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# TOGETHER WE DELIVER

RESULTS ACHIEVED, LIVES IMPROVED

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OCTOBER 2018

COVER: The ADB-financed Small Business and Entrepreneurship Development Project helped entrepreneurs gain access to credit, which in turn created jobs for women in Uzbekistan (photo by Relisa Granovskaya).



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RESULTS ACHIEVED, LIVES IMPROVED

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OCTOBER 2018



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# FOREWORD

Asia and the Pacific has made great progress in poverty reduction and economic growth over the last 50 years. This *Together We Deliver* series showcases successful partnerships between the Asian Development Bank (ADB) and its developing member countries, partnerships that are improving the lives of people across the region.

The stories highlighted in this edition demonstrate successful development outcomes driven by ADB's strong cooperation with governments, people, and organizations across the region. They also illustrate how the use of innovative solutions and good practices can deliver stronger development results.

In the pages to follow, you will meet people like Nai Jon from the Lao People's Democratic Republic, who found a new and sustainable way to make a living without degrading the forest near her village. You will learn about Manoj Mihaulia, a farmer from Madhya Pradesh who now operates profitable farm equipment thanks to reliable power that ADB helped provide. And, you will hear how Lo Van Kim from Viet Nam was able to finish school and fulfill his dream of becoming a veterinarian due to an ADB education project implemented in remote areas of the country.

Nai Jon, Manoj, and Lo Van Kim are among the millions of beneficiaries across the region whose lives have been improved by successful development interventions supported by ADB. By working with our developing member countries, ADB operations completed between 2010 and 2017 reached over

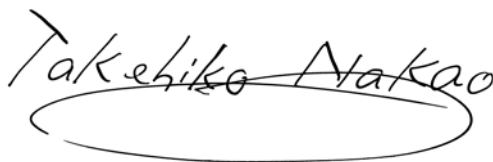


7.6 million end-borrowers with microfinance loans, connected over 3.8 million households in rural areas to electricity, rehabilitated or installed over 12,500 kilometers of power transmission lines, and provided over 27 million students with new or improved educational facilities. This could only be done through strong and enduring cooperation between ADB and its partners.

The demands of our developing member countries are becoming ever more sophisticated, and their expectations of ADB are very high. ADB's new long-term Strategy 2030 sets the course for us to effectively adapt to the region's changing needs. Through Strategy 2030, ADB will combine finance, knowledge, and partnerships to eradicate extreme poverty and help move Asia and the Pacific toward a prosperous, inclusive, resilient, and sustainable future.

ADB's efforts will be tailored to specific local circumstances. We will strengthen our country-focused approach to promote the use of innovative technologies, and deliver integrated solutions by combining expertise across a range of sectors and themes and through a mix of public and private sector operations. ADB will continue to focus on helping the region's poorest and most vulnerable countries, and we will prioritize support for pockets of poverty and fragility in the region's more prosperous areas.

With the cooperation of our developing member countries, ADB will deliver long-term sustainable results, improved lives, and brighter futures across the region. And, through our collective efforts, I look forward to us achieving new development outcomes that will become the future stories of *Together We Deliver*.

A handwritten signature in black ink that reads "Takehiko Nakao". The signature is written in a cursive style and is enclosed within a hand-drawn oval.

**Takehiko Nakao**  
President  
Asian Development Bank

**A cool autumn day.** A family enjoys an afternoon stroll in Khovd, Mongolia (photo by Tsogtbaatar Khishigdorj).





**Getting around.** A new road has made life easier for residents in Khovd Province, Mongolia (photo by Tsogtbaatar Khishigdorj).



# RESULTS ACHIEVED, LIVES IMPROVED

Since it was founded more than half a century ago, the Asian Development Bank (ADB) has been committed to forging strong partnerships with its developing member countries across Asia and the Pacific. Over the years, these partnerships have expanded to include government agencies, development institutions, the private sector, civil society organizations, and local communities.

ADB's partners today are varied—from small rural organizations to major companies and national governments—but they all share a common purpose: to overcome barriers to development through sustainable and effective solutions. ADB and its partners work together to share the risks, responsibilities, resources, and expertise for improving the lives of people in Asia and the Pacific. We also jointly achieve results and learn together how we can be more successful in delivering on our shared goals.

