The Asian Development Bank (ADB) launched its first theme bond (water) for sustainable development in 2010, in response to a growing demand among its investor base to highlight key initiatives. Since then, ADB has expanded its theme bond offerings to include education, health, and gender.

The projects funded by theme bonds are aligned with the Sustainable Development Goals (SDGs) adopted by the United Nations for quality education, gender equality, clean water and sanitation, and good health.

- Education bonds improve access to, and the quality and relevance of, education and training, and amplify the returns to students and the workforce.
- Gender bonds promote gender equality and the empowerment of women.
- Health bonds tackle health challenges in Asia and the Pacific.
- Water bonds support projects and programs supported by ADB to address water and sanitation security needs in Asia and the Pacific, including water supply, sanitation, resource management, irrigation management, and water-related disasters.
Table 1 summarizes the amounts issued for the various theme bonds. Table 2 shows the project commitments and disbursements for each theme. The Appendix highlights how proceeds from the various types of theme bonds are used.

At the start of 2022, the Asia and the Pacific region was expected to start recovering from the effects of the waning COVID-19 pandemic. The recovery was limited by several factors, including the Russian invasion of Ukraine, supply chain disruptions, tightening of global interest rates, and extreme weather events. To help the region develop long-term resilience, ADB made substantial investments in social areas such as improving access to and quality of education, advancing affordable health care, and empowering women.

In 2022, 97% of ADB operations contributed to promoting gender equality through financing and knowledge solutions, fostering women’s entrepreneurship, tackling gender-based violence, and building women’s resilience to climate change. ADB is also prioritizing health sector investments by supporting universal health care. This includes strengthening national health insurance systems, building and upgrading health facilities and hospitals, and enhancing health-related human resources. In the education sector, ADB is increasing its investments to help the region respond to education losses created by school closures during the pandemic. ADB is also committed to helping workers gain the skills needed for high-tech jobs, and is supporting programs to strengthen the quality of science, technology, engineering, and mathematics (STEM) teaching and learning.

In addition to education, health, water, and gender bonds, ADB also launched its green bond program in 2015, raising around $10 billion since then. The program helps finance climate change mitigation and adaptation projects. ADB launched its blue bonds in 2021—raising about $300 million since then—as one of the instruments of its Oceans Financing Initiative, which will innovate and scale up investments for healthy oceans and sustainable blue economies in Asia and the Pacific.

### Table 1: Summary of Theme Bond Issuances ($ million)

<table>
<thead>
<tr>
<th>Theme Bond</th>
<th>Total Bond Issuances</th>
<th>Outstanding Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>1,029</td>
<td>1,029</td>
</tr>
<tr>
<td>Gender</td>
<td>6,917</td>
<td>6,911</td>
</tr>
<tr>
<td>Health</td>
<td>2,616</td>
<td>2,585</td>
</tr>
<tr>
<td>Water</td>
<td>2,214</td>
<td>615</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12,776</td>
<td>11,140</td>
</tr>
</tbody>
</table>

Note: Data as of 31 March 2023.

1 Cumulative amount issued to date.


### Table 2: Summary of Projects by Theme 2018–2022 ($ million)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Eligible Projects Commitments</th>
<th>Eligible Projects Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>2,973</td>
<td>838</td>
</tr>
<tr>
<td>Gender</td>
<td>46,980</td>
<td>15,312</td>
</tr>
<tr>
<td>Health</td>
<td>10,220</td>
<td>6,288</td>
</tr>
<tr>
<td>Water</td>
<td>6,047</td>
<td>5,517</td>
</tr>
<tr>
<td>TOTAL</td>
<td>66,220</td>
<td>27,955</td>
</tr>
</tbody>
</table>

In ADB’s vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, it seeks first and foremost to address remaining poverty and reduce inequalities. To do this, investment in human capital development and social inclusion must be increased by supporting education, health, and social protection in developing member countries (DMCs). Education and training help ensure the workforce is able to harness the emerging opportunities in the world of work and turn them into sustainable economic gains.

