The Asian Development Bank

The Asian Development Bank is an international development finance institution owned by its member countries. Its main role is to promote the economic and social progress of its developing member countries (DMCs) by lending funds and providing technical assistance.

The Bank started functioning in December 1966 with its headquarters in Manila, Philippines. It has 45 members - 31 from the region of Asia and the Far East, including the South Pacific, and 14 from outside the region.

Membership in the Bank is open to members and associate members of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and other regional countries and non-regional developed countries which are members of the UN or any of its specialized agencies.

The principal functions of the Bank are to utilize the resources at its disposal:

- to make loans for the economic and social advancement of DMCs of the region;
- to provide technical assistance for the preparation, financing and execution of development projects and programs;
- to promote investment of public and private capital for development purposes; and
- to respond to requests for assistance in coordinating development policies and plans of member countries.

In its operations, the Bank is required to give special attention to the needs of the smaller or less developed countries and give priority to regional, sub-regional and national projects and programs which will contribute to he harmonious economic growth of the region as a whole.

What the Bank Does - Lending Operations

The formulation of a broad sectoral strategy in the ADB's lending operations is an evolutionary process and is based on the recognition of important country-specific considerations. These include structural adjustments in national economies, the capacities of local institutions to absorb assistance and implement ADB-financed projects, relative levels of economic development, and availability of other sources of financing.

The ADB's current lending rate on loans from its Ordinary Capital Resources is 10.5 per cent per annum. The maturity period for such loans varies from 10 to 30 years, with a grace period from 2 to 7 years. However, for higher-income DMCs such as Hong Kong and Singapore, the maturity period of loans approved on or after 1 January 1977 would be subject to a limit of 15 years, inclusive of a grace period of 3 years. The amount of lending to such countries is to be kept at modest levels and would preferably be for projects with a significant social content.