In some cases, the partnership involves getting financial resources to the people who need them most. This has included more than 265,000 small and medium-sized enterprise loan accounts opened or end borrowers reached for operations completed during 2010–2017.

In Bangladesh, for example, this can be seen in a project that works with local banks to extend loans to small and medium-sized businesses. These enterprises act as engines of growth powering the country's economy and helping millions of families put food on the table. These loans helped Jamal Uddin move from being a factory worker to a factory owner employing dozens of people.

Zamira Abdulkarimova, who lives in Uzbekistan, is also one of ADB's partners. The 53-year-old mother of four started as a baker with a single oven. After receiving low-interest loans through an ADB-supported project, she has expanded her operations and is hiring other women to help out. The project on-lent money to small businesses, with a focus on

helping women entrepreneurs, and continues to have a broad societal impact.

The Nam Ngum River Basin Development Sector Project, a partnership between ADB and the Lao People's Democratic Republic, is reducing poverty, particularly among women and poor ethnic groups, while promoting sustainable economic growth and supporting integrated water resources management. The \$24 million project encourages people living in and around the river basin to engage in economic activities that do not damage the surrounding ecosystem. It has helped a village resident named Siphone Vorasan go from spending her days gathering firewood to operating as a successful businesswoman.

When disaster strikes, ADB is quick to respond. In 2010, Pakistan experienced the worst flooding in its history. An estimated 100,000 square kilometers and 20 million people were affected—or about a tenth of the country's entire population. Close to 1,800 people lost their lives. ADB was there with a \$650 million emergency project that helped fund the reconstruction of roads, flood embankments, canals, and drains. All were rebuilt with resilience to withstand the next disaster.

Samoa and ADB's long-standing partnership expanded in 2009 after a tsunami devastated the country. A rapidly implemented economic and disaster recovery program supported the country's economy through the rebuilding of infrastructure damaged by the tsunami, direct assistance to victims of the tsunami, the provision of housing, and the delivery of basic services to the public.

In Viet Nam, ADB is partnering with parents, teachers, administrators, and others interested in helping some of the country's poorest children get into school, get a good education, and stay until graduation. In the People's Republic of China, ADB is helping transport companies access a flexible leasing program to purchase buses that run on cleaner fuel.

A road project partnership between ADB and Mongolia is strengthening the country's transport links to the People's Republic of China and the Russian

Federation, while at the same time promoting sustainable economic growth and social development in the areas surrounding the road. This has resulted in broader economic growth and reduced isolation and poverty. This road is among the 99,531 kilometers of roads in Asia and the Pacific built or upgraded by ADB operations that were completed during 2010–2017.

ADB also partners with provincial authorities. In the central Indian state of Madhya Pradesh, ADB and the state government worked together to bring an innovative solution to the long-standing problem of an unreliable power supply. This included building and rehabilitating power plants, installing distribution lines, and helping with policy reforms to make the state's power sector operate more efficiently.

This is just one example of similar work that is being done across the region, where ADB projects completed during 2010–2017 have connected more than 5.6 million households to electricity, installed more than 20,000 megawatts of energy generation capacity, and strung more than 12,000 kilometers of transmission lines.

As the needs of people in the region evolve, so will ADB's efforts to address them. As part of this work, ADB's new long-term corporate strategy, Strategy 2030, will support ADB's efforts to bolster these partnerships together with finance and knowledge to continue delivering results and improving people's lives in Asia and the Pacific.

## RESULTS CHAIN

### ADB-SUPPORTED OPERATIONS

The results chain helps ADB plan, implement, and monitor projects to deliver high quality development results.

#### ▷ INPUT

- Financial, human, and material resources

#### ▷ OUTPUT

- Produced or delivered by the projects

#### ▷ OUTCOME

- Benefits of use or application of outputs

## WHAT IS ADB'S 2030 VISION?

ADB's vision is to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

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ADB will continue to prioritize the region's poorest and most vulnerable countries.

