metering systems and modernize substations to reduce technical and commercial losses and help avoid over 4,000 tons of carbon dioxide emissions annually.



### Making Cities More Livable

People living in the urban centers of Central and West Asia are set to benefit from ADB investments designed to provide improved municipal services, greener transport options, more efficient heating, and better parks and other public amenities.

In Pakistan, ADB provided \$377.8 million (with an additional \$200 million in cofinancing) to assist the provincial government of Khyber Pakhtunkhwa in improving living conditions across five cities. The total financing will enhance water supply, sewerage, and solid waste infrastructure; expand public parks and green spaces; and streamline service delivery and the performance of municipal companies. Through the project, ADB will improve urban life for up to 3.5 million people in the five target cities.

ADB committed \$50 million to support the long-term transition of the Bishkek public transport system in the Kyrgyz Republic. The initial investment will see highly polluting, fossil-fueled minibuses replaced by a fleet of 120 low-emission and fast-charging battery electric buses, with two bus depots upgraded and a 3.5-kilometer (km) dedicated bus lane constructed in the city center. The project will improve inner-city public transport, address traffic congestion, and reduce air pollution and greenhouse gas emissions.

In Uzbekistan, ADB provided transaction advisory services to Tashkent City Municipality for a public-private partnership to refurbish, operate, and maintain the district heating network. The project will serve around 1.2 million people and targets a 50% improvement in overall system efficiency.

In Georgia, ADB signed a \$113.8 million loan to improve urban livability and foster inclusive economic growth. The project will enhance the quality of life of at least 1.5 million people across the country by financing climate-resilient urban infrastructure and services. This includes upgrading urban centers, public spaces, and parks; restoring cultural heritage buildings and natural heritage sites; upgrading roads; and constructing community infrastructure such as preschools, libraries, e-learning centers, and sports and tourism facilities.

## COVID-19 Vaccines Arrive in Tajikistan

In December 2021, over 3.3 million doses of COVID-19 vaccines, funded by an ADB grant, arrived in Tajikistan. This supply, enough for about 1.3 million people (15% of the population), was greatly appreciated in a country with a vaccination rate of less than 32% at the end of the year.

“Thanks to the timely support of our development partners, including ADB, requests for immunization of the targeted population against COVID-19 are being met in full,” says Gafur Muhsinzoda, Tajikistan's First Deputy Minister of Health and Social Protection of Population.

The vaccines were delivered by the United Nations Children's Fund through the COVID-19 Vaccine Global Access Advance Market Commitment facility.

The ADB grant of \$25 million is financing the procurement of the vaccines (with safety boxes and syringes) as well as logistics to transport them to national, regional, and district health facilities around Tajikistan. It is also funding government capacity building to strengthen the country's vaccination program and conduct training that covers gender-specific and age-sensitive vaccination issues.

The ADB vaccine commitment builds on the bank's support for Tajikistan's COVID-19 response in 2020. This included a \$50 million grant to help fund the government's comprehensive response plan and countercyclical measures; a \$2.5 million grant from the Asia Pacific Disaster Response Fund to further support emergency response; and more than \$1 million in grants for urgent medical supplies and personal protective equipment for health-care staff.



→ ADB-funded COVID-19 vaccines arrive in Tajikistan (photo courtesy of UNICEF).



## Promoting Rural Development and Food Security

The rural economies of Central and West Asia continue to have a need for support in providing microfinance and developing other commercial infrastructure.

In Uzbekistan, almost 75% of employed people work in small businesses and more than 60% of those jobs are in rural areas. Access to finance for MSMEs and agricultural borrowers is very limited. In response, ADB provided a loan of \$18.9 million in Uzbek som equivalent to JSCB Hamkorbank, the largest private sector bank in Uzbekistan, for onlending to MSMEs. With this support, Hamkorbank aims to achieve a 66% increase in loans to MSMEs owned and led by women through to 2024.

ADB collaborated with civil society organizations in Uzbekistan to train over 800 farmers and rural entrepreneurs in livestock development; encourage women in remote areas to use improved roads to travel for livelihood and social reasons; and educate seven communities on water supply, sanitation, and hygiene practices.

To help increase the competitiveness of [Kazakhstan's](#) agro-industrial products, ADB provided technical assistance for a feasibility study on establishing an international commodity exchange. The study is exploring the prospects for creating

an end-to-end service for the warehousing, quality control, trading, clearing, and market data dissemination of various commodities.



## Strengthening Governance and Institutional Capacity

During 2021, ADB made a series of targeted investments to strengthen governance and institutional capacity across Central and West Asia. This included support for reforms to financial markets, strategies to shape economic diversification, and capacity development in the transport sector.

In Uzbekistan, ADB provided a \$100 million loan to help develop the government's bond market, diversify the investor base, and improve the supply of alternative financial instruments. The program will not only support private sector expansion but also contribute to strengthening financial market governance. The program includes specific reforms to enhance institutional capacity and increase participation by women in finance sector governance.

ADB committed \$80 million for a program in the Kyrgyz Republic to support the implementation of reforms in the country's current national development strategy. The investment will help diversify the economy away from an overreliance on gold exports and remittance-led consumption.



The new bus rapid transit system in Peshawar, Pakistan provides safer travel for women and girls.

The ADB-supported project also ensured complete urban regeneration along the route, including new energy-efficient streetlights, quality footpaths, drainage systems, and dedicated cycle lanes. It is already improving air quality for Peshawar's residents due to reduced traffic congestion. Around 150 bus stops are planned across a network of 83 km of direct service routes that connect densely populated communities directly to the system.

In 2021, the Zu Peshawar BRT system earned an honorable mention in the prestigious 2022 Sustainable Transport Award.

## Supporting Cleaner, Safer Travel in Pakistan

A bus rapid transit (BRT) system in Peshawar, Pakistan—made possible by financing from ADB—is breaking records for passenger use and attracting more women to public transport.

The Zu Peshawar BRT system features hybrid electric buses and 30 stations along a 27-kilometer (km) corridor that links east to west across the city. Despite restrictions on movement imposed due to the COVID-19 pandemic, ridership of the system reached more than 50 million passengers in 2021, with over 25% of commuters being women and children.

The only gold-standard BRT system operating in Pakistan, the Zu Peshawar service prioritizes accessibility and security for women, persons with disabilities, and other vulnerable users. Women are provided priority queuing areas on the platform and a dedicated space inside the vehicles.



It will do so by developing nonmineral exporting opportunities and promoting an enabling environment for food and agriculture investments.

In Tajikistan, ADB provided technical assistance to update the country's transport sector development program and formulate a capacity development plan that enables the government to manage sector planning self-sustainably. Meanwhile, ADB technical assistance in Turkmenistan is helping the government strengthen its institutional capacity for evidence-based policy formulation and implementation.



### Fostering Regional Cooperation and Integration

With land transport playing a vital role in overcoming the formidable terrain of Central and West Asia, ADB made a series of strategic investments in 2021 to help link the region's economies and bolster trade.

Georgian Railway JSC provides an essential link connecting Central Asia and the South Caucasus to the Black Sea and Europe. In 2021, ADB committed \$50 million in \$500 million of green bonds issued by the state-owned enterprise to refinance its existing debt and continue supporting the modernization of the rail network. Once completed, the network's annual freight capacity is expected to rise from 27 million tons in 2020 to 48 million tons by 2024. It will also reduce the average time it takes for freight trains to reach Batumi Port from the Azerbaijan border by 4 hours.

In Uzbekistan, ADB committed \$162 million for upgrades to 465 km of railway line that links to the Central Asia Regional Economic Cooperation (CAREC) Corridor 2, serving the vital East–West trade route from the People's Republic of China, through Central Asia, to Europe. The 2021 investment will add electrification, signaling and telecommunications, and traction power management systems to the recently built railway line. The project aims to improve Uzbekistan's connectivity with neighboring countries and global markets and support the recovery of its international tourism industry.

ADB provided a \$235 million loan to expand 222 km of National Highway 55 in Pakistan. This will improve transport times along CAREC corridors—which have become congested due to growing traffic volumes between Karachi, Islamabad, and Lahore—recovering substantial economic losses and reducing air and noise pollution.

Through a new technical assistance project, ADB is helping develop an economic corridor framework for the South Caucasus to leverage investment, promote trade facilitation, and assess new tourism opportunities through transport gateways between Armenia, Azerbaijan, Georgia, and beyond.

To support regional economic growth and recovery in the wake of the COVID-19 pandemic, the [CAREC Program](#) approved

new health and digital strategies. It also launched initiatives for cross-border cooperation on water resources and a facility to enable regional infrastructure projects.

## KNOWLEDGE HIGHLIGHTS

With support from ADB, the CAREC Institute produced a study on public attitudes toward COVID-19 vaccination in seven countries. The survey identified key barriers including a lack of confidence in vaccine efficacy, inadequate information, and fear of side effects. CAREC Institute representatives then engaged with experts from select countries to discuss policy options for effective vaccination campaigns.

ADB also provided support for a special report on the impacts of the coronavirus on MSMEs in select CAREC countries. It provided 15 recommendations for policymakers to mitigate the effects of business disruptions, with a workshop held to disseminate findings and engage in dialogue to influence policy change.

For [Turkmenistan](#), ADB conducted a webinar to inform government representatives about best practices and the experiences of Central Asian DMCs on climate risk assessment, integrated water resources management, and innovation in water supply technology. Discussions with the government continued through regional consultation meetings in April and September 2021.

In Georgia, ADB finalized a program with civil society organizations to develop inclusive teaching methods for three kindergartens supporting children with disabilities.

### • RESHAPING ECONOMIES FOR QUALITY GROWTH

In 2021, ADB endorsed new country partnership strategies for Pakistan and Tajikistan, each covering 2021–2025.

[Pakistan's strategy](#) responds to the economic and social challenges caused by the COVID-19 pandemic and supports the country in improving economic management to restore stability and growth, expanding social protection to enhance productivity and personal well-being, and boosting private sector participation to create jobs and other economic opportunities.

For [Tajikistan](#), the strategy focuses on improving the quality of the country's economic growth by supporting structural reforms, increasing productivity, and creating better livelihoods. It includes support for attracting more business investment, strengthening health and education, and improving food security.



# East Asia

The People's Republic of China, Mongolia

➔ A couple enjoy a walk in Beijing's Yuyuantan Park in the People's Republic of China.

## BY THE NUMBERS

**\$2.0 B**

COMMITTED

**\$478 M**

COVID-19 RESPONSE

**\$1.7 B**

DISBURSED

**\$426 M**

COFINANCED

East Asia's economic growth recorded a sharp upturn in 2021, supported by the global recovery and efficient national vaccination programs. In the People's Republic of China (PRC), the economy continued to recover, driven by the strong performance of industrial production, while household consumption recovered gradually. In Mongolia, growth was supported by a substantial rebound in mining and services, although contractions occurred in construction, agriculture, and general consumption.

The PRC's labor market improved, reflecting strong industrial production and exports. At the same time, the number of rural labor migrants working in urban areas nearly recovered to its pre-pandemic level.

In Mongolia, economic contractions in sectors such as agriculture and construction led to unemployment and underemployment. Job losses were higher among youths,



persons with disabilities, and adults aged 30–39. Some rural populations struggled with remote education due to a lack of digital access, while women were burdened by increased unpaid care work and excessive working hours, especially in the health sector.

The governments of the PRC and Mongolia introduced policy measures for COVID-19 response with a focus on health and income support as well as long-term lending, liquidity, and credit creation. Both the PRC and Mongolia made impressive progress in rolling out their vaccination programs in 2021. In the PRC, 2.84 billion doses of COVID-19 vaccine were administered in 2021, resulting in 1.21 billion residents fully vaccinated.

In 2021, ADB committed \$1.8 billion in support to the PRC, including \$188.3 million for nonsovereign operations. In Mongolia, ADB committed \$217.1 million, of which \$11.4 million was for nonsovereign operations. The bank's support to East Asia included \$478 million for COVID-19 response. This included financing to procure vaccines for Mongolia under the Asia Pacific Vaccine Access Facility, as well as investments to strengthen health-care systems, bolster social welfare, and shore up small businesses struggling under the impacts of the pandemic.

ADB's other commitments for East Asia during 2021 supported a green and inclusive recovery from the pandemic. In the PRC, this included innovative investments for ecological restoration, disaster risk management, environmentally sustainable rural development, urban air quality improvement, and early childcare support. In Mongolia, ADB operations included support for social protection, health security, and community livelihoods.

## STRATEGIC FOCUS

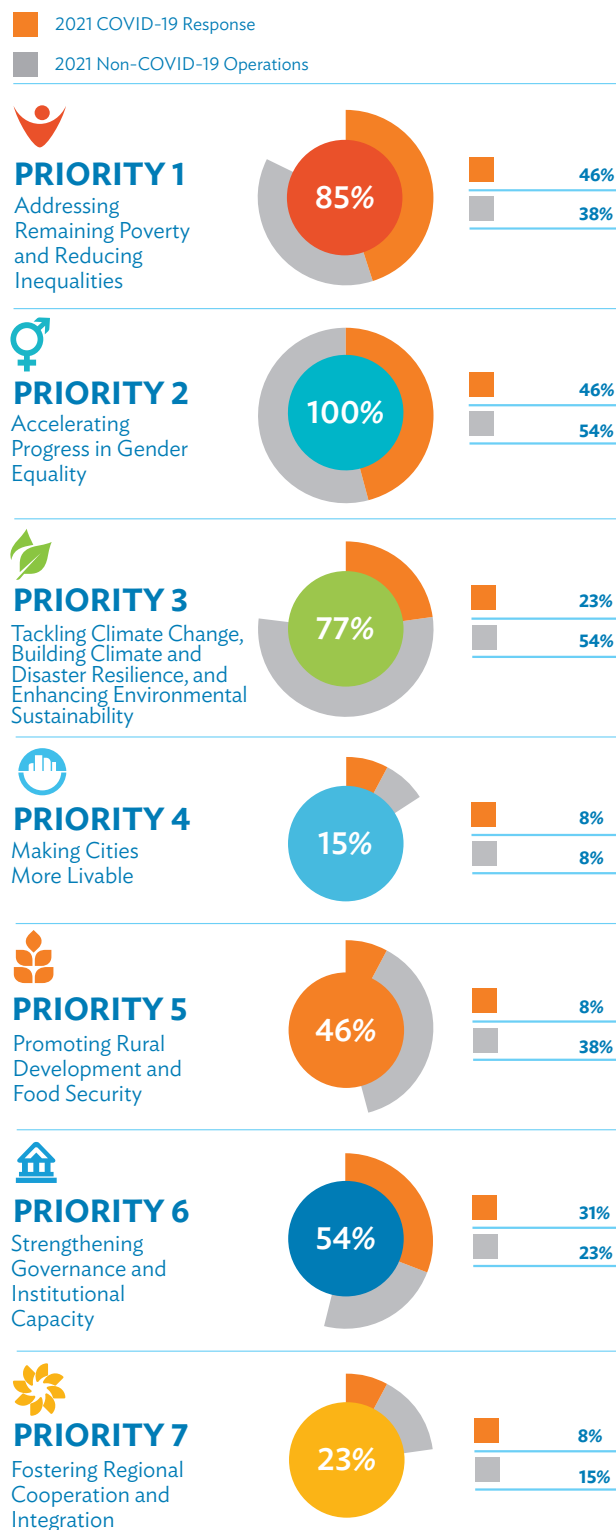
### Addressing Remaining Poverty and Reducing Inequalities

The COVID-19 pandemic has underscored the need in East Asia to strengthen social protection programs that help address poverty, support longer-term recovery, and increase resilience to future shocks.

In 2021, ADB committed a \$73 million loan to mitigate the socioeconomic impacts of the pandemic on poor and vulnerable groups in Mongolia. Reinforcing a social protection investment made in 2020, the loan topped up monthly cash grants to 1.2 million poor children for an additional 6 months. It also helped strengthen the government's social welfare program by updating its household database for improved targeting of poverty reduction programs.

ADB is helping the PRC's small and medium-sized enterprises (SMEs) recover from the pandemic by shoring up revenues for businesses left financially vulnerable, especially those in rural areas. The bank provided a nonsovereign loan of \$40 million in yuan equivalent to Zhujiang Financial Leasing Company Limited.

## PERCENTAGE OF ADB'S COMMITTED OPERATIONS IN EAST ASIA SUPPORTING EACH STRATEGY 2030 PRIORITY



Notes: Most new ADB operations address multiple operational priorities. The sum of COVID-19 Response and Non-COVID-19 Operations percentages may not equal the total percentage figure for some operational priorities due to rounding.



The loan—ADB's first currency parallel loan in the PRC—will assist Zhujiang in boosting the ability of underserved SMEs to meet costs and expand their businesses.

ADB also signed a \$140.8 million loan to improve health-care access for the elderly in the Xiangyang municipality of the PRC's Hubei Province. The project will establish a scheme for better elderly care services, enhance the design of elderly care facilities, and build at least six such facilities with gender-inclusive features such as separate rooms for men and women. As part of the project, ADB is providing support to develop a public-private partnership to build and operate a care facility that will accommodate 400 elderly patients.



### Accelerating Progress in Gender Equality

ADB continued to invest in measures to improve gender equality in East Asia in 2021, with a focus on enhancing the role of women in education, addressing gender-based violence, and increasing access to essential services.

In the PRC, ADB committed \$146.1 million for a results-based lending program on preschool education, which aims to increase women's participation in teaching and leadership roles in the sector. The program will recruit 5,400 new teaching staff (at least 95% women) and improve the leadership capacities of 452 highly qualified teachers (at least 99% women). The program will give women access to better jobs, higher status, and increased eligibility for promotion.

ADB administered a \$1 million grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific to provide additional financing for a project addressing domestic violence in Mongolia. The extra funding will expand immediate response and income assistance to survivors of gender-based violence, while enhancing the capacity of key officials and staff responsible for protection and rehabilitation services. It will also help upgrade domestic violence hotline operations as well as legal and psychosocial counseling for rural and remote communities and persons with disabilities.

Gender considerations were an important aspect of a nonsovereign loan of \$50.2 million in yuan equivalent ADB

provided to Henan Tian Lun Gas Group Ltd in the PRC to ensure uninterrupted supplies of natural gas to customers. Under the loan agreement, at least 8,700 single-mother households in Henan Province will receive continuous supplies of natural gas on favorable payment terms until the end of 2022. Free supplies of childcare and children's nutrition products will also be made available to these households.



### Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

In 2021, ADB continued to invest in nature-based solutions and innovative financing mechanisms to reduce ecological pressures and address climate change challenges in East Asia.

The bank committed \$154 million for a project in the PRC's Yangtze River Economic Belt that will improve the natural environment and living conditions for more than 523,000 people in the rural Pingjiang county of Hunan Province. Through the investment, ADB is helping restore wetland areas and establish a county-wide early warning system to reduce flood vulnerability for local communities. The project will also build climate adaptation considerations into rural-urban planning.

ADB signed a similar project worth \$197.9 million to promote ecological protection and environmental improvement in the Xichuan county of Henan Province. The county is part of the Han River watershed in the Yangtze River basin, which has been designated a national key ecological function zone by the government. To develop disaster response capacity, the ADB financing will help install real-time water quality, water level, and sediment sampling stations that support early warnings for floods. The project will reduce the risk of destruction caused by floods for around 75,000 people.

As part of a multiyear lending program for reducing air pollution in the greater Beijing-Tianjin-Hebei region, the bank committed \$151.5 million to boost financing for investments in renewable energy, clean transport, industrial energy efficiency, and cooling system retrofits. The 2021 financing will be used to introduce a scheme to improve the creditworthiness of domestic developers to issue clean-air bonds. It will also introduce an online lending

### IN 2021, ADB COMMITMENTS IN EAST ASIA WERE PRIMARILY IN THESE SECTORS

**43%**

AGRICULTURE,  
NATURAL RESOURCES,  
AND RURAL  
DEVELOPMENT

**18%**

HEALTH

**9%**

TRANSPORT

**8%**

EDUCATION

**7%**

ENERGY

platform to enhance access to finance for micro, small, and medium-sized enterprises and energy service corporations. The ongoing project is expected to reduce carbon dioxide equivalent emissions, including hydrofluorocarbons, by at least 800,000 tons annually by 2027.



### **Making Cities More Livable**

ADB is providing integrated solutions to help build East Asian cities that are livable, inclusive for all residents, environmentally sustainable, and resilient to climate change.

In the PRC, the bank committed a \$200 million loan in Shaanxi Province to develop urban infrastructure that reduces traffic congestion, enhances the efficiency of logistics and supply chain systems, and improves safety in transport movement. With an additional \$200 million in cofinancing, the project will introduce integrated information and communication technology to enhance the government's capacity to monitor real-time traffic, optimize route planning, and enable sharing of operational data between logistics providers. By developing low-carbon logistics facilities and transport systems in three strategic locations, the project will improve urban air quality and reduce pollution by avoiding 69,000 tons of carbon dioxide in net carbon footprint each year.



### **Promoting Rural Development and Food Security**

Across the PRC and Mongolia, many farmers and rural communities continue to be inhibited by outdated production methods and limited access to finance to develop modern farming enterprises. In 2021, ADB acted to address these issues through both sovereign and nonsovereign investments.

The bank committed a \$200.5 million loan to improve agricultural incomes and enhance food security in the PRC's Xiangxi prefecture, Hunan Province. The project aims to develop agricultural and forestry products with the use of organic or low-chemical fertilizers and pesticides, and construct research and development facilities, seedling breeding areas, and integrated water and fertilizer management systems. It will also help implement an e-commerce platform with a product traceability system to assist farmers in selling their products to urban consumers. The project is expected to directly benefit 422,000 residents of Xiangxi, including 109,000 poor or low-income people.

The COVID-19 pandemic has exacerbated long-term challenges that many farmers and micro entrepreneurs, including women, face in sourcing loans for their businesses. ADB provided a nonsovereign loan of \$40 million in yuan equivalent to CD Finance Management Co. Ltd., the PRC's largest microfinance institution, to expand access to finance in rural counties.

## **Priority Vaccine Delivery in Mongolia**

In the early months of 2021, COVID-19 was beginning to take a mounting toll in Mongolia. With a sharp increase in cases, the government enacted a fourth strict lockdown and turned its attention to intensifying its vaccination efforts.

ADB played a significant role, disbursing a \$40 million loan (including \$21 million in cofinancing) to the country under the Asia Pacific Vaccine Access Facility (APVAX). During 2021, the financing helped secure more than 1.2 million COVID-19 vaccine doses, boosting government efforts to immunize priority groups representing at least 30% of the total population. These included individuals at high risk of death and about 200,000 frontline health-care workers (80% of whom are women). In addition, persons with disabilities, those who suffer from chronic diseases, emergency service workers, and vulnerable groups requiring social assistance benefited from wider vaccine availability.

By the end of the year, 90.9% of this target population had been fully vaccinated and Mongolia's COVID-19 case-fatality ratio remained among the lowest in Asia.

To complement the APVAX support, a \$5 million grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific will help Mongolia respond to further outbreaks of COVID-19. It will provide resources and training for frontline health-care workers on COVID-19 testing and the administration of vaccines to target populations.

Successful implementation of its COVID-19 vaccination rollout, including through ADB support, has assisted Mongolia in kick-starting its economy toward post-pandemic recovery.



➔ ADB is playing an important role in Mongolia's successful COVID-19 vaccination rollout.

CD Finance Management Co. Ltd. will use the proceeds to provide microloans of up to CNY200,000 as long-term, stable funding to farmers and former migrant workers, helping them start and maintain agricultural and other rural businesses.



### Strengthening Governance and Institutional Capacity

ADB continued to prioritize institutional development and capacity building as an important focus of its support to East Asia.

In Mongolia, ADB is helping to strengthen the country's capacity to respond to the COVID-19 pandemic and future health crises. This includes support to expedite medium-term reforms to enhance the country's health system. In 2021, the bank committed a \$100 million loan for the first subprogram of a policy-based loan to improve the crisis preparedness of Mongolia's health sector and ensure the availability of critical medicines and emergency supplies. The loan will help the Government of Mongolia develop an incident management system that coordinates critical organizations during health emergencies as well as establish a management database across sectors to promote information sharing during disasters.

Under the subprogram, ADB is also supporting improvements to Mongolia's national pharmaceutical regulation, increasing

hospital autonomy and good governance, establishing a single purchaser for health services, and safeguarding the fiscal sustainability of the government over the medium term. These reforms are expected to reduce procurement prices for some medicines in public hospitals by at least 30% and improve the financial management and human resources of hospitals.



### Fostering Regional Cooperation and Integration

ADB continues to make strategic investments and develop knowledge solutions to advance cooperation and integration between Mongolia and the PRC and with other ADB members across Asia and the Pacific.