The education sector has been confronted by the challenges of learning crisis and skills mismatches, essentially due to problems of quality and relevance. Despite gains in participation in education, many children in developing Asia have inadequate literacy and numeracy competencies. Many graduates are unable to find decent jobs while there are employers having difficulties in hiring to fill in vacancies.

Education cuts across the seven ADB operational priorities and the 17 SDGs. ADB’s education portfolio is focused on emerging and transformative needs, yet at the same time it remains grounded on the goal of an affordable, high-quality basic education for all. ADB seeks to provide aid to projects that cater to specific needs of each DMC and also to support general emerging priorities such as development of digital and green skills.

ADB’s current direction in education is to follow the path of quality education for all. Support to DMCs will focus on improving learning outcomes, enhancing employability, and developing entrepreneurial skills under the framework of lifelong learning. Education technology and cross-sectoral collaborations shall be leveraged toward solutions and innovations to deliver quality and cost-efficient education and training services. Education and skills development is at the forefront of adaptation strategies and responses to the Fourth Industrial Revolution (IR4.0), demographic shifts, urbanization, and climate change. Education should be tapped fully as an advocacy ground and a hub for innovative solutions to support green economy transition and to tackle climate change.

Several key education projects have recently expanded the portfolio. They aim to strengthen DMCs’ capacity to respond to emergencies like the COVID-19 pandemic and disasters, targeting the assistance to the poorest population, as well as to advance skills development through technical and vocational education and training (TVET) and tertiary education. ADB will continue to work with existing and new partners to collaborate on best approaches.
Pakistan: Improving Workforce Readiness in Punjab Project (IWRPP)

ADB Loan Package: $100 million concessional ordinary capital resources lending (COL)
Outcome: A market-driven and inclusive skills development system developed
Tenor: 4 years

SDGs addressed:


This project aims to strengthen the TVET sector’s ability to support growth and job creation in priority economic sectors in Punjab by expanding the use of competency-based training and assessment, introducing reforms to institutional frameworks, and developing TVET centers of excellence and sector skills councils. ADB committed $100 million from its ordinary capital resources to the project to help expand work-based training, strengthen industry–TVET linkages, address the lack of female participation in TVET, expand entrepreneurship programs for TVET graduates, and introduce private management of public TVET institutes. Punjab contributes more than half of the national income. The provincial government has identified skills development as one of the priorities to help ensure resilient economic development. The province’s readiness for transition to the IR4.0 is an important priority. Therefore, sufficient investments to support skills and training are crucial; and quality and relevant TVET plays a critical role in equipping youth and existing workers with new and updated skills.
IWRPP has three outputs: (i) improved quality and relevance of TVET in priority economic sectors, including development of about 20 centers of excellence that will deliver high-quality, relevant technical education and training and will provide leadership and support for other TVET institutes; (ii) increased equitable access to TVET that will support the Punjab Skills Development Fund, which will prioritize increasing female participation in nontraditional areas and highly skilled occupations, and programs targeted at disadvantaged groups and underserved areas; and (iii) strengthened TVET sector institutional framework, which will improve strategic planning and management of the TVET sector and support other existing efforts in improving TVET in Punjab.

Indonesia: Promoting Research and Innovation through Modernization and Enhancement of Science and Technology Park (PRIME STeP)

ADB Loan Package: $138.52 million ordinary capital resources (OCR)
Outcome: Quality and relevance of research and development and innovation system in four science and technology parks improved
Tenor: 5 years

SDGs addressed:


PRIME STeP aims to support science and technology parks (STPs) under four universities in Indonesia. It aims to strengthen research and development (R&D) and innovation capability, including research in climate adaptation and mitigation; support employment or self-employment for graduates through technology start-up incubation programs; support enterprises in moving up the technology ladder; offer more opportunities for R&D training and jobs for women; and offer support to women in start-ups.

The goal of the project funded by ADB's ordinary capital resources ($138.5 million) is improving the quality and relevance of higher education and Indonesia’s competitiveness. It seeks to help address the lack of absorptive capacity for technology and innovation in Indonesia's workforce. The increased application of technology and R&D will accelerate productivity and drive Indonesia's transition to become a knowledge economy that generates high-quality employment opportunities.

