

UNIT 3 – BANKING - (ASIAN DEVELOPMENT BANK)

ADB

The Asian Development Bank was conceived in the **early 1960s as a financial institution** that would be Asian in character **and foster economic growth and cooperation** in one of the poorest regions in the world.

A resolution passed at the first Ministerial Conference on **Asian Economic Cooperation** held by the United Nations Economic Commission for Asia and the Far East in 1963 set that vision on the way to becoming reality.

Headquarters

The Philippines capital of **Manila** was chosen to host the new institution, which opened on **19 December 1966, with 31 members** that came together to serve a predominantly agricultural region. **Takeshi Watanabe** was ADB's first President.

From 31 members at its establishment in 1966, ADB has grown to **encompass 67 members** - of which 48 are from within Asia and the Pacific and 19 outside.

Georgia is the last member to join the ADB group in 2007.

During the 1960s, ADB focused much of its assistance on food production and rural development.

At the end of 2014, **Japan holds the largest proportion of shares at 15.7%**. The United States holds 15.6%, China holds 6.5%, India holds 6.4%, and Australia holds 5.8%

President & Main organ

The highest policy-making body of the bank is **the Board of Governors**, composed of one representative from **each member state**. The Board of Governors, in turn, elect among themselves the twelve members of the Board of Directors and their deputies. Eight of the twelve members come from regional (Asia-Pacific) members while the others come from non-regional members.

The Board of Governors also elect the bank's president, who is the chairperson of the Board of Directors and manages ADB. The president has a term of office lasting five years, and may be reelected. Traditionally, and because **Japan is one of the largest shareholders of the bank**, the president has always been **Japanese**.

The current president was **Takehiko Nakao**, who succeeded **Haruhiko Kuroda in 2013**

Areas of Focus and Results

ADB operations are designed to support the three complementary agendas of inclusive economic growth, environmentally sustainable growth, and regional integration. ADB employs its limited resources in its areas of comparative strength—the core areas of:

Infrastructure (water, energy, transport, urban development, information and communications technology)

Environment

Regional cooperation and integration

Finance sector development

Education

ADB also operates on a limited scale in other areas, including

Health

Agriculture and natural resources

Public sector management

As a multilateral development finance institution, ADB provides:

Loans

Technical assistance

Grants

Current news about ADB

Asian Development Bank(ADB) retained India's GDP growth forecast **at 7.4% for the current fiscal** and forecast the economy would grow **at 7.8% in 2017-18.**

The Asian Development Bank (ADB) has approved a project loan of **\$300 million** to upgrade over 400 kilometers (km) of major district roads **in Uttar Pradesh**

The Asian Development Bank (ADB) approved a **\$500 million loan to build a bridge across** India's Ganges River. The 9.8 kilometer (km) road bridge in the northeastern state of Bihar will be India's longest river bridge and will provide vital transport links between the northern and southern parts of the state and with neighboring Nepal.

ADB's 50th Annual Meeting:

Fumiko Hayashi, Mayor of **Yokohama**, extends a warm welcome to delegates attending the 50th Annual Meeting of the ADB Board of Governors, to be held in **the Japanese city** from 4 to 7 May 2017.

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