ADB will continue to focus on infrastructure as a key priority and expand interventions in sectors such as education, health, and social protection.

## HOW WILL ADB ADD VALUE?

ADB will add value through

 **FINANCE**  
Providing own financing while also mobilizing funds from other sources

 **KNOWLEDGE**  
Focusing on practical value that fits local conditions, identify lessons, and replicate good practices

 **PARTNERSHIPS**  
Promoting dialogue and collaboration among diverse partners and stakeholders

## WHAT OPERATIONAL AREAS WILL ADB FOCUS ON?

ADB will focus on seven operational priorities:



### Addressing remaining poverty and reducing inequalities

human development and social inclusion, quality jobs, education and training, better health, social protection



### Accelerating progress in gender equality

scaled-up support for gender equality; women's economic empowerment; gender equality in human development, decision-making, and leadership; reducing time poverty for women; strengthening women's resilience to shocks



### Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability

low greenhouse gas emissions development, approach to building climate and disaster resilience, environmental sustainability, water–food–energy security nexus



### Making cities more livable

integrated solutions, funding for cities, inclusive and participatory urban planning, climate resilience and disaster management



### Promoting rural development and food security

market connectivity and agricultural value chain linkages, agricultural productivity and food security, food safety



### Strengthening governance and institutional capacity

public management reforms and financial sustainability, service delivery, capacity and standards



### Fostering regional cooperation and integration

connectivity and competitiveness, regional public goods, cooperation in finance sector, subregional initiatives

## SOME TARGETS . . .



**At least 75%** of the number of ADB's committed operations (on a 3-year rolling average, including sovereign and nonsovereign operations) will promote gender equality by 2030.



**At least 75%** of the number of its committed operations (on a 3-year rolling average, including sovereign and nonsovereign operations) will be supporting climate change mitigation and adaptation by 2030. Climate finance from ADB's own resources will reach **\$80 billion for the period 2019–2030**.





# THROWING A LIFELINE TO SMALL BUSINESSES

**A partnership between Bangladesh and ADB is providing loans to rural and women-owned businesses that struggle to access the credit needed to expand their operations.**

As a young boy, Jamal Uddin lived on the street. Born to an impoverished family in the south-central district of Faridpur in Bangladesh, he worked as a helper on a bus while other kids were in school. When he got older, he worked in a factory making polyvinyl chloride (PVC) pipes. He studied how the factory operated and by 2003 he had opened his own small business in the same industry in the southwestern town of Jessore. As word spread about the quality of his products, his company prospered.

Despite his success, Jamal struggled to obtain a loan when he wanted to expand the business. In 2011, he found a solution. Through the IDLC Finance Limited, he secured a Tk1.5 million (\$17,650) loan at market-competitive interest rates.

“It was an easy deal,” he recalls. “Unlike banks and other lenders, the IDLC people came to my factory to get the documents and it was hassle-free.”

Jamal’s business has grown substantially since he was able to obtain the financing needed to expand. His increased income

is used to support his family, including providing his three sons aged 10, 14, and 16 with the education he was not able to obtain as a child.

In 2012, Jamal only had three machines making pipes. By 2014, monthly sales had doubled with five machines and a widened marketing network. He was able to buy 1,000 square meters of land to build a new house near his ancestral home in Faridpur District. Jamal is now working hard to open a tube well foundry to further expand and diversify the business.

## Providing a Lifeline to Small Businesses

Jamal Uddin was not alone in his struggle to obtain financing to expand his business. Bangladesh has about 1.5 million small and medium-sized enterprises, which employ 70%–80% of the nonagricultural labor force. Many of these businesses, especially those located outside urban centers, struggle to obtain financing for expansion and other needs. By one estimate, only 6% of small businesses in rural areas have traditionally

**Business growth made easier.** Mamtaz Begum was able to get a loan for her battery accessory factory under the ADB-supported program without a mortgage and at attractive interest rates (photo by Abir Abdullah).



This additional investment helped me to double my profits in a year.

Mamtaz Begum,  
business owner

been able to access credit, while in the cities, only about half of them could get a business loan.