PRIME STeP aims to (i) upgrade facilities for R&D and innovation at four STPs; (ii) strengthen the four STPs' R&D administration, partnerships, and start-up incubation; and (iii) strengthen the capacity of the four STPs and the Ministry of Education, Culture, Research, and Technology. The four higher education institutions involved are Bandung Institute of Technology, IPB University (Institut Pertanian Bogor or Bogor Agricultural Institute), Gadjah Mada University, and University of Indonesia.
Over the past 5 decades, Asia and the Pacific saw substantial improvements in women’s literacy and life expectancy, gender equality in educational enrollment, reduction in the maternal mortality ratio, and job opportunities for women. Today’s gender gaps, however, persist in education completion, health outcomes, employment, and leadership and decision-making. Gender gains have also been threatened by the gender-differentiated impacts of the COVID-19 pandemic. The declining labor force participation is of particular concern throughout the region, as are wide pay disparities and occupational segregation which are key indicators of pervasive gender inequality in access to decent jobs, income, and productive resources.

More than ever, there is a critical need to embrace a more transformative gender equality agenda to effect significant change and impact. This includes eliminating gender-based violence; upholding sexual and reproductive health and rights; recognizing, reducing, and redistributing unpaid care and domestic work; providing affordable and reliable child and elder care services; equal access to economic, technological, and productive resources; and legal or institutional reforms for protecting women’s rights and changing gendered social norms.

Recognizing the need for a more determined and visible effort to address these remaining gaps and barriers, ADB’s Strategy 2030 identified accelerating progress in gender equality as one of its seven corporate strategic operational priorities. ADB’s Operational Plan for Priority 2 (OP2) covers the first half of the Strategy 2030 period, 2019–2024, to deliver gender equality results across thematic and sector operations. OP2 also highlights the need for a more ambitious agenda to address the discriminatory social norms that drive persistent gender inequalities in the region, thereby promoting a more transformative gender agenda in line with the objectives of SDG 5 (gender equality). These transformative areas are strongly linked with the achievement of other SDGs such as poverty reduction (SDG 1), health (SDG 3), education (SDG 4), decent work (SDG 8), and climate change (SDG 13).

ADB recognizes that the gender challenges facing the region require integrated and accelerated efforts so that the gains in gender equality are not reversed. This is even more the case in the aftermath of the COVID-19 pandemic, which exacerbated preexisting gender inequalities. Climate change, with impacts on the environment, economy, and social inequalities, is disproportionately affecting women and girls. OP2 builds on ADB’s significant efforts through sovereign operations to meet gender performance targets of projects at entry and at completion—identifying the need to address gender equality at entry in country partnership strategies—and to enhance the quality of gender mainstreaming in both sovereign and nonsovereign operations for achieving gender equality results.
Fiji: Sustainable and Resilient Recovery Program

ADB Loan Package: $90 million OCR; $60 million COL
Outcome: Fiscally sustainable, climate-resilient, private-sector-led economic growth in Fiji restored
Tenor: OCR—15 years, including a grace period of 3 years; COL—25 years, including a grace period of 5 years

SDGs addressed:


In Fiji, ADB committed a $150 million loan, with cofinancing from the governments of Australia and New Zealand, and Japan International Cooperation Agency, to help restore green, inclusive, and climate-resilient growth after the pandemic. Program reforms will strengthen (i) fiscal resilience by improving the legal framework for public financial management, expenditure and debt management, and domestic resource mobilization; (ii) community resilience by fostering inclusive public spending and sustainable access to basic services, including for women, poor people, and vulnerable people; and (iii) business resilience by providing recovery support to businesses, increasing their financial protection, and improving the business environment. Improved response and adaptive capacities of the state, communities, and businesses will enhance climate resilience. The program supports a reduction in the projected climate and disaster impacts through reforms across all three policy areas.

The policy-based loan supports the rollout of gender-responsive budgeting, complemented by social assistance policy, improving the targeting of expenditure programs to women, especially after climate-related disasters. Other reforms to benefit women include the new market-based climate risk microinsurance product in the informal sector, the new policy for rural water and sanitation providing for women’s participation in rural water committees, and the reduction of compliance requirements and transaction costs for formalization of businesses and the resilience and growth of small businesses.