The bank's efforts in 2021 are illustrated by a loan to assist the PRC's Guangxi Zhuang Autonomous Region in strengthening cooperation and integration with member countries of the Association of Southeast Asian Nations and the Greater Mekong Subregion Economic Cooperation Program. ADB committed a \$140 million loan for the third tranche of a \$450 million investment program to develop and share integrated logistics facilities and e-commerce platforms across multiple DMCs. These will help promote the efficient and safe trade of perishable goods, improve food security and safety, and create 2,530 jobs for residents of Guangxi and cross-border workers in



Rice transplanting technology is helping farmers boost agricultural productivity in ADB-supported project sites.

The result has been increased agricultural productivity in the project area, with grain yields increasing by 53%, cash crop yields (excluding vegetables) by 353%, and vegetable yields by 35%. Income for farmers increased on average by more than 150%, contributing to reduced rural poverty. The project had a particularly positive impact on women by lifting their participation and representation in local water and farmer associations, increasing employment opportunities, and improving their knowledge of modern agricultural production and irrigation. The project created 24,263 jobs during implementation and 2,284 employment opportunities during operation of the facilities, with women taking up half of the new jobs created.

### Maximizing Food Production in the PRC

Agriculture systems in the People's Republic of China (PRC) must help feed the largest population in the world. It is a task fraught with significant challenges such as diminishing agricultural productivity and decreasing land and water resources.

Against this backdrop, ADB approved a \$200 million loan in 2012 that promoted holistic support to the PRC's agricultural development in five provinces (Anhui, Heilongjiang, Henan, Jilin, and Yunnan) and one autonomous region (Ningxia Hui Autonomous Region). A 2021 report on the performance of the project identified some impressive achievements. ADB's support had improved more than 100,000 hectares of land through irrigation and drainage infrastructure as well as water-saving technology and practices.



Viet Nam. Through the 2021 investment, ADB is also helping establish a vocational training center for SMEs, with funding to provide around 2,650 trainees with skills in international trade, e-commerce, tourism, food security, food safety, and agriculture.

## KNOWLEDGE HIGHLIGHTS

ADB's operations in the PRC have long focused on providing tailored knowledge solutions to tackle complex development issues. This work has often been of significant benefit to other DMCs throughout Asia and the Pacific as the bank shares relevant lessons and know-how from its operations in the country.

Under ADB's country partnership strategy for the PRC covering 2021–2025, the focus on knowledge has been strengthened further. The strategy includes a detailed knowledge plan that supports green and inclusive development through policy advice and insights on best practices.

ADB began delivering on the new knowledge plan in 2021. To offer guidance on broad development objectives, the bank shared a policy note with the Government of the PRC detailing observations on the country's 14th Five-Year Plan, 2021–2025. This included recommendations on areas such as growth and innovation, environment and climate change, and urban–rural inequalities.

ADB also had an influence on PRC policymaking in relation to disaster risk financing. Recommendations from a bank-hosted workshop on innovative financial solutions have led to the Ministry of Emergency Management analyzing policy reforms on disaster risk financing, while the Ministry of Water Resources is considering a pilot program for similar solutions in the Yangtze River Economic Belt.

To benefit the PRC and other DMCs across Asia and the Pacific, the 2021–2025 knowledge plan places even greater emphasis on sharing development experiences. The ADB–PRC Regional Knowledge Sharing Initiative (RKSII) remains the centerpiece of this strategy. In 2021, the RKSII organized or supported 20 knowledge events involving over 2,000 participants from around the region, including forums on social development, poverty reduction, and ecological civilization.

Under more specialized knowledge initiatives, ADB's support for low-carbon development in Yanji city, Jilin Province was featured in the book *Creating Livable Asian Cities*, which presents DMCs with solutions for smart and inclusive urban planning, sustainable transport and energy, innovative financing, and urban resilience and rejuvenation. ADB also released *Greening Development in the People's Republic of China*, a publication about its support to the PRC to balance economic and social progress with environmental sustainability. The publication provides other DMCs with insights and lessons on how the PRC is transitioning to a greener development path.

Meanwhile, new ADB technical assistance in 2021 will help capture the PRC's practices and lessons on issues such as decarbonization and air pollution, then to share this knowledge with other DMCs through online seminars and field trips for visiting government officials.

ADB similarly continues to tailor its knowledge support for Mongolia. Having supported health sector reform through its operations, in 2021 ADB shared its lessons and recommendations from this work through two publications on primary health-care and hospital services.

To promote gender equality, ADB prepared *Boosting Mongolia's Long-Term Economic Growth through More Equal Labor Force Participation between Men and Women*, a brief that provided recommendations on revisions to the country's Labor Code. Suggested reforms included better redress mechanisms for workplace harassment, subsidizing childcare, introducing tax credits that encourage reskilling for mothers wishing to reenter the workforce, and offering more flexible and family-friendly work arrangements. These reforms have gained traction within the Mongolian Parliament after the ADB brief was recognized by the parliamentary working group addressing the Labor Code amendments.

ADB is also enhancing national efforts to combat domestic violence in Mongolia. Under a technical assistance project, multiple mobile applications were launched to facilitate reporting of domestic violence, while case studies and multimedia products were released to raise awareness around this topic.

## • GREEN GROWTH STRATEGIES FOR THE PRC AND MONGOLIA

ADB approved new country partnership strategies for both Mongolia and the PRC in 2021.

In the PRC, the overarching goal of the strategy is to support government efforts toward high-quality, green development. ADB will prioritize investments and knowledge solutions to address the interrelated priorities of environmentally sustainable development, climate change adaptation and mitigation, and addressing an aging society and health security.

For Mongolia, the partnership strategy through to 2024 aims to aid economic recovery and help lay foundations for longer-term inclusive and sustainable growth. ADB will focus on equitable social development and economic opportunities, climate-resilient infrastructure, economic competitiveness and diversification, and green development.



# Pacific

Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu

➔ A woman holding her child sells fresh fruit at the Port Vila Market on Efate island in Vanuatu.

## BY THE NUMBERS

**\$853 M**

COMMITTED

**\$317 M**

COVID-19 RESPONSE

**\$512 M**

DISBURSED

**\$570 M**

COFINANCED

The COVID-19 pandemic continued to impose considerable impacts on ADB's developing member countries (DMCs) in the Pacific during 2021.

While many Pacific DMCs avoided large COVID-19 outbreaks, some were not so fortunate. [Fiji](#) battled a severe wave of the Delta variant, which overwhelmed the country's two major hospitals and required the dispatch of emergency medical teams from Australia and New Zealand. [Papua New Guinea](#) (PNG) also endured outbreaks, the severity of which likely remains vastly understated due to limited testing and contact tracing. National vaccination rates in the region varied from just over 2% in PNG to more than 90% in [Palau](#).

The ongoing crisis has exacerbated the fragility and challenges many Pacific economies already face as small island developing states. COVID-19 containment measures continued to throttle tourism and limit broader business activity, causing the regional

economy to contract in 2021, the second consecutive year of decline. Prior to the pandemic, tourism contributed more than 20% of gross domestic product in six of the region's DMCs, and economies such as the [Cook Islands](#), [Fiji](#), and [Palau](#) have been hit hard by international border closures and travel restrictions.

The economic struggles have led to declines in household consumption and rising rates of extreme poverty in the Pacific. There have also been disproportionate social impacts on women and girls, including higher rates of gender-based violence and more unpaid household and care work.

Responding to the pandemic during 2021, governments of Pacific DMCs focused mostly on measures to deliver direct income and lending support to vulnerable groups along with upgrades to health systems.

During the year, ADB committed a total of \$852.7 million in financing for the region in 2021. Of these commitments, \$317.2 million supported COVID-19 response.

This included pandemic-related assistance to enhance social protection for the poor and vulnerable, and through the Asia Pacific Vaccine Access Facility (APVAX), support to strengthen COVID-19 vaccination rollouts and community awareness campaigns.

ADB also provided financing of \$255.5 million for the Cook Islands, Palau, PNG, and [Tonga](#) to shore up government budgets under increased strain from the pandemic's impacts. These policy-based loans will help strengthen public financial management and other growth-enhancing reforms.

Meanwhile, other ADB commitments in 2021 are contributing to a green and inclusive recovery for the region's 14 DMCs. These include new financing for transport, energy, and other vital infrastructure.

In November 2021, ADB completed its first country classification of [Niue](#), which became the bank's 68th member in March 2019. Niue is classified as group B country and now has access to concessional financing in accordance with ADB policies and procedures.

## STRATEGIC FOCUS

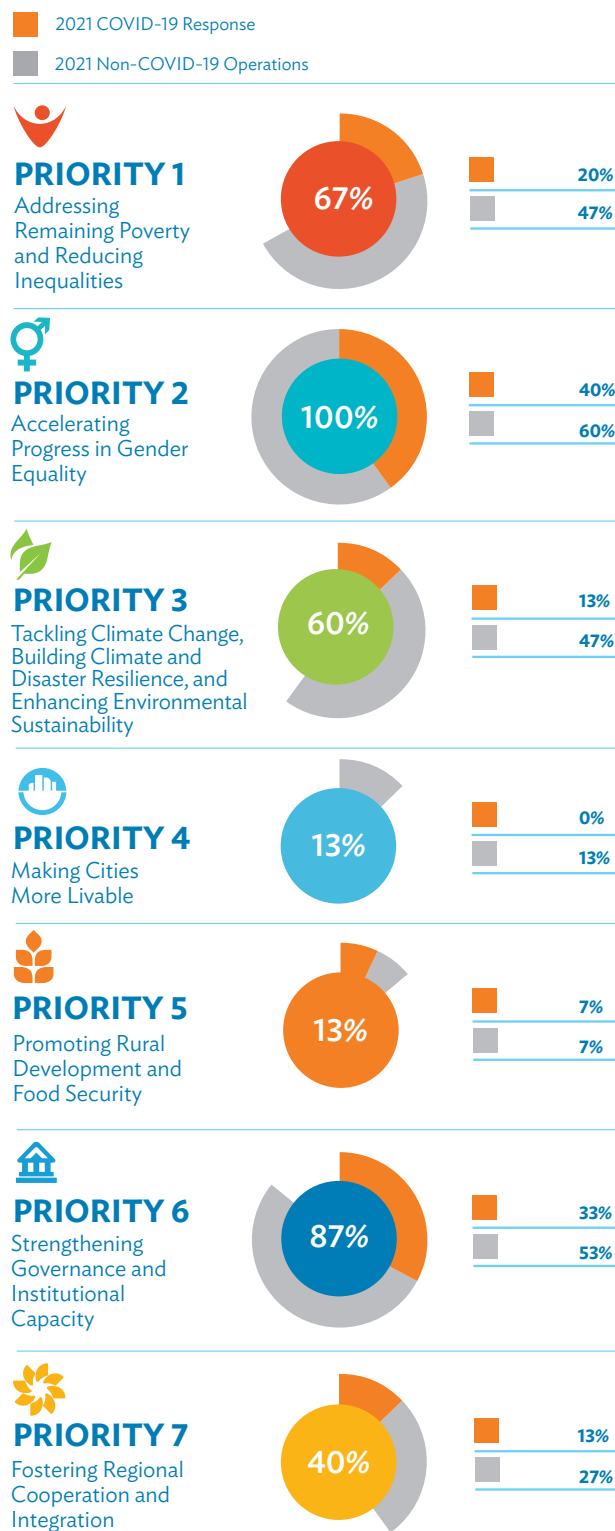


### Addressing Remaining Poverty and Reducing Inequalities

In 2021, ADB financed projects to improve living conditions for people on small and remote Pacific islands. These investments are designed to promote inclusive economic growth out of the COVID-19 pandemic, provide access to basic services for underserved areas, and foster social cohesion.

ADB provided \$3.7 million in grants for a social protection project to mitigate the impact of COVID-19 on poor and vulnerable people in Palau—including the elderly, persons with disabilities,

## PERCENTAGE OF ADB'S COMMITTED OPERATIONS IN THE PACIFIC SUPPORTING EACH STRATEGY 2030 PRIORITY



Notes: Most new ADB operations address multiple operational priorities. The sum of COVID-19 Response and Non-COVID-19 Operations percentages may not equal the total percentage figure for some operational priorities due to rounding.



small agricultural producers, and women and girls. The financing will address immediate physical, mental, social, and environmental needs in a country that has suffered extensive job losses, especially in the tourism sector.

An ADB regional technical assistance project is supporting the recovery of micro, small, and medium-sized enterprises (MSMEs) in the Cook Islands, Fiji, [Samoa](#), [Solomon Islands](#), Tonga, and [Vanuatu](#). The assistance focuses on businesses heavily affected by the COVID-19 pandemic. Through local business advisors and MSME agencies, the project aims to improve access to business development services and finance for over 200 MSMEs, contributing to broader employment and economic growth prospects.

In [Tuvalu](#), ADB provided a \$20 million grant to enhance access to essential services and accelerate economic opportunities for the outer-island community of Nui. The ADB financing will help build a workboat harbor to offer safer access to interisland transport, including for pregnant women, the elderly, young children, and persons with disabilities.

ADB technical assistance to [Kiribati](#) is financing analysis and assessments that will help the government develop a project to improve hospital infrastructure and health worker training, particularly in South Tarawa.



### Accelerating Progress in Gender Equality

ADB continued to promote gender equality in the Pacific during 2021 through investments in areas including health, social protection, and infrastructure.

ADB worked closely with DMCs to integrate and strengthen gender designs in APVAX projects. In Samoa, Tonga, Tuvalu, and Vanuatu, for example, ADB provided an \$18.9 million grant for an ongoing project that focuses on expanding immunization programs. This additional financing will establish a database for collecting reports on immunization side effects by sex. It will help improve safety surveillance and information campaigns with gender-specific messaging, vaccine delivery, and relevant referral pathways and services.

In the Cook Islands, ADB provided a \$75.5 million policy-based loan to restore fiscally sustainable growth led by the private sector. This includes a \$40 million precautionary financing option that will allow the government to access critical funds if economic and fiscal conditions deteriorate. The loan supports women's economic empowerment and increased protection for vulnerable women and children. Through the investment, ADB is helping the Cook Islands continue support payments for families with children, vulnerable women, and caregivers.

ADB is also administering a \$2 million grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific to reinvigorate tourism in the Cook Islands by expanding the Rarotonga Airport terminal for COVID-19 screening and physical distancing. The project design includes reserved seats and a waiting area for pregnant women and access lanes for persons with disabilities, the elderly, and the infirm. It will also upgrade a medium-sized health facility, providing consultation rooms dedicated to services for women's mental health and gender-based violence counseling.

When committing \$43.9 million for land and maritime transport infrastructure in Solomon Islands, ADB included measures that support safe travel for women and other vulnerable groups. These measures include the posting of information on gender-based violence and associated services in bus shelters and community areas. In addition, the project will deliver training on gender-based violence—including prevention of sexual exploitation, abuse, and harassment—among project contractors and in the nine target communities, while also encouraging the employment of women in technical and leadership positions.



### Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

Addressing climate-related disaster risks is a priority in the Pacific, given the region's high exposure to extreme weather events and natural hazards and its vulnerability to the effects of climate change.

#### IN 2021, ADB COMMITMENTS IN THE PACIFIC WERE PRIMARILY IN THESE SECTORS

**58%**

TRANSPORT

**35%**

PUBLIC SECTOR  
MANAGEMENT

**3%**

ENERGY

**3%**

HEALTH

**1%**

WATER AND  
OTHER URBAN  
INFRASTRUCTURE  
AND SERVICES

In 2021, ADB committed \$4 million in additional financing to support the [Federated States of Micronesia](#) (FSM) in managing disaster risks in the energy sector. The 2021 investment supports the development and implementation of an action plan for disaster risk reduction, geographic mapping of the country's energy assets, analysis of asset condition and vulnerability, and electricity network planning and operations. The project will contribute to early disaster response and continued operation of the FSM's power utility during emergencies and other critical periods.

In Fiji, ADB disbursed a \$1 million grant from the Asia Pacific Disaster Response Fund to help meet humanitarian needs in the wake of category 5 Tropical Cyclone Yasa. The grant funded immediate and life-sustaining relief for the estimated 93,000 people (around 10% of Fiji's population) directly affected by the cyclone. This included provision of medical kits, food, bottled drinking water, water purification and sanitation systems, temporary shelter, and personal hygiene kits.

Supporting longer-term action, ADB's Law and Policy Reform Program helped enact Fiji's Climate Change Act, providing for a comprehensive legal framework to respond to climate change in line with the Paris Agreement.

ADB is also investing to accelerate the supply of clean energy across the Pacific. In Palau, the bank provided advisory services that led to the successful commercial closure of a public-private partnership (PPP) with an independent solar power producer. The project, Palau's first utility-scale solar farm and one of the largest solar PPPs in the Pacific, will supply up to 20% of Palau's energy needs (with scope to increase to 45% with future expansion) and save an estimated 15,310 tons of greenhouse gas emissions every year.

### **Making Cities More Livable**

In 2021, ADB invested to improve living conditions in the Pacific's urban areas through projects to upgrade a range of essential services.

In [Nauru](#), a country that still does not have piped water, ADB provided a \$5 million grant to prepare a project that will improve the quality and safety of urban services for about 2,150 households. The proposed \$20 million project will finance improvements to water supply and sanitation, more effective solid waste management, and better capacity for urban planning.

In Solomon Islands, ADB is administering a \$4.6 million grant from the Global Environment Facility to expand an ongoing project that is improving urban water supply and sanitation in the Greater Honiara Area and five other towns. The additional financing will help protect the water sources serving the Greater Honiara Area from the impacts of climate change. It will also contribute to the construction costs of the Kongulai water treatment plant and finance further expansion of the Honiara water supply network and pipe replacement program.

## **Extra Support to Revive Palau's Economy**

As a small island developing state, Palau has a fragile economy highly dependent on tourism. With international borders closed, the country has been severely impacted during the COVID-19 pandemic.

In 2021, building on budget support provided in 2020 for health expenditure and livelihood support, ADB committed a further \$25 million in policy-based loans to Palau. This funding helped bridge substantial financing gaps arising from the pandemic's impacts on tourism, secure funding for the continuation of the government's Coronavirus Relief One-Stop Shop, and support the implementation of critical public sector management reforms aimed at shifting economic recovery to a more sustainable fiscal path.

Through the loans, ADB is also supporting the progression of two landmark pieces of legislation central to Palau's reform agenda: the Fiscal Responsibility Act and the Comprehensive Tax Reform Package. Both will shape sustainable fiscal policy in the country in coming years.

ADB also provided parallel technical assistance toward complementary reform actions. These include the development of a national infrastructure investment plan; an actuarial evaluation of the social security pension fund that will inform a succeeding reform bill; and measures to support further private sector development, with steps toward policy frameworks governing international arbitration, public-private partnerships, and a modernized registry of corporations.



➔ An aerial view of Koror, the commercial center of Palau.



## Promoting Rural Development and Food Security

In a region dominated by widely dispersed communities living on small and remote islands, rural development and food security hinges on transport and market connectivity.

In Vanuatu, ADB provided a \$5 million grant to prepare a project that will construct about 10 rural wharves and jetties to connect remote residents to commercial centers and enhance trade opportunities for micro and small enterprises. The project will also provide storage facilities for improving the delivery of agriculture and fisheries products to local markets and population centers.

ADB is also investing to bolster access to markets and reduce travel times for farmers and rural communities in PNG's most populous and resource-abundant region. The country's national Highlands Highway is the lifeline for the rural hinterland, connecting 1,800 kilometers of regional and feeder roads and serving many remote communities. In 2021, ADB provided a \$325 million loan as part of an ongoing investment program to support the Government of PNG's priority for safe and efficient transport along the highway. The loan will help upgrade 71 bridges, including the addition of walkways separated by rails or barriers to provide safer pedestrian access for senior

citizens, persons with disabilities, and children. The project will also build at least 20 enclosed water access and hygiene stations, making it safer and more dignified for women to wash while traveling.



## Strengthening Governance and Institutional Capacity

In the Pacific, good governance and strong institutions are essential for DMCs to seize economic opportunities, improve the reach and quality of public services, and effectively respond to crises.

In Samoa, ADB provided a \$5 million grant to prepare a land transport project. The financing will assist the government to conduct a feasibility study, prepare quality infrastructure designs for civil works, and carry out due diligence. It will also build the capacity of the executing and implementing agencies in designing, implementing, monitoring, and evaluating land transport projects.

Similarly, ADB and the Government of the FSM signed a \$5 million grant to expedite a series of priority road and bridge projects in all four FSM states. The support will enhance the government's capacity to utilize advanced road construction



➔ Through ADB support, residents of Ebeye in the Marshall Islands now have access to cleaner water, reducing incidence of waterborne disease.

## Safe Water Improves Health Outcomes on Ebeye

Until recently, waterborne diseases were an ever-present threat on the island of Ebeye in the Marshall Islands.

With about 15,000 people settled on just 32 hectares of land, Ebeye is tested by a population density that is higher than that of Hong Kong, China. It also has no freshwater streams and minimal groundwater reserves. The high incidence of waterborne disease was attributed partly to an inefficient water supply and sanitation system, which was only able to service households with up to 1 hour of safe drinking water per week.

"Waterborne diseases were among the most frequent cases we saw at the hospital," says Dr. Joaquin Nasa Jr., chief of staff at Ebeye Hospital.

In 2015, ADB provided a \$5 million grant and administered a \$4 million grant from the Government of Australia to boost access to safe water and improve sanitation on the island. As a result, a state-of-the-art water treatment and sewage plant now provides up to 430,000 gallons of clean drinking water to the people of Ebeye every day.

ADB is continuing its support for the project through \$3 million in additional financing for the operation and maintenance of the plant. This will help ensure the sustainability of water supply and expand sanitation services, which will help contain the transmission of COVID-19. The Government of the Marshall Islands has contributed \$10.4 million in counterpart funds for this project.



technologies and undertake feasibility studies and due diligence on institutional, financial, procurement, and safeguards aspects of subprojects.

In PNG, ADB committed a \$150 million loan for a program to help improve the operational performance, financial sustainability, governance, and transparency of state-owned enterprises in order to strengthen service delivery.

The bank also committed \$2 million in additional financing for ongoing improvements to public financial administration in the [Marshall Islands](#). The 2021 investment will finance the project's Reform Coordination Unit—a team of local and international experts providing long-term support to the Ministry of Finance—to expand reform areas and implement improvements in the management of state-owned enterprises.



### Fostering Regional Cooperation and Integration

With 14 geographically remote DMCs, the Pacific presents unique challenges in regional cooperation and integration (RCI). In 2021, ADB promoted RCI for improved transport and trade, low-carbon solutions in the energy sector, and the delivery of quality telecommunications and internet services.

ADB committed a \$45 million grant to rehabilitate and upgrade the Queen Salote Wharf in the Tongan capital of Nuku'alofa. The financing will allow the deployment of larger vessels in the port, bringing greater cargo volumes to the region, lowering shipping costs, and creating financial efficiencies in the importing and exporting of goods. The project will play a vital role in encouraging regional trade for neighboring states on connected shipping routes, such as the Cook Islands and Samoa, and between Tonga and its main trading partners Australia, New Zealand, and the United States.

To strengthen energy reforms in the Pacific, ADB provided regional technical assistance to the Office of Pacific Energy Regulators Alliance to promote regulatory reforms to support new technologies for decarbonizing Pacific economies. It will also focus on realizing opportunities to attract private investment in the energy sector, including through public-private partnerships.

ADB also made a \$25 million equity investment in a new mobile telecommunications provider in PNG. Set up by a Fijian-based industry operator and with institutional investor support from Samoa, the deal highlights regional connectivity and cross-border cooperation between Pacific enterprises. Vodafone PNG, established by Amalgamated Telecom Holdings Ltd (Fiji), will deliver affordable, high-quality mobile, broadband, and internet services, with PNG's mobile penetration rate expected to rise from around 32% to 65% by 2024. This expanded access to mobile and internet services will improve connectivity for traders, manufacturers, and business owners operating in regional markets.

## KNOWLEDGE HIGHLIGHTS

In 2021, ADB and the Government of Tonga released a groundbreaking report analyzing climate and disaster risks in the Pacific island nation. The report assessed 28,000 buildings, 1,200 kilometers of roads, 26,000 power assets, and 500 water assets across the main island, Tongatapu, and modeled the impact of natural hazards with and without climate change. The results showed that under a 1-meter sea-level rise scenario, 25% of buildings, 11% of roads, 16% of water assets, and 29% of power infrastructure would be permanently lost. The report was adopted by the cabinet of Tonga on 27 August 2021, and similar assessments are being planned for other population centers in the Pacific.

The ADB-supported Pacific Region Infrastructure Facility (PRIF) held its inaugural conference in October 2021, bringing together a wide range of Pacific stakeholders to discuss the region's infrastructure needs. PRIF also provided support to the Cook Islands, Palau, Solomon Islands, and Tonga to develop priority national infrastructure plans that will help support economic recovery from the COVID-19 pandemic.