“Bangladesh needs to close this rural–urban gap in order to graduate to the next level of development,” says Md. Kabir Hossain, a regional manager for IDLC Finance Limited. “Expanding small business in rural areas can boost employment.”

The Government of Bangladesh has recognized that these businesses are the small and medium-sized engines of growth that power the country’s economy and help millions of families put food on the table. In partnership with ADB, the government implemented the Small and Medium-sized Enterprise Development Project from 2009 to 2013. It was through this project that Jamal Uddin was able to get the loan he needed to grow his business.

“The small and medium-sized business sector offers immense opportunities for generating employment in Bangladesh,” says Bidyut Kumar Saha, ADB’s officer managing finance sector operations in the country.

**A brighter future.** Business owner Jamal Uddin grew up on the streets and worked as a bus helper and as a laborer in a plastic pipe factory before opening his own factory (photo by Abir Abdullah).





The project made a \$76 million credit line available to participating financial institutions that then lent the money on to small businesses. Priority was given to rural businesses, which have had the most difficulty obtaining credit.

**Family business.** Mamtaz' husband, SM Fateh Ali, helps out in their factory (photo by Abir Abdullah).

## Supporting Women Entrepreneurs

Mamtaz Begum, a 60-year-old small business owner in the southwestern district of Jashore, was one of the women who could not have expanded their operations without the help of the project. She received a Tk1 million (\$11,765) loan in 2013 to increase her company's production of battery accessories.

"This additional investment helped me to double my profits in a year," she says, adding that she plans to use the additional revenue to diversify her business into motor parts trading. "Banks require a mortgage to



**Overcoming obstacles.** Mamta Begum, a 60-year-old small business owner in the southwestern district of Jashore, was one of the women who could not have expanded their operations without the help of the project (photo by Abir Abdullah).

disburse a loan, but I got a loan without mortgage, at a good rate of interest. This is amazing.”

In Bangladesh, women own less than 10% of the businesses. Of those owned by women, 70% are micro and rural businesses. The businesses tend to be smaller, recently started, and more likely to be informal and home based, compared with those owned by men. Women also tend to start businesses that enable them to balance their family and household responsibilities. These are all factors that make it difficult to obtain loans from traditional banks.

To address these issues, the project provided loans to women entrepreneurs at a 10% interest rate, which was at least 7 percentage points lower than the usual market rate. The project trained 540 women entrepreneurs in small business management and familiarized them with the procedures to access institutional finance. It also established 45 women’s desks in six districts to help women entrepreneurs overcome obstacles to obtaining business loans.

During 2010–2014, the number of women entrepreneurs applying for loans grew by 32.6% per year with more than 8,300 women-owned small and medium-sized businesses receiving loans. The number of women-led small businesses increased by 10% in three pilot districts of the project and the number

## RESULTS CHAIN

### SMALL AND MEDIUM-SIZED ENTERPRISE DEVELOPMENT PROJECT

#### ▷ INPUT

- **\$76 million loan** approved on 17 September 2009
- **\$500,000 technical assistance grant**

#### ▷ OUTPUT

- Directly financed **13,645 SMEs**, of which **6,589 (48%)** were new companies

#### ▷ OUTCOME

- **15%** average annual increase in SME borrowers (2010–2014)

of women entrepreneurs borrowing increased from 13,831 in 2010 to 42,730 in 2014.



## Creating Jobs, Lowering Poverty

Although helping women was a key focus, the project had wide-ranging impacts. Between 2010 and 2013, the project created more than 8,900 new jobs by extending credit to small businesses.

For Jamal Uddin, who in 2013 received another loan of Tk1.4 million (\$16,470) to expand his operations further, the project provided an opportunity for him to help others avoid the kind of poverty he experienced as a child.

“After leaving home, I became a boy on the street. By the grace of the Almighty, I now employ 35 people and make a net profit of over Tk1 crore (\$117,647) a year,” says Uddin.

I now employ  
35 people and make  
a net profit of over  
Tk1 crore (\$117,647)  
a year.

Jamal Uddin, owner

**A growing business.** Mamtaz Begum’s factory produces battery accessories, such as clamps, handle ropes, earthing sockets, and cable sockets (photo by Abir Abdullah).