People walking along the beach in Fiji. Reforms seen to benefit women include a new market-based climate risk microinsurance product in the informal sector.
Cambodia: Science and Technology Project in Upper Secondary Education

ADB Loan Package: $70 million COL
Outcome: Effectiveness of upper secondary education improved
Tenor: 32 years, including a grace period of 8 years

SDGs addressed:

In Cambodia, ADB committed a $70 million loan to improve upper secondary STEM education. The project builds on the first two upper secondary education programs by deepening reforms in STEM education and addressing the increasing demand for high-quality human resources to boost Cambodia’s rapidly evolving economy. It aims to improve upper secondary STEM education by (i) providing high-quality teaching–learning environments in a wide range of upper secondary schools nationwide; (ii) increasing the skills of upper secondary education STEM teachers and strengthening STEM education delivery; and (iii) strengthening institutional capacity for planning, management, and delivery of upper secondary education.

The project includes (i) upgrading school facilities with separate toilets for boys, girls, and people with disabilities (i.e., menstrual hygiene management facilities, adequate water supply, and adequate lighting and proper lockable doors); (ii) enhancing the capacity of STEM teachers to use innovative teaching strategies; (iii) integrating gender equality principles in teaching practices; and (iv) engaging schools, community leaders, and the private sector in gender-responsive transformation of schools.

Rith Sovandalin aims to inspire a generation of female computer software coders across Cambodia. The project integrates gender equality principles in STEM teaching practices and aims to help women and girls adapt better to Cambodia’s rapidly evolving economy.
Health bonds

The COVID-19 pandemic raised the urgency of health investments and highlighted the need to strengthen health systems and eliminate gaps in health security and public health capacity in the Asia and Pacific region. Since 2022, ADB’s health pipeline has shown a shift from procurement of key pandemic-era commodities, including vaccines, toward investments into long-lasting systems and assets such as national centers for disease control, health workforce training institutions, and new or refurbished health facilities at primary and secondary care levels. While the need for investment is felt acutely in a wide variety of DMCs, governments’ capacity to invest remains constrained because of fiscal consolidation and other crises demanding resources.

As ADB’s response to the COVID-19 pandemic raised its visibility as a partner in the health sector, DMC governments now look to long-term support from the bank to invest in strengthening health systems against ongoing and emerging challenges. Building on its recently published Strategy 2030 Health Sector Directional Guide, ADB will support DMCs in addressing four major areas of both challenge and opportunity which will impact the health sector in Asia and the Pacific over the next decade: (i) high and rising urban populations, generating opportunities and threats; (ii) demographic trends driving reprioritization of social investments; (iii) a changing need for engagement at the regional, national, and subnational levels; and (iv) the adaptation of health systems to the digital age. In addition to these, there will be a major need to invest in enhanced pandemic preparedness and readiness to ensure the next major outbreak does not overwhelm national or regional health systems and economies. Across all areas, the well-recognized impact of climate change on human and animal health, when seen together using the lens of One Health, will require investments to enhance health system resilience, with resources needed to scale up adaptation and mitigation interventions. In mitigation, the health sector will lead the way by reducing its carbon footprint through more efficient energy use, streamlined service delivery processes, and sustainable procurement practices.

These themes will affect health systems in most DMCs, with variations across and within economies. Given the evolving burden of disease, achieving universal health coverage in Asia and the Pacific requires enhanced access to essential health services for all, especially for poor and underserved people across the life course.

ADB will continue to invest in policy reform that creates a more equitable and effective health care delivery system in the region. Health care must be affordable and high quality. Reducing out-of-pocket health expenditure will require scaling up sustainable pre-payment mechanisms as well as enhancing targeted public funding for preventive and promotive health services, and primary care, especially for poor people. Already the increased use of cutting-edge digital technology—especially innovations saving health worker and patient time and enhancing the ease of health care payment—holds great promise.

