

ASIAN DEVELOPMENT BANK

Preparations for the establishment of an Asian Development Bank are approaching their final stage. The Charter of the \$1,000m. Bank has been examined, discussed, and revised, paragraph by paragraph, by senior government officials from 31 Asian and non-Asian countries. Manila is chosen for its principal office.

Operations of the Bank are expected to begin about the middle of 1966.

Main functions are:

To promote investment in the region of public and private capital for development purposes;

To utilize the resources at its disposal for financing development of the developing member countries in the region, giving priority to those regional, sub-regional, as well as national projects and programmes which will contribute most effectively to the harmonious economic growth of the region as a whole, and having special regard to the

needs of the smaller or less-developed member countries in the region;

To meet requests from member countries in the region for assistance in the co-ordination of their development policies and plans with a view to achieving better utilization of their resources;

To provide technical assistance for the preparation, financing, and execution of development projects and programmes, including the formulation of specific project proposals.

Initial capital is \$1,000m. Asian member countries will subscribe 60 per cent.; the other 40 per cent. is expected to come from non-Asian developed countries.

Lack of investment capital has hampered economic development. It is one of the main reasons why the gap between the poor and rich countries has widened rather than narrowed. The A.D.B. is yet another attempt to solve the problem.