INDIA

# HARVESTING THE RESULTS OF A RELIABLE POWER SUPPLY IN MADHYA PRADESH



In central India, ADB and the government partnered to bring an innovative solution to the long-standing problem of an unreliable power supply.

Policy makers in the central Indian state of Madhya Pradesh recognized that their state needed to improve its power system. It needed more supply and better distribution systems. It also required the policies that would keep the system vibrant and well-maintained. Most importantly, it needed a system that provided last mile connectivity and power supply for all—from the poorest farmer in the most remote area to the job-creating factories in the big cities.

The state did not simply need more power plants and distribution lines. It needed an innovative solution that took a holistic approach toward providing reliable power statewide.

**Energy for all.**

A substation that is part of Madhya Pradesh government's Power Sector Investment Program (Tranche 2)  
(photo by Amit Verma).





In December 2001, ADB partnered with the state government to launch the Madhya Pradesh Power Sector Development Program. Delivered in two tranches, the program combined investments in physical infrastructure, such as power plants and distribution lines, with assistance that addressed key reform areas in the power sector.

## A Long-standing Problem

Up until 2008, the state of Madhya Pradesh was losing more than a third of its power to losses within the distribution system. Voltage fluctuations due to the fragile distribution system were common. Farmers and small businesses were among those most affected as motor pumps would malfunction and electrical equipment was prematurely damaged.

To enhance the reliability of the distribution network, reduce losses, and improve the overall quality of the power supply, Tranche 2 of the ADB-funded Madhya Pradesh Power Sector Investment Program supported the installation of modern systems—including a high-voltage distribution system and remote metering—that improved efficiency and helped reduce system losses.

As a result of the program, power losses declined from 38% in 2008 to 24% in 2014, and further to 22% in 2015. Power availability improved to 10 hours in rural areas and 24 hours in cities, with fewer interruptions, improved voltage, and fewer surges.

“Quality of power supply and last mile connectivity to every household are major achievements under the project,” says Mukesh Chand Gupta, Managing Director of Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, the executing agency of the project at Jabalpur city. “The positive socioeconomic impacts of the availability and quality of power supply on people in rural areas in the region are clearly visible in their improved quality of life,” he adds.

Although the improvement of the power supply was felt in many parts of the state, farmers who had long dealt with power access problems were among those

The assured power supply has enabled farmers not only to increase crop productivity, but also to cultivate three crops per season rather than the traditional two-crop rotation.



that benefited the most. There is a strong connection between power and water supply because irrigation pumps need reliable electricity to operate. The assured power supply has enabled farmers not only to increase crop productivity, but also to cultivate three crops per season rather than the traditional two-crop rotation.

“Earlier, crop productivity was poor because crops would get damaged due to a lack of water caused by an irregular power supply,” says Chhatar Pal Kaurav, head of Singhpur Chhota village in Narisinghpur District. “Now, we are sowing a third crop due to the regular power supply to pumps,” adds Chhatar.

The increased water supply is also allowing farmers to diversify their crops beyond rice and sugarcane. Improved incomes related to the consistent availability of electricity have created a multiplier effect in the statewide economy.

“The impact of a regular power supply to the agriculture sector became visible in 2017 when the region received limited rainfall,” says Chhatar. “Increased electricity supply during the dry season

**Improving power supply.** A testing assistant at the 33/11 kilovolt substation at Singhpur Chhota village, Narisinghpur District, Madhya Pradesh (above). The ADB-supported project 15,574 25- and 16-kilo-ampere distribution transformers per season (below) (photos by Amit Verma).





**Sweet results.** Jaggery made at farms like Moolchand Malviya's is sold in nearby markets (photos by Amit Verma).

became the savior of our crops, which otherwise would have been badly damaged.”

## Statewide Impact

Tranche 2 of the program funded the installation of more than 15,000 transformers and the conversion of more than 4,000 kilometers of lines from low voltage to high voltage. This reduced system losses and improved power supply quality and reliability.