Health service personnel undergoing training in Cambodia. ADB projects upgrade the human resource capacity of its member countries to better respond to COVID-19 and other public health threats.
ADB THEME BONDS FOR SUSTAINABLE DEVELOPMENT

PROJECTS

Uzbekistan: NephroPlus Dialysis Public–Private Partnership Project

**ADB Loan Package:** $5.03 million OCR  
**Outcome:** Capacity of the health system to respond to patients needing dialysis treatment increased  
**Tenor:** 8 years

**SDGs addressed:**

![SDGs icons](https://www.adb.org/projects/55277-001/main)


ADB’s financing to Nephrocare Health Services Central Asia LLC (NephroPlus) will be used to establish four dialysis centers in Tashkent city, the Republic of Karakalpakstan, and Khorezm Region as part of a public–private partnership (PPP) with the Government of Uzbekistan.

In line with the PPP agreement, NephroPlus will design, build, operate, and maintain the dialysis centers. The government will pay 100% of the hemodialysis and peritoneal dialysis fees for a guaranteed minimum total of 1,100 patients per year at all four PPP centers.

This loan is ADB’s first for a PPP healthcare project for the provision of dialysis services in Uzbekistan. ADB’s financing enhances the availability and accessibility of much-needed dialysis services in Uzbekistan. The project leverages ADB’s previous PPP projects in other sectors in Uzbekistan, as well as ADB’s ongoing sovereign operations and efforts to strengthen the PPP model and improve the provision of health care services in the country.

ADB will also support NephroPlus in developing and implementing a gender action plan to increase women’s participation in technical and skilled work in the dialysis treatment centers through specific training, and enhance gender equality measures in its workplaces.

**Access to health services.** NephroPlus’ dialysis center in Urgench, Khorezm Region, Uzbekistan.
People’s Republic of China: Strengthening Public Health Institutions Building Project

ADB Loan Package: $300 million OCR
Outcome: Quality of public health services improved
Tenor: 5 years

SDGs addressed:


The People’s Republic of China (PRC) has an increasingly mobile and highly dense urban population. The growing international exchange of goods, services, and people poses an increased risk of transmission of infectious diseases that can become major public health threats. The government’s Healthy China 2030 plan states that efforts to improve the nation’s overall health must include improved vertical and horizontal institutional coordination, investments in infrastructure and training of world-class health workers, institutional capacity building, stronger coordination, and policy reforms.

In line with the Healthy China 2030 plan, the ADB project introduces a transformational approach to address gaps by strengthening public health institutional capacity in the PRC. The project addresses gaps in the public health system through investments in improving coordination between public health agencies, aligning technology and equipment to the rapid detection of infectious diseases, creating sufficient facility capacity during outbreaks, and enhancing public health knowledge and skills.

The project will support the PRC through strategic investments in key pillars of public health systems. The project proposes an approach comprising development of public health institutional capacity and policies, upgrading of strategic public health emergency and training facilities with surge capacity, and improvement of talent building and capabilities as well as international exchange. In accordance with the PRC’s aim to develop regional centers of public health excellence as demonstration models in economically underdeveloped areas, the project will support Guangxi Zhuang Autonomous Region, Guizhou Province, and Shaanxi Province. These project sites were selected in collaboration with the PRC’s National Development and Reform Commission, on the basis of commitments to public health impact and affordable health care, institutional capacity, and international cooperation activities.

Regional cooperation and integration through the provision of regional public goods is a key feature of the project. This includes reducing the risks of rapid spread of infectious diseases across borders, providing regional knowledge transfer and cooperation, and aligning with regional strategies such as the Greater Mekong Subregion Health Cooperation Strategy, 2019–2023. This will be through the project’s investments in Guangxi Zhuang, and support for cross-border disease surveillance and training for Viet Nam’s health workers.