ADB's Pacific Private Sector Development Initiative released the report *Leadership Matters: Benchmarking Women in Business Leadership in the Pacific*. The report found that the proportion of women in business leadership roles in Pacific DMCs is well above global averages and it also identified opportunities to further enhance gender equality.

### NEW APPROACH FOR SMALL PACIFIC DMCS

In 2021, ADB endorsed the [Pacific Approach 2021–2025](#), a 5-year strategy for 12 small Pacific island countries. The strategy has three objectives: building resilience to shocks, delivering sustainable services, and supporting inclusive growth.

To build resilience to shocks, ADB will focus on strengthening public financial management and health systems, as well as supporting disaster risk reduction, and economic recovery. To deliver sustainable services, ADB will continue to finance core energy, transport, and urban infrastructure, while supporting utilities to manage assets more sustainably. To support inclusive growth, ADB will scale up its nonsovereign operations in the region, strengthen enabling business environments, increase access to finance for MSMEs, and help develop social protection systems for the most vulnerable.

# South Asia

Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka

➔ Women lining up to be vaccinated against COVID-19 in Dhaka, Bangladesh.

## BY THE NUMBERS

**\$8.8 B**

COMMITTED

**\$5.4 B**

COVID-19 RESPONSE

**\$5.4 B**

DISBURSED

**\$4.8 B**

COFINANCED

South Asia saw economic growth rebound strongly in 2021, thanks largely to the easing of COVID-19 restrictions in some parts of the region, stronger commodity prices, and increased foreign trade.

Recovery from the pandemic was, however, marred by recurring viral outbreaks. The region accounted for the bulk of COVID-19 cases in Asia and the Pacific, with new daily infections topping 403,000 in early May. Approximately 40% of the population had been fully vaccinated by the end of the year.

Governments in the region focused their COVID-19 response measures in 2021 on bolstering health systems and social protection. [Bangladesh](#), for instance, moved to make its social resilience program more responsive, while [Nepal](#) strengthened community engagement to raise awareness on the benefits of vaccination.



ADB continued to respond quickly and flexibly to help its developing member countries (DMCs) in South Asia address the COVID-19 crisis, committing \$5.4 billion in financing for pandemic response during 2021. This support included \$2.8 billion in loans under the Asia Pacific Vaccine Access Facility (APVAX) to help the region procure and deliver over 800 million vaccine doses for more than 415 million people in Bangladesh, [India](#), Nepal, and [Sri Lanka](#).

ADB also provided loans, grants, and technical assistance to make social protection systems more inclusive, especially for women and the elderly; enable businesses to stay open and retain and create jobs; and improve and expand health-care services.

Meanwhile, ADB continued operations to help its DMCs in South Asia achieve their longer-term development objectives while contributing to a green and inclusive recovery from the pandemic. For example, the bank helped governments strengthen their public financial management systems, and supported tax reforms to boost domestic resource mobilization.

In total, ADB committed \$8.8 billion for South Asia in 2021, including nearly \$300 million for nonsovereign projects supporting companies mainly in the energy, finance, and transport sectors.

## STRATEGIC FOCUS

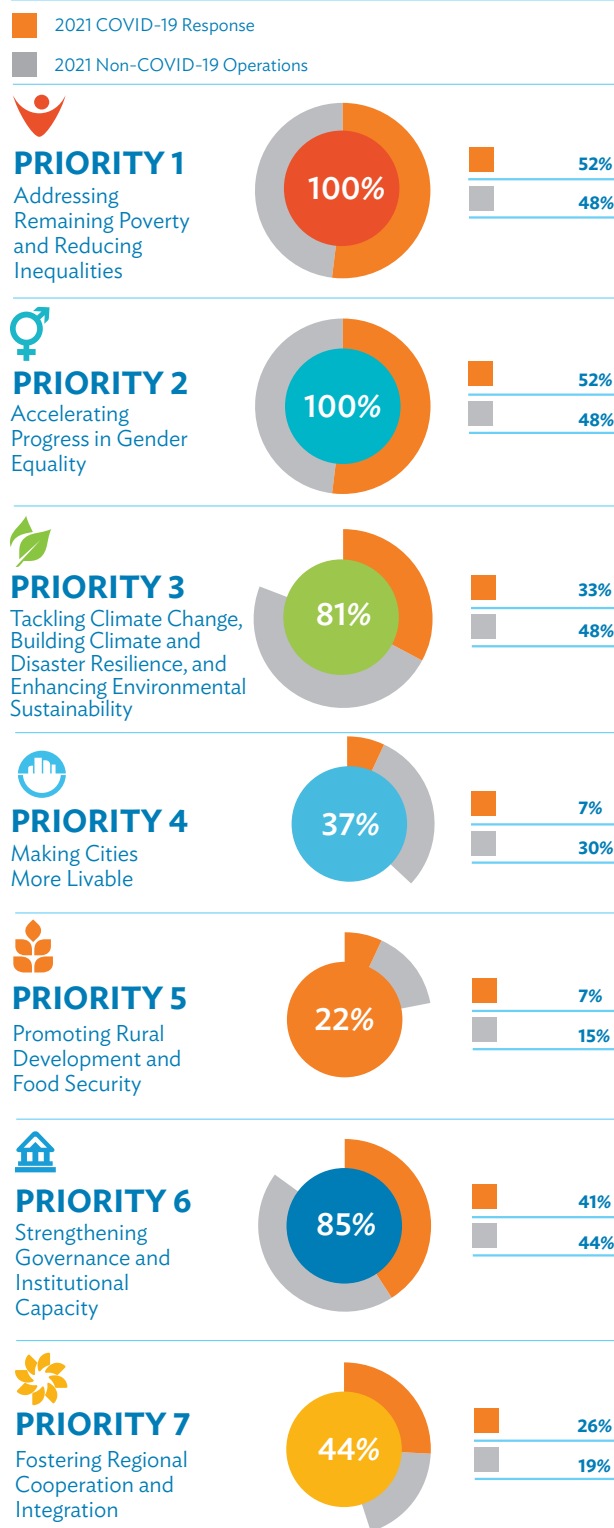
### Addressing Remaining Poverty and Reducing Inequalities

In 2021, ADB aimed to address the short-term ramifications of the COVID-19 pandemic on the poor and vulnerable of South Asia and help build foundations for an economic recovery that leaves no one in the region behind.

The bank made important investments to reduce the impacts of the pandemic on the disadvantaged, most notably via APVAX, which is helping ensure more equitable access to vaccines. Under this facility, ADB provided Bangladesh with a \$940 million loan to procure 115 million COVID-19 vaccine doses; Nepal \$165 million for around 16 million doses; Sri Lanka \$150 million for 12 million doses; and India \$1.5 billion—the largest loan under APVAX—for 667 million doses.

In [Maldives](#), ADB provided technical assistance to strengthen the country's health system, with a focus on COVID-19 pandemic response and vaccination plans. Similarly, ADB is administering a grant of \$5 million from the Japan Fund for Prosperous and Resilient Asia and the Pacific to help local governments in Nepal respond better to the pandemic. The grant is funding community initiatives in water supply, sanitation, and hygiene, along with health initiatives to prevent COVID-19 transmission in regional centers and small towns. Linked to ongoing ADB-financed projects, it supports the construction of 20 multipurpose community shelters equipped with health-care amenities.

## PERCENTAGE OF ADB'S COMMITTED OPERATIONS IN SOUTH ASIA SUPPORTING EACH STRATEGY 2030 PRIORITY



Notes: Most new ADB operations address multiple operational priorities. The sum of COVID-19 Response and Non-COVID-19 Operations percentages may not equal the total percentage figure for some operational priorities due to rounding.



To reduce inequality over the longer term, ADB provided \$300 million to extend comprehensive primary health-care services in 13 Indian states, benefiting an estimated 256 million urban dwellers, including 51 million people who live in urban slums.

The bank also committed \$150 million to provide housing for the urban poor in the state of Tamil Nadu, and relocate 6,000 poor households from areas vulnerable to natural hazards to safer locations. Under the project, ADB is supporting the Government of India to engage with the private sector to mobilize additional financing for the construction of affordable housing.



### Accelerating Progress in Gender Equality

ADB ensured gender equality elements featured strongly across its operations in South Asia in 2021. The bank's gender initiatives in Bangladesh and Sri Lanka demonstrate how these operations contribute to social protection, universal health care, inclusive economic growth, and other development outcomes.

In Bangladesh, ADB committed a \$250 million loan that, along with \$351 million in cofinancing, will support reforms to improve social protection for vulnerable women. The program will expand coverage of both the old-age allowance for women over 62 and the allowance for widowed, deserted, and destitute women in 150 *upazilas* (subdistricts). Selection of almost 1 million beneficiaries was completed in 2021, with 90% of those women receiving two cash transfer installments.

ADB also committed a \$150 million loan to rejuvenate the country's micro, small, and medium-sized enterprises (MSMEs) operated by youth, rural entrepreneurs, and returning migrant workers, particularly women. The loan to Bangladesh Bank, the nation's central bank, will be on-lent to participating financial institutions to support MSMEs. More than 6,000 women-led or owned microenterprises will benefit from better access to financing. The project will also provide business incubation services for women.

Also in Bangladesh, ADB provided technical assistance to improve road safety and maintenance along one of the country's major highways. The project includes support to build the capacity of the Roads and Highways Department to integrate gender equality and social inclusion (GESI) features into the country's road operations. It will develop a strategy and guidelines for GESI and identify how bus stations along National Highway No. 2 can be upgraded to provide better facilities for women, the elderly, and children.

In Sri Lanka, ADB provided a \$110 million loan to bolster primary health-care services for four underserved provinces. The loan will finance gender-responsive facilities in hospitals and enhance health services tailored for women, men, and children. It includes a pilot program to engage with over 1,000 men and boys on reproductive health and with more than 3,000 women and girls to promote maternal and child health and nutrition. It also aims to aid government efforts to integrate gender issues into health sector policies.



### Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

ADB continued to support climate change mitigation and adaptation and disaster resilience across South Asia. This included investments for climate-resilient infrastructure and clean energy, as well as support to plan and finance disaster preparedness.

In India, ADB committed \$251 million to reduce the exposure of 1.9 million people in the Chennai-Kosasthalaiyar River basin to seasonal flooding, which has in recent years destroyed property and livelihoods. By financing disaster-resilient infrastructure in the river basin, ADB is helping communities cope with intensifying rainfall, a rise in sea level, and storm surges caused by cyclones.

ADB also provided technical assistance to build climate resilience along the coastlines of Bangladesh, India, Maldives, and Sri Lanka. The assistance will help the countries prepare

#### IN 2021, ADB COMMITMENTS IN SOUTH ASIA WERE PRIMARILY IN THESE SECTORS

**44%**

HEALTH

**22%**

TRANSPORT

**15%**

WATER AND  
OTHER URBAN  
INFRASTRUCTURE  
AND SERVICES

**6%**

AGRICULTURE,  
NATURAL  
RESOURCES,  
AND RURAL  
DEVELOPMENT

**5%**

PUBLIC SECTOR  
MANAGEMENT

strategic plans and identify financing opportunities to reduce vulnerability to natural hazards and restore ecosystems that are exposed to them.

To support India's transition to clean energy, ADB made a pioneering arrangement that extends back-to-back sovereign and nonsovereign loans for a single project, totaling \$190 million, to the Government of India, the State Government of Karnataka, and the Bangalore Electricity Supply Company Ltd (BESCOM). Under the arrangement, BESCOM will upgrade its power distribution system to improve the efficiency and safety of services for over 11.8 million consumers in urban Bengaluru. The investment is expected to avoid over 113,000 tons of carbon dioxide emissions each year.



### Making Cities More Livable

South Asia is home to some of the most underprivileged urban centers in Asia and the Pacific. In 2021, ADB made investments to improve the quality of life in South Asian cities by financing better urban policy development and planning, improved public transport, and a greater supply of affordable housing.

In India, the bank committed a \$350 million loan that supports national policies to deliver services to the country's 460 million urban dwellers. Through central government grants, subject to performance improvements in various sectors, the program will help establish policies and guidelines for water supply and sanitation, rental housing policies and programs for migrant workers and the poor, and guidelines for disbursement of financing.

ADB also signed a \$500 million loan with the Government of India to expand the metro rail network in Bengaluru. Supplemented by \$330 million in cofinancing, the project will build two new metro corridors totaling 56 kilometers (km), mostly elevated, with 30 new stations. It will provide safe, affordable, and green travel for Bengaluru's projected urban population of 16.2 million by 2030, helping decongest traffic and provide easier travel to the airport. The new lines will cater to all commuters and meet the special needs of the elderly, women, children, and persons with disabilities.

In Bhutan, where there is a dire housing shortfall and nearly 64% of urban households rent, ADB committed \$30 million to help build affordable housing and community amenities in six cities. The financing covers the construction of 1,000 disaster-resilient and energy-efficient rental units for low-income households, 3 integrated community service centers, and 2 transfer stations for recyclable waste. The project will also help develop the institutional capacity, policies, and regulatory framework of Bhutan's housing sector.

To improve transport connectivity from hinterlands in Andhra Pradesh to the port of Vishakhapatnam on India's east coast, ADB committed a nonsovereign loan of \$51.1 million in Indian rupee equivalent to DBL Anandapuram Anakapalli Highways

## Agriculture Investments to Spur Pandemic Recovery in India

In 2021, ADB made two complementary investments to help boost the rural economy and accelerate pandemic recovery in India's Maharashtra state.

The bank signed a \$100 million loan to improve agribusiness and postharvest handling capacities, boost farm incomes, and reduce food losses across the state. The loan will help upgrade or construct facilities to provide about 200,000 individual farmers and farmer organizations with clean, accessible, and sustainable crop storage and processing. It will also allow better access to finance, provide training on horticulture value chains and postharvest management, and complement ADB's private sector pipeline projects for developing high-efficiency crop nutrition and soil improvement.

To enhance the benefits of the agribusiness loan, ADB also committed \$300 million in additional financing to build 1,100 kilometers of all-weather roads and 230 bridges in 34 rural districts of Maharashtra. These roads will improve crop transportation and market connectivity for farmers and agricultural enterprises, while also giving small villages better access to schools and health facilities. The project is expected to generate about 3.1 million person-days of employment for local communities, of which at least 25% will be for women.



➔ Maharashtra is one of India's biggest chili-producing states. ADB support to agribusinesses in the state will bolster a green and inclusive recovery.

Private Ltd. The project will convert a section of national highway from two lanes to six lanes, decongesting a key traffic choke point and resulting in faster freight movements and reduced logistics costs. It is ADB's first private sector road project in South Asia and will create nearly 1,100 jobs during the construction phase.



### Promoting Rural Development and Food Security

Rural development remains critical in South Asia to eliminate poverty and ensure water and food security.

In Nepal, ADB provided technical assistance to prepare a project that will help meet domestic demand for fruit and nuts while enhancing the livelihoods of farmers in five provinces. The assistance is assessing ways to improve disease-free nursery management and Nepal's associated certification system as well as digitize the payment system for agricultural subsidies and other financial support. It is also exploring carbon capture of fruit and nut orchard farming and improvements to the climate resilience of orchard management.

In Sri Lanka, ADB committed \$200 million as the third tranche of an integrated road program to improve and maintain about 3,400 km of rural access roads and 340 km of national roads.

The program is strengthening connectivity between rural communities and socioeconomic centers for 9.8 million people in the Northern, Eastern, Western, and Uva provinces.



### Strengthening Governance and Institutional Capacity

To generate rapid and sustainable economic recovery from the COVID-19 pandemic, DMCs in South Asia are seeking to improve public financial management, build their capacity to deliver better infrastructure, and enhance financial markets.

As part of its response, ADB committed a \$250 million policy-based loan to the Government of Bangladesh that, along with \$425 million in cofinancing, will support reforms to improve public financial management. Including measures to enhance the country's tax system, these reforms will bolster fiscal space for the government to increase investments in education, health, social protection, and infrastructure.

ADB also continued to assist Bangladesh with public-private partnerships (PPPs). It helped mobilize \$384 million of commercial investment for a bypass road project in Dhaka, the first of its kind under the country's PPP Law. The bank gave financial advice as well as project preparation and monitoring support to the country's Public Private Partnership Authority.



Clean energy infrastructure supported by ADB is helping Maldives reduce pollution and energy costs.

## Advancing Sustainable Energy in Maldives

As an atoll nation in the middle of the Indian Ocean with 188 inhabited islands, Maldives faces extraordinary challenges in delivering reliable, affordable, and sustainable energy to its people.

In 2012, with each island electrified by its own diesel-powered grid system, this small tourism-based economy spent over \$470 million on oil imports, a large share of it being fuel for electricity generation.

In response, ADB announced a flagship project in 2014 to prepare outer islands in Maldives for sustainable energy development. The cofinanced project has since been introducing renewable hybrid power generation, with energy management systems and grid upgrades, to meet the energy needs of more than 160 outer islands, making it a unique initiative for the small island developing state.

By June 2021, hybrid solar-battery-diesel systems had been installed on 70 islands, increasing renewable energy generation in Maldives from 0.1 megawatts in 2008 to more than 22 megawatts to date. This has reduced the country's carbon dioxide emissions from the energy sector by at least 40,000 tons.

These achievements saw the project acknowledged in the renewable energy and energy efficiency category at the 2021 Greening the Islands Awards. It also has popular support among communities in the outer islands. The hybrid systems decrease the running time of diesel-powered engines, reducing air pollution and noise levels and improving the quality of life for island residents.



and its Roads and Highways Department for a 25-year agreement to design, build, finance, operate, and maintain the 48 km road project. By enabling heavy goods traffic to bypass Dhaka, the project will not only improve urban air quality and the metropolitan environment but also help facilitate trade and business opportunities.

ADB provided technical assistance to strengthen public sector capacity for developing sustainable infrastructure across South Asia, including through state-owned enterprises. Bangladesh, Maldives, and Nepal are participating in the program, which aims to strengthen infrastructure governance, including alignment with quality infrastructure investment principles.

To develop financial markets in Bhutan, ADB committed \$30 million as part of a longer-term program. The 2021 financing will help enhance the country's nonbank financial system by making government bonds available on the Royal Stock Exchange of Bhutan. It will also prepare rules for corporate governance and social responsibility as well as strengthen markets and institutions by implementing international financial reporting standards, revising rules on anti-money laundering, and aligning with banking regulations as specified under the Basel III accord.

In Maldives, an ADB technical assistance project will enhance debt sustainability through capacity building and the preparation of a comprehensive debt management strategy.



### Fostering Regional Cooperation and Integration

ADB's 2021 commitments to promote cooperation and integration across South Asia included key investments to facilitate trade by promoting transport connectivity across the region.

The bank committed \$400 million toward the South Asia Subregional Economic Cooperation Dhaka–Sylhet Corridor Road as part of a \$1.8 billion financing package over 10 years. The project road connects Bangladesh to the border with northeastern India and further to Bhutan, facilitating regional trade from Dhaka–Sylhet and beyond to Tamabil–Dawki–Shillong–Guwahati. The investment will enhance regional connectivity by providing faster and safer transport of trade and industrial output, offering employment opportunities to several thousand people each year.

In Tamil Nadu, India, ADB committed \$484 million to improve roads and facilitate industrial development along the Chennai–Kanyakumari Industrial Corridor. The investment will help upgrade and maintain about 590 km of state highways that link to the corridor, which, as part of India's East Coast Economic Corridor, connects it to production networks in South Asia, Southeast Asia, and East Asia. Better connecting industrial hubs with the hinterland and ports will help Indian manufacturers participate in global production networks and value chains.

## KNOWLEDGE HIGHLIGHTS

Maritime linkages are vital contributors to development in South Asia, where most DMCs conduct a major part of their international trade through ports. To help foster greater regional trade, ADB published *Reforming Port Processes in India for Logistics Efficiency*, a brief focusing on India's Jawaharlal Nehru and Vishakhapatnam ports. Using findings from the brief, the Port Administrations and Logistics Division in the Government of India's Ministry of Commerce identified strategic reforms and potential solutions to improve the country's port systems.

A new master plan to enhance transport connectivity across the Bay of Bengal was endorsed in 2021 by the seven member countries of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. ADB provided technical assistance to develop the plan, which identifies both hard and soft infrastructure needs and includes recommendations for transport access agreements and the harmonization of rules, regulations, and policies.

In partnership with the Government of Assam in India, ADB developed a growth strategy to transform the state into a \$75 billion economy by 2025, while achieving key Sustainable Development Goals. The *strategy* will help the government develop transport connectivity and trade opportunities with the Association of Southeast Asian Nations as well as Bangladesh, Bhutan, and Nepal.

### • GREEN GROWTH, GREATER COMPETITIVENESS FOR BANGLADESH

In 2021, ADB endorsed a new *country partnership strategy* for Bangladesh covering 2021–2025. Based on rigorous private sector, climate change, and poverty assessments, the strategy's core objectives include boosting Bangladesh's economic competitiveness, promoting green growth, and strengthening social protection. It supports recovery from the COVID-19 pandemic and will help Bangladesh become an upper middle-income country by 2031.



# Southeast Asia

Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Thailand, Timor-Leste, Viet Nam

➔ Vendors and customers at an early morning fruit and vegetable market in Phnom Penh, Cambodia.

## BY THE NUMBERS

**\$5.6 B**

COMMITTED

**\$3.9 B**

COVID-19 RESPONSE

**\$5.7 B**

DISBURSED

**\$3.4 B**

COFINANCED

Southeast Asia posted positive economic growth for 2021, although consecutive waves of COVID-19 infections and varying rates of vaccination hindered a stronger rebound. By the end of the year, less than 40% of the total population in the region had been fully vaccinated.

The pandemic continued to have severe impacts on employment and poverty across Southeast Asia and, in response, governments prioritized expenditure on health, social assistance to the poor, and financial measures to support businesses and save jobs.

In 2021, ADB began shifting its focus to help its developing member countries (DMCs) in the region start moving toward inclusive and sustainable recovery—as compared with 2020's need for quick-disbursing budgetary support to strengthen immediate government responses to COVID-19.

ADB committed a total of \$5.6 billion for its operations in Southeast Asia in 2021, of which \$3.9 billion was for pandemic



response. This included \$650 million in loans through the Asia Pacific Vaccine Access Facility (APVAX) to procure and distribute over 85 million doses of COVID-19 vaccines in the Philippines.

ADB's other commitments during the year included investments to bolster health systems, boost the productivity of workers and tackle youth unemployment, improve climate change mitigation and adaptation, and enhance the region's infrastructure. These commitments included \$1 billion in nonsovereign operations, which focused on engaging the private sector in developing clean energy infrastructure and providing small businesses with better access to finance.

Two significant initiatives were launched in 2021 to mobilize financing for clean energy and ocean health investments in Southeast Asia. ADB announced the [Energy Transition Mechanism](#) (ETM) at the United Nations Climate Change Conference in Glasgow (COP26). The ETM aims to finance the early retirement of coal-power assets and will be piloted in Southeast Asia. The bank also launched the [Blue Southeast Asia Finance Hub](#) to promote ocean health by developing projects to foster ecosystem and natural resource management, reduce plastic pollution, and promote sustainable coastal development.

In addition, ADB is partnering with Temasek, HSBC, and Clifford Capital Holdings in establishing the Asset Regeneration (REGEN) Platform to bolster green infrastructure in Southeast Asia. REGEN will initially focus on [Indonesia](#) and [Viet Nam](#) and mobilize private sector capital for renewable energy, water and waste, and sustainable transport projects—sectors that struggle to attract commercial financing.

Effective 1 February 2021, ADB placed a temporary hold on sovereign project disbursements and new contracts in [Myanmar](#). The bank continues to monitor the situation in the country.