Tranche 2 of the program also helped address consumer concerns about the quality of electricity supply, halving the number of complaints received. Improved meters allowed the monitoring of real-time electricity consumption, which lowered technical losses from more than 35% to below 22%. The economic value of reduced losses was equivalent to 764 gigawatt-hours per year.

The program has provided opportunities for job creation, income growth, and upgrading of local infrastructure, which have resulted in reduced poverty in the state, says Jyotirmoy Banerjee, who is overseeing the program for ADB.

“The enhanced distribution capacity and reliability has lowered maintenance costs of electric appliances, irrigation pumps, and equipment. It has also minimized the need for replacement of existing machines, thereby improving economic opportunities of farmers, as well as industrial and commercial consumers,” he says.

The program installed a small distribution transformer 50 yards from the house of Manoj Mihaulia, a 38-year-old resident of Panari village in Narsinghpur District. “Now, it is easier for the electricity staff to detect and mend a fault in the power line,” he says. “Abrupt power outages no longer occur,” he adds.

Moolchand Malviya, a 42-year-old farmer also from Panari village, can see the impact in his small business making jaggery—a popular sugarcane-based product. Making jaggery from crushed sugarcane has supplemented the income he earns from his



**Fewer outages.** The new transformers mean better service in Manoj Mihaulia’s village of Panari (photo by Amit Verma).



**Better harvest.** Chhatar Pal Singh Kaurav says that they are harvesting more because of the reliable electricity supply powering their equipment (photo by Amit Verma).



**Homeward bound.**  
Riding home  
in Madhya Pradesh  
(photo by Amit Verma).

4-acre farm. Setting up the machine that makes jaggery, which provides him with additional income of ₹500,000 (about \$7,300) every year, would not have been possible without the uninterrupted power supply provided as part of the program.

He now employs 15 workers to help in the business.

“Regular power supply with better voltage has proved to be a boon for farmers like me,” he says.



**Switched on.** Moolchand Malviya, 41, a sugarcane farmer, now has regular power for his jaggery production (photo by Amit Verma).

Regular power supply with better voltage has proved to be a boon for farmers like me.

Moolchand Malviya, farmer

## RESULTS CHAIN

### MADHYA PRADESH POWER SECTOR INVESTMENT PROGRAM (TRANCHE 2)

#### ▷ INPUT

- **\$45 million loan** approved on 4 April 2007

#### ▷ OUTPUT

- **15,575** 25- and 16-kilo-ampere 3-phase **distribution transformers installed**
- **4,028 km** of **low-tension lines converted to 11 kV**
- **2,041 km** of **33 kV** and polyvinyl-encased **lines constructed**

#### ▷ OUTCOME

- **Reduced** average **distribution losses** from **38%** in 2008 to **22%** in 2015
- **24-hour power supply** for **urban areas** and **10-hour power supply** for **rural areas** provided
- **Customer complaints halved**

LAO PEOPLE'S DEMOCRATIC REPUBLIC



# IMPROVING LIVES AND SAVING FORESTS

In the Lao People's Democratic Republic, a community is creating new products without damaging the environment, empowering women in the process.

As a housewife, Siphone Vorasan—a 56-year-old resident of Phonsoung village near the capital city of Vientiane—spent much of her day hauling firewood for cooking and boiling water in her home. When she wasn't making the grueling daily trips into the forest, she was busy doing household chores. She worked long hours, yet made no income. She struggled to pay the bills and support her children.

The people in her village are well-known for making beautiful, intricately embroidered cloth that sells for a good price in the capital city. Siphone had the skill passed on to her by her mother, but she could afford neither the loom nor the expensive silk she would need to get started.

In 2007, her situation began to change. She joined a village development revolving fund, a community organization that provides loans to help women start small businesses as weavers. With a loan of about \$180, she bought a loom and some silk. She worked in her spare time between household chores and soon paid off the loan.

**A better life.** Life has improved for women in rural Lao People's Democratic Republic who have moved to more sustainable sources of income (photo by Xaykham Manilasith).









I was born to be a businesswoman. I just never had the chance.

Siphone Vorasan, a 56-year-old resident of Phonsoung village



**Improved lives.** Residents of Phonsoung village received microfinance loans aimed at creating income-generating opportunities, such as weaving and livestock raising (photo by Xaykham Manilasith).