Investing in public health systems. A healthcare worker attends to a patient in a hospital in the People’s Republic of China.
• Water underpins social and inclusive economic development and is integral to achieving the goals of ADB’s Strategy 2030. Water contributes to the achievement of all ADB’s seven operational priorities under Strategy 2030. It is fundamental for building more livable cities (OP4) by ensuring adequate water supply and sanitation services, and better managing flood risks.
• Water is needed for ensuring food security (OP5). Agriculture consumes around 75% of the region’s freshwater resources.
• Water is also the primary means through which the effects of climate change are experienced; hence, improved water management is necessary for achieving OP3—tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability.
• Water security requires strengthened governance and institutional capacity (OP6). Greater regional cooperation (OP7) is needed to ensure the sustainable management of transboundary waters.
• Poverty (OP1) and gender inequality (OP2) cannot be tackled without providing equitable access to improved water services among the most vulnerable people.

While water security in Asia and the Pacific has been gradually improving, almost 500 million people in the region still do not have access to at least basic water supplies, 1.14 billion people lack access to basic sanitation, and 80% of wastewater generated by cities is discharged into water bodies without treatment. Asia and the Pacific is the most disaster-affected region in the world, home to more than 40% of disasters and 84% of people affected globally. It is the most vulnerable groups—such as poor households, women, and girls—that disproportionately feel the effects of water insecurity.

The effects of climate change are primarily felt through water—through intensification of the hydrological cycle. The region is expected to experience more frequent and intense flooding and droughts, undermining progress toward water security in the region.

ADB’s vision is to achieve a water-secure and resilient Asia and the Pacific. To achieve this, ADB’s water strategy adopts five key guiding principles: (i) building resilience and adaptive capacity, (ii) promoting inclusiveness and gender equality, (iii) embracing environmental sustainability and circular economy, (iv) improving governance and catalyzing finance, and (v) fostering innovation and technological advancement.

Irrigation management. Pump operator and ADB project beneficiary Nasima Akhter monitors the outlets of a water pump in Chittagong, Bangladesh.
Nepal: Third Small Towns Water Supply and Sanitation Sector

**ADB Loan Package:** $60 million COL  
**Outcome:** Delivery of inclusive, gender-focused, and sustainable water supply and sanitation service in project towns  
**Tenor:** 32 years

**SDGs addressed:**


Nepal has experienced rapid urbanization, with the annual urban population growth rate averaging 3.4% from 2001 through 2011. The pace of urbanization was partly due to the increasing emergence of small towns, primarily driven by rural-urban migration. Despite urban areas being engines of economic growth, urban infrastructure and municipal services were inadequate, including an intermittent water supply, low-quality drinking water, and poor sanitation. The situation was particularly bad for small towns, where only 5% of the population had access to piped water, and sanitation coverage was 36%. The mortality rate of children below 5 years, who die from diarrheal diseases, was 13,000 per year, which was largely because of the low-quality drinking water and poor sanitation. The project aimed to address these issues through the provision of water supply and sanitation services, thereby improving the living conditions of citizens in 20 small towns.

The project embraced a participatory, community-managed, and demand-responsive approach, and the community of users was expected to be involved in all aspects of planning and implementation of the towns’ subprojects. The project provided 71,724 household connections, including 9,782 households headed by women, 13,133 poor households, and 3,506 vulnerable households. The project also financed the construction of 22 water treatment plants with a combined capacity of 73,568 cubic meters. The project also funded the construction of 5,075 private toilets benefiting 28,987 people.

*Access to clean water.* Schoolchildren using a community tap for drinking water in Nepal.
Timor-Leste: Dili West Water Supply Project

ADB Loan Package: $77 million concessional/$50 million OCR
Outcome: Inclusive, resilient, and sustainable access to water supply services in Dili west zone achieved
Tenor: 25 years concessional/24 years OCR

SDGs addressed:


With an estimated population of about 260,000, Dili accounts for 20% of the total population of Timor-Leste. The capital city plays a central role in Timor-Leste’s economy as the international gateway for commerce and travel. However, Dili’s growing population is increasing the pressure on its water resources, and on water treatment and supply infrastructure that is already operating beyond its design capacity. The Dili water system, established in 1960, was expanded in the 1970s and was rehabilitated and expanded in 2002. However, it is not resilient to climate hazards and periodically suffers considerable damage from flood events, often leading to supply disruptions. The current water supply system only serves 30% of the city’s population and provides nonpotable intermittent supply.

