

A Fact Sheet

# Nepal

and

# ADB

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**T**he Asian Development Bank (ADB) is a multilateral development finance institution owned by 63 members, 45 from Asia and the Pacific and 18 from other parts of the globe. ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve their living conditions and quality of life. ADB pursues a strategic agenda—sustainable economic growth, inclusive social development, and governance for effective policies and institutions—with three crosscutting themes: private sector development, regional cooperation, and environmental sustainability.

ADB's main instruments in providing help to its developing member countries are policy dialogues, loans, technical assistance, grants, guarantees, and equity investments. In 2003, ADB's total lending volume was US\$6.1 billion. Technical assistance, which is used for preparing and implementing projects, supporting advisory activities, and undertaking regional activities, amounted to US\$176.5 million. Grants totaling US\$483.5 million were also provided.

ADB was established in 1966. Nepal was one of its 31 founding members. ADB's headquarters is in Manila. It has 23 offices around the world. ADB's staff numbers more than 2,000 employees from over 50 countries.

## Shareholding and Voting Power

Nepal is the 24<sup>th</sup> largest shareholder in ADB among its regional members. Overall, Nepal is the 32<sup>nd</sup> largest shareholder.

Number of shares held:	5,202 (0.149% of total shares)
Votes:	19,087 (0.44% of total membership, 0.67% of total regional membership)
Overall capital subscription:	US\$77.30 million
Paid-in capital subscription:	US\$5.42 million

## Strategy and Policy Dialogue

In 2003, the strategic thrust of ADB operations was to assist the Government in achieving its objective of a sustainable reduction in poverty through increasing rural incomes, equitable improvements in basic social services, and good governance—all key to addressing the root causes of the ongoing conflict. ADB operations focused on supporting the Government in formulating and implementing its Tenth Five-Year Plan (2003–2007), which embodies its poverty reduction strategy. The Plan's goal is to reduce poverty through broad-based economic growth, social sector development programs to promote social inclusion, and good governance. ADB also initiated preparation of the Country Strategy and Program (CSP) 2005–2009 to support implementation of the CSP in the Tenth Plan and to assist the Government in addressing root causes of the conflict, reflecting lessons learned from the implementation of the 1999 Country Operational Strategy and subsequent CSP updates.

A key feature of ADB's operations was its assistance to the Government with the implementation of its poverty reduction strategy in an environment marked with conflict and fiscal crisis. ADB provided program support for undertaking critical reforms in effective management of public expenditures, for strengthening revenue administration, for privatizing and liquidating nonperforming public enterprises, for improving public sector governance, and for institutional restructuring of efficient management of water supply in the Kathmandu Valley.

ADB's project assistance focused on developing innovative, community-based approaches to project implementation in small towns and rural areas, particularly in the rural water supply and sanitation and agriculture sectors. Policy discussions and wide stakeholder consultations were also undertaken to support reforms and to introduce private sector participation for more efficient operation and management of water supply and wastewater services in the Kathmandu Valley. Continued emphasis was placed on reforms to improve corporate and financial governance and rural finance delivery, and promote efficiency in key sectors such as irrigation, education, and energy.

## Loans and Technical Assistance

Five loans totaling US\$94 million for public sector management, community-based water supply and sanitation, water service development in the Kathmandu Valley, and community livestock development were approved in 2003. Nine technical assistance projects totaling US\$4.2 million were also approved.

Cumulative ADB lending to Nepal as of 31 December 2003 was US\$2.11 billion.

Breakdown of cumulative ADB lending to Nepal, as of 31 December 2003.

Sector	Loan (number)	Loan Amount (US\$ million)	%
Agriculture and Natural Resources	52	808.5	38.4
Energy	14	432.4	20.5
Social Infrastructure	19	410.4	19.5
Transport and Communications	13	270.7	12.9
Others	5	100.6	4.8
Industry and Nonfuel Minerals	5	75.1	3.6
Finance	1	7.3	0.3
TOTAL	109	2,105.0	100.0

## Cofinancing

ADB arranges cofinancing from official, commercial, and export credit sources as additional resources for project financing. Cofinancing arrangements in 2003 amounted to US\$2.42 billion for 28 loan projects and US\$471.93 million in untied grant financing for 89 technical assistance projects and grant components of loan projects. At the end of 2003, cumulative cofinancing arrangements (beginning in 1970) amounted to US\$40.65 billion for 637 loan projects and US\$1.055 billion in grants for 590 technical assistance projects and grant components of loan projects.

Cofinancing arranged for Nepal from 1 January 1999 to 31 December 2003 comprised the following.

Loans:

Official: 5 loan projects, cofinancing of US\$195.60 million

Technical Assistance/

Grant Components

of Loan Projects: 5 projects, cofinancing of US\$34.32 million

## Loan projects cofinanced for Nepal, 1 January 1999–31 December 2003.

Project	ADB Loan Amount (US\$ million)	Cofinancing Amount (US\$ million)	Type of Cofinancing <sup>a</sup>
Secondary Education Support	30.00	30.00	O
Teacher Education	19.30	0.30	O
Road Network Development	46.00	9.60	O
Melamchi Water Supply	120.00	145.70	O
Rural Electrification, Distribution and Transmission	50.00	10.00	O

<sup>a</sup> O = official cofinancing

## Share of ADB's Procurement Contracts

Each year, ADB provides loans to fund projects and activities in its Asian and Pacific developing members and several billion US dollars' worth of contracts to procure goods and consulting services.

