

# A Brief Overview of Multilateral Development Banks (MDBs)

# THE ORIGINS OF MDBs

The first international financial institutions were created in Bretton Woods, New Hampshire in 1944 for the reconstruction of countries damaged by World War II.

The first institution to be created out of Bretton Woods conference was the International Bank for Reconstruction and Development (World Bank) in 1944.

As countries recovered from the war, the World Bank expanded its reach and began assisting developing countries around the world.

# The Creation of New MDBs

With the need for regional development financing, the following regional banks were introduced:

**Inter-American Development Bank (IADB), 1959**

**African Development Bank (AfDB), 1964**

**Asian Development Bank (ADB), 1966**

**European Bank for Reconstruction and Development (EBRD), 1991 (was formed to transition countries after the collapse of the former Soviet Union)**

# MORE MDBs

**International Fund for Agricultural Development  
(IFAD)**

**European Investment Bank (EIB)**

**Islamic Development Bank (IsDB)**

**Development Bank of Latin America (CAF)**

**Asian Infrastructure Investment Bank (AIIB)**

**New Development Bank (NDB, formerly BRICs  
Banks)**

# WHAT IS AN MDB?

Multilateral development banks (MDBs) provide financial assistance to developing countries in order to promote economic and social development.

MDBs primarily fund large infrastructure and other development projects and provide low-cost loans tied to policy reforms by the government.

# PROJECT FINANCING

Project loans include large infrastructure projects, such as **highways, power plants, port facilities, and dams**. Other project areas include **climate change and disaster risk management, education, health, gender, and governance**.

# FINANCING WINDOWS

Most of the MDBs have two major resources: a market-based and non-concessional window.

# MDB TOP DONORS

## World Bank

<b>World Bank, FY2015</b>			
<b>IBRD</b>	<b>%</b>	<b>IFC</b>	<b>%</b>
United States	17.07	United States	22.19
Japan	7.89	Japan	6.33
China	5.09	Germany	5.02
Germany	4.61	UK	4.72
UK	4.13	France	4.72
France	4.13	Russia	4.01
India	3.20	India	4.01
Saudi Arabia	3.17	Italy	3.17
Russia	2.97	Canada	3.17
<b>Canada</b>	<b>2.78</b>		



# MDB TOP DONORS

## Regional Banks

Regional Development Banks, 2014							
AfDB	%	AsDB	%	EBRD	%	IDB	%
Nigeria	9.20	Japan	15.68	United States	10.11	United States	29.75
United States	6.07	United States	15.57	UK	8.62	Argentina	11.09
Japan	5.57	China	6.47	Japan	8.62	Brazil	11.09
Egypt	5.28	India	6.36	Italy	8.62	Mexico	7.13
Canada	4.59	Australia	5.81	Germany	8.62	Japan	4.96
Germany	4.18	Canada	5.25	France	8.62	Canada	4.93
Algeria	4.05	Indonesia	5.13	Russia	4.05	Venezuela	4.03
South Africa	4.02	Korea	5.06	Spain	3.44	Colombia	3.04
France	3.81	Germany	4.35	Canada	3.44	Chile	3.04
Morocco	3.75	Malaysia	2.74	European Union	3.03	Spain	1.93
				European Investment Bank	3.03		

Source: MDB Annual Reports.

# CHANGING LANDSCAPE

## New Development Institutions

- **Asian Infrastructure Investment Bank (AIIB)**, a new MDB with 57 member countries including Canada as its news member. The Bank is based in Beijing, China.
- **New Development Bank (NDB)**, formerly called the BRICS Bank, a new MDB with Brazil, Russia, India, China, and South Africa as member countries. The Bank is based in Shanghai, China

# WORKING WITH MDBs

- **MDBs help amplify Canadian assistance by pulling together other countries' resources and by their own borrowing on capital markets.**
- **MDBs can operate at a scale and across a range of sectors that Canada alone cannot.**
- **MDBs can pursue Canadian objectives more effectively as an “honest broker” in challenging countries and environments.**
- **MDBs adhere to strict environmental and social safeguards that help protect people and investments.**

# CANADA'S ROLE

**Canada has contributed \$7.70 billion in capital subscription as of 31 December 2015. It has contributed and committed \$1.76 billion to Special Funds since joining in 1966.**

**Companies and consultants from Canada have been awarded \$859.07 million in procurement contracts on ADB-financed projects since 1967.**

# CANADA'S ROLE

## Leadership

Stéphane Dion is the Governor for Canada in ADB.