## STRATEGIC FOCUS

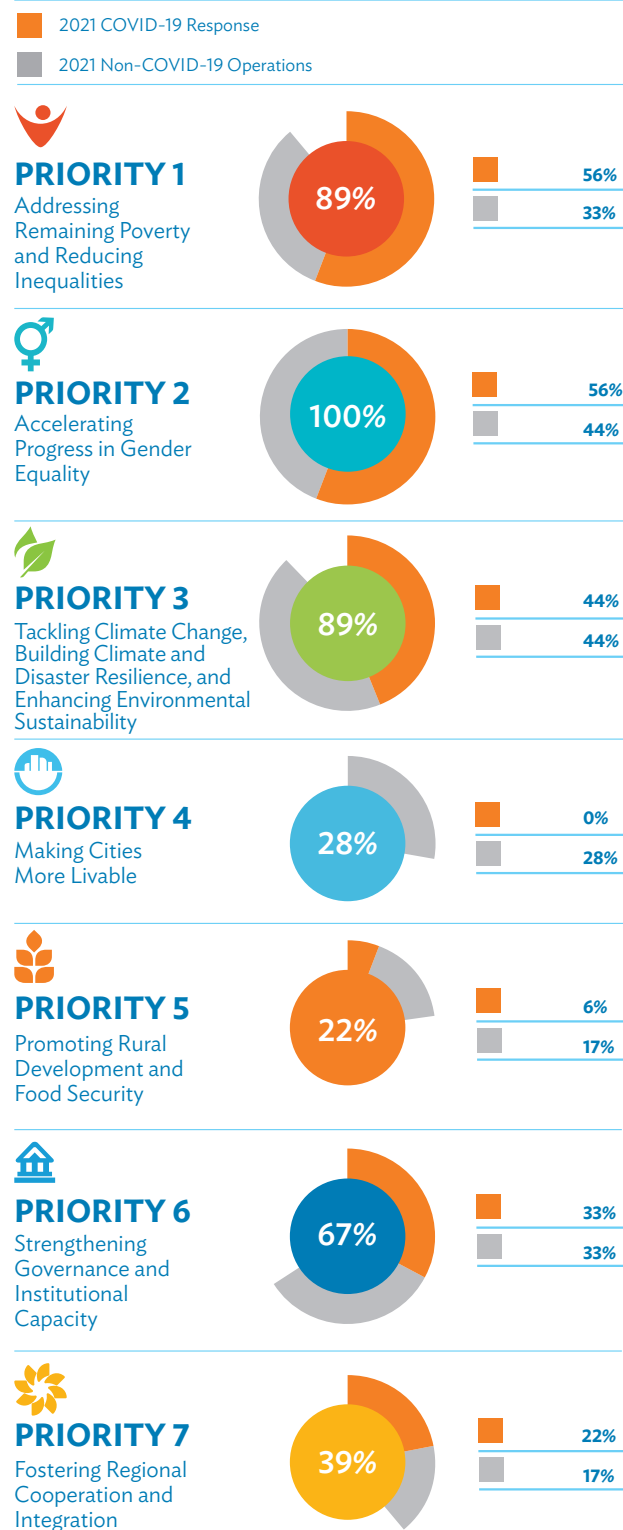
### Addressing Remaining Poverty and Reducing Inequalities

As the COVID-19 pandemic continued to impact Southeast Asia in 2021, ADB made strategic investments to reinforce national health systems, services, and programs to provide greater protection for vulnerable populations in times of crisis.

To ensure COVID-19 medical services reach more poor and remote communities in [Cambodia](#), ADB committed \$25 million for a project to strengthen the country's health system. The funding will enhance laboratory services and infection prevention control at 81 provincial and district referral hospitals.

Under the same project, ADB is administering a \$5 million grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR) to improve emergency care at 14 provincial hospitals. The grant will fund new equipment and train health staff on identifying and supporting people affected by gender-based violence and mental health issues.

## PERCENTAGE OF ADB'S COMMITTED OPERATIONS IN SOUTHEAST ASIA SUPPORTING EACH STRATEGY 2030 PRIORITY



Notes: Most new ADB operations address multiple operational priorities. The sum of COVID-19 Response and Non-COVID-19 Operations percentages may not equal the total percentage figure for some operational priorities due to rounding.



In the Philippines, ADB provided a \$600 million loan to support reforms in the government's universal health-care program. The program will help provide continued access to crucial health services for around 109 million Filipinos, including at least 36.9 million homeless people, senior citizens, and other vulnerable groups. It will strengthen and expand government services, including health insurance, telemedicine, hospital care, and health diagnostics.

Southeast Asia's long-term recovery from the impacts of the COVID-19 pandemic also hinges on eliminating poverty and hardship through better outcomes in education and skills development.

To promote greater access and opportunity in Indonesia's education system, ADB provided \$79.5 million to construct high-quality academic facilities and innovation centers at two public universities in the provinces of East Java and Lampung—both of which have high poverty rates. The project will give students from poor backgrounds access to quality education through lower tuition fees, expanded scholarship programs for the financially disadvantaged, enrollment targets for students from low-income households, and free tuition for orphaned students.

Also in Indonesia, ADB committed \$500 million for a policy-based lending program to help implement the Sustainable Development Goals, with a focus on developing human capital and boosting productivity. The program's various reform measures will strengthen education and skills development to reduce youth unemployment, expand national health insurance to cover an additional 17 million people, support better coverage and targeting of social protection programs, and provide income support to cover 12.4 million unemployed workers. The program is also expected to create around 340,000 jobs.

## Accelerating Progress in Gender Equality

ADB continued to promote gender equality throughout its operations in Southeast Asia, including targeted support to enhance financial access for women-led businesses.

In Viet Nam, small and medium-sized enterprises (SMEs) make up around 98% of all businesses, but SMEs owned or led by women find it more difficult to obtain bank financing than those run by men.

In 2021, ADB made two significant nonsovereign loans to expand access to finance for Viet Nam's women entrepreneurs and business operators. The bank extended a \$100 million loan to the Vietnam International Commercial Joint Stock Bank (VIB) and \$25 million in financing to Tien Phong Commercial Joint Stock Bank (TPBank). Both institutions will, in turn, provide critically needed financing to SMEs owned and led by women. The investment in VIB includes technical assistance to develop information systems appropriate to women and train bank loan officers on better serving female customers, while the financing for TPBank is expected to increase the bank's number of women borrowers by over 23% by 2025.



## Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

During 2021, ADB provided extensive support to the private sector to scale up clean energy infrastructure in the region.

In Cambodia, the bank provided a \$4.7 million nonsovereign loan to Prime Road Alternative Company Ltd. to develop and operate a 60-megawatt solar power plant in Kampong Chhnang Province. The project is expected to reduce greenhouse gas emissions by nearly 111,000 tons a year.

In Thailand, ADB extended an \$11.2 million-equivalent nonsovereign loan to GreenYellow Solar 1 Co. Ltd, which helped mobilize commercial financing from responsAbility Investments AG. The project will build 92 solar systems, most of them rooftop-mounted, on the premises of Thailand's large commercial and industrial power users, avoiding around 30,800 tons of carbon dioxide equivalent emissions each year. The project also models a new financing structure for rooftop solar projects, which can be scaled up and replicated within Thailand and for other DMCs.

Among further renewable energy investments in 2021, ADB committed a \$35 million nonsovereign loan—as part of a

### IN 2021, ADB COMMITMENTS IN SOUTHEAST ASIA WERE PRIMARILY IN THESE SECTORS

**30%**

HEALTH

**28%**

PUBLIC SECTOR  
MANAGEMENT

**14%**

ENERGY

**10%**

TRANSPORT

**6%**

EDUCATION

broader \$173 million project—supporting three companies to construct and operate wind farms in Viet Nam’s Quang Tri Province. The wind farms will boost the country’s wind power capacity by nearly 30% and will reduce carbon dioxide emissions by over 162,000 tons annually.

ADB also provided a \$24.5 million nonsovereign loan to a subsidiary of B.Grimm Power Public Company Limited to construct and operate a 240-megawatt solar power plant in Viet Nam’s Tay Ninh Province. One of the largest solar power projects in Southeast Asia, the plant will deliver around 337 gigawatt-hours of electricity and avoid nearly 130,000 tons of carbon dioxide equivalent emissions each year.

To support immediate relief efforts in the aftermath of Tropical Cyclone Seroja in Timor-Leste, ADB provided a \$1 million grant from the Asia Pacific Disaster Response Fund. The grant bolstered government efforts to restore essential services, conduct damage assessments, coordinate crisis response and disaster recovery, provide conditional cash transfers to Dili residents, and rehabilitate basic community infrastructure.



### **Making Cities More Livable**

In 2021, ADB continued to tackle urban challenges across Southeast Asia, including investments to improve solid waste management, expand safe water supply and sanitation, and decongest road network choke points.

In Cambodia, the bank committed \$180 million so that around 140,000 residents living in Bavet, Kampot, and Poipet can benefit from better wastewater and solid waste management services. The project will also help reduce flooding in the cities by upgrading urban stormwater and drainage systems. The project includes a grant of \$2 million from the JFPR to develop municipal government capacity in urban and infrastructure planning.

ADB also committed \$47 million to provide safe, reliable, and affordable water supply and sanitation to about 62,000 people in three cities of Timor-Leste. The project will finance the construction of 14 water reservoirs and 7 treatment plants. It will also help rehabilitate and expand 130 kilometers of the water distribution network, install water meters for 10,000 households, and construct 12 public toilet blocks and 3 seepage treatment facilities.

In the Philippines, traffic demand of 12.8 million trips per day often overwhelms the capacity of Metro Manila’s road network, causing long travel delays for commuters and logistical difficulties for businesses. In response, and as part of wider government efforts to address traffic congestion in the city, ADB provided a \$175.1 million loan to support the construction of three road bridges crossing the Marikina River.

## **Sustainable Recovery through Green Financing**

During 2021, ADB took an important step forward in the pursuit of green and inclusive recovery from the pandemic for Southeast Asia.

The bank secured four partners who have pledged a total of \$665 million to the new Green Recovery Platform of the ASEAN Catalytic Green Finance Facility (ACGF), co-owned by members of the Association of Southeast Asian Nations (ASEAN) and ADB. This support includes \$300 million from the Green Climate Fund and equivalents of \$155 million from Italy’s state lender Cassa Depositi e Prestiti, \$151 million from the Government of the United Kingdom, and \$59 million from the European Union.

These contributions will help ASEAN developing member countries catalyze public and private resources to prepare and finance green infrastructure projects.

The new partnerships will help provide technical assistance for financial structuring, project development, and sustainability bond development, and extend loans to reduce risk in investments from public and private financiers. ADB cofinancing will be mandatory for all projects supported through the platform.

These new partnerships complement about \$1.4 billion in cofinancing already pledged to the ACGF by ADB, Agence Française de Développement, the European Investment Bank, German state-owned development bank KfW, and the Government of the Republic of Korea, bringing indicative support to over \$2 billion.

In its first 3 years, the ACGF has approved five projects that are expected to reduce carbon dioxide emissions by 291,000 tons every year.



➔ ADB is creating partnerships to prepare and finance green infrastructure projects in Asia and the Pacific.



## Promoting Rural Development and Food Security

Rural and remote communities across Southeast Asia have often found themselves cut off from medical and other critical services during the COVID-19 pandemic. ADB is addressing this issue, and supporting longer-term recovery in the region, by investing in improvements to road connectivity and access to markets for millions of rural residents.

In Cambodia, the bank committed \$82.1 million to make 48 kilometers of national and provincial roads less susceptible to damage caused by climate change, natural hazards, and vehicle overload. This investment will better connect about 2.5 million people in the provinces of Prey Veng and Kandal to markets and income-earning opportunities. The project, which is along the Greater Mekong Subregion (GMS) Southern Economic Corridor, will also expand access to education, health, and other public services for remote communities.

ADB is also advancing rural development in Viet Nam, especially in areas with large ethnic minority communities. The bank provided \$58 million in loans to improve the climate resilience of transport and water supply infrastructure in the south-central provinces of Binh Dinh and Quang Nam, with a focus

on remote upland districts. The ethnic minority communities in these districts are often isolated by flooded roads in the rainy season, while less than 60% of households within the project area have access to reliable and safe water supply. ADB's support will upgrade rural roads and water reservoirs and construct domestic water storages, benefiting about 243,000 people.

As part of the project, ADB will administer a \$2 million grant from the High-Level Technology Fund to supply and install weather data systems for more accurate climate risk management. The bank also provided technical assistance to identify livelihood opportunities that may benefit ethnic minorities in Viet Nam's mountainous areas.



## Strengthening Governance and Institutional Capacity

ADB's support for strengthening governance and institutional capacity in Southeast Asia is highlighted by three significant 2021 investments.

In Cambodia, the bank committed a \$40 million policy-based loan to expand access to credit for micro, small, and medium-sized enterprises and support reforms to boost



→ The ADB-supported JobStart Philippines program is boosting job prospects for the country's youth.

## Supporting Youth in the Philippines

For many young Filipinos, unemployed rates have remained stubbornly high for years. The number of youths not undertaking education or training was a long-held concern for authorities.

In 2017, ADB began an investment program to help the Government of the Philippines enhance the employability of youth and shorten the time young Filipinos spend finding work after leaving school.

Through the program, approximately 20,000 at-risk youth have been trained by JobStart Philippines, with a 67% placement rate. The ADB financing has helped expand public employment services, create youth training programs in digital format, roll out training scholarships for the newly unemployed, and reduce financial burdens on first-time jobseekers.

"I can say that I can now find a job with the help of this training," says Mea Pagayon, a JobStart participant in 2021. "I hope they will be able to help more young people like me, those who have less opportunity."

The ADB loans, made in 2017 and 2019, have also provided support to the government's program for the employment of students, which has delivered first jobs for more than 393,500 young Filipinos (over half of them women).

With school closures associated with the COVID-19 pandemic threatening to jeopardize the gains made in recent years, ADB committed an additional \$400 million to the investment program in 2021. This third loan specifies measures to counter the effects of the pandemic on the broader labor market both now and for longer-term recovery.



financial stability and upgrade finance sector infrastructure. Through the program, ADB is also supporting upgrades to outdated payment systems.

ADB provided \$600 million in results-based lending to Indonesia's State Electricity Corporation (Perusahaan Listrik Negara [PLN]) to rehabilitate, strengthen, and expand the power grid in five provinces of Java. This investment will strengthen PLN's institutional capacity through improvements to operational systems and processes.

The bank also committed \$400 million in policy-based lending for the Philippines for improving local government capacity to provide high-quality public services. The program will help strengthen the service delivery frameworks of local governments, modernize their public financial management, and improve their financing and investment frameworks. These measures will help ensure local governments have the capacity and adequate resources to respond quickly to the basic needs of local communities at critical times.



### Fostering Regional Cooperation and Integration

ADB is working to intensify integration between countries in Southeast Asia to help accelerate the region's green and inclusive recovery from the COVID-19 pandemic.

In 2021, the bank committed \$500 million in policy-based lending to foster a more competitive business environment and increase foreign direct investment in Indonesia. Under the program, ADB is contributing to reforms that will expand regional trade by reducing restrictions on investments, which will lead to lower international logistic costs; increased exports; and expansion of output from micro, small, and medium-sized enterprises. The program is expected to generate 1.7 million new jobs and benefit 27.6 million women-owned businesses.

In Timor-Leste, ADB provided a \$135 million loan to expand the country's international gateway airport by extending the runway, constructing a new air traffic control tower, and reconfiguring other airport facilities. Through safer and more efficient travel and transport, the project will enhance connectivity and economic ties with neighboring countries, improve trade and investment opportunities, and streamline labor movement across the region.

Regionally, ADB provided technical assistance to promote the competitive, efficient, and seamless movement of goods in Southeast Asia. The project will build the capacity of customs administrators in Cambodia and the [Lao People's Democratic Republic](#) to implement select provisions of the World Trade Organization Trade Facilitation Agreement. It will also help the two DMCs strengthen their engagement with the private sector.

## KNOWLEDGE HIGHLIGHTS

ADB's knowledge work for Southeast Asia in 2021 was highlighted by several initiatives for the GMS. Established in 1992 through ADB support, the GMS comprises Cambodia, the People's Republic of China (specifically Yunnan Province and Guangxi Zhuang Autonomous Region), the Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam.

The bank conducted a detailed [analysis](#) of key challenges and opportunities for the GMS to realize its development goals through to 2030. This included proposals to achieve growth through enhanced integration into the global economy, bolstering cities as engines of growth, and improving the quality of road infrastructure and connectivity to enhance trade.

In September, the Seventh GMS Summit of Leaders endorsed and adopted the [GMS Economic Cooperation Program Strategic Framework 2030](#), which ADB helped formulate. The framework identifies innovative approaches to boost digitalization, enhance transport connectivity between members, expand policy dialogue, and foster greater collaboration with the private sector. Delegates at the Summit also adopted the [GMS COVID-19 Response and Recovery Plan 2021–2023](#) to guide cooperation on efforts to contain the pandemic and promote economic recovery.

To ensure the development effectiveness of the GMS Program, ADB's department responsible for independent evaluations undertook a thematic assessment of the program and concluded that it remains relevant and responsive to the development needs of its members and continues to deliver effective programs to promote regional cooperation and integration.

### SECURITY, PROSPERITY, AND SUSTAINABILITY FOR THAILAND

In 2021, ADB endorsed a new [country partnership strategy](#) for Thailand covering 2021–2025. The strategy recognizes Thailand's growing resources and capacity to identify and resolve its own development challenges and will ensure ADB's assistance is complementary.

Under the strategy, ADB will deliver a joint sovereign and nonsovereign program of knowledge and financing solutions to support the country's development objectives of security, prosperity, and sustainability.

The areas of focus include addressing remaining pockets of inequality, expanding Thailand's engagement in regional cooperation and growth, and overcoming constraints to private sector growth.



# Partnering with the Private Sector

## BY THE NUMBERS

**\$4.3 B** **\$3.3 B**  
COMMITTED COVID-19 RESPONSE

**\$1.7 B**  
DISBURSED

**\$1.8 B**  
COFINANCED

ADB promotes private sector development and investment in its developing member countries (DMCs) to create jobs, spur technological innovation, promote gender equality, and advance green and inclusive economic growth. In 2021, ADB's private sector programs and projects played an important role in helping DMCs address the health and economic impacts of the COVID-19 pandemic.

ADB's [Trade and Supply Chain Finance Program \(TSCFP\)](#) and its [Microfinance Program](#) collectively committed \$3 billion in pandemic-related assistance. This included TSCFP's support for small and medium-sized enterprises; intraregional trade;

→ ADB's support to the private sector is playing an important role in helping developing member countries respond to the COVID-19 pandemic and move toward a green and inclusive recovery.

and the distribution of medicines, medical equipment, vaccines, and COVID-19 test kits. The Microfinance Program helped commercial lenders expand funding to microfinance institutions, allowing these institutions to then extend loans to businesses and people most affected by the pandemic, particularly the poor and women.

On top of those programs, almost a quarter of ADB's 35 nonsovereign projects committed in 2021 helped companies address pandemic impacts. For instance, ADB signed debt financing of \$13.7 million for Global Health Private Ltd, which operates hospitals and clinics across India under the Medanta brand. The ADB financing is helping Medanta provide 414 isolation beds and 281 ventilators for its hospitals and clinics, train medical staff on COVID-19 infection control, and maintain existing health-care services.

## DEEPENING STRATEGIC FOCUS

ADB's [Operational Plan for Private Sector Operations 2019–2024](#) details sectors, themes, products, and other aspects of the bank's private sector work to meet the objectives of Strategy 2030. The plan includes priorities such as widening geographic coverage and expanding into challenging markets and sectors.



In 2021, ADB committed 57% of its private sector investments in frontier economies—including those in fragile and conflict-affected situations and for small island developing states—and/or in sectors relatively new to the bank's nonsovereign operations. An example of this was agribusiness, which ADB prioritizes for assistance because the sector contributes up to a third of gross domestic product in most DMCs; is central to food security; and can generate export earnings, jobs, and incomes for farming communities emerging from the COVID-19 pandemic.

To overcome pandemic-induced shortfalls in finance for operations during 2021, ADB provided agribusinesses with loans to cover operating costs, pay suppliers, expand production, and extend credit to customers.

The bank signed a \$60 million loan with ECOM Agroindustrial Corp Ltd and ECOM Agroindustrial Asia Pte to finance cacao and coffee purchases from more than 27,800 smallholder farmers in India, Indonesia, Papua New Guinea, and Viet Nam. It committed a \$20 million loan to New Hope Singapore, a major feed and livestock producer, to preserve 120 farming supply contracts and 5,300 jobs in eight countries in South Asia and Southeast Asia. ADB also provided a \$15.1 million loan to a subsidiary of Tianzow, one of the largest pig breeders in the People's Republic of China, to expand production and provide incomes for 120 smallholder farmers. Meanwhile, a debt investment in Uzbekistan and a loan facility in Azerbaijan will help companies retain over 7,000 employees, 2,700 farm workers, and 12,000 family-run retailers.

ADB also made longer-term equity investments in agribusinesses, committing \$9.7 million as an anchor investor in Cimory, a dairy processing company in Indonesia. In India, the bank invested \$10.4 million in Zenex to boost livestock productivity and mitigate animal disease risks, and in Sri Lanka injected equity of \$25 million into John Keells Holdings PLC to expand retail and distribution operations, benefiting over 8,000 farm suppliers and improving food quality and safety.

In 2021, ADB also focused its private sector investments on addressing shortages in affordable housing and home-loan financing, which affect the lives of millions of low-income families across Asia and the Pacific. The bank provided financing both to increase the supply of affordable and environmentally sustainable housing for people in need, especially women, and to extend more home loans to people on low incomes.

In Georgia, ADB signed a \$10 million loan with a subsidiary of the m<sup>2</sup> Group for the completion of two residential housing complexes. The project will provide housing for 3,700 families, with design features for the safety of women and access for persons with disabilities.

In India, ADB is providing a \$58 million debt investment to IIFL Home Finance Ltd to supply 136,000 loans to economically disadvantaged and low-income women for the purchase of affordable, green-certified homes.

## Expanding Microfinance in Challenging Times

The COVID-19 pandemic has created a severe challenge for the microfinance industry in developing member countries. Coinciding with the deep economic distress faced by many sole traders and microenterprises, microfinance institutions (MFIs) have been forced to substantially reduce their operations to comply with public health and safety requirements.

As a result, the risk appetite of commercial lenders to fund MFIs has diminished significantly.

In 2021, ADB's Microfinance Program sought to reinvigorate funding of MFIs by allowing commercial lenders to partially transfer credit risk to ADB. This helped the lenders boost their financial support to MFIs, resulting in much-needed assistance to micro borrowers.

Throughout the year, the ADB program supported the extension of loans totaling \$482.5 million to MFIs, up 64% from 2020, and including \$244.4 million in cofinancing. This financing reached 1.5 million borrowers and was mainly used for emergency support and to restore rural livelihoods.

Despite the uncertainties of the pandemic, the ADB Microfinance Program expanded its coverage in 2021, adding eight new partner MFIs and nonbank financial institutions in five countries.

By expanding access to loans for microenterprises, which are a vital part of the region's economic engine, ADB is driving job creation and business growth, stimulating recovery from the COVID-19 crisis.



→ A woman works at her tailoring shop at a women-led market in Bangladesh. Many small businesses in Asia and the Pacific continue to face severe challenges caused by the COVID-19 pandemic.



The bank also made a \$24.4 million equity investment in Shubham Housing Development Finance Company Ltd, allowing the company to double its volume of housing and home equity loans to low-income Indian households and almost triple its volume of loans to women.

## PIONEERING INNOVATION AND CATALYZING FINANCE

ADB Ventures—a financing partnership facility that supports early stage companies—is enhancing the bank’s efforts to promote technology solutions in DMCs that benefit climate action and gender equality.

ADB Ventures made seven equity investments totaling \$11 million in 2021. These included Euler Motors, a designer and manufacturer of light electric vehicles in India; Skycatch, which uses drone-based aerial surveying to reduce the construction industry’s carbon footprint; and Smart Joules, a provider of energy-efficient services for Indian hospitals and commercial buildings. ADB Ventures also invested in two financial technology companies, Fairbanc and Wagely, to deliver microcredit to about 120,000 small businesses and extend financial literacy education to at least 400,000 low- and middle-income workers in Indonesia.

ADB aims to maximize the commercial cofinancing it can attract for its private sector investments, without distorting private markets. For example, as support for a wind power project in Viet Nam in 2021, ADB mobilized \$138 million in cofinancing from six commercial banks and development finance institutions. This was accomplished through the bank’s expertise in deal structuring, due diligence, and loan syndications. This project achieved \$4 in cofinancing for every \$1 of ADB’s resources.

## EXTENDING REACH WITH PRIVATE EQUITY FUNDS

ADB invests in private equity funds to support companies in sectors and countries where direct equity and lending programs may have limited penetration. Such investments during 2021 were particularly timely as the COVID-19 pandemic reduced the availability of growth capital across Asia and the Pacific. These investments were concentrated on private funds that provide growth equity to companies operating in highly impacted sectors such as agriculture, education, financial services, and health care. ADB’s commitments included equity investments of \$20 million in Lombard Asia V L.P., \$60 million in Creador V, \$50 million in PAG Growth II L.P., and \$40 million in Northstar Equity Partners V Limited.



→ Reclaimed water from the wastewater treatment plant—built by Beijing Enterprises Water Group Ltd with ADB support—flows into a constructed wetland in Shandong Province, People’s Republic of China.

## Targets Exceeded in Quality Water Supply

In 2014 and 2015, ADB disbursed loans totaling \$408 million to Beijing Enterprises Water Group Ltd and its environmental subsidiary to address critical water quality and scarcity issues in the People’s Republic of China. The loan was used to acquire and upgrade 67 wastewater treatment plants and construct one new plant.

The project introduced new treatment technologies designed to improve the standard of wastewater and increase the amount of water available for reuse in urban environments and by industries.

