

February 2018

Third Contribution to the Special Fund for the Asian Development Bank Institute from the Republic of Korea Acting through the Republic of Korea e-Asia and Knowledge Partnership Fund

Distribution of this document is restricted until it has been approved by the Board of Directors. Following such approval, ADB will disclose the document to the public in accordance with ADB's Public Communications Policy 2011.

ABBREVIATIONS

ADB	–	Asian Development Bank
ADB I	–	Asian Development Bank Institute

NOTE

In this report, “\$” refers to United States dollars.

Vice-Presidents	Bambang Susantono, Knowledge Management and Sustainable Development Diwakar Gupta, Private Sector and Cofinancing Operations
Dean	Naoyuki Yoshino, Asian Development Bank Institute (ADB I)
Deputy Dean	Chul Ju Kim, ADB I
Director General	Amy S.P. Leung, Sustainable Development and Climate Change Department (SDCC)
Head Director	Kai Preugschat, Office of Cofinancing Operations (OCO) Shinichi Nakabayashi, Administration, Management, and Coordination, ADB I
Team members	Christophe Gautrot, Senior Counsel, Office of the General Counsel Nobuhiro Hirobe, Senior Administrative Officer, ADB I Jae Hwan Kim, Principal Operations Coordination Specialist, SDCC Rie Matsubayashi, Financial Control Specialist, Controller's Department You Mi Park, Financing Partnerships Specialist, OCO Arlyn S. Orong, Senior Strategy and Policy Assistant, Strategy, Policy and Review Department Grant Stillman, Legal Adviser, ADB I Kenji Takamiya, Principal Economist, Central and West Asia Department Im-Em Unkavanich, Principal Treasury Specialist, Treasury Department

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

I. INTRODUCTION

1. The Asian Development Bank (ADB) administers the Asian Development Bank Institute (ADBI) Special Fund in accordance with the provisions of Article 19, para. 1 (ii) of the Articles of Agreement Establishing the Asian Development Bank (the Charter).¹ In 1996, the ADB Board of Directors approved the establishment of ADBI, the statute of ADBI, and ADB's acceptance and administration of the ADBI Special Fund in accordance with an agreement between the Government of Japan and ADB.² The ADBI statute and the agreement between the Government of Japan and ADB permit the ADBI Special Fund to receive (i) voluntary contributions from any ADB member; and (ii) voluntary contributions, donations, and grants from intergovernmental organizations, nongovernment organizations, and foundations, with the approval of the Board.

2. In 2006, the Board approved the establishment of the Republic of Korea e-Asia and Knowledge Partnership Fund (e-Asia Fund) and its administration by ADB.³ The purpose of the e-Asia Fund is to support developing member countries through an e-Asia program and a knowledge partnership program. With Board approval in 2012, the scope of the e-Asia Fund's program and activities was expanded to include support to ADBI through contributions to the ADBI Special Fund, and the Government of the Republic of Korea made the first contribution by transferring \$1.5 million from the e-Asia Fund to the ADBI Special Fund.⁴ In 2015, the Board approved the second contribution in the amount of \$2.1 million through three annual installments of \$700,000⁵ and, with another Board approval in 2017, the amount of the second contribution was increased by \$300,000, bringing the total amount to \$2,400,000.⁶ All payments under the second contributions have been completed by 2017.

3. In 2017, the Government of the Republic of Korea proposed using the e-Asia Fund to contribute \$3.5 million to the ADBI Special Fund. The dean of ADBI recommends, through the President, that the Board accept this third contribution to the ADBI Special Fund.

II. CONTRIBUTION BY REPUBLIC OF KOREA TO THE ADBI SPECIAL FUND

4. The Republic of Korea, acting through the e-Asia Fund, will make the third contribution of \$3.5 million to the ADBI Special Fund in four installments of \$875,000 payable semiannually in 2018 and 2019. The Republic of Korea will deposit with ADB an instrument of contribution in the amount of \$875,000 substantially in the form attached in the Appendix no later than 15 May 2018, 15 October 2018, 15 May 2019, and 15 October 2019.

5. All contributions to the ADBI Special Fund will be held and administered by ADB solely for the purposes of ADBI in accordance with Article VII of the ADBI statute.

III. RECOMMENDATION

6. The President recommends that the Board of Directors approve the acceptance of a contribution by the Republic of Korea acting through the Republic of Korea e-Asia and Knowledge

¹ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila.

² ADB. 1996. *Establishment of the Asian Development Bank Institute*. Manila.

³ ADB. 2006. *Republic of Korea e-Asia and Knowledge Partnership Fund*. Manila.

⁴ ADB. 2012. *Contributions to the Special Fund for the Asian Development Bank Institute from the Republic of Korea Acting through the Republic of Korea e-Asia and Knowledge Partnership Fund*. Manila.

⁵ ADB. 2015. *Second Contribution to the Special Fund for the Asian Development Bank Institute from the Republic of Korea Acting through the Republic of Korea e-Asia and Knowledge Partnership Fund*. Manila.

⁶ ADB. 2017. *Second Contribution to the Special Fund for the Asian Development Bank Institute from the Republic of Korea Acting through the Republic of Korea e-Asia and Knowledge Partnership Fund – Additional Funding*. Manila.

Partnership Fund to the Special Fund for the Asian Development Bank Institute in an amount of \$3,500,000, to be provided in four installments of \$875,000 through instruments of contribution substantially in the form attached as the Appendix.

FORM OF INSTRUMENT OF CONTRIBUTION

[date]

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila, Philippines

The Republic of Korea, acting through the Republic of Korea e-Asia and Knowledge Partnership Fund, hereby undertakes to contribute to the Special Fund for the Asian Development Bank Institute (ADBI) an amount of \$875,000 no later than [*Please insert an applicable date (15 May 2018, 15 October 2018, 15 May 2019, or 15 October 2019)*] in accordance with the provisions of (i) the Board paper entitled “Establishment of the Asian Development Bank Institute,” including all appendixes (the “Establishment Paper”), and (ii) the Board paper entitled “Third Contribution to the Special Fund for the Asian Development Bank Institute from the Republic of Korea Acting through the Republic of Korea e-Asia and Knowledge Partnership Fund” (the “Contribution Paper”) and subject to the terms and conditions set forth in the Statute of the ADBI, the Establishment Paper, and the Contribution Paper.

Dated this ____ day of _____, _____.

For and on behalf of the Republic of Korea