She then started acting as a go-between, bringing the woven products of her neighbors to the market in Vientiane. This increased her income to the point where she was able to invest in helping other women obtain their own materials and get started.

Siphone discovered that she was an effective businesswoman and a tough negotiator. When she sold her village's products in the capital, she would set her price and not go lower, even if the buyer tried to haggle. "As a businesswoman, I won't make a decision that makes the business take a loss," she says. "If the offer is too low, I just find another buyer."

The \$180 loan Siphone took out in 2007 has helped her business grow and allowed her to buy a nearby rice field to earn even more income. She was also able to improve her house and send her five children to school. She has invested in 15 looms for other women who now are earning on their own.

"I was born to be a businesswoman. I just never had the chance," Siphone says, recalling her years of backbreaking work gathering wood in the fields around the forest. "In the field, you are always looking down. You never get to look up see the world around you."

## Creating Opportunities for Sustainable Livelihood

Siphone and her neighbors were assisted by the Nam Ngum River Basin Development Sector Project, a partnership between ADB and the Lao People's Democratic Republic that was designed to reduce poverty, particularly among women and poor ethnic groups, while promoting sustainable economic growth and supporting integrated water resources management. The \$24 million project encourages people living in and around the river basin to engage in economic activities that do not damage the surrounding ecosystem.

In Phonsoung village in Vientiane Province, where Siphone lives, women initially received a loan of KN1 million (about \$120) to get started. If the loans were promptly paid back, borrowers could secure higher credit lines of up to KN5 million later, according to Khamphai Phanthavong, head of the Agriculture



and Forestry Department in Hinherb district, where the village is located. As part of the project, borrowers formed 10-member groups who support each other in obtaining looms and silk, getting their weaving businesses started, turning a profit, and repaying the loan. Most of the women make intricately embroidered sashes based on their own designs, and try to be as creative as possible in order to fetch the best price.

The people in Phonsoung village were among nearly 40,000 households who received microfinance loans aimed at creating income-generating opportunities, such as weaving and livestock raising. The project also supported 117 small-scale community infrastructure projects and led to the establishment of 10 formal credit institutions. Families in more than half the villages benefiting from the project reported increased incomes, decreased poverty, improved infrastructure, and higher agricultural productivity.

**Starting small.** Siphone Vorasan (second from left) invested in looms and now employs several women (photo by Xaykhame Manilasith).



**Weaving the future.** Siphone Vorasan (left) started with a \$180 loan to buy a loom and some silk (photo by Xaykham Manilasith).



**Entrepreneurial drive.** Siphone takes the woven goods from her village in Phonsoung and sells them in Vientiane (photo by Xaykham Manilasith).

Women and ethnic groups in particular benefited from the project. There was a high level of participation by members of the Hmong, Khmu, and Lao Tai ethnic groups in the design and implementation of community projects. An estimated 85% of new borrowers in the project were women, and women's participation in agriculture and livelihood opportunities increased in communities throughout the river basin.

## A Novel Source of Savings and Insurance

For Nai Jon, a 58-year-old resident of Naxay village, near Vientiane, the importance of the project came down to just a few cows. Her family of four girls and four boys, including one son with heart disease, used to endure a daily struggle for survival that kept them out of school and denied them medical care and other basic needs. Nai Jon and her children, all members of the Hmong ethnic group, were slash-and-burn subsistence farmers who were constantly on the move seeking fertile soil to grow crops.

**All about the family.** Nai Jon enjoys a light moment with three of her daughters (photo by Xaykhome Manilasith).





**Hard work and determination.** Nai Jon from Naxay village is able to support her family by raising and selling cows (photo by Xaykhame Manilasith).



Without the cows as our savings and insurance, I would have been in debt for life trying to pay for my son's medical treatment.

Nai Jon, 58-year-old mother of eight

Slash-and-burn farming involves igniting controlled fires that leave a fertile layer of ash in which to plant crops. It is a dangerous form of farming that damages the environment and endangers the health of the impoverished farmers who have to resort to it. Instead of going to school, Nai Jon's children spent their days hauling water over long distances to manage the fires. Sometimes it was too long a walk to return to their village, so Nai Jon slept with her children in the forest, facing the danger of snakes and disease-carrying mosquitos. When the harvest came in, often it was not even enough to feed her family.