David Murchison (Canada) is the Director and Jan Willem van den Wall Bake (Netherlands) is the Alternate Director representing Canada on the ADB Board of Directors.

## Constituency Represented

The constituency that Director Murchison and Alternate Director van den Wall Bake represent on the ADB Board of Directors also includes Denmark, Finland, Ireland, the Netherlands, Norway, and Sweden.

## ADB Staff Members

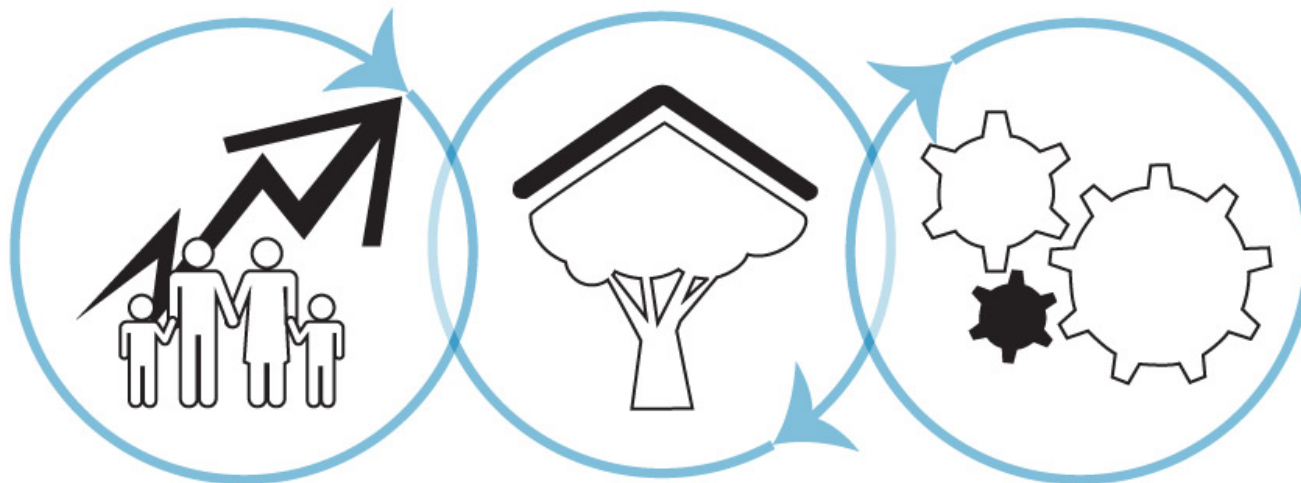
As of 31 December 2015, there were 46 international staff from Canada in ADB (29 men and 17 women), which represents 4.17% of the total international staff, including 7 senior staff members.