The project will provide climate-resilient infrastructure to deliver each day about 50,000 cubic meters of potable water from diversified sources, including groundwater and surface water, to about 200,000 residents in the west zone of Dili. The project will enhance the reliability of the water utility’s operations from source to tap by implementing a gender-sensitive and socially inclusive water services operational plan to support key business functions, including customer services, human resources, long-term capital investment planning, operation and maintenance, and asset management. Enterprise digital systems will improve water service delivery performance and customer service. Finally, the project will support the development of water services regulatory guidelines for adoption by the country’s new water sector regulator. The guidelines will be based on the imperatives of protecting water resources, ensuring the rights of customers and supporting the sustainability of water service providers.

Sustainable water supply and sanitation service. Monica Soares washes her clothes at a village in Timor-Leste.
**Appendix: Use of Proceeds for Theme Bonds**

<table>
<thead>
<tr>
<th>Theme Bonds</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education bonds</strong></td>
<td>During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof in its ordinary operations to finance a pool of projects related to the education sector, directly or indirectly through governments or rural governments of ADB members or financial institutions or investments in private sector education projects. In case it is unable to apply an amount equal to the proceeds as provided above, ADB will apply the remaining proceeds to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank. Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the performance of investments and loans under ADB’s projects in the education sector.</td>
</tr>
<tr>
<td><strong>Water bonds</strong></td>
<td>During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof and use it in its ordinary operations to finance a pool of projects related to the water sector, directly or indirectly through governments or rural governments of ADB members or financial institutions. In case it would be unable to apply an amount equal to the proceeds as provided above, ADB will apply the remaining proceeds to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank. Payment of principal of and interest on the Notes will be solely made on the creditability of ADB and would not be directly linked to the performance of investments and loans under ADB’s projects in the water sector.</td>
</tr>
<tr>
<td><strong>Health bonds</strong></td>
<td>During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its ordinary operations to finance a pool of projects related to the health sector, directly or indirectly through governments or rural governments of ADB members or financial institutions or investments in private sector health projects. In case it would be unable to apply an amount equal to the proceeds as provided above, ADB will apply the remaining proceeds to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank. Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the performance of investments and loans under ADB’s projects in the health sector.</td>
</tr>
</tbody>
</table>
| **Gender bonds**   | During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its ordinary operations to finance a pool of eligible projects which promote gender equality and women’s empowerment, directly or indirectly through governments of ADB members or financial or other institutions or investments in private sector projects. Eligible projects include those funded either in whole or in part from ADB’s ordinary capital resources that target narrowing gender disparities and promoting empowerment of women and girls. To achieve this, such projects would typically address one or more of the following five areas and/or dimensions of gender equality and women’s empowerment, either as part of the overall outcome of the project (referred to by ADB as a “gender equity theme” project) or by incorporating them into specific project components (referred to by ADB as an “effective gender mainstreaming” project):  
  - **Women’s economic empowerment**: Access to finance and/or credit; micro, small, and medium-sized enterprise development; agriculture development; value chain support; financial literacy and entrepreneurship training.  
  - **Gender equality in human development**: Education, skills development, and technical and vocational education and training, including “nontraditional” female subjects and/or job sectors such as science and mathematics, engineering, technology, sexual and reproductive health and rights, sanitation, and prevention of gender-based violence.  
  - **Reduced time poverty of women**: Reduced drudgery and time spent on unpaid care and domestic work through infrastructure (transport, water, sanitation, energy) or affordable child, elderly, or family care support.  
  - **Participation in decision-making and leadership**: Through community groups, local governments, and public and private sector management.  
  - **Women’s resilience against risks and shocks including climate change and disaster impacts**: Environmental protection and/or rehabilitation, flood and disaster risk management, budget support, and social protection.  
  
Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the performance of investments and loans under ADB’s projects on gender equality and women’s empowerment.  

The examples of eligible projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by ADB during the term of the Notes. In case it would be unable to apply an amount equal to the net proceeds of the Notes as provided earlier, ADB will apply the remaining proceeds thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank. |