In 2021, an ADB evaluation report found that by the time the loan was repaid in 2017, the project had already treated

760 million tons of wastewater to Grade 1A standard annually, well above the target of 600 million tons annually by 2019. Meanwhile, 40 million tons of wastewater were reused annually, also significantly higher than the target amount of 11 million tons.

Beijing Enterprises Water Group Ltd used its increased expertise gained through the project to introduce a suite of energy efficiency measures for wastewater treatment and reuse, which saved over 12 million kilowatt-hours of electricity and reduced the use of chemicals for treatment by about 6% in 2015.

## MAXIMIZING DEVELOPMENT IMPACT

ADB continued to explore new approaches and tools to further enhance development impact in its nonsovereign operations. In 2021, the bank began piloting the Ex-Ante Development Impact Framework to improve how projects are assessed for development impacts, based on learnings or actual results.

Ex-Ante assessments will be used to inform the selection and design of new projects to ensure they achieve the most impact. The framework provides a better way of assessing project risks versus development results and relevance to country priorities. Early findings of the pilot exercise indicate the framework is a valuable tool, and ADB plans to roll it out to cover all stages of the project approval process in 2022.

## SCALING UP SUPPORT FOR PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships (PPPs) are fast becoming a leading solution for bridging infrastructure investment gaps across Asia and the Pacific. ADB supports its DMCs in developing sustainable infrastructure projects, ensuring appropriate regulations and frameworks are in place, and balancing risks and benefits to attract private sector interest in PPPs.

The bank also provides advisory services to deliver bankable PPP projects and manages the [Asia Pacific Project Preparation Facility](#) (AP3F), a multi-donor trust fund with contributions from the governments of Australia, Canada, and Japan.

During 2021, ADB provided transaction advisory services for 24 PPP and AP3F projects across 13 DMCs. These covered the development of projects in transportation; information and communication technology; health care; energy; education; and water supply, sanitation, and other urban infrastructure.

ADB achieved commercial closure of three PPP transactions in 2021, garnering \$298 million in capital commitments from the private sector. These transactions cover Palau's first-ever solar independent power project and two projects in Uzbekistan (a district heating project in Tashkent and a solar power project in Surkhandarya Province).

The solar project in Uzbekistan is the largest utility-scale solar project in Central Asia and will provide green, affordable, and sustainable power to about 3 million residents. It will also support industrial activity and has potential export capability to neighboring countries. The project was developed through ADB policy dialogue on power sector development, and the site was identified based on the findings of a technical study conducted by the bank. ADB also advised on the project preparation and tendering process, and provided a guarantee to the bidder to minimize payment risk.

Uzbekistan's rapid economic development has created an environment that can attract greater private investment in PPPs.

ADB has therefore been working with the government, combining a range of ADB financial products and knowledge services to create a sustainable PPP program. It has helped build the capacity of the PPP Development Agency, assisted with training for more than 16 government agencies, and designed contract templates for future use. To improve financing of PPP projects, ADB has worked with the government to creatively use products such as local currency liquidity and sovereign guarantees. It also supported Uzbekistan in amending its PPP law based on international market standards, making infrastructure investment more attractive to private capital.

## KNOWLEDGE HIGHLIGHTS

Incorporating gender equality into its private sector investments is a key priority for ADB.

In 2021, the bank designed a Gender Equality Scorecard, which is being widely used by private equity clients to better understand and assess the potential gender impacts of investment opportunities. In addition, ADB created tip sheets on actions the private sector can take to directly benefit women staff and managers and women-led businesses, with specific guidance for companies in finance, renewable energy, and agribusiness.

ADB also launched the [Women's Finance Exchange](#), an online platform for financial institutions, their clients, and other business networks to create a community that fosters increased access to finance for women entrepreneurs and business owners.

ADB also encourages digitalization for greater efficiency, transparency, and productivity in the trade process. In 2021, the bank's Trade and Supply Chain Finance Program and resident missions worked with ADB-supported Digital Standards Initiative to promote adoption of the Model Law on Electronic Transferable Records, developed by the United Nations. This law will allow digital trade transactions to be considered as valid as paper ones. Currently, many countries still accept only paper records as valid documentation.

### • TRACKING PROGRESS WITH PUBLIC-PRIVATE PARTNERSHIPS

To facilitate informed private sector investment and public policy decisions related to PPPs, ADB launched an [online version](#) of its *Public-Private Partnership Monitor*, allowing users to compare and contrast key PPP parameters and features across DMCs. By the end of 2021, the online monitor featured more than 500 PPP indicators covering Indonesia, Pakistan, Papua New Guinea, and the Philippines, with at least 11 other DMCs to be added.





# Organizational Effectiveness

Delivering through a Stronger, Better, and Faster ADB

➡ ADB staff monitoring building facilities at headquarters in Manila, Philippines.

As ADB continues to successfully navigate organizational challenges brought on by the COVID-19 pandemic, measures introduced during the past 2 years to address these challenges have made the bank a stronger and more effective organization. ADB remains a resilient and buoyant organization dedicated to meeting the needs of its developing member countries (DMCs).

Previous investments to enhance the bank's digital capabilities and establish detailed business continuity protocols enabled ADB to provide prompt and flexible support to its DMCs throughout 2021. In the face of ongoing pandemic challenges, ADB also continued to effectively manage operational risks around due diligence, integrity, and safeguards, while making progress on institutional reforms, digital transformation, and other organizational improvements.

Importantly in a time of crisis, the bank provided ongoing support to keep staff safe, motivated, and productive as the vast majority continued working remotely in the Philippines, field offices, or in their home countries around the world.

## IMPROVING OUR SERVICE TO ADB MEMBERS

### Reshaping ADB as a Responsive, Long-Term Partner for Asia and the Pacific

ADB has recently embarked on a suite of interlinked institutional reforms that together aim to reshape the bank to be a more agile organization with the right skills, resources, and



culture to meet the changing needs of its DMCs. These reforms will better enable the bank to combine finance, knowledge, and partnerships to maximize development impacts for DMCs, as guided by Strategy 2030.

In 2021, ADB began implementing recommendations from the 2020 review of operations in its resident missions in DMCs. The bank reshaped terms of reference for its country teams to include more knowledge and private sector expertise, and strengthened the process for developing country partnership strategies. It also prepared a plan to enhance information technology in its field offices. ADB country directors discussed the resident mission review as a key topic during their annual forum in September and shared their ideas on how its implementation could be further improved.

ADB also launched a job architecture review to simplify job gradings and completed a review of its technical assistance program, which supports DMCs through project preparation and advisory services as well as knowledge services. The technical assistance review focused on issues such as allocation of resources, cost recovery, and the quality and relevance of knowledge solutions.

As a result of the review, ADB developed a principle-based framework for technical assistance allocation and cost recovery. One outcome of this will be an increase in technical assistance resources for DMCs that most need support, including those in fragile and conflict-affected situations and small island developing states. ADB introduced more flexibility into technical assistance modalities to enable quicker and more effective responses to client needs. The bank also introduced measures to more closely link knowledge-focused technical assistance with the preparation and design of loan and grant projects.

Stemming from the technical assistance review, ADB developed a workforce rebalancing framework in 2021. Under the framework, ADB will reallocate a portion of technical assistance funding to increase ADB staffing by around 200 positions, with most of these positions to be outposted to resident missions. This will bolster ADB's in-house expertise and enable the bank to work more closely with its DMC clients, enhancing the quality of the bank's policy dialogue support, operations, and knowledge solutions services.

Crosscutting the above initiatives, ADB started an organizational review in 2021 to determine how the bank can improve its effectiveness and better empower staff to deliver Strategy 2030 objectives. The review is considering how ADB can build on its strong client relationships and regional and country knowledge, while making the shifts needed to deliver in key areas. These include increasing focus on private sector development; providing innovative, knowledge-driven development solutions; creating pathways for ADB to achieve its aspiration to be Asia and the Pacific's climate bank; and finding new ways of working to deliver value and impact to clients.

## Building an Even More Responsive ADB Culture

Client centric. Trustworthy. Transformational. These are the values that will guide ADB in fostering a thriving and supportive workplace where staff can grow, learn, and excel while delivering tangible results for the bank's developing member countries.

ADB President Asakawa led the process to identify these core ADB values in 2021. This included staff input through a survey on values, focus group discussions, and consultations with employee resource groups.

The values were announced in 2021 as a key milestone in the Culture Transformation Initiative, which was launched in November 2020. The initiative has since sparked conversations among staff about the bank's culture and how the values show up in the way the ADB community works together and creates results.

Through a series of workshops on workplace culture, considering attributes from both within and beyond the organization, staff committed to one to three actions to enable cultural change within their team. Each team also suggested one action outside their control that would make the greatest impact if implemented. These suggestions were shared with ADB Management, and departments are currently working on implementing them.

The rollout of changes will be accelerated in 2022, as the bank continues to align key processes and procedures with the ADB values.



➡ ADB staff largely collaborated online throughout 2021.

In 2021, the bank implemented its second-largest borrowing program ever, raising \$35.8 billion through 160 transactions in 21 currencies.

### Flexible Options for Crisis Support

Emphasizing ADB's focus on tailored support for DMCs, the bank reviewed its Comprehensive Response to the COVID-19 Pandemic Policy and its COVID-19 Pandemic Response Option (CPRO) instrument, which provided quick budget support to DMCs to finance their response to the pandemic.

The review provided recommendations to strengthen ADB's crisis response, including making several features of CPRO permanent in the bank's existing Countercyclical Support Facility (CSF). Together these features would expand CSF access to cover all DMCs, encompass all types of health emergencies, and enhance how ADB's emergency fiscal support to governments reaches disadvantaged and vulnerable groups. They would also improve monitoring and evaluation frameworks to support ongoing policy dialogue, and enable impacts to be better measured.

### Enhanced Service through Digital Innovation

ADB digital transformation initiative continued in 2021, with 95 new digital products introduced during the year. Many of these products provide more efficient and effective ways for ADB and its clients to interact.

During the year, the bank delivered on two key digital systems that will enhance DMC access to development funding and streamline operations for expanded private sector investments in line with Strategy 2030. It replaced its disbursement system with one that enables faster processing and more secure transactions. The new system also provides external clients (and internal users) with better access to timely and accurate disbursement-related information.

The other system is a new integrated platform to improve efficiency and quality in how nonsovereign operations are managed right from concept to closure. Among its many benefits, the platform provides more timely and reliable data for decision-making, improves risk management, and enhances client interactions.

Through these and other digitalization efforts, ADB has reduced manual paperwork and duplication of data entry, allowing staff to focus on the needs of DMCs instead of internal administration.

The bank also introduced a cloud-based system to ensure business continuity in case of an emergency or other crisis. The system includes procedures for the recovery of critical business systems following a disaster, enabling ADB to plan for disruptions and ensure client information is protected and continues to be available at all times.

### Value for Money and Efficiency in Procurement

ADB ensures its DMCs get value for money in project procurement by encouraging competition among suppliers of goods, works, and consulting services. It does so by conducting seminars on business opportunities in ADB-financed projects. In 2021, the bank held 52 of these seminars (up from 34 in 2020). ADB also delivers training programs to borrowers to guide them on following the bank's procurement policies and procedures. During the year, ADB delivered 101 such programs to executing and implementing agencies from 23 DMCs.

The pandemic has also hastened the need to replace paper-based, face-to-face procurement processes with digital systems that enable remote transaction processing and integration with other electronic government systems. These e-procurement systems are key to improving the governance, transparency and efficiency of procurement in development projects. ADB accredited the e-procurement platforms of a further seven DMC systems in 2021, bringing to 54 the number of these platforms in use for the administration of ADB-supported projects.

ADB also supported improvements to existing e-procurement systems in DMCs. In the Kyrgyz Republic, for example, the bank provided technical assistance to enhance the national e-procurement platform—used by more than 4,100 public sector procuring organizations—by upgrading software and transferring more functions online.

Other key procurement considerations for ADB include transparency and anticorruption. In 2021, the bank launched [ProcDash](#) to provide open online access to ADB procurement information, with ways of observing charts and raw data for the previous 5 years.

## ENSURING A ROBUST RESOURCE BASE

ADB reduces the cost and maximizes the type of funding it can provide to DMCs by strategically engaging in capital markets. In 2021, the bank implemented its second-largest borrowing program ever, raising \$35.8 billion through 160 transactions in 21 currencies.

ADB executed its largest-ever single tranche in the United States (US) dollar global bond market, raising \$5 billion through a 5-year issue; as well as its biggest syndicated transaction with a dual-tranche issuance of \$5.5 billion in 3-year and 7-year bonds.

ADB's thematic bonds continued to garner strong demand from investors, with ADB raising its highest-ever annual volume.

These included two new types: blue bonds for ocean health finance denominated in Australian and New Zealand dollars, and education bonds denominated in Australian dollars. In addition, the bank completed 10 unswapped local currency bond issues, including the first gender bond in the Kazakhstan tenge domestic market and a new Pakistan rupee offshore currency-linked bond, and returned to the Panda bond market after a 12-year hiatus. The 5-year Panda bond was sized at CNY2 billion (\$307 million), making it ADB's largest-ever local currency bond issue. ADB also issued its first-ever bonds linked to the Secured Overnight Financing Rate (SOFR) index.

To prepare for the transition from the London interbank offered rate (LIBOR) to alternative rates by the end of 2021, the ADB Board of Directors approved a change to the SOFR for US dollar-denominated loans and to the Tokyo Overnight Average Rate for yen-denominated loans. This change applies to ADB's financial loan products for all new sovereign and nonsovereign loans as of 1 January 2022.

ADB revised its loan regulations to enable the changes to the new rates and enhance the bank's framework for monitoring and reporting on borrower debts. It consulted extensively with borrowers and coordinated the design and modification of its loan products with other multilateral development banks. ADB also enhanced its information technology systems for loan accounting, treasury, and risk management operations to support new and revised loan products.

Through the ongoing COVID-19 pandemic, in an environment of increasingly high budget utilization, ADB's internal administrative expenses were flexibly managed, ensuring resources were allocated as business needs emerged. Actual internal administrative expenses in 2021 totaled \$731 million, a budget utilization rate of 95%.

## ENHANCING ACCOUNTABILITY AND ASSURANCE

### Risk Management

ADB actively manages credit, market, liquidity, and operational risks through prudent policies and business processes that mandate staff to monitor and manage all risks associated with the bank's operations.

To ensure it supports growth in private sector investments while adhering to prudent risk management principles and best practices, ADB conducted a review of its exposure limits framework on nonsovereign operations. The review resulted in enhancements to the framework that will contribute to achieving the bank's strategic objective to expand its nonsovereign operations.

During 2021, ADB started developing an integrated risk management framework for climate change-related risks.

## Asian Development Bank Institute



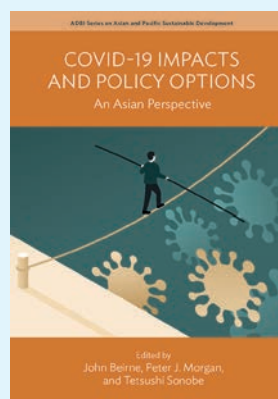
Throughout 2021, the Asian Development Bank Institute (ADBI)—ADB's think tank based in Tokyo—addressed policy challenges posed by the ongoing COVID-19 pandemic and its rising socioeconomic

impacts. To support sustainable and inclusive recovery, the institute explored issues such as the “new normal” for small firms, the effects of social programs on poor households, effective public debt management, and fiscal instruments and energy transition after the pandemic.

To help advance policy innovation in the region, ADBI conducted a survey on the needs of developing member countries, increased projects with primary data collection and use, and expanded project partnerships, including with other think tanks via Think20.

ADBI published 11 open access books, 87 working papers, 8 policy briefs, 6 case studies, 31 journal articles, and 3 journal special issues during 2021. It hosted 95 online research, capacity building and training, and outreach events for over 16,000 policymakers and stakeholders, with a 43.5% female participation rate. The institute also expanded the [ADBI E-Learning platform](#) and online programs.

ADBI's other research topics included improving the quality of basic education, women's participation in e-commerce, climate change mitigation and green finance, rural transformation, and urban resilience. Topics for capacity building and training included social safety nets, women's economic empowerment, the circular and creative economies, and sanitation.



➔ ADBI book on COVID-19 impacts in Asia and policy options for recovery.



## ADB is developing policies to enhance the prevention of sexual exploitation, abuse, and harassment in bank-financed projects.

This included reviewing policies, processes, and scoring tools to assess the impact of climate change risk on the bank's sovereign, nonsovereign, and treasury portfolios. ADB also announced its support for the Task Force on Climate-Related Financial Disclosures, an international initiative led by the Financial Stability Board.

### Internal Audit

ADB provides independent and objective assurance and advisory services for its various departments through internal auditing. In 2021, this included an increased focus on improving procedural controls bank-wide, improving business processes and methodologies, and advancing coordination among risk and oversight functions.

ADB issued 16 assurance and 4 advisory reports to internal stakeholders, focusing on strengthening governance, internal control, and risk management in both its sovereign and nonsovereign operations, digital transformation, and institutional administration. The bank also developed a 3-year rolling internal audit work program—moving from a single-year program—to allow better planning for, and coverage of, risks in ADB operations and greater flexibility in responding to the bank's business needs.

Validating the bank's conformance with global standards for internal auditing, ADB received the highest conformance rating during an independent external quality assessment conducted in 2021.

### Accounting and Internal Controls

In 2021, ADB administered total annual disbursements of \$18.2 billion for ordinary capital resources and special funds, including support related to COVID-19 and the Asia Pacific Vaccine Access Facility (APVAX). External auditors noted that the bank's financial statements for 2021 were presented fairly in all material respects, and that ADB maintained effective internal control over financial reporting.

### Anticorruption and Integrity

In 2021, ADB established measures to reduce integrity risks in vaccine programs under APVAX. The bank also strengthened internal controls to prevent violation of ADB sanctions and to identify and mitigate operational risks from national sanctions.

During the year, ADB assessed 319 complaints related to corruption and integrity issues (down from 375 in 2020), with 220 closed and 99 requiring further investigation. It also

concluded 71 external investigations, resulting in debarments for 150 firms and 30 individuals, reprimands for 12 firms and 5 individuals, and cautions for 17 firms and 11 individuals.

ADB issued four proactive integrity reviews (PIRs) and one follow-up report for PIRs conducted in previous years. Prompted by pandemic-related travel restrictions, ADB introduced and conducted eight special PIRs, with experts working remotely via digital platforms to identify heightened project integrity risks.

To raise awareness on corruption and integrity issues, the bank conducted 91 online training courses reaching over 10,500 participants, including DMC government officials and ADB staff. These included three e-learning modules on topics such as combating money laundering.

ADB also improved the implementation of its Governance and Anticorruption Action Plan by enhancing how governance risk assessments are conducted.

### Enhancing Safeguards

ADB continued to help its DMCs improve their systems and processes to identify and address social and environmental risks early in the design of development programs and projects. In 2021, this included rapid assessments on country safeguard systems for Bangladesh, Bhutan, Thailand, and Viet Nam. These assessments benchmark environmental and social safeguard policies and regulations, which assist with project preparation and capacity-building activities.

In 2021, ADB continued with work on updating its 2009 Safeguard Policy Statement. The update aims to strengthen the policy, promote good practices, and enhance alignment with other multilateral financial institutions. To guide the policy formulation, ADB prepared nine analytical studies and completed more than 40 stakeholder consultations in 2021.

During the year, the bank worked with DMCs and clients to review and/or support 70 environmental assessments and 84 social assessments for 34 projects in 13 countries. These included 14 projects identified as having the potential for significant adverse impacts and risks.

To enhance the management of safeguards, ADB began developing an integrated safeguard management system, with an online tool to track safeguard data and indicators. It also implemented a new risk screening process to assess potential project preparation and implementation challenges due to COVID-19.



➔ While the vast majority of ADB staff worked remotely in 2021, gradual reopening of the bank's Manila headquarters progressed during the year.

ADB also worked on internal policy guidance for the prevention of sexual exploitation, abuse, and harassment in bank-financed projects.

### Recourse for People Affected by Projects

ADB's Accountability Mechanism reached the 25-year milestone in 2021 and continued to actively respond to the concerns of people adversely affected by projects the bank supports. During the year, ADB received 33 complaints relating to land acquisition, livelihood restoration, environment, consultation, damage to property, and safety issues.

Two complaints from Mongolia were deemed eligible for problem-solving. ADB closed its process on the first complaint and is completing the monitoring phase of the second. The bank is also conducting a compliance review of an eligible complaint on a road project in Georgia and closed the monitoring of remedial actions for another road project in the country. ADB continues to manage and monitor five other ongoing eligible complaints.

The bank also continued to share lessons and promote best practices on grievance redress mechanisms and problem-solving tools. In 2021, ADB delivered two general e-learning modules and three virtual training programs for projects in Bhutan, Sri Lanka, and Nepal. Representatives from DMC government agencies and civil society organizations were target audiences. ADB also released two case studies on projects in Sri Lanka and delivered three mediation training programs

for ADB staff. Five reports under its [Lessons Learned from Compliance Reviews](#) series were published during the year.

### Disclosure and Transparency

Under its Access to Information Policy, which guides the bank's efforts to be transparent and accountable, ADB proactively disclosed 6,243 project documents to the public in 2021, up 7% from 2020.

The policy ensures that members of the public can request information about the bank's operations and administration, and expect timely responses. In 2021, ADB received 3,149 formal requests for information. Of these, 2,806 (89%) were deemed valid. The bank acknowledged 81% of the valid requests within the required 7 days and responded to 90% within the required 30 days. ADB responded to 97% of the valid requests by the end of the year.

## KEEPING OUR PEOPLE SAFE AND HEALTHY DURING THE PANDEMIC

With new variants of COVID-19 resulting in continued viral outbreaks and setting back a return to conventional working arrangements, the vast majority of ADB staff based at Manila headquarters and in its resident missions continued to work remotely in 2021.





➔ ADB assisted members of its community to access COVID-19 vaccines in 2021.

Accordingly, ADB continued to provide a range of measures developed in 2020 to support staff and offer flexibility. These included appropriate technology and communication platforms, additional flexibility for staff in managing their time, and activities to help promote staff well-being such as meditation and movement programs and training on stress management.

To ensure staff were adequately informed on evolving pandemic scenarios, ADB held four COVID-19 briefings for its entire community in 2021, along with several online chats to allow participants to learn from others' experiences, ask questions, and clarify policies. ADB also assisted staff, their dependents, and the bank's wider community in getting access to COVID-19 vaccines.

For its people in the field, ADB monitored and tailored resident mission reoccupancy levels and provided a COVID-19 care program including a medical advice hotline, kits for infection-positive employees, and an isolation facility for staff and their families.

During 2021, ADB also provided direct safety and security support to personnel in environments of heightened threat due to conflicts or disasters. This included relocation assistance, safe havens, medical care and equipment, and medical evacuation services.

To enhance safety and security at headquarters, the bank completed upgrades to its entrances, including advanced technology to better control vehicular and personnel access and provide a real-time tally of on-site personnel in the event of an emergency.

## FOSTERING CAREER DEVELOPMENT AND A HARMONIOUS WORKPLACE

ADB continued to benchmark itself against its market comparator groups in 2021 to ensure that its remuneration and working conditions remain attractive and the bank maintains a safe, inclusive, and nurturing environment for employees and contractors.

ADB began to implement findings from its comprehensive 2020 review of its reward policies to ensure the bank's remuneration packages balance cost controls with the need to attract top-end talent from across ADB members. Having the balance right is critical to attract and retain staff and to meet ADB's objective to scale up its nonsovereign operations as the bank is increasingly competing for talent with organizations from different market sectors.

Throughout 2021, ADB continued to help staff develop their skill sets through an extensive curriculum of high-quality learning programs. Among staff who attended at least one of the bank's 57 different virtual learning programs, over 96% rated their experience *very good* or *excellent*.

Meanwhile, ADB's commitment to building leadership at all levels of the organization was recognized in 2021 with the bank's Thrive, Engage, and Transform programs receiving two global awards for excellence.

ADB has long been committed to diversity and inclusion, supporting gender equality, and ensuring a workplace culture that fosters trust and belonging. The bank continued to drive



the recruitment and retention of women, with 38% of international staff positions held by women in 2021, a slight increase from 2020. The bank also began developing a diversity, inclusion, and belonging framework. The framework will contain strategic goals and targets to advance gender equality and promote inclusion of LGBTQI employees and those with disabilities.

During the year, ADB took stock of human resource lessons learned during the pandemic, including benchmarking with other international financial institutions. As a result, the bank is exploring options to transition to more flexible working arrangements, including for beyond the pandemic.