# ADB PRIORITIES: STRATEGY 2020

ADB's Long-Term Strategic Framework 2008-2020

## Three Agendas



Inclusive  
Growth

Environmentally  
Sustainable  
Growth

Regional  
Integration

# ADB's Long-Term Strategic Framework 2008-2020

## Five Core Operational Areas

**Infrastructure**

**Education**

**Regional  
cooperation  
and  
integration**

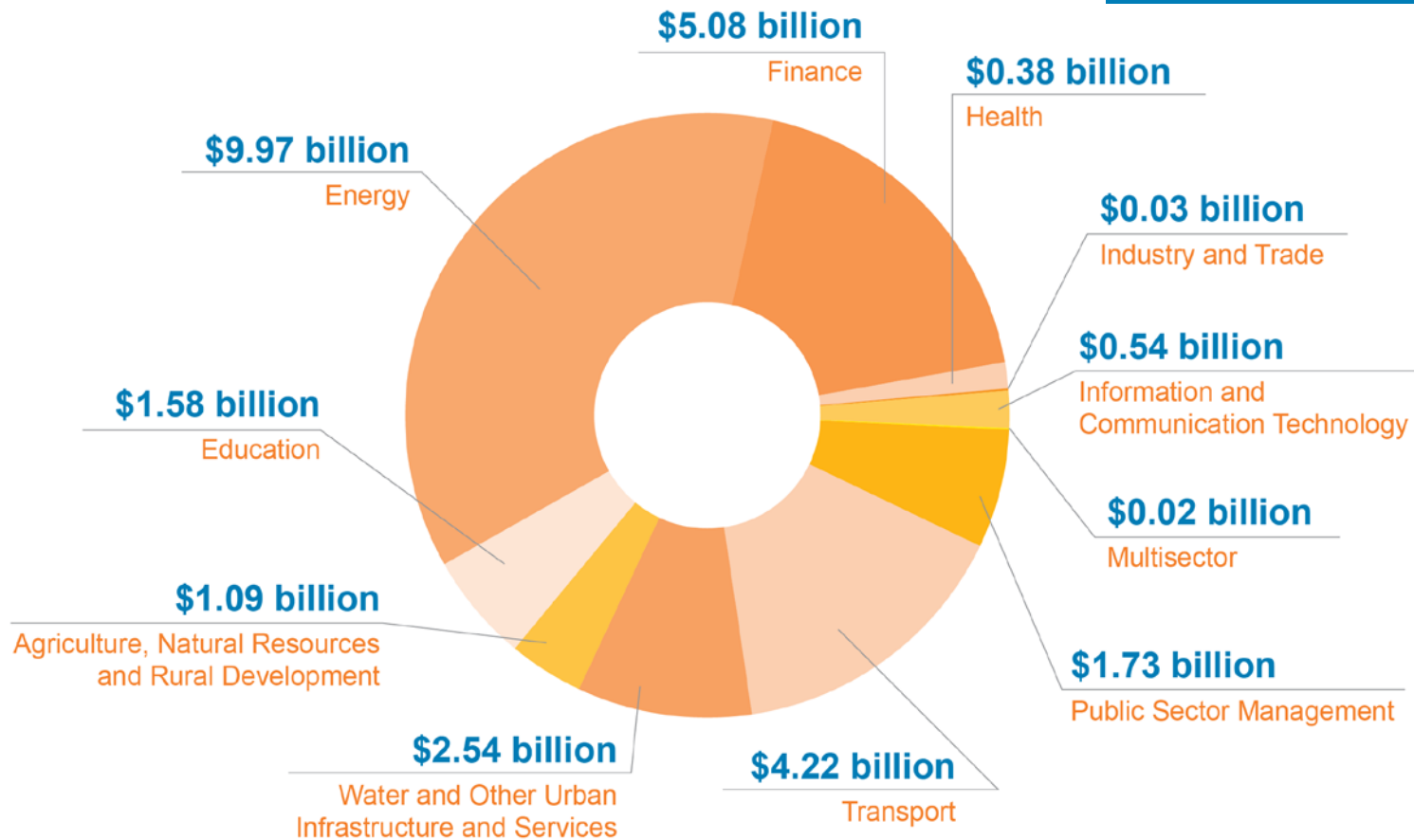
**Financial  
sector  
development**

**Environment  
including  
climate  
change**

# ASSISTANCE BY SECTOR

TOTAL ASSISTANCE

**\$27.17  
BILLION**

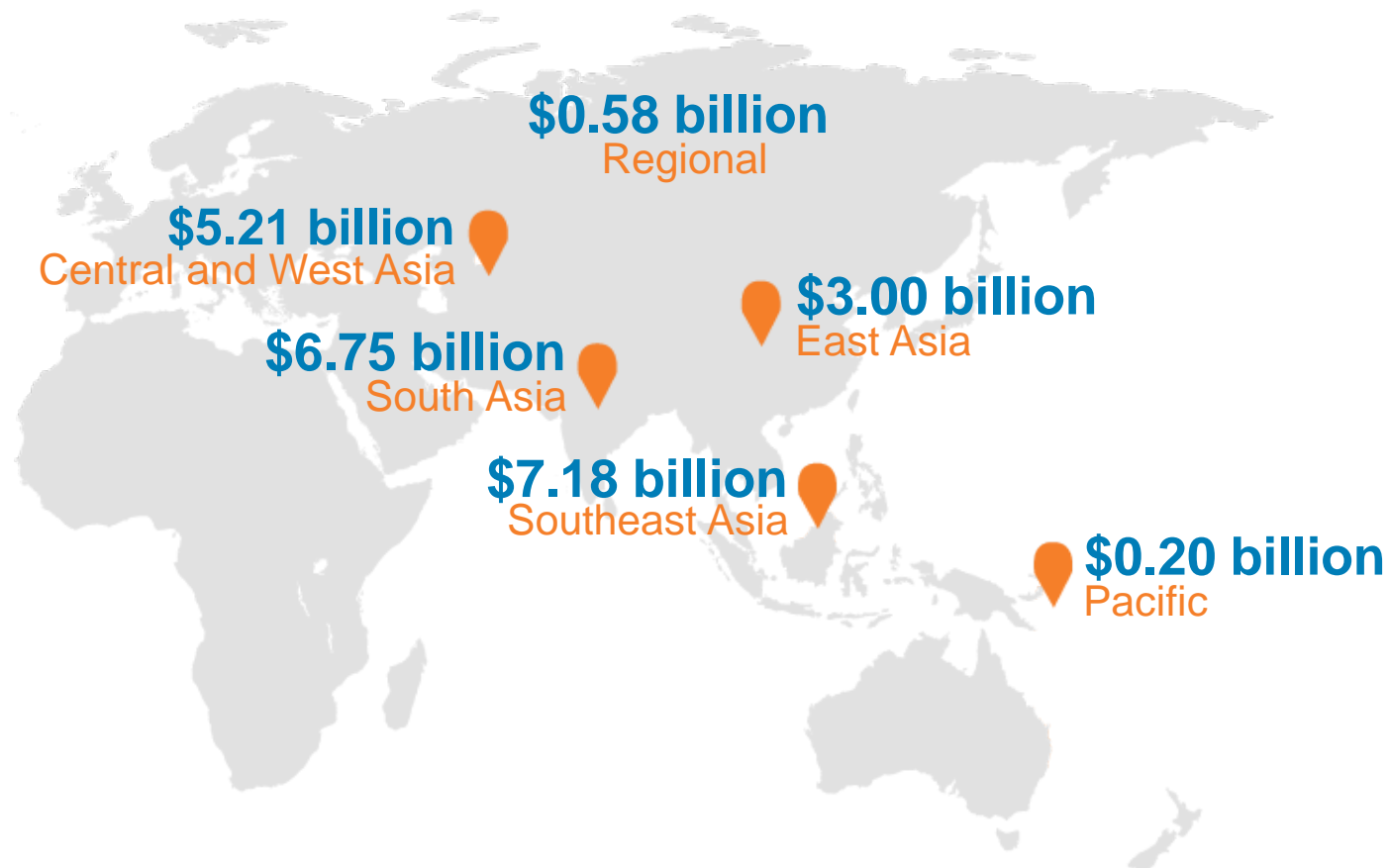




# ASSISTANCE BY REGION

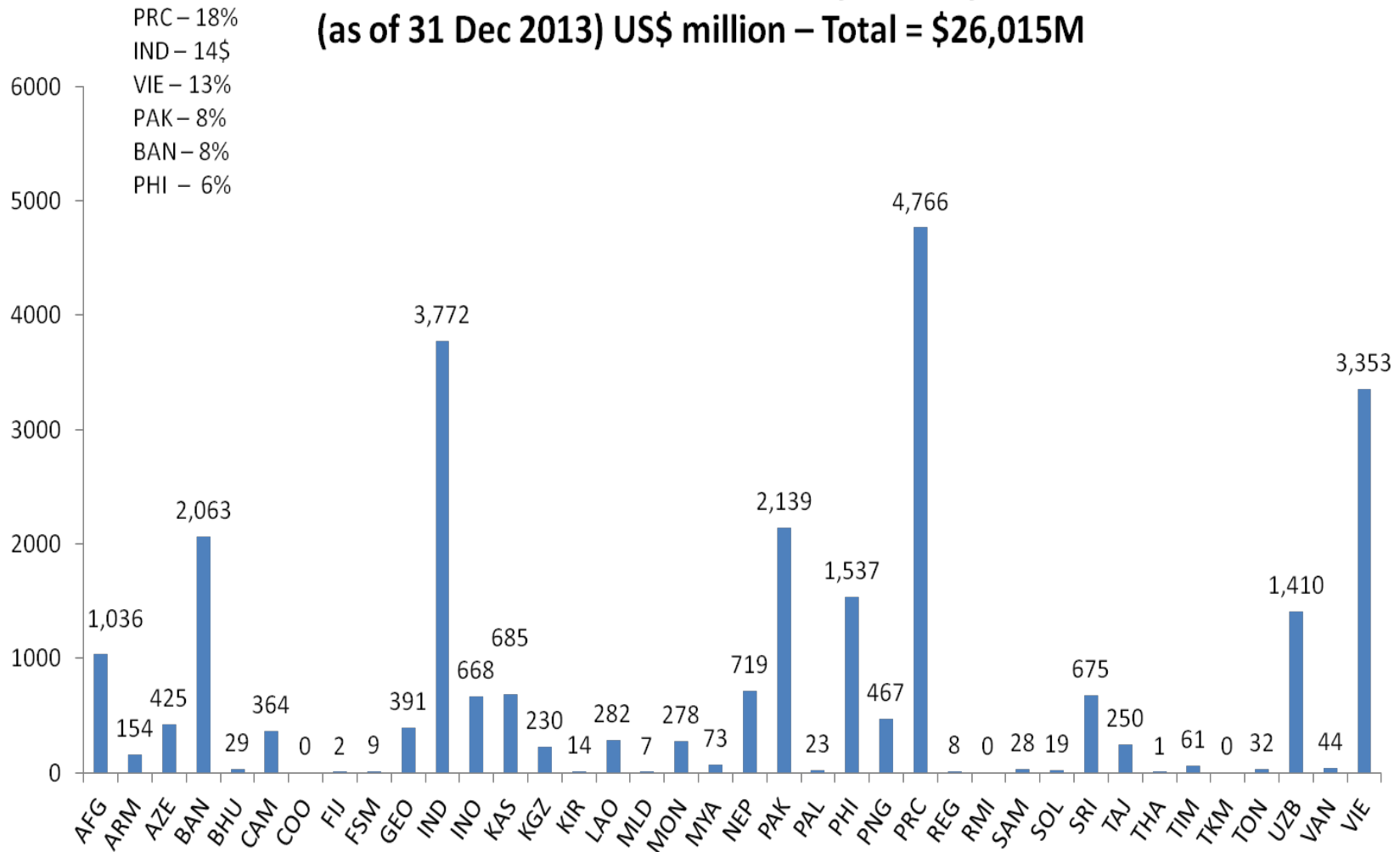
TOTAL ASSISTANCE

**\$22.93  
BILLION**



# BUSINESS OPPORTUNITIES

**Uncontracted Loan Funds by Country**  
**(as of 31 Dec 2013) US\$ million – Total = \$26,015M**



# BUSINESS OPPORTUNITIES

## 7-Step Plan to Win ADB-Financed **Consulting Contracts**

1. Collect relevant business intelligence
