



ISSUE BRIEF

The Asian Development Bank (ADB)

The Asian Development Bank, or ADB, was established in 1966 to help reduce poverty in Asia and the Pacific. Like other development banks, it plays an important role in the global capital market: providing loans and equity investments where private institutions will not.

Headquartered in Manila, the Philippines, the ADB has 63 members. Most, but not all, are located in the Asia-Pacific region. The bank's two largest shareholders are the United States and Japan, with 15.9% each. Leading borrowers include Indonesia, China, India and Pakistan. ADB made loans totaling \$6.1 billion in 2003. Although most lending is to national governments, the bank does extend loans and equity investments to private businesses.

Additionally, the ADB provides technical assistance to members. This assistance takes the form of identifying and formulating projects, improving the institutional capabilities of governments and executing agencies, formulating development strategies, promoting technology transfer and fostering regional cooperation.

Source: www.adb.org;
<http://www.adb.org/TA/default.asp>

The ADB and Indigenous Peoples

The Asia-Pacific region is home to numerous indigenous peoples. Examples include the Maori of New Zealand, the Aborigines of Australia and the Hmong of Thailand. Consequently, the ADB has developed a policy that balances society's interest in development against the interest of indigenous peoples.

The cornerstone of this policy is that development projects the ADB funds leaves indigenous peoples at least as well off as they would be without the project. This may entail compensation to indigenous peoples if harm cannot be avoided.

But the policy goes beyond the principle of "do no harm." It also strives to ensure equality of opportunity for indigenous peoples. Thus, ADB interventions must be consistent with the needs and aspirations of affected indigenous peoples, and compatible with their culture and social and economic institutions. Moreover, ADB-funded projects should be conceived, planned and implemented with the informed participation of affected communities, and should be equitable in their impact on both indigenous and non-indigenous communities. This requires a government or other project sponsor to prepare an indigenous peoples plan for any project that will significantly and adversely affect indigenous peoples.

The ADB also has committed to working with borrowing member countries to support development of their own capacities to address indigenous peoples' matters. This includes specific institutional development and capacity building for both indigenous peoples and governments.