

# Asian Development Fund

COMMUNITY REQUEST FY 2020

# \$47.4 M

FY 2019 President's Request: \$47.4 Million  
FY 2018 Enacted: \$47.4 Million

## DESCRIPTION

The Asian Development Bank (ADB) is composed of 67 member countries, 48 of which are from the Asia-Pacific region. The Asian Development Fund (AsDF) provides grants to ADB's lower-income developing member countries and promotes poverty reduction and quality of life improvements.

## WHAT DOES THIS BUY?

Provides grants to support development projects and programs including infrastructure, policy support and reform, production capacity, human development, environmentally sustainable investments, good governance, capacity building, and regional cooperation.

## JUSTIFICATION FOR THE REQUEST

- Funds will go toward the third of four installments for AsDF's 11th Replenishment (AsDF-12), which runs from FY 2017-2021.
- In 2016, AsDF reported the following achievements:
  - Connected 100,000 new households to electricity,
  - Built or upgraded over 1,100 miles of road,
  - Connected 278,000 households with new and improved water supplies,
  - Supported 930,000 students with new or improved educational facilities,
  - Trained 278,000 teachers to improve teaching quality and meet competency standards, and
  - Provided microfinance accounts to more than 2 million people, over three-fourths of whom were women.<sup>1</sup>
- **Grant support to the poorest countries will increase by 70% between 2017-2020** as compared with the previous 4 years.<sup>2</sup>
- Grants combined with concessional loans will deliver more than \$16 billion in assistance to poor countries, an increase of more than 40%.<sup>3</sup>
- **Every \$1 contribution from the U.S. leverages almost \$20** in new donor contributions and internally generated resources.<sup>4</sup>

## U.S. INTEREST

The AsDF supports regional cooperation and integration, expanding markets for U.S. exports and investment. It provides grants to improve cross-border connectivity, modernize customs administrations, and boost trade. The ADB also serves as the Secretariat for the South Asia Subregional Economic Cooperation (SASEC) Program, which strengthens both intraregional trade and linkages to the global market for Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka.<sup>5</sup>



# Looking to the Future

## Asian Development Fund – TITLE V

### BOLD VISION

Additional investments would fund arrears to the AsDF and/or the Multilateral Debt Relief Initiative (MDRI). Repaying our prior year commitments increases the number or size of grants available to developing member countries. The U.S. has \$287 million in unmet commitments to the AsDF, adversely affecting beneficiaries and U.S. leadership at the institution and impairing our ability to shape the direction of AsDF policies and activities. Additionally, AsDF rules allow other donors to withhold their pledged contributions proportionally based on U.S. unmet commitments.

### IMPACT OF CUTS

Cuts limit economic development in the countries where the AsDF works. “Economic development has long been recognized as a pillar of U.S. national security.”<sup>6</sup>

- <sup>1</sup> “U.S. Department of the Treasury International Programs Congressional Justification for Appropriations FY2019,” U.S. Department of the Treasury, 2018, p.10.
- <sup>2</sup> Asian Development Fund 12. <https://www.adb.org/site/adf/replenishments/adf-12>.
- <sup>3</sup> Ibid.
- <sup>4</sup> Ibid.
- <sup>5</sup> “U.S. Department of the Treasury International Programs Congressional Justification for Appropriations FY2019,” U.S. Department of the Treasury, 2018, p.10.
- <sup>6</sup> Ibid, p.7.

### 5 YEAR FUNDING HISTORY

