

DMC OFFICIALS ORIENTATION SEMINAR

ADB in South Asia

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ADB

South Asia Countries

- Bangladesh
- Bhutan
- India
- Maldives
- Nepal
- Sri Lanka

Challenges and Opportunities in South Asia

- Fastest growing subregion in the world
- High poverty incidence, weak governance
- Needs massive investments
- Can reap large benefits from greater regional cooperation and integration
- Needs to improve absorption and effectiveness development assistance

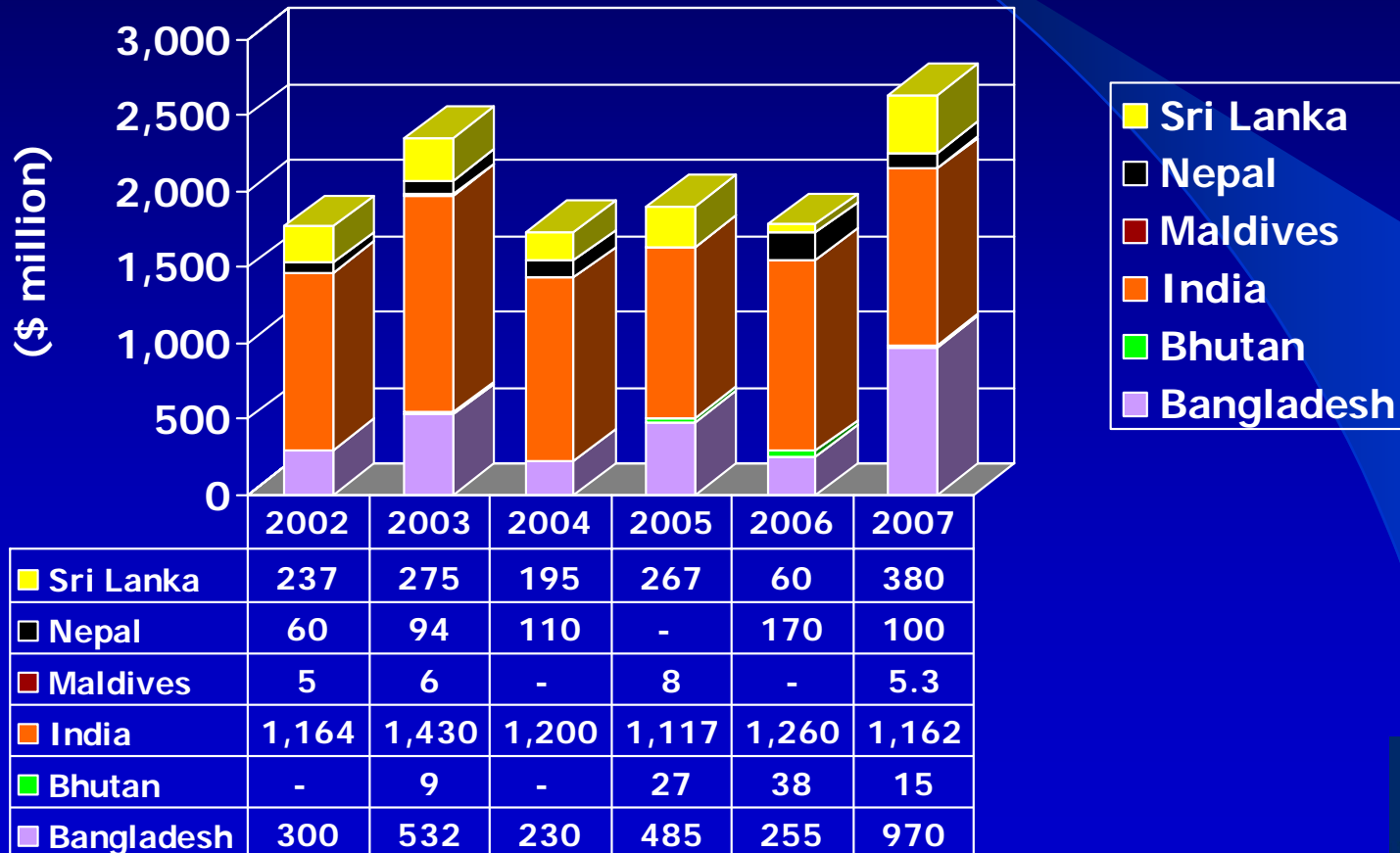
South Asia Department's Strategy and Action Plan