### Professional Conduct and Managing Conflict

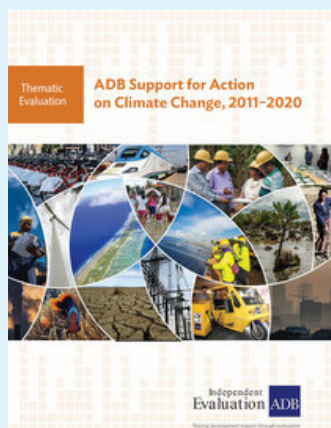
ADB implemented new initiatives in 2021 to ensure the highest standards of professional conduct in the workplace. To foster a culture of speaking up under difficult circumstances, the bank set up anonymous reporting channels and a peer support group composed of staff members from headquarters and in resident missions. The role of the support group is to listen and encourage staff and other personnel to access ADB professional resources for resolution of their concerns.

ADB developed guidelines around its code of conduct and conducted 16 virtual awareness-raising sessions, reaching over 2,290 participants. The bank also developed an action plan to guide staff on fostering a professional and positive workplace. Under the plan, a peer support group was launched in 2021 while work started on developing a new mediation service.

In 2021, ADB's Office of Professional Conduct handled assessments mostly relating to personal conflicts of interest, activities outside of the bank, performance management, incivility, and discrimination and harassment (including sexual harassment).

Meanwhile, the bank's Office of the Ombudsperson continued to deliver confidential and impartial services to prevent and manage conflict among staff and other personnel. The 540 cases in 2021 mirrored observations from 2020 that the COVID-19 pandemic has exacerbated issues regarding mental health and well-being.

In keeping with its efforts toward digitalization, ADB launched a new conflict management database and case management system in 2021. It also concluded a comprehensive external review of its conflict management services, finding that they compared well with similar programs in the international arena.



An evaluation report on ADB's support for climate change action.

### Independent Evaluation Department

ADB's Independent Evaluation Department (IED) completed several major evaluations in 2021, including assessments on ADB's performance and results in its Bangladesh country program and Greater Mekong Subregion program, support for the Sustainable Development Goals, and action on climate change.

IED also continued its real-time evaluation of ADB's support to developing member countries (DMCs) for COVID-19 response and recovery. The department delivered specialized briefs and other knowledge products on COVID-19 as well as other subjects such as safeguards, water and other urban infrastructure, and technical assistance.

IED completed a range of country program validations, sovereign and nonsovereign project evaluations and validations, and technical assistance validations (under its new validation system for technical assistance completion reports).

The department's capacity development and knowledge-sharing program on evaluation evolved and expanded in 2021 through online platforms. This included the delivery of virtual training on project self-evaluation of sovereign operations to ADB staff and government officials from DMCs as well as knowledge sharing through the virtual Asian Evaluation Week, which drew over 800 participants from more than 100 countries.

In 2021, IED and ADB Management jointly developed and adopted ADB Evaluation Principles to reaffirm evaluation as an institution-wide function and reinforce the respective roles of self-evaluation and independent evaluation.

The department also maintained strong partnerships and cooperation with national, regional, and global partner organizations, including the Evaluation Cooperation Group, which consists of independent evaluation departments of multilateral development banks.



# Appendixes

➡ A new workday begins in Bhaktapur, Nepal.

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**Appendix 1: Commitments by Country, 2021** (\$ million)

Country	Loans, Grants, and Others							Cofinancing <sup>b</sup>						Total
	Regular OCR		Concessional OCR	ADF Grant	Other SF	TSCFP and MFP	Subtotal	Technical Assistance <sup>a</sup>	TSCFP and MFP					
	Sovereign	Nonsovereign							Project	TA	TAS	Subtotal		
Afghanistan <sup>c</sup>	–	–	–	50.0	–	–	50.0	0.2	–	0	–	–	0	50.3
Armenia	–	20.0	–	–	–	16.6	36.6	2.5	85.0	1.6	1.9	–	88.6	127.6
Azerbaijan	250.0	5.9	–	–	–	–	255.9	1.9	114.7	1.1	–	–	115.8	373.6
Bangladesh	1,370.0	–	633.5	–	–	761.6	2,765.1	11.0	800.2	3.4	1,155.3	–	1,958.9	4,735.0
Bhutan	–	–	54.0	6.0	–	–	60.0	4.2	–	1.7	–	–	1.7	65.9
Brunei Darussalam	–	–	–	–	–	–	–	–	–	0.1	–	–	0.1	0.1
Cambodia	–	4.7	327.1	–	–	17.5	349.3	9.5	30.7	8.6	17.5	–	56.8	415.5
China, People's Republic of	1,617.0	145.3	–	–	–	42.9	1,805.2	11.3	349.9	1.4	42.9	–	394.2	2,210.6
Cook Islands	75.5	–	–	–	–	–	75.5	1.1	23.2	2.1	–	–	25.3	101.9
Fiji	–	40.0	–	–	1.0	–	41.0	2.7	119.8	2.2	–	–	122.0	165.7
Georgia	229.4	160.0	–	–	–	10.0	399.4	2.3	180.5	0.8	2.0	–	183.3	585.0
India	4,602.0	273.4	–	–	3.0	147.4	5,025.8	17.1	1,549.0	23.2	153.6	–	1,725.8	6,768.7
Indonesia	1,679.5	9.7	–	–	–	0.4	1,689.6	6.8	560.5	4.8	0.4	–	565.8	2,262.2
Kazakhstan	–	–	–	–	–	–	–	3.3	–	0.5	–	–	0.5	3.9
Kiribati	–	–	–	–	–	–	–	2.3	–	1.6	–	–	1.6	3.9
Kyrgyz Republic	–	–	118.3	71.7	–	–	190.0	4.7	0.7	1.0	–	–	1.7	196.3
Lao People's Democratic Republic	–	–	–	–	–	–	–	5.5	21.0	3.8	–	–	24.8	30.3
Malaysia	–	–	–	–	–	24.8	24.8	0.4	–	0.2	24.8	–	25.1	50.3
Maldives	–	–	–	–	–	–	–	2.6	20.0	3.0	–	–	23.0	25.5
Marshall Islands	–	–	–	9.0	–	–	9.0	2.6	–	1.6	–	–	1.6	13.1
Micronesia, Federated States of	–	–	–	9.0	–	–	9.0	2.5	–	1.6	–	–	1.6	13.1
Mongolia	155.9	–	36.1	–	–	11.1	203.1	14.0	27.0	3.8	0.7	–	31.5	248.5
Myanmar <sup>d</sup>	–	–	–	–	–	–	–	1.0	–	–	–	–	–	1.0
Nauru	–	–	–	5.0	–	–	5.0	2.0	–	1.8	–	–	1.8	8.8
Nepal	–	–	225.0	–	–	11.4	236.4	8.5	5.0	0.9	5.9	–	11.8	256.7
Niue	–	–	–	–	–	–	–	0.6	–	1.4	–	–	1.4	2.0
Pakistan	1,527.8	–	800.0	8.0	–	893.4	3,229.2	13.2	474.5	5.4	1,539.2	–	2,019.0	5,261.4
Palau	5.0	–	20.0	0.8	–	–	25.8	1.2	3.0	1.4	–	–	4.4	31.3
Papua New Guinea	435.0	25.0	40.0	–	–	–	500.0	4.8	338.8	2.2	–	–	341.0	845.7
Philippines	2,225.1	–	–	–	–	–	2,225.1	6.2	550.0	10.1	–	–	560.1	2,791.5
Samoa	–	–	–	13.0	–	0.1	13.1	1.6	–	1.5	–	–	1.5	16.1
Solomon Islands	–	–	24.4	25.0	–	–	49.4	4.0	38.5	1.5	–	–	39.9	93.3
Sri Lanka	460.0	25.0	–	–	–	198.0	683.0	5.1	28.0	4.6	1,064.5	–	1,097.1	1,785.2
Tajikistan	–	–	–	55.0	–	1.6	56.6	6.5	–	1.2	0.6	–	1.8	64.9
Thailand	–	11.2	–	–	–	110.7	121.8	1.8	22.5	3.9	110.7	–	137.1	260.7
Timor-Leste	120.0	–	97.0	–	1.0	–	218.0	6.4	47.0	0.5	–	–	47.5	271.8
Tonga	–	–	–	55.5	–	–	55.5	2.3	23.4	1.6	–	–	25.0	82.8
Turkmenistan	–	–	–	–	–	–	–	0.9	–	1.2	–	–	1.2	2.1
Tuvalu	–	–	–	21.5	–	–	21.5	1.4	–	1.6	–	–	1.6	24.5
Uzbekistan	463.7	30.8	273.0	–	–	161.8	929.3	10.4	108.0	4.2	166.0	–	278.2	1,218.0
Vanuatu	–	–	–	14.9	–	–	14.9	4.1	–	1.6	–	–	1.6	20.6
Viet Nam	58.0	184.5	–	–	–	662.9	905.4	7.2	500.8	7.1	1,503.7	–	2,011.6	2,924.1
Regional <sup>e</sup>	–	250.0	–	–	–	–	250.0	32.1	563.9	13.1	–	422.9	999.8	1,282.0
<b>Total ADB</b>	<b>15,273.9</b>	<b>1,185.5</b>	<b>2,648.4</b>	<b>344.3</b>	<b>5.0</b>	<b>3,072.0</b>	<b>22,529.2</b>	<b>229.7</b>	<b>6,585.4</b>	<b>134.7</b>	<b>5,789.8</b>	<b>422.9</b>	<b>12,932.7</b>	<b>35,691.6</b>

– = nil, 0 = less than \$50,000, ADB = Asian Development Bank, ADF = Asian Development Fund, MFP = Microfinance Program, OCR = ordinary capital resources, SF = special funds, TA = technical assistance, TAS = Transaction Advisory Service, TSCFP = Trade and Supply Chain Finance Program.

Notes:

1. "Commitment" is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB. It is the amount indicated in the investment agreement that may or may not be equal to the approved amount, depending on the exchange rate at the time of signing. In the case of official and commercial cofinancing not administered by ADB for which the signed amount is not readily available, the approved amount is used.
2. Numbers may not sum precisely because of rounding.

<sup>a</sup> Refers to Technical Assistance Special Fund and other SF.

<sup>b</sup> Including trust funds.

<sup>c</sup> ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021.

<sup>d</sup> Effective 1 February 2021, ADB placed a temporary hold on sovereign project disbursements and new contracts in Myanmar.

<sup>e</sup> "Regional" includes nonsovereign operations that involve two or more countries. Except for research and training benefiting all members, financing for regional technical assistance that are identifiable to individual countries are included in the country-specific technical assistance amounts.



**Appendix 2: Loans and Grants Committed, 2021****Regular Ordinary Capital and Concessional Resources Commitments (\$ million)**

Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
<b>A. SOVEREIGN OPERATIONS</b>		<b>15,273.9</b>	<b>2,648.4</b>	<b>344.3</b>	<b>18,266.6</b>	<b>10,173.2</b>
<b>Central and West Asia</b>		<b>2,470.9</b>	<b>1,191.3</b>	<b>184.7</b>	<b>3,846.9</b>	<b>2,071.3</b>
<b>Afghanistan*</b>		-	-	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>
COVID-19 Vaccine Support under the Asia Pacific Vaccine Access Facility	APVAX	-	-	50.0	50.0	50.0
<b>Azerbaijan</b>		<b>250.0</b>	-	-	<b>250.0</b>	<b>250.0</b>
COVID-19 Active Response and Expenditure Support Program	CPRO	250.0	-	-	250.0	250.0
<b>Georgia</b>		<b>229.4</b>	-	-	<b>229.4</b>	<b>115.6</b>
Electricity Transmission Sector Reforms Program	PBL	100.9	-	-	100.9	100.9
Livable Cities Investment for Balanced Development	Project	113.8	-	-	113.8	-
COVID-19 Vaccine Support under the Asia Pacific Vaccine Access Facility	APVAX	14.7	-	-	14.7	14.7
<b>Kyrgyz Republic</b>		-	<b>118.3</b>	<b>71.7</b>	<b>190.0</b>	<b>105.0</b>
Promoting Economic Diversification Program (Subprogram 2)	PBL	-	69.3	10.7	80.0	80.0
Landslide Risk Management Sector	Project	-	11.5	23.5	35.0	-
Urban Transport Electrification	Project	-	25.0	25.0	50.0	-
COVID-19 Vaccine Support under the Asia Pacific Vaccine Access Facility	APVAX	-	12.5	12.5	25.0	25.0
<b>Pakistan</b>		<b>1,527.8</b>	<b>800.0</b>	<b>8.0</b>	<b>2,335.8</b>	<b>1,326.0</b>
Integrated Social Protection Development Program	RBL	600.0	-	3.0	603.0	526.0
Central Asia Regional Economic Cooperation Corridor Development Investment Program – Tranche 2	MFF	235.0	-	-	235.0	-
Balakot Hydropower Development	Project	300.0	-	-	300.0	-
Khyber Pakhtunkhwa Cities Improvement	Project	372.8	-	5.0	377.8	-
Preparing Kurram Tangi Integrated Water Resources Development Project	PRF	5.0	-	-	5.0	-
Energy Sector Reforms and Financial Sustainability Program (Subprogram 2)	PBL	-	300.0	-	300.0	300.0
COVID-19 Vaccine Support under the Asia Pacific Vaccine Access Facility	APVAX	-	500.0	-	500.0	500.0
Khyber Pakhtunkhwa Cities Improvement – Second Project Readiness Financing	PRF	15.0	-	-	15.0	-
<b>Tajikistan</b>		-	-	<b>55.0</b>	<b>55.0</b>	<b>25.0</b>
Climate- and Disaster-Resilient Irrigation and Drainage Modernization in the Vakhsh River Basin	Project	-	-	30.0	30.0	-
COVID-19 Vaccine Support under the Asia Pacific Vaccine Access Facility	APVAX	-	-	25.0	25.0	25.0
<b>Uzbekistan</b>		<b>463.7</b>	<b>273.0</b>	-	<b>736.7</b>	<b>199.7</b>
Small and Medium-Sized Enterprises Development Program (Subprogram 1)	PBL	19.7	80.0	-	99.7	99.7
Central Asia Regional Economic Cooperation Corridor 2 (Pap–Namangan–Andijan) Railway Electrification – Additional Financing	Project	121.0	-	-	121.0	-
Skills Development for a Modern Economy	Project	-	93.0	-	93.0	-
Tashkent Province Sewerage Improvement	Project	161.0	-	-	161.0	-
Financial Markets Development Program (Subprogram 1)	PBL	-	100.0	-	100.0	100.0
Central Asia Regional Economic Cooperation Corridor 2 (Bukhara–Miskin–Urgench–Khiva) Railway Electrification	Project	162.0	-	-	162.0	-
<b>East Asia</b>		<b>1,772.9</b>	<b>36.1</b>	-	<b>1,809.0</b>	<b>421.2</b>
<b>China, People's Republic of</b>		<b>1,617.0</b>	-	-	<b>1,617.0</b>	<b>229.2</b>
Guangxi Regional Cooperation and Integration Promotion Investment Program – Tranche 3	MFF	140.0	-	-	140.0	-
Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region—Green Financing Scale Up	Project	151.5	-	-	151.5	-
Guangxi Hezhou Environment Restoration and Sustainable Development	Project	95.0	-	-	95.0	78.7
Shaanxi Green Intelligent Transport and Logistics Management Demonstration	Project	200.0	-	-	200.0	-
Public Service Sector Public–Private Partnership Promotion and Elderly Care Demonstration	Project	140.8	-	-	140.8	140.8
Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement	Project	191.2	-	-	191.2	-
Hunan Xiangxi Rural Environmental Improvement and Green Development	Project	200.5	-	-	200.5	-
Hunan Miluo River Disaster Risk Management and Comprehensive Environment Improvement	Project	154.0	-	-	154.0	-

continued on next page

## Appendix 2 continued

Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
Henan Xichuan Integrated Ecological Protection and Environmental Improvement	Project	197.9	–	–	197.9	–
Shaanxi Xi'an Preschool Education Development Program	RBL	146.1	–	–	146.1	9.7
<b>Mongolia</b>		<b>155.9</b>	<b>36.1</b>	<b>–</b>	<b>192.0</b>	<b>192.0</b>
Second Shock-Responsive Social Protection	Project	46.4	26.6	–	73.0	73.0
Strengthening Health Security Program (Subprogram 1)	PBL	100.0	–	–	100.0	100.0
Support for COVID-19 Vaccine Delivery in Mongolia under the Asia Pacific Vaccine Access Facility	APVAX	9.5	9.5	–	19.0	19.0
<b>Pacific</b>		<b>515.5</b>	<b>84.4</b>	<b>153.6</b>	<b>753.5</b>	<b>275.1</b>
<b>Cook Islands</b>		<b>75.5</b>	<b>–</b>	<b>–</b>	<b>75.5</b>	<b>75.5</b>
Supporting Sustainable Economic Recovery Program	PBL	75.5	–	–	75.5	75.5
<b>Marshall Islands</b>		<b>–</b>	<b>–</b>	<b>9.0</b>	<b>9.0</b>	<b>–</b>
Energy Security – Additional Financing	Project	–	–	7.0	7.0	–
Public Financial Management – Second Additional Financing	Project	–	–	2.0	2.0	–
<b>Micronesia, Federated States of</b>		<b>–</b>	<b>–</b>	<b>9.0</b>	<b>9.0</b>	<b>–</b>
Renewable Energy Development – Additional Financing	Project	–	–	4.0	4.0	–
Preparing the Sustainable Road Infrastructure Investment Project	PRF	–	–	5.0	5.0	–
<b>Nauru</b>		<b>–</b>	<b>–</b>	<b>5.0</b>	<b>5.0</b>	<b>–</b>
Preparing the Nauru Sustainable Urban Development Project	PRF	–	–	5.0	5.0	–
<b>Palau</b>		<b>5.0</b>	<b>20.0</b>	<b>0.8</b>	<b>25.8</b>	<b>25.8</b>
COVID-19 Response for Affected Poor and Vulnerable Groups	Project	–	–	0.8	0.8	0.8
Recovery through Improved Systems and Expenditure Support Program (Subprogram 1)	PBL	5.0	20.0	–	25.0	25.0
<b>Papua New Guinea</b>		<b>435.0</b>	<b>40.0</b>	<b>–</b>	<b>475.0</b>	<b>150.0</b>
Sustainable Highlands Highway Investment Program – Tranche 2	MFF	285.0	40.0	–	325.0	–
State-Owned Enterprises Reform Program (Subprogram 2)	PBL	150.0	–	–	150.0	150.0
<b>Samoa</b>		<b>–</b>	<b>–</b>	<b>13.0</b>	<b>13.0</b>	<b>8.0</b>
Systems Strengthening for Effective Coverage of New Vaccines in the Pacific under the Asia Pacific Vaccine Access Facility – Additional Financing	APVAX	–	–	8.0	8.0	8.0
Land Transport Sector Development	PRF	–	–	5.0	5.0	–
<b>Solomon Islands</b>		<b>–</b>	<b>24.4</b>	<b>25.0</b>	<b>49.4</b>	<b>–</b>
Domestic Resource Mobilization	Project	–	–	5.5	5.5	–
Land and Maritime Connectivity – Tranche 1	MFF	–	24.4	19.5	43.9	–
<b>Tonga</b>		<b>–</b>	<b>–</b>	<b>55.5</b>	<b>55.5</b>	<b>10.5</b>
Systems Strengthening for Effective Coverage of New Vaccines in the Pacific under the Asia Pacific Vaccine Access Facility – Additional Financing	APVAX	–	–	5.5	5.5	5.5
Nuku'alofa Port Upgrade	Project	–	–	45.0	45.0	–
Economic Recovery Support Program	PBL	–	–	5.0	5.0	5.0
<b>Tuvalu</b>		<b>–</b>	<b>–</b>	<b>21.5</b>	<b>21.5</b>	<b>1.5</b>
Outer Island Maritime Infrastructure – Second Additional Financing	Project	–	–	20.0	20.0	–
Systems Strengthening for Effective Coverage of New Vaccines in the Pacific under the Asia Pacific Vaccine Access Facility – Additional Financing	APVAX	–	–	1.5	1.5	1.5
<b>Vanuatu</b>		<b>–</b>	<b>–</b>	<b>14.9</b>	<b>14.9</b>	<b>3.9</b>
Energy Access – Additional Financing	Project	–	–	6.0	6.0	–
Systems Strengthening for Effective Coverage of New Vaccines in the Pacific under the Asia Pacific Vaccine Access Facility – Additional Financing	APVAX	–	–	3.9	3.9	3.9
Transport Sector Projects Preparatory Financing	PRF	–	–	5.0	5.0	–
<b>South Asia</b>		<b>6,432.0</b>	<b>912.5</b>	<b>6.0</b>	<b>7,350.5</b>	<b>4,259.6</b>
<b>Bangladesh</b>		<b>1,370.0</b>	<b>633.5</b>	<b>–</b>	<b>2,003.5</b>	<b>1,590.0</b>
Irrigation Management Improvement – Additional Financing	Project	–	13.5	–	13.5	–
South Asia Subregional Economic Cooperation Dhaka–Sylhet Corridor Road Investment – Tranche 1	MFF	400.0	–	–	400.0	–
Sustainable Economic Recovery Program (Subprogram 1)	PBL	250.0	–	–	250.0	250.0
Supporting Post-COVID-19 Small-Scale Employment Creation	Project	–	150.0	–	150.0	150.0
Strengthening Social Resilience Program (Subprogram 1)	PBL	250.0	–	–	250.0	250.0
Responsive COVID-19 Vaccines for Recovery under the Asia Pacific Vaccine Access Facility	APVAX	470.0	470.0	–	940.0	940.0
<b>Bhutan</b>		<b>–</b>	<b>54.0</b>	<b>6.0</b>	<b>60.0</b>	<b>30.0</b>
Financial Market Development Program (Subprogram 3)	PBL	–	30.0	–	30.0	30.0
Green and Resilient Affordable Housing Sector	Project	–	24.0	6.0	30.0	–

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## Appendix 2 continued

Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
<b>India</b>		<b>4,602.0</b>	<b>-</b>	<b>-</b>	<b>4,602.0</b>	<b>2,214.6</b>
Uttarakhand Integrated and Resilient Urban Development	Project	125.0	-	-	125.0	-
Integrated Urban Flood Management for the Chennai-Kosasthalaiyar Basin	Project	251.0	-	-	251.0	-
Tamil Nadu Industrial Connectivity	Project	484.0	-	-	484.0	-
Jharkhand Urban Water Supply Improvement	Project	112.0	-	-	112.0	-
Sikkim Major District Roads Upgradation	PRF	2.5	-	-	2.5	-
Maharashtra Rural Connectivity Improvement – Additional Financing	Project	300.0	-	-	300.0	34.3
Inclusive, Resilient, and Sustainable Housing for Urban Poor Sector in Tamil Nadu	Project	150.0	-	-	150.0	-
Strengthening Comprehensive Primary Health Care in Urban Areas Program under Pradhan Mantri Atmanirbhar Swasth Bharat Yojana	RBL	300.0	-	-	300.0	40.0
Agartala City Urban Development	Project	61.0	-	-	61.0	-
Maharashtra Agribusiness Network	Project	100.0	-	-	100.0	-
Assam Skill University	Project	112.0	-	-	112.0	40.3
Bengaluru Metro Rail	Project	500.0	-	-	500.0	-
Aizawl Sustainable Urban Transport	PRF	4.5	-	-	4.5	-
Industrial Corridor Development Program (Subprogram 1)	PBL	250.0	-	-	250.0	250.0
Sustainable Urban Development and Service Delivery Program (Subprogram 1)	PBL	350.0	-	-	350.0	350.0
Responsive COVID-19 Vaccines for Recovery under the Asia Pacific Vaccine Access Facility	APVAX	1,500.0	-	-	1,500.0	1,500.0
<b>Nepal</b>		<b>-</b>	<b>225.0</b>	<b>-</b>	<b>225.0</b>	<b>165.0</b>
Electricity Grid Modernization – Additional Financing	Project	-	60.0	-	60.0	-
Responsive COVID-19 Vaccines for Recovery under the Asia Pacific Vaccine Access Facility	APVAX	-	165.0	-	165.0	165.0
<b>Sri Lanka</b>		<b>460.0</b>	<b>-</b>	<b>-</b>	<b>460.0</b>	<b>260.0</b>
Second Integrated Road Investment Program – Tranche 3	MFF	200.0	-	-	200.0	-
Health System Enhancement – Additional Financing	Project	110.0	-	-	110.0	110.0
Responsive COVID-19 Vaccines for Recovery under the Asia Pacific Vaccine Access Facility	APVAX	150.0	-	-	150.0	150.0
<b>Southeast Asia</b>		<b>4,082.6</b>	<b>424.1</b>	<b>-</b>	<b>4,506.6</b>	<b>3,146.0</b>
<b>Cambodia</b>		<b>-</b>	<b>327.1</b>	<b>-</b>	<b>327.1</b>	<b>65.0</b>
Inclusive Financial Sector Development Program (Subprogram 3)	PBL	-	40.0	-	40.0	40.0
Greater Mekong Subregion Health Security – Additional Financing	Project	-	25.0	-	25.0	25.0
Livable Cities Investment	Project	-	180.0	-	180.0	-
Road Network Improvement (Phase 2)	Project	-	82.1	-	82.1	-
<b>Indonesia</b>		<b>1,679.5</b>	<b>-</b>	<b>-</b>	<b>1,679.5</b>	<b>1,031.0</b>
Higher Education for Technology and Innovation	Project	79.5	-	-	79.5	31.0
Competitiveness, Industrial Modernization, and Trade Acceleration Program (Subprogram 1)	PBL	500.0	-	-	500.0	500.0
Sustainable and Reliable Energy Access Program—Western and Central Java	RBL	600.0	-	-	600.0	-
Boosting Productivity Through Human Capital Development Program (Subprogram 1)	PBL	500.0	-	-	500.0	500.0
<b>Philippines</b>		<b>2,225.1</b>	<b>-</b>	<b>-</b>	<b>2,225.1</b>	<b>2,050.0</b>
Facilitating Youth School-to-Work Transition Program (Subprogram 3)	PBL	400.0	-	-	400.0	400.0
Local Governance Reform Program (Subprogram 2)	PBL	400.0	-	-	400.0	400.0
Metro Manila Bridges	Project	175.1	-	-	175.1	-
Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility	APVAX	400.0	-	-	400.0	400.0
Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility – Additional Financing	APVAX	250.0	-	-	250.0	250.0
Build Universal Health Care Program (Subprogram 1)	PBL	600.0	-	-	600.0	600.0
<b>Timor-Leste</b>		<b>120.0</b>	<b>97.0</b>	<b>-</b>	<b>217.0</b>	<b>-</b>
Power Distribution Modernization	Project	35.0	-	-	35.0	-
Presidente Nicolau Lobato International Airport Expansion	Project	85.0	50.0	-	135.0	-
Water Supply and Sanitation Investment	Project	-	47.0	-	47.0	-
<b>Viet Nam</b>		<b>58.0</b>	<b>-</b>	<b>-</b>	<b>58.0</b>	<b>-</b>
Climate Resilient Inclusive Infrastructure for Ethnic Minorities I	Project	58.0	-	-	58.0	-