From 1 January 1999 to 31 December 2003, ADB approved US\$27.66 billion in loans for 318 projects and US\$839.3 million in technical assistance for 1,503 projects. As of 31 December 2003, the cumulative totals were US\$105.07 billion in loans for 1,818 projects in 39 countries and US\$2.20 billion for 5,053 technical assistance projects, including regional technical assistance projects.

Procurement contracts for goods and related services, civil works, and consulting services under loan and technical assistance operations totaled US\$4.46 billion in 2002 and US\$3.50 billion in 2003. Cumulative procurement as of 31 December 2003 was US\$70.94 billion. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member country, regional or nonregional.

### Nepal's share of procurement contracts, 2002–2003.

Item	2002		2003		Cumulative (as of 31 Dec. 2003)	
	Amount (US\$ million)	% of Total	Amount (US\$ million)	% of Total	Amount (US\$ million)	% of Total
Goods and Related Services, and Civil Works	9.87	0.23	27.85	0.88	527.45	0.80
Consulting Services	3.81	1.50	1.86	0.54	30.97	0.59

## Contractors/Suppliers Involved in ADB Projects

Contractors/suppliers from Nepal involved in ADB loan projects,  
1 January 1999–31 December 2003.

Contractor/Supplier	Sector	Contract Amount (US\$ million)
RIDP/Ministry of Local Development	Agriculture and Natural Resources	4.11
Kalika Construction Pvt., Ltd.	Social Infrastructure/Others	1.57
Chitawon Construction and Engineering	Transport and Communications	1.50
Nepal Raster Bank	Agriculture and Natural Resources	1.42
Rabina Construction Pvt. Ltd.	Social Infrastructure/Others	1.01
Ank Construction and Lumbini Builders	Social Infrastructure/Others	0.88
Prera Nirman Sewa	Others	0.62
Dhukuchhu Construction Pvt.	Agriculture and Natural Resources	0.59
North Star Engineering Consultant	Agriculture and Natural Resources	0.57
Nepal Rastra Bank	Agriculture and Natural Resources	0.52

## Consultants Involved in ADB Projects

From 1 January 1985 to 31 December 2003, consultants were involved in 4,429 contracts for ADB loan projects worth US\$2.37 billion. During the same period, consultants from Nepal were involved in 139 contracts for ADB loan projects worth US\$22.35 million.

Top consultants (individual consultants and consulting firms) from Nepal involved in ADB loan projects, 1 January 1999–31 December 2003.

Consultant	Contract (number)	Contract Amount (US\$ million)
Geoce Consultants (P) Ltd.	2	0.80
Iteco Nepal (P) Ltd.	3	0.57
Silt Consultants (P) Ltd.	1	0.56
Geoce/Multi/Aporsc/Devpioneer	1	0.40
BDA Nepal (P) Ltd.	2	0.24
Wealink Consultants (P) Ltd.	2	0.23
RMDC Ltd.	2	0.23
Thompson Nepal Private Ltd.	2	0.15
Nepal Environment and Science Services	1	0.12
Nepal Consult (P) Ltd.	1	0.11

From 1 January 1985 to 31 December 2003, consultants were involved in 10,523 contracts for ADB technical assistance projects worth US\$1.60 billion. During the same period, consultants from Nepal were involved in 227 contracts for ADB technical assistance projects worth US\$5.73 million.

Top consultants (individual consultants and consulting firms) from Nepal involved in ADB technical assistance projects, 1 January 1999–31 December 2003.

Consultant	Contract (number)	Contract Amount (US\$ million)
Nepalese Individual Consultants	110	1.54
Worldlink Technologies Pvt. Ltd.	1	0.01

## Depository Libraries

ADB's Depository Library Program was established in response to increasing public interest in the activities of multilateral development institutions. Many ADB documents available to the public are stored in more than 160 depository libraries worldwide.

ADB depository libraries in Nepal.

Host Institution	Contact Information
Tribhuvan University Central Library	Kirtipur, Kathmandu, Nepal
Nepal National Library	Contact: Dasharath Thapa, Chief Harihar Bhawan, Pulchowk Lalitpur, Nepal Tel: (977) 1 521132 Fax: (977) 1 536461 E-mail: nnl@nnl.wlink.com.np

## ADB Governor

**The Honorable Prakash Chandra Lohani**, Minister of Finance, is the Governor for Nepal in ADB.

## ADB Alternate Governor

**Mr. Bhanu Prasad Acharya**, Secretary, Ministry of Finance, is the Alternate Governor for Nepal in ADB.

## ADB Executive Director

**Mr. Chaiyuth Sudthitanakorn** is the ADB Executive Director for Nepal. Mr. Sudthitanakorn, who is from Thailand, was Executive Director of Tax Policy Bureau, Fiscal Policy Office, Ministry of Finance.

## ADB Alternate Executive Director

**Dr. Sein Tin** is the ADB Alternate Executive Director for Nepal. Dr. Tin, who is from Myanmar, was Director General, Central Statistical Organization, Ministry of National Planning and Economic Development.

## Constituency Represented

The constituency that Executive Director Sudthitanakorn and Alternate Executive Director Tin represent on ADB's Board of Directors also includes Malaysia, Myanmar, Singapore, and Thailand.

## ADB Staff Members

As of 31 December 2003, there were nine professional staff members from Nepal in ADB (1.08% of the total professional staff), including two senior staff members.

## Nepal Resident Mission

ADB's Nepal Resident Mission is located at Srikunj Kamaldi Ward No. 31 Block 2/597, Kathmandu Metropolis, Nepal.

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E-mail: [adbnrm@adb.org](mailto:adbnrm@adb.org)

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**Mr. Sultan Hafeez Rahman** is the Country Director.

## Contact Information

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