

A Fact Sheet

# Marshall Islands

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. The Marshall Islands joined ADB in 1990.

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.

Asian Development Bank  
31 December 2003



## Shareholding and Voting Power

The Marshall Islands is the 37<sup>th</sup> largest shareholder in ADB among its regional members. Overall, the Marshall Islands is the 45<sup>th</sup> largest shareholder. It shares both positions with the Cook Islands.

|                               |   |
|-------------------------------|---|
| Number of shares held:        | 94 (0.003% of total shares)   |
| Votes:                        | 13,979 (0.32% of total membership,<br>0.49% of total regional membership) |
| Overall capital subscription: | US\$1.40 million  |
| Paid-in capital subscription: | US\$0.09 million  |

## Strategy and Policy Dialogue

In 2003, Poverty was associated with decreasing access to essential social services such as primary education, health, and potable water and also with a lack of jobs and markets. Poverty increased as a result of weak economic performance, poor public services, growing inequalities, and a decline in traditional support systems. Policy dialogue focused on improving public sector productivity; developing the private sector; and strengthening central governance to improve social services, create an environment conducive for private sector development, and strengthen central economic policy formulation and planning.

ADB's assistance was designed to complement and augment all other external assistance. Traditional social order and dependence on relatively large levels of US funding may have deterred improvement in public and private sector productivity, including reforming traditional land tenure, private competition, and public sector management. This was addressed by fully incorporating participation at all levels of decision making for ADB activities.

## Loans and Technical Assistance

No loans were approved in 2003. Two technical assistance projects totaling US\$1 million were approved.

Cumulative ADB lending to the Marshall Islands as of 31 December 2003 was US\$78.1 million.

Breakdown of cumulative ADB lending to the Marshall Islands,  
as of 31 December 2003.

| Sector                            | Loan<br>(number) | Loan Amount<br>(US\$ million) | %            |
|-----------------------------------|------------------|-------------------------------|--------------|
| Social Infrastructure             | 5                | 30.4                          | 38.9         |
| Finance                           | 3                | 24.0                          | 30.7         |
| Multisector                       | 2                | 9.8                           | 12.5         |
| Transport and Communications      | 1                | 7.0                           | 9.0          |
| Agriculture and Natural Resources | 1                | 7.0                           | 8.9          |
| <b>TOTAL</b>                      | <b>12</b>        | <b>78.1</b>                   | <b>100.0</b> |

### 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 the Marshall Islands from 1 January 1999 to 31 December 2003 comprised one loan project with official cofinancing of US\$0.47 million.

Loan projects cofinanced for the Marshall Islands,  
1 January 1999–31 December 2003.

| Project                         | ADB Loan<br>Amount<br>(US\$ million) | Cofinancing<br>Amount<br>(US\$ million) | Type of<br>Cofinancing |
|---------------------------------|--------------------------------------|---|------------------------|
| Ebeye Health and Infrastructure | 9.25                                 | 0.47                                    | Official               |

### 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.

The Marshall Islands's share of procurement contracts, 2002–2003.

| Item  | 2002                     |               | 2003                     |               | Cumulative<br>(as of 31 Dec. 2003) |               |
|---|--------------------------|---------------|--------------------------|---------------|------------------------------------|---------------|
|   | Amount<br>(US\$ million) | % of<br>Total | Amount<br>(US\$ million) | % of<br>Total | Amount<br>(US\$ million)           | % of<br>Total |
| Goods and Related<br>Services, and<br>Civil Works | 6.00                     | 0.14          | 1.65                     | 0.05          | 21.17                              | 0.03          |
| Consulting Services                               | 0.00                     | 0.00          | 0.20                     | 0.06          | 0.77                               | 0.01          |

### Contractors/Suppliers Involved in ADB Projects

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

| Contractor/Supplier                       | Sector                | Contract Amount<br>(US\$ million) |
|---|-----------------------|-----------------------------------|
| Anil Development Inc.                     | Social Infrastructure | 1.50                              |
| Island Builders Construction              | Social Infrastructure | 0.62                              |
| Pacific International Inc.                | Social Infrastructure | 0.39                              |
| Jenme Inc.                                | Others                | 0.28                              |
| Kwajalein Atoll Joint Utilities Resources | Others                | 0.20                              |
| Interhouse Builder                        | Social Infrastructure | 0.18                              |
| L & J Construction Company                | Social Infrastructure | 0.16                              |
| A/C Construction Company                  | Social Infrastructure | 0.16                              |
| Consolidated Concrete Construction        | Social Infrastructure | 0.09                              |
| Skyline Mini Construction Company         | Social Infrastructure | 0.06                              |

## 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 the Marshall Islands were involved in 5 contracts for ADB loan projects worth US\$0.71 million.

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

| Consultant                              | Contract (number) | Contract Amount (US\$ million) |
|---|-------------------|--------------------------------|
| Marshall Islands Individual Consultants | 3                 | 0.36                           |
| Republic Construction                   | 1                 | 0.20                           |

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 Marshall Islands were involved in two contracts for ADB technical assistance projects worth US\$0.07 million.

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

| Consultant                              | Contract (number) | Contract Amount (US\$ million) |
|---|-------------------|--------------------------------|
| Marshall Islands Individual Consultants | 1                 | 0.015                          |



### ADB Governor

**The Honorable Brenson S. Wase**, Minister of Finance, Office of the Cabinet, is the Governor for the Marshall Islands in ADB. He is also the Vice-Chairperson of the Board of Governors.

### ADB Alternate Governor

**Mr. Amon Tibon**, Managing Director, Marshall Islands Development Bank, is the Alternate Governor for the Marshall Islands in ADB.

### ADB Executive Director

**Mr. Dante B. Canlas** is the ADB Executive Director for the Marshall Islands. Mr. Canlas, who is from the Philippines, was Secretary of Socio-Economic Planning of the National Economic and Development Authority.

### ADB Alternate Executive Director

**Mr. M. Akram Malik** is the ADB Alternate Executive Director for the Marshall Islands. Mr. Malik, who is from Pakistan, was Chairman, Planning and Development Board.



### Constituency Represented

The constituency that Executive Director Canlas and Alternate Executive Director Malik represent on ADB's Board of Directors also includes Kazakhstan, Maldives, Mongolia, Pakistan, and the Philippines.

### Contact Information

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