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Appendix 2 continued

Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
<b>B. NONSOVEREIGN OPERATIONS</b>		<b>4,257.6</b>	<b>-</b>	<b>-</b>	<b>4,257.6</b>	<b>3,304.4</b>
<b>Armenia</b>		<b>36.6</b>	<b>-</b>	<b>-</b>	<b>36.6</b>	<b>16.6</b>
ENA Investment Program Phase 2	Loan	20.0	-	-	20.0	-
Trade and Supply Chain Finance Program	TSCFP	16.6	-	-	16.6	16.6
<b>Azerbaijan</b>		<b>5.9</b>	<b>-</b>	<b>-</b>	<b>5.9</b>	<b>5.9</b>
Avrora COVID-19 Staple Food Supply Chain Support	Loan	5.9	-	-	5.9	5.9
<b>Bangladesh</b>		<b>761.6</b>	<b>-</b>	<b>-</b>	<b>761.6</b>	<b>761.6</b>
Trade and Supply Chain Finance Program	TSCFP	688.1	-	-	688.1	688.1
Microfinance Program	MFP	73.5	-	-	73.5	73.5
<b>Cambodia</b>		<b>22.2</b>	<b>-</b>	<b>-</b>	<b>22.2</b>	<b>17.5</b>
Prime Road National Solar Park	Loan	4.7	-	-	4.7	-
Microfinance Program	MFP	17.5	-	-	17.5	17.5
<b>China, People's Republic of</b>		<b>188.1</b>	<b>-</b>	<b>-</b>	<b>188.1</b>	<b>42.9</b>
Tianzow Advanced Pig Breeding Stock	Loan	15.1	-	-	15.1	-
CD Finance Management Expanding Access to Finance for Farmers and Microentrepreneurs	Loan	40.0	-	-	40.0	-
Henan Tian Lun Resilient Energy Supply	Loan	50.2	-	-	50.2	-
Zhujiang Financial Leasing Small and Medium-Sized Enterprises Finance	Loan	40.0	-	-	40.0	-
Trade and Supply Chain Finance Program	TSCFP	42.9	-	-	42.9	42.9
<b>Fiji</b>		<b>40.0</b>	<b>-</b>	<b>-</b>	<b>40.0</b>	<b>40.0</b>
Fiji Airways COVID-19 Liquidity Support Facility	Loan	40.0	-	-	40.0	40.0
<b>Georgia</b>		<b>170.0</b>	<b>-</b>	<b>-</b>	<b>170.0</b>	<b>110.0</b>
Georgian Railway Green Bond (Debt Financing)	Debt Security	50.0	-	-	50.0	-
Bank of Georgia COVID-19 Response to Support Micro, Small, and Medium-Sized Enterprises	Loan	100.0	-	-	100.0	100.0
M Square Affordable Housing	Loan	10.0	-	-	10.0	-
Trade and Supply Chain Finance Program	TSCFP	10.0	-	-	10.0	10.0
<b>India</b>		<b>420.8</b>	<b>-</b>	<b>-</b>	<b>420.8</b>	<b>166.4</b>
GRIL Phase II Highway Equipment Finance (Debt Financing)	Debt Security	19.9	-	-	19.9	-
Bengaluru Smart Energy Efficient Power Distribution	Loan	90.4	-	-	90.4	-
DBL Highway	Loan	51.1	-	-	51.1	-
IIFLHF Supporting Access to Affordable Green Housing for Women (Debt Financing)	Debt Security	58.0	-	-	58.0	-
COVID-19 Hospital Service Delivery Project	Debt Security	13.7	-	-	13.7	13.7
Krsnaa COVID-19 Diagnostic Services	Debt Security	5.5	-	-	5.5	5.5
Shubham Supporting Housing Finance in Semi- and Peri-Urban Areas	Equity	24.4	-	-	24.4	-
Zenex Improved Animal Health and Welfare	Equity	10.4	-	-	10.4	-
Trade and Supply Chain Finance Program	TSCFP	0.2	-	-	0.2	0.2
Microfinance Program	MFP	147.2	-	-	147.2	147.0
<b>Indonesia</b>		<b>10.2</b>	<b>-</b>	<b>-</b>	<b>10.2</b>	<b>0.4</b>
Cimory Inclusive Dairy Value Chain	Equity	9.7	-	-	9.7	-
Trade and Supply Chain Finance Program	TSCFP	0.4	-	-	0.4	0.4
<b>Malaysia</b>		<b>24.8</b>	<b>-</b>	<b>-</b>	<b>24.8</b>	<b>0.2</b>
Trade and Supply Chain Finance Program	TSCFP	24.8	-	-	24.8	0.2
<b>Mongolia</b>		<b>11.1</b>	<b>-</b>	<b>-</b>	<b>11.1</b>	<b>11.1</b>
Trade and Supply Chain Finance Program	TSCFP	11.1	-	-	11.1	11.1
<b>Nepal</b>		<b>11.4</b>	<b>-</b>	<b>-</b>	<b>11.4</b>	<b>11.4</b>
Trade and Supply Chain Finance Program	TSCFP	11.4	-	-	11.4	11.4
<b>Pakistan</b>		<b>893.4</b>	<b>-</b>	<b>-</b>	<b>893.4</b>	<b>893.4</b>
Trade and Supply Chain Finance Program	TSCFP	893.4	-	-	893.4	893.4
<b>Papua New Guinea</b>		<b>25.0</b>	<b>-</b>	<b>-</b>	<b>25.0</b>	<b>-</b>
Pacific Telecommunications Modernization	Equity	25.0	-	-	25.0	-
<b>Regional</b>		<b>250.0</b>	<b>-</b>	<b>-</b>	<b>250.0</b>	<b>80.0</b>
Investment in Lombard Asia V, L.P.	Equity	20.0	-	-	20.0	-
New Hope COVID-19 Working Capital Support	Loan	20.0	-	-	20.0	20.0
Investment in PAG Growth II L.P.	Equity	50.0	-	-	50.0	-
ECOM COVID-19 Smallholder Farmer Climate Resilience and Livelihood Support	Loan	60.0	-	-	60.0	60.0
Investment in Northstar Equity Partners V Limited	Equity	40.0	-	-	40.0	-
Investment in Creador V L.P.	Equity	60.0	-	-	60.0	-

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## Appendix 2 continued

Region/Country/Loan or Grant Title	Modality	Regular OCR	Concessional OCR	ADF Grant	Total	COVID-19 Response
<b>Samoa</b>		<b>0.1</b>	–	–	<b>0.1</b>	<b>0.1</b>
Trade and Supply Chain Finance Program	TSCFP	0.1	–	–	0.1	0.1
<b>Sri Lanka</b>		<b>223.0</b>	–	–	<b>223.0</b>	<b>198.0</b>
John Keells Modern Retail Infrastructure Expansion	Equity	25.0	–	–	25.0	–
Trade and Supply Chain Finance Program	TSCFP	198.0	–	–	198.0	198.0
<b>Tajikistan</b>		<b>1.6</b>	–	–	<b>1.6</b>	<b>1.6</b>
Trade and Supply Chain Finance Program	TSCFP	1.6	–	–	1.6	1.6
<b>Thailand</b>		<b>121.8</b>	–	–	<b>121.8</b>	<b>110.7</b>
Green Yellow Rooftop Solar	Loan	11.2	–	–	11.2	–
Trade and Supply Chain Finance Program	TSCFP	110.7	–	–	110.7	110.7
<b>Uzbekistan</b>		<b>192.6</b>	–	–	<b>192.6</b>	<b>173.7</b>
Hamkorbank Expanding Access to Credit for Micro, Small and Medium-Sized Enterprise and Agriculture Borrowers	Loan	18.9	–	–	18.9	–
Korzinka COVID-19 Food Retail Supply Chain Support	Loan	11.9	–	–	11.9	11.9
Trade and Supply Chain Finance Program	TSCFP	161.8	–	–	161.8	161.8
<b>Viet Nam</b>		<b>847.4</b>	–	–	<b>847.4</b>	<b>662.9</b>
Vietnam International Bank Supporting Small and Medium-Sized Enterprises and Improving Living Conditions	Loan	100.0	–	–	100.0	–
B.Grimm Viet Nam Solar Power (Dau Tieng)	Loan	24.5	–	–	24.5	–
Lotus Wind Power	Loan	35.0	–	–	35.0	–
Tien Phong Bank Expanding Access to Finance for Small and Medium-Sized Enterprises Owned and Led by Women	Loan	25.0	–	–	25.0	–
Trade and Supply Chain Finance Program	TSCFP	662.9	–	–	662.9	662.9
<b>TOTAL</b>		<b>19,531.5</b>	<b>2,648.4</b>	<b>344.3</b>	<b>22,524.2</b>	<b>13,477.6</b>

– = nil, ADF = Asian Development Fund, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, CPRO = COVID-19 Pandemic Response Option, MFF = multitranché financing facility, MFP = Microfinance Program, OCR = ordinary capital resources, PBL = policy-based lending, PRF = project readiness facility, RBL = results-based lending, TSCFP = Trade and Supply Chain Finance Program.

## Notes:

1. “Commitment” is the financing approved by the Asian Development Bank’s (ADB) Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB. Figures are based on United States dollar equivalent at the time of signing.
2. Numbers may not sum precisely because of rounding.

<sup>a</sup> ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021.

**Appendix 3: Approvals, 2017–2021** (\$ million)

Item	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>	2020 <sup>a</sup>		2021	
	Total	Total	Total	Total	COVID-19 Response	Total	COVID-19 Response
<b>Loans, Grants, and Others</b>							
<b>By Source</b>							
Regular Ordinary Capital Resources	16,584	14,105	15,661	23,485	12,867	16,407	8,695
Loans	15,764 <sup>b</sup>	13,342 <sup>c</sup>	15,371 <sup>d, e</sup>	22,219 <sup>f</sup>	11,807 <sup>g</sup>	16,152 <sup>h</sup>	8,695
Equity Investments	390	235	290	200	–	246	–
Guarantees	330	78	– <sup>e</sup>	5	–	10	–
Trade and Supply Chain Finance Program <sup>i</sup>	–	450	–	800	800	–	–
Microfinance Program	100	–	–	260	260	–	–
Concessional Resources	2,267	5,205	3,522	5,492	1,861	3,054	2,124
Loans	1,715	4,165	2,679	4,440	1,466	2,769	1,998
Grants	551	1,040	843	1,052	395	284	126
Special Funds <sup>j</sup>	2	6	–	64	58	1	–
Grants	2	6	–	64	58	1	–
<b>Subtotal (A)</b>	<b>18,853</b>	<b>19,316</b>	<b>19,183</b>	<b>29,041</b>	<b>14,787</b>	<b>19,462</b>	<b>10,819</b>
<b>By Operations</b>							
Sovereign	15,799	15,642	17,642	26,331	13,109	18,253	10,601
Loans	15,246	14,596	16,800	25,215	12,656	17,958	10,475
Guarantees	–	–	–	–	–	10	–
Grants	553	1,046	843	1,116	453	285	126
Nonsovereign	3,054	3,674	1,541	2,710	1,677	1,209	218
Loans	2,234 <sup>b</sup>	2,911 <sup>c</sup>	1,251 <sup>d, e</sup>	1,444 <sup>f</sup>	617 <sup>g</sup>	963 <sup>h</sup>	218
Equity Investments	390	235	290	200	–	246	–
Guarantees	330	78	– <sup>e</sup>	5	–	–	–
Trade and Supply Chain Finance Program <sup>i</sup>	–	450	–	800	800	–	–
Microfinance Program	100	–	–	260	260	–	–
<b>Subtotal (A)</b>	<b>18,853</b>	<b>19,316</b>	<b>19,183</b>	<b>29,041</b>	<b>14,787</b>	<b>19,462</b>	<b>10,819</b>
<b>Technical Assistance</b>							
Sovereign	196	200	220	282	128	211	25
Nonsovereign	9	14 <sup>k</sup>	17	12	6	21	7
<b>Subtotal (B)</b>	<b>205</b>	<b>214</b>	<b>237</b>	<b>294</b>	<b>134</b>	<b>232</b>	<b>32</b>
<b>TOTAL ADB OPERATIONS (A + B)</b>	<b>19,058</b>	<b>19,531</b>	<b>19,420</b>	<b>29,335</b>	<b>14,920</b>	<b>19,694</b>	<b>10,851</b>
<b>Cofinancing including Trust Funds</b>							
Sovereign	3,585	6,168 <sup>l</sup>	5,783 <sup>m</sup>	10,962 <sup>n</sup>	8,189	4,824	3,361
Trust Funds Administered by ADB	143	151	168	281	20	117	46
Bilateral	1,899	1,941	3,688	4,711	3,319	2,044	1,815
Multilateral	994	3,357	1,777	5,970	4,850	2,639	1,501
Others <sup>o</sup>	548	720	149	0	0	25	–
Nonsovereign <sup>p</sup>	2,882	3,351	3,579	1,809	158	1,903	209
Trade and Supply Chain Finance Program and Microfinance Program <sup>i</sup>	3,039	3,992	3,693	3,272	2,496	5,790	5,765
Transaction Advisory Service	–	405	113	76	–	423	–
<b>TOTAL COFINANCING</b>	<b>9,506</b>	<b>13,916</b>	<b>13,167</b>	<b>16,119</b>	<b>10,843</b>	<b>12,940</b>	<b>9,335</b>

– = nil, 0 = less than \$500,000, ADB = Asian Development Bank, COVID-19 = coronavirus disease.

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Excludes terminated loans, grants, equities, guarantees, and technical assistance.

<sup>b</sup> Includes \$300 million classified as debt securities in financial statements in accordance with accounting standards.

<sup>c</sup> Includes \$20 million classified as debt securities in financial statements in accordance with accounting standards.

<sup>d</sup> Includes \$357 million classified as debt securities in financial statements in accordance with accounting standards.

<sup>e</sup> The 2019 adjusted figures of \$50 million each under nonsovereign loan and guarantee approvals are due to the reclassification of one project as an investment facility.

<sup>f</sup> Includes \$210 million classified as debt securities in financial statements in accordance with accounting standards.

<sup>g</sup> Includes \$182 million classified as debt securities in financial statements in accordance with accounting standards.

<sup>h</sup> Includes \$142 million classified as debt securities in financial statements in accordance with accounting standards.

<sup>i</sup> In August 2020, ADB's Trade Finance Program and Supply Chain Finance Program merged their operations.

<sup>j</sup> Special funds other than the Asian Development Fund such as the Asia Pacific Disaster Response Fund and Climate Change Fund.

<sup>k</sup> The 2018 adjusted figure is due to the cancellation of \$600,000 for one nonsovereign technical assistance project.

<sup>l</sup> The 2018 adjusted figure is due to additional \$24 million sovereign cofinancing for one project.

<sup>m</sup> The 2019 adjusted figure is due to the cancellation of \$73 million under sovereign cofinancing approvals for two projects, and additional \$168 million sovereign cofinancing for two projects.

<sup>n</sup> The 2020 adjusted figure is due to the cancellation of \$500 million sovereign cofinancing under one project and an additional \$32 million sovereign cofinancing for two projects.

<sup>o</sup> "Others" includes concessional cofinancing for sovereign operations from public and private entities (including state-owned commercial banks, foundations, and corporate social responsibility programs, and civil society organizations) other than official development assistance sources.

<sup>p</sup> Nonsovereign cofinancing includes commercial cofinancing such as B loans, risk transfers, and parallel loans, among others.

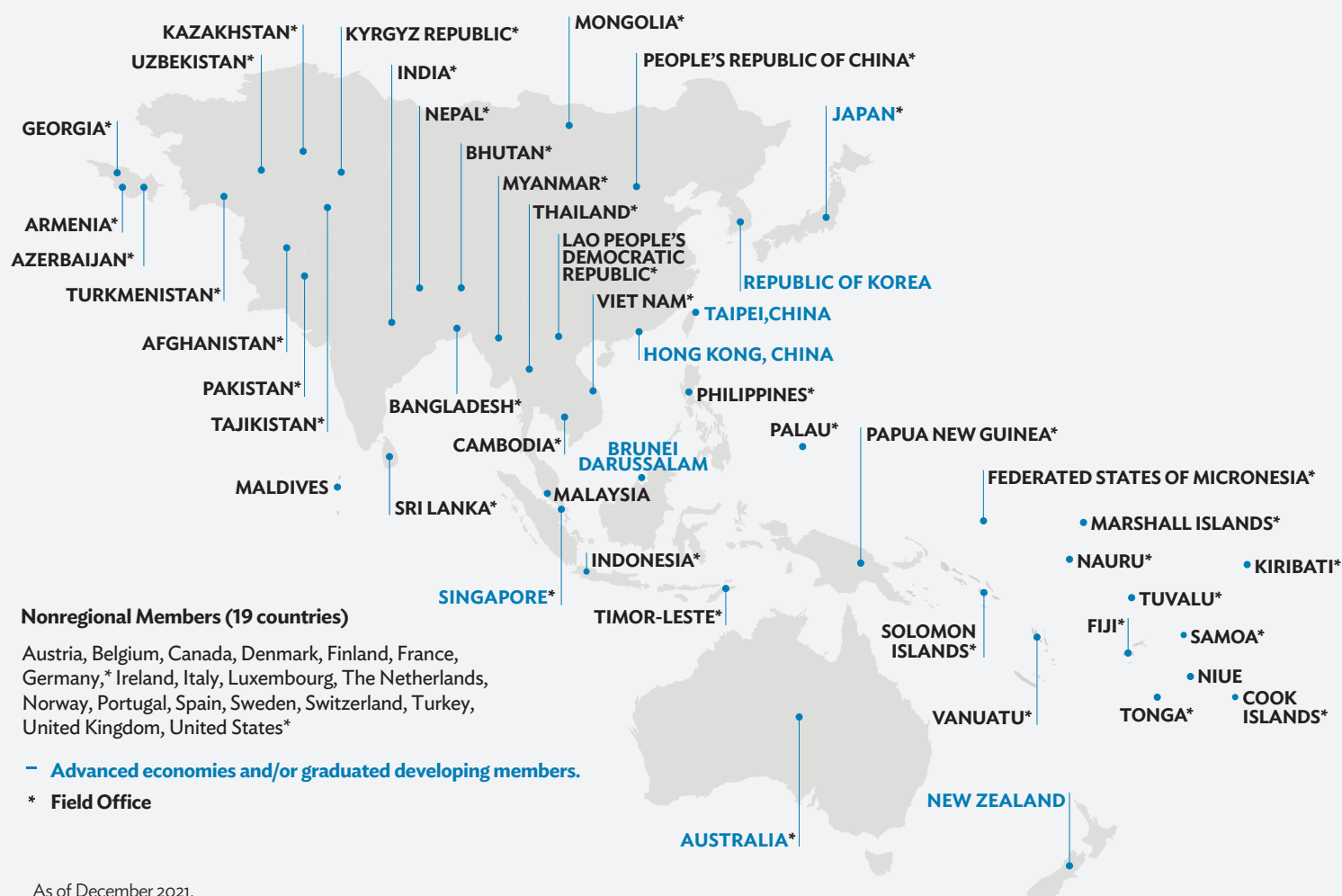
**Approvals by Region, 2017–2021** (\$ million)

Region	2017	2018	2019	2020		2021	
	Total	Total	Total	Total	COVID-19 Response	Total	COVID-19 Response
Central and West Asia	7,491	5,582	7,630	8,416	5,782	6,809	4,048
East Asia	4,071	3,849	3,121	3,515	610	1,736	508
Pacific	530	466	881	1,401	770	1,342	805
South Asia	7,957	10,838	9,265	12,796	5,677	12,249	7,905
Southeast Asia	7,281	11,417	10,811	17,644	11,673	9,150	6,719
Regional	1,234	1,295	878	1,682	1,251	1,347	201
<b>TOTAL</b>	<b>28,564</b>	<b>33,446</b>	<b>32,587</b>	<b>45,454</b>	<b>25,763</b>	<b>32,634</b>	<b>20,186</b>

Note: Numbers may not sum precisely because of rounding.



## Appendix 4: ADB Regional and Nonregional Members



## Appendix 5: Members, Capital Stock, and Voting Power (as of 31 December 2021)

	Year of Membership	Subscribed Capital <sup>a</sup> (% of total)	Voting Power <sup>b</sup> (% of total)
<b>REGIONAL</b>			
Afghanistan	1966	0.034	0.321
Armenia	2005	0.298	0.532
Australia	1966	5.773	4.913
Azerbaijan	1999	0.444	0.649
Bangladesh	1973	1.019	1.109
Bhutan	1982	0.006	0.299
Brunei Darussalam	2006	0.351	0.575
Cambodia	1966	0.049	0.334
China, People's Republic of	1986	6.429	5.437
Cook Islands	1976	0.003	0.296
Fiji	1970	0.068	0.348
Georgia	2007	0.341	0.567
Hong Kong, China	1969	0.543	0.729
India	1966	6.317	5.347
Indonesia	1966	5.434	4.641
Japan	1966	15.571	12.751
Kazakhstan	1994	0.805	0.938
Kiribati	1974	0.004	0.297
Korea, Republic of	1966	5.026	4.315
Kyrgyz Republic	1994	0.298	0.533
Lao People's Democratic Republic	1966	0.014	0.305
Malaysia	1966	2.717	2.468
Maldives	1978	0.004	0.297
Marshall Islands	1990	0.003	0.296
Micronesia, Federated States of	1990	0.004	0.297
Mongolia	1991	0.015	0.306
Myanmar	1973	0.543	0.729
Nauru	1991	0.004	0.297
Nepal	1966	0.147	0.411
New Zealand	1966	1.532	1.520
Niue	2019	0.001	0.295
Pakistan	1966	2.174	2.033
Palau	2003	0.003	0.297
Papua New Guinea	1971	0.094	0.369
Philippines	1966	2.377	2.196
Samoa	1966	0.003	0.297
Singapore	1966	0.340	0.566
Solomon Islands	1973	0.007	0.299
Sri Lanka	1966	0.579	0.757
Taipei, China	1966	1.087	1.164
Tajikistan	1998	0.286	0.523
Thailand	1966	1.358	1.381
Timor-Leste	2002	0.010	0.302
Tonga	1972	0.004	0.297
Turkmenistan	2000	0.253	0.496
Tuvalu	1993	0.001	0.295
Uzbekistan	1995	0.672	0.832
Vanuatu	1981	0.007	0.299
Viet Nam	1966	0.341	0.567
<b>Subtotal</b>		<b>63.390</b>	<b>65.124</b>

	Year of Membership	Subscribed Capital <sup>a</sup> (% of total)	Voting Power <sup>b</sup> (% of total)
<b>NONREGIONAL</b>			
Austria	1966	0.340	0.566
Belgium	1966	0.340	0.566
Canada	1966	5.219	4.469
Denmark	1966	0.340	0.566
Finland	1966	0.340	0.566
France	1970	2.322	2.152
Germany	1966	4.316	3.747
Ireland	2006	0.340	0.566
Italy	1966	1.803	1.737
Luxembourg	2003	0.340	0.566
The Netherlands	1966	1.023	1.113
Norway	1966	0.340	0.566
Portugal	2002	0.340	0.566
Spain	1986	0.340	0.566
Sweden	1966	0.340	0.566
Switzerland	1967	0.582	0.760
Turkey	1991	0.340	0.566
United Kingdom	1966	2.038	1.924
United States	1966	15.571	12.751
<b>Subtotal</b>		<b>36.610</b>	<b>34.876</b>
<b>TOTAL</b>		<b>100.000</b>	<b>100.000</b>

Notes:

- Numbers may not sum precisely because of rounding.
- For other details, see table on Statement of Subscriptions to Capital Stock and Voting Power (OCR-8) in the Financial Statements of *Annual Report 2021*.