Objectives

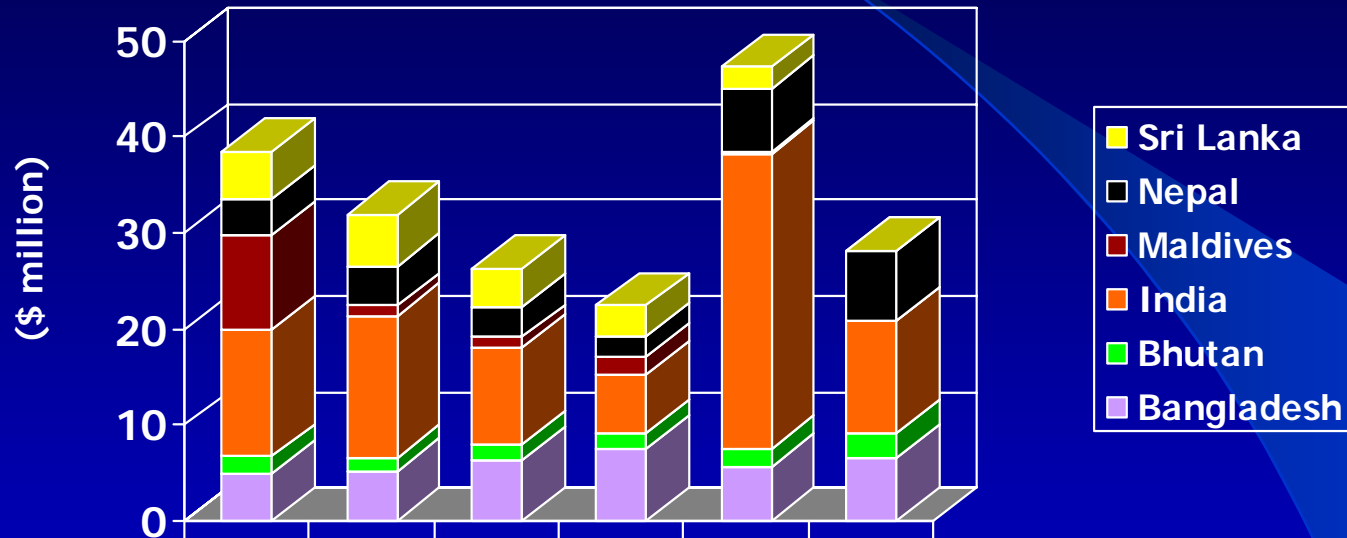
- Scale up assistance in South Asia
- Develop strong focus on achieving results
- Strengthen alignment with country development priorities and harmonization with development partners
- Strengthen knowledge development and management activities
- Enhance regional cooperation and economic integration activities
- Improve efficiency of resource allocation

ADB Public Sector Lending Assistance to South Asia

(as of 31 October 2007)



ADB Nonlending Assistance to South Asia (as of 31 October 2007)



	2002	2003	2004	2005	2006	2007
■ Sri Lanka	4.79	5.35	3.95	3.11	2.31	0.00
■ Nepal	3.90	4.19	3.18	2.16	6.38	7.20
■ Maldives	9.80	1.05	1.00	1.92	0.40	0.00
■ India	13.24	14.70	10.20	6.08	30.57	11.80
■ Bhutan	1.85	1.55	1.65	1.70	1.90	2.53
■ Bangladesh	4.85	5.12	6.29	7.45	5.71	6.59

ADB in Bangladesh

- Started operations in 1973
- Cumulative lending: \$8.3 billion for 176 projects
- Cumulative technical assistance: \$170.95 million for 318 projects
- Major focus of ADB sectoral operations
 - energy
 - transport
 - education
 - urban health
 - urban water supply and sanitation sectors
- Key crosscutting issues: disaster mitigation, regional cooperation, gender and environment

ADB in Bhutan

- Started operations in 1983
- Cumulative lending: \$176.1 million for 21 projects
- Cumulative technical assistance: \$37.3 million for 97 projects
- Major focus of ADB sectoral operations
 - transport
 - rural electrification
 - urban development
 - financial and private sector development
- Key crosscutting issues: building institutional, policy, and regulatory capacities of the sector policymaking and executing agencies

ADB in India

- Founding member of ADB; first received assistance in 1986
- Cumulative lending: \$16.45 billion for 81 loans
- Cumulative technical assistance: \$144.41 million for 220 projects
- ADB program aligned with Government of India's core focus on reducing poverty through infrastructure-led growth
- Major focus of ADB sectoral operations
 - transport
 - urban services and infrastructure
 - energy
 - rural finance development
- Key crosscutting issues: fiscal consolidation, private sector development, agriculture and rural development, state-level operations, regional cooperation, social development and environmental protection, and good governance

ADB in Maldives

- Started operations in 1978
- Cumulative lending: \$91.48 million for 15 loans
- Cumulative technical assistance: \$19.53 million for 56 projects
- Major focus of ADB sectoral operations
 - energy
 - transport and communications
 - social infrastructure in the atolls
- Major challenges: capacity development

ADB in Nepal

- Started operations in 1968
- Cumulative lending: \$2.3 billion for 111 loans
- Cumulative technical assistance: \$120.37 million for 260 projects
- Major focus of ADB sectoral operations
 - agriculture and rural development
 - education
 - water supply and sanitation
 - infrastructure (transport and energy)
 - public and private sector governance
- Major challenges: transition from conflict to post-conflict setting, inclusive growth, and poverty alleviation