  - Study Country Partnership Strategy (CPS) and Country Operations Business Plans (COBP)
  - Obtain information from procurement plans (and project documents)
  - Check ADB website for opportunities in the Consulting Services Recruitment Notices (CSRN) section
2. Build your brand name by visiting ADB
3. Express interest
4. Visit the country of the assignment and project site
5. Offer partnership to firms likely to be shortlisted
6. Prepare a responsive and strong technical proposal
7. Do good work

# **BUSINESS OPPORTUNITIES**

## **Goods, Works, and Related Services**

ADB extends loans and provides technical assistance to its developing member countries for a broad range of development projects and programs involving the procurement of goods, works, and services.

**Find the latest procurement notices at:**

[www.adb.org/site/business-opportunities/operational-procurement/goods-services/notices-current](http://www.adb.org/site/business-opportunities/operational-procurement/goods-services/notices-current)

# **BUSINESS OPPORTUNITIES**

Business Opportunities Fair and ADB's Project Pipeline

**8th Annual ADB Business Opportunities Fair  
– March 2017**

[www.adb.org/news/events/calendar](http://www.adb.org/news/events/calendar)  
*(details to be posted soon)*

**More Information on ADB's Business  
Opportunities**

[www.adb.org/site/business-opportunities/main](http://www.adb.org/site/business-opportunities/main)



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/AsianDevelopmentBank

**Craig Steffensen**  
**csteffensen@adb.org**

[www.adb.org/naro](http://www.adb.org/naro)