<sup>a</sup> Subscribed capital refers to a member's subscription to shares of the capital stock of the Asian Development Bank (ADB).

<sup>b</sup> The total voting power of each member consists of the sum of its basic votes and proportional votes. The basic votes of each member consist of such number of votes as results from the equal distribution among all members of 20% of the aggregate sum of the basic votes and proportional votes of all members. The number of proportional votes of each member is equal to the number of shares of the capital stock of ADB held by that member.

**Appendix 6: Contributions to the Asian Development Fund** (\$ million)

<b>Contributor</b>	<b>Cumulative Effective Amounts Committed<sup>a</sup></b>	<b>of which, ADF 13 (2021-2024)</b>
Australia	2,894	225
Austria	310	16
Azerbaijan	2	2
Belgium	244	–
Brunei Darussalam	21	0
Canada	2,108	73
China, People's Republic of	277	93
Denmark	265	–
Finland	208	7
France	1,451	41
Germany	2,002	69
Hong Kong, China	136	12
India	105	40
Indonesia	36	9
Ireland	118	12
Italy	1,228	35
Japan	13,661	773
Kazakhstan	8	–
Korea, Republic of	707	64
Luxembourg	65	4
Malaysia	33	–
Nauru	0	–
The Netherlands	788	13
New Zealand	200	13
Norway	327	17
Philippines	2	2
Portugal	92	–
Singapore	28	3
Spain	493	11
Sweden	508	17
Switzerland	425	20
Taipei, China	123	9
Thailand	21	2
Turkey	125	2
United Kingdom	1,811	119
United States	4,677	–
<b>TOTAL</b>	<b>35,498</b>	<b>1,705</b>

– = nil, 0 = less than \$0.5 million, ADF = Asian Development Fund.

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Valued at ADB Board of Governors' Resolutions exchange rates. Based on submitted and acknowledged instruments of contribution of ADF 1 to ADF 13 as of 31 December 2021. Includes the proportionate share of ADF donors in the transferred assets as of 1 January 2017 of \$29,309 million and excludes cumulative contributions allocated to the Technical Assistance Special Fund of \$2,089 million.



**Appendix 7A: 2021 Project-Specific Sovereign Cofinancing Commitments<sup>a</sup> (\$ million)**

<b>Financing Partner</b>	<b>Loan</b>	<b>Grant</b>	<b>Technical Assistance</b>
<b>Bilateral</b>			
Australia	–	14	4
Austria	–	–	1
Canada	–	–	0
France	–	–	0
Germany	733	–	2
Japan	1,088	68	–
Korea, Republic of	100	–	–
New Zealand	–	36	3
United Kingdom	–	–	1
United States	–	–	0
<b>Subtotal - Bilaterals</b>	<b>1,921</b>	<b>118</b>	<b>11</b>
<b>Multilateral</b>			
Asian Infrastructure Investment Bank	2,479	–	–
Climate Investment Fund	–	–	3
Global Environment Facility	–	8	4
Global Partnership for Education Fund	–	–	15
Global Road Safety Facility – Phase 3 Multi-Donor Trust Fund	–	–	0
International Fund for Agricultural Development	21	–	–
Islamic Development Bank	20	–	–
OPEC Fund for International Development	125	–	–
United Nations Children's Fund	–	0	–
World Bank	–	5	–
<b>Subtotal - Multilaterals</b>	<b>2,645</b>	<b>13</b>	<b>22</b>
<b>Others<sup>b</sup></b>			
Concessionaires	95	–	–
Education Above All Foundation	–	24	–
JP Morgan Chase Foundation	–	–	0
Korea Energy Agency	–	–	0
<b>Subtotal - Others</b>	<b>95</b>	<b>24</b>	<b>0</b>
<b>TOTAL</b>	<b>4,661</b>	<b>156</b>	<b>34</b>

– = nil, 0 = less than \$1 million, OPEC = Organization of the Petroleum Exporting Countries.

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Excludes cofinancing commitments from Asian Development Bank-administered trust funds.

<sup>b</sup> “Others” include concessional cofinancing for sovereign operations from public and private entities (including state-owned commercial banks, foundations, corporate social responsibility programs, and civil society organizations) other than official development assistance sources.

**Appendix 7B: Active Trust Funds and Special Funds** (\$ million)

<b>Fund Name</b>	<b>Partner(s)</b>	<b>Year of Establishment</b>	<b>Contributions for 2021<sup>a</sup></b>	<b>Cumulative Contribution as of 31 December 2021<sup>b</sup></b>	<b>Committed (Signed Projects) for 2021</b>
<b>Single-Partner Trust Funds<sup>c</sup></b>					
Japan Scholarship Program	Japan	1988	5.0	196.6	NA
Japan Fund for Poverty Reduction <sup>d</sup>	Japan	2000	35.7	966.3	61.7
Spanish Cooperation Fund for Technical Assistance	Spain	2000	–	14.4	2.0
Cooperation Fund for Project Preparation in the Greater Mekong Subregion and in Other Specific Asian Countries	France	2004	1.2	9.7	1.3
Japan Fund for Public Policy Training <sup>e</sup>	Japan	2004	–	22.0	–
People's Republic of China Poverty Reduction and Regional Cooperation Fund	People's Republic of China	2005	–	90.0	7.1
Republic of Korea e-Asia and Knowledge Partnership Fund	Republic of Korea	2006	26.6	148.8	14.7
Netherlands Trust Fund under the Water Financing Partnership Facility	Netherlands	2006	–	44.2	1.5
Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility	Japan	2008	–	55.7	3.8
Investment Climate Facilitation Fund under the Regional Cooperation and Integration Financing Partnership Facility	Japan	2008	–	31.5	–
Canadian Climate Fund for the Private Sector in Asia under the Clean Energy Financing Partnership Facility	Canada	2013	–	77.3	11.4
Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility <sup>e</sup>	Bill & Melinda Gates Foundation	2013	–	19.0	–
Japan Fund for the Joint Crediting Mechanism	Japan	2014	9.1	89.6	–
Leading Asia's Private Infrastructure Fund	Japan	2016	216.1	736.1	73.0
Canadian Climate Fund for the Private Sector in Asia II	Canada	2017	–	149.5	4.2
United Kingdom Fund for Asia Regional Trade and Connectivity under the Regional Cooperation and Integration Financing Partnership Facility <sup>e</sup>	United Kingdom	2018	–	28.9	–
ASEAN Australia Smart Cities Trust Fund	Australia	2019	–	14.3	–
Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States	Ireland	2019	–	13.5	1.9
Australian Climate Finance Partnership	Australia	2020	–	99.1	–
Artificial Intelligence and Digitalization Innovation Fund under the Clean Energy Financing Partnership Facility	United Kingdom	2021	13.5	13.5	–
<b>Multi-Partner Trust Funds<sup>c,f</sup></b>					
Multi-Donor Trust Fund under the Water Financing Partnership Facility	Australia, Austria, Norway, Spain, Switzerland	2006	–	52.4	1.0
Clean Energy Fund under the Clean Energy Financing Partnership Facility	Australia, Norway, Spain, Sweden, United Kingdom	2007	–	131.8	3.2
Carbon Capture and Storage Fund under the Clean Energy Financing Partnership Facility	Australia, United Kingdom	2009	–	58.6	–
Afghanistan Infrastructure Trust Fund <sup>g</sup>	ANA Trust Fund, Canada, Germany, Japan, United Kingdom, United States	2010	–	767.8	–
Credit Guarantee Investment Facility	ADB, Brunei Darussalam, Cambodia, People's Republic of China, Indonesia, Japan, Republic of Korea, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam	2010	–	1,158.0	NA

continued on next page

Appendix 7B continued

Fund Name	Partner(s)	Year of Establishment	Contributions for 2021 <sup>a</sup>	Cumulative Contribution as of 31 December 2021 <sup>b</sup>	Committed (Signed Projects) for 2021
Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility	Rockefeller Foundation, Switzerland, United Kingdom	2013	–	144.2	2.7
Regional Malaria and other Communicable Disease Threats Trust Fund under Health Financing Partnership Facility	Australia, Canada, United Kingdom	2013	–	35.8	6.4
Asia Pacific Project Preparation Facility	Australia, Canada, Japan	2014	–	63.3	–
Project Readiness Improvement Trust Fund	Nordic Development Fund	2016	–	7.8	0.2
Domestic Resource Mobilization Trust Fund	Japan	2017	2.0	9.2	–
High-Level Technology Fund	Japan	2017	12.4	82.7	9.9
Asia Pacific Climate Finance Fund	Germany	2017	–	33.1	1.7
Cities Development Initiative for Asia Trust Fund	Austria, Germany, Switzerland	2017	0.1	9.2	–
ADB Ventures Investment Fund 1	Climate Investment Fund, Finland, Republic of Korea, Korea Venture Investment Corporation, Nordic Development Fund,	2020	–	59.7	10.9
Community Resilience Partnership Program Trust Fund	Nordic Development Fund	2021	6.8	6.8	–
<b>Special Funds<sup>h</sup></b>					
Japan Special Fund	Japan	1988	–	1,124.7	–
ADB Institute	ADB, Australia, People's Republic of China, Indonesia, Japan, Republic of Korea	1996	13.3	325.8	NA
Regional Cooperation and Infrastructure Fund	ADB, Japan	2007	–	99.6	13.1
Asia Pacific Disaster Response Fund	ADB, Japan	2009	15.0	180.0	5.0
Financial Sector Development Partnership Special Fund	ADB, Luxembourg	2013	1.7	24.7	1.6

– = nil, ADB = Asian Development Bank, NA = not applicable.

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Contributions for 2021 include only additional and new commitments made during the year revalued at reporting date, as applicable.

<sup>b</sup> Cumulative Contribution as of 31 December 2021 is net of cancellation of the commitments, if any, and revalued at reporting date, as applicable.

<sup>c</sup> Excludes the following active trust funds with no commitments in 2021 and is waiting for financial completion of active projects in preparation for fund closing: Canadian Cooperation Fund on Climate Change, Denmark Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas, Future Carbon Fund, Japan Fund for Information and Communication Technology, Integrated Disaster Risk Management Fund, Cooperation Fund for Regional Trade and Financial Security Initiative, Financial Sector Development Partnership Fund, Gender and Development Cooperation Fund, Governance Cooperation Fund, and Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility.

<sup>d</sup> On 1 September 2021, the ADB Board of Directors approved the enhanced and renamed Japan Fund for Prosperous and Resilient Asia and the Pacific to be operationalized on 1 January 2022.

<sup>e</sup> Trust fund awaits instruction from partner on the disposition of unutilized balance.

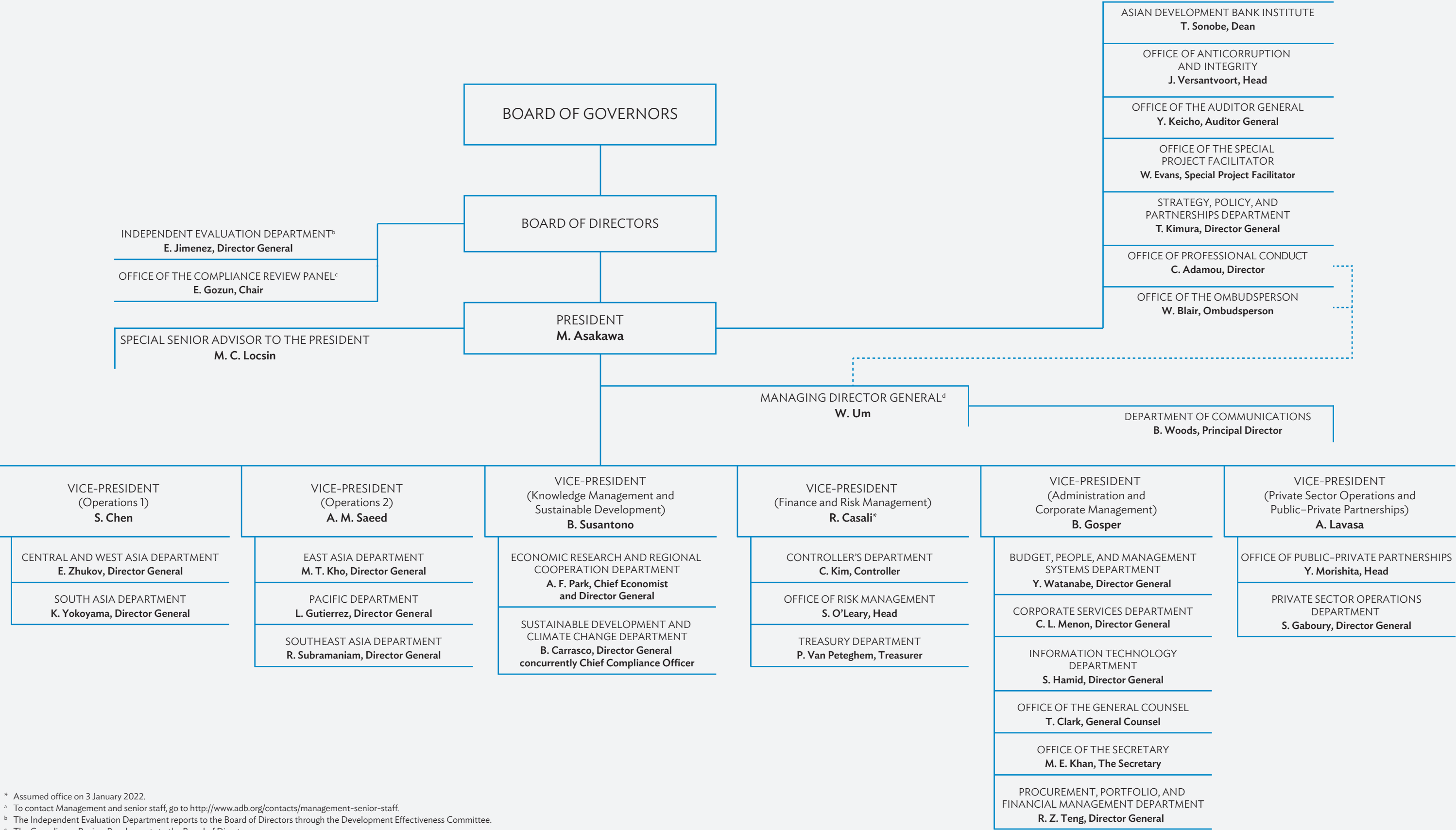
<sup>f</sup> Multi-partner trust funds are established to have more than one financing partner.

<sup>g</sup> ADB placed on hold its assistance in Afghanistan including assistance through the Afghanistan Infrastructure Trust Fund effective 15 August 2021.

<sup>h</sup> Special funds (except the Japan Special Fund) get contributions from ADB through transfers from ordinary capital resources. The list of special funds excludes Asian Development Fund (ADF), Technical Assistance Special Fund (TASF), and Climate Change Fund. Contributions to the ADF are presented in Appendix 6. Contributions to the TASF are made through direct and voluntary contributions from members and through allocations from the ADF replenishments. Finally, no external partners contribute to the Climate Change Fund.



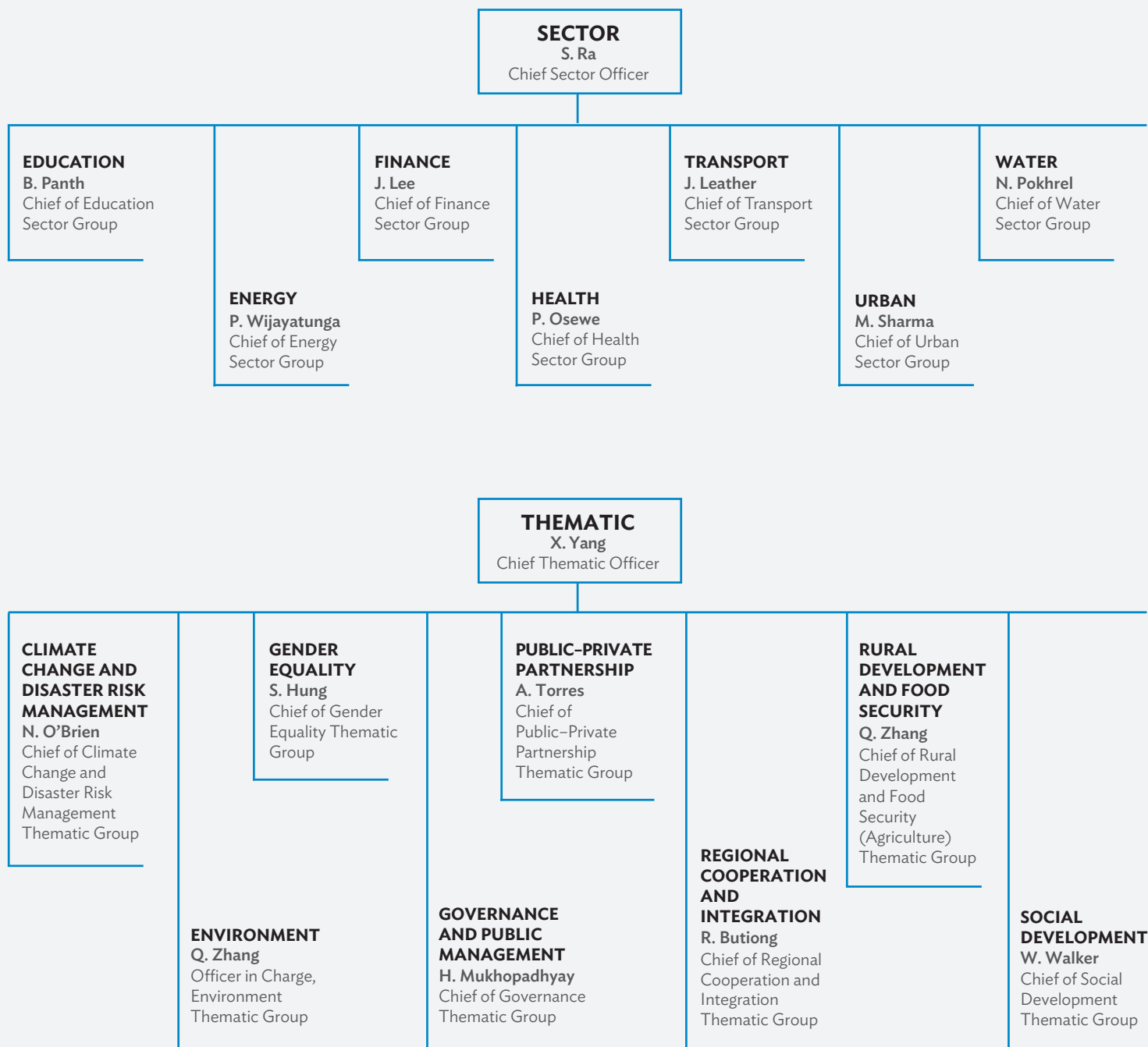
Appendix 8A: Organizational Structure<sup>a</sup>  
(as of 31 December 2021)



\* Assumed office on 3 January 2022.  
<sup>a</sup> To contact Management and senior staff, go to <http://www.adb.org/contacts/management-senior-staff>.  
<sup>b</sup> The Independent Evaluation Department reports to the Board of Directors through the Development Effectiveness Committee.  
<sup>c</sup> The Compliance Review Panel reports to the Board of Directors.  
<sup>d</sup> The Managing Director General provides support to the President in their oversight of the Office of Professional Conduct and the Office of the Ombudsperson.

**Appendix 8B: ADB Sector and Thematic Groups**

(as of 31 December 2021)



## Appendix 9: ADB Corporate Reports

### A. Key Corporate Overview Reports

- ADB Sustainability Report
- Annual Evaluation Review
- Development Effectiveness Report: Private Sector Operations
- Development Effectiveness Review

### B. Treasury, Finance, and Risk Management

- ADB Information Statement

### C. Operations

#### 1. Overview of ADB Operations

- ADB Projects and Tenders: Project Data Sheets for Loans, Grants, and Technical Assistance
- Statement of the Asian Development Bank's Operations

#### 2. Portfolio Reports

- Annual Portfolio Performance Report
- Quarterly Portfolio Updates

#### 3. Country Operations

- ADB Member Fact Sheets
- Annual Report on the Country Performance Assessment Exercise

#### 4. Partnership Reports

- ADB–Japan Scholarship Program Annual Report
- Annual Partnership Report
- Annual Trust Fund Report
- Clean Energy Financing Partnership Facility Annual Report
- Financial Sector Development Partnership Special Fund Annual Report
- Future Carbon Fund (print only)
- Gender and Development Cooperation Fund Progress Report
- High-Level Technology Fund Annual Progress Report (print only)
- Japan Fund for Joint Crediting Mechanism (print only)
- Japan Fund for Poverty Reduction Annual Report
- People's Republic of China Regional Cooperation and Poverty Reduction Fund Annual Report
- Republic of Korea e-Asia and Knowledge Partnership Fund Annual Report
- Urban Financing Partnership Facility Annual Report
- Water Financing Partnership Facility Annual Report and Semiannual Progress Report

### D. Planning and Budget

- Budget of the Asian Development Bank
- Work Program and Budget Framework

### E. Accountability

- ADB Accountability Mechanism Annual Report

### F. Audit

- Annual Report of the Audit and Risk Committee of the Board 2020–2021

### G. Independent Evaluation

- ADB Support for Action on Climate Change, 2011–2020
- ADB Support for the Greater Mekong Subregion Program, 2012–2020
- Country Assistance Program Evaluation for Bangladesh
- Independent Evaluation Department Work Program, 2022–2024

### H. Key Economic and Financial Research

- ADB Economics Working Papers
- Asia Bond Monitor
- Asian Development Review
- Asian Development Outlook
- Asian Economic Integration Report
- Basic Statistics
- Key Indicators for Asia and the Pacific

### I. ADB Institute

- ADBI Policy Briefs
- ADBI Three-Year Rolling Work Program and Budget
- ADBI Working Papers

### J. Other Reports

- Annual Procurement Report
- Completion Report Program
- Highlights of the ADB Annual Meeting
- Highlights of ADB's Cooperation with Civil Society Organizations
- Office of Anticorruption and Integrity Annual Report



## Appendix 10: Operational Data and Organizational Information

(as of 31 December 2021)

The tables and other information listed below are available for download in PDF and XLS format from <https://www.adb.org/documents/adb-annual-report-2021>

### Operational Data

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Selected Policy, Strategy, and Financial Papers Discussed by the Board in 2021
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Board of Directors and Voting Groups
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ADB Institute Advisory Council
Organizational Structure
Summary of Internal Administrative Expenses—2020 and Budget for 2021
2021 Annual Base Salary of the Board of Directors and Management
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Number of Authorized Positions in Resident Missions
Growth in Resident Missions and Assigned Staff Positions at Resident Missions

**Financial statements incorporated by reference.** Management's Discussion and Analysis and the Annual Financial Statements of the Asian Development Bank shall be deemed to be incorporated in and to form part of this Annual Report. The Financial Report, organizational information, and operational data are available at <https://www.adb.org/documents/adb-annual-report-2021> and via the QR code on this page.



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Every effort has been made to ensure the accuracy of the data used in this publication. Variations in data in ADB publications often result from different publication dates, although differences may also come from the source and interpretation of data. ADB accepts no responsibility from any consequence of their use.

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All photos by ADB unless otherwise indicated.

Cover photos (*clockwise from top left*): Workers proceed with daily operations at a dairy factory in Mongolia; a farmer collects wheat after threshing in Pakistan; a farmer carries a waterpot to her house in Nepal; a technician maintains a wind turbine in the Philippines; a student studies online in Nauru.

We will continue to deliver ADB's unique synergy of finance, knowledge, and partnerships. And we will prioritize the quality of our assistance over quantity, meeting near-term needs with a clear vision for the future.

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**Masatsugu Asakawa**  
ADB President