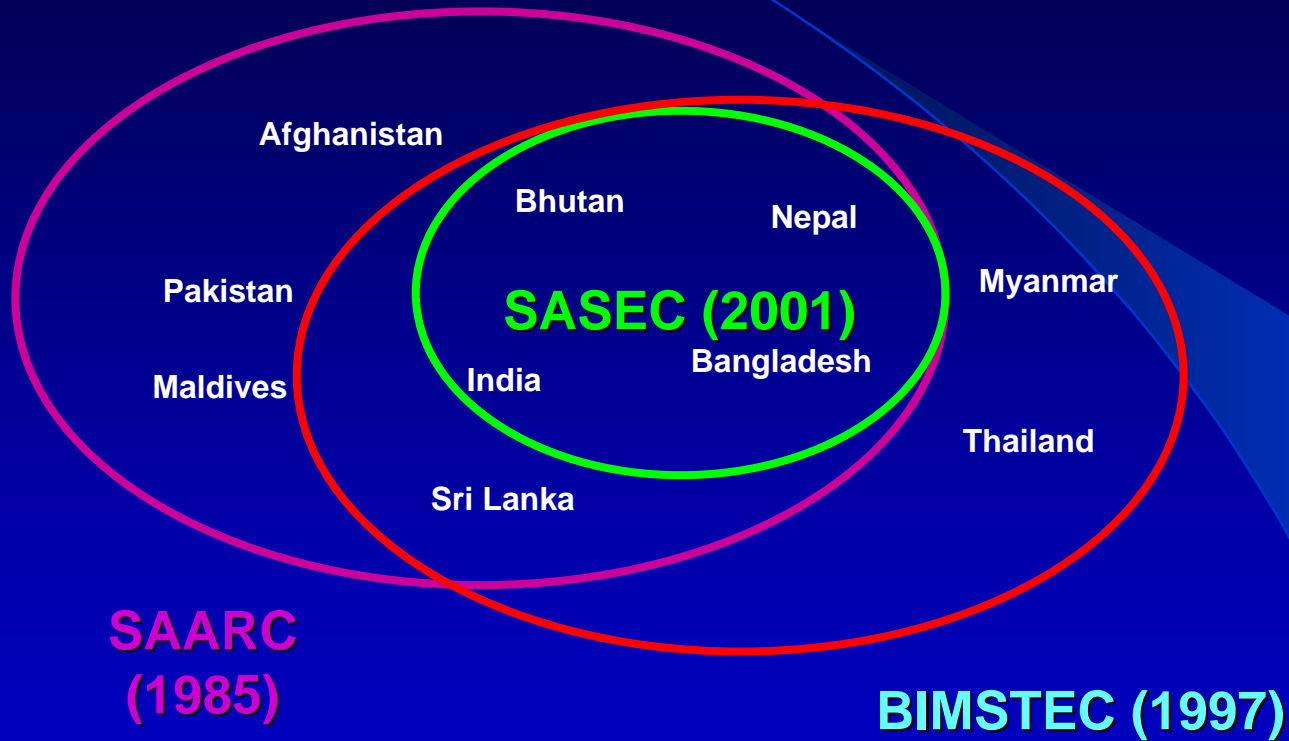
ADB in Sri Lanka

- Started operations in 1968
- Cumulative lending: \$3.76 billion for 135 loans
- Cumulative technical assistance: \$93.90 million for 223 projects
- Major focus of ADB sectoral operations
 - power
 - roads
 - education
 - infrastructure (transport and energy)
 - public and private sector governance
- Major challenge: peace accord and fiscal consolidation

ADB South Asia Regional Cooperation and Integration (RCI) Initiatives



ADB South Asia Regional Cooperation Initiatives



- | | | |
|----------------|---|--------------------------------------------------------------------------------|
| SAARC | - | South Asian Association for Regional Cooperation |
| SASEC | - | South Asia Subregional Economic Cooperation |
| BIMSTEC | - | Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation |

Approaches to South Asia RCI Strategy

- Facilitate dialogue with regional initiatives and entities
- Strengthen region-wide cooperation (SAARC)
- Support ongoing subregional cooperation initiatives (SASEC)
- Promote inter-regional cooperation (BIMSTEC)
- Strengthen mechanisms to deliver cooperation projects (Working Groups)
- Strengthen coordination with other development partners

Key Operational Areas and Activities

- Improve connectivity
- Facilitate trade and investment
- Develop regional tourism
- Facilitate cooperation in energy
- Promote private sector cooperation

Flagship investment projects:

1. Information Highway Project
2. Transport Logistics and Trade Facilitation Project
3. Tourism Development Project

Challenges in South Asia RCI

- Conflicts between Countries/Regions
- Ownerships of participation in regional cooperation and integration
- Long lead time and bureaucratic approach
- Financing gap of regional projects