In 2006, ADB conducted a study to find the best way to help people like Nai Jon make a decent income and not damage the forest. The study found that cows, which are valued both for milk and for meat, and do not require extensive training to raise, would be the best way to help extremely poor slash-and-burn farmers and others struggling on a subsistence income.

The project's revolving fund provided the poorest members of the community, particularly the ethnic poor and women, with cows to help them sustain

more environmentally friendly livelihoods that bring in extra income. As was done with the weavers, families were organized into groups in order to provide mutual support to learn how to raise livestock. Each family received two cows as an initial asset—a male and a female—along with training on how to care for them. To pay for the cattle, the families were each required to give back four calves, which were then distributed to other families. In the beginning, 10 families in the village had 20 cows. Now, 40 families have 184 cows.

Nai Jon’s family was one of the recipients 11 years ago. Since then, their lives have revolved around raising and selling cattle near their home, and they no longer spend nights on the forest floor. She has been able to improve her house, including installing a modern bathroom, as well as send her children to school and obtain medical care for her son.

“Without the cows as our savings and insurance, I would have been in debt for life trying to pay for my son’s medical treatments,” she says.

## RESULTS CHAIN

### NAM NGUM RIVER BASIN DEVELOPMENT SECTOR PROJECT

#### ▷ INPUT

- **\$15.0 million loan** approved on 11 November 2002
- Additional **\$5.0 million loan** approved on 26 September 2011
- **\$3.8 million grant** from Agence Française de Développement

#### ▷ OUTPUT

- **719 new borrowers** (85% female) received credit from newly registered institutions by 2015
- **Average operational self-sufficiency rate** of registered village development revolving fund institutions reached **110%** by 2015

#### ▷ OUTCOME

- **20% estimated income increase** in 50 villages from 2012 levels by 2015
- **13,853 hectares** reforested

MONGOLIA

# THE ROAD TO PROSPERITY



In what was once an isolated province in western Mongolia, a road project that links the country to the People's Republic of China and the Russian Federation is changing lives for the better.

At the provincial university in the western Mongolian province of Khovd, a new road is having a positive impact on families.

“The road conditions used to be quite rough, especially over the mountain passes,” says Urangoo, a biology major student. “It used to take overnight travel to get here. My home used to seem so far away. Now, with the new road, I can go home, see my family, and come back to school in the same day.”

Urangoo and her fellow students are now benefiting from a road that was improved as part of the first phase of the ADB-supported Western Regional Road Corridor Development Project, which is building a transport corridor that will link the People's Republic of China (PRC) to the Russian Federation via western Mongolia.

The corridor will span nearly 750 kilometers and become part of the Asian Highway Network. The first phase of the project constructed a road from Yarant, a border crossing point along Mongolia's southwestern border with the PRC, to Khovd city, the provincial capital. It also created road maintenance units, improved road safety, and provided skills training to transport officials. The project road is an integral part of building an efficient and safe regional transport route to link Mongolia with the Xinjiang Uygur Autonomous Region in the PRC and Siberia in the Russian Federation.

**Bringing people closer.** ADB is helping connect provinces and countries through its road projects (photo by Tsogtbaatar Khishigdorj).





## From Isolated to International

The road corridor is strengthening Mongolia's transport links with the PRC, the Russian Federation, and other countries in the region. It is also promoting sustainable economic growth and social development in the areas surrounding the road. This is resulting in greater economic opportunities and reduced geographic isolation and poverty.

According to Governor Galsandondog Damdin, his province of Khovd is already feeling the benefits of the corridor. Located on the western edge of Mongolia, the province was once considered remote and isolated because it was far from the country's capital city. The province has a relatively small population of 85,000 people and supports a thriving livestock industry in need of access to good roads in order to bring in feed and get products to nearby and distant markets.

Not only is the provincial economy already benefiting from the improved roads, he expects to see long-term, sustained growth due to the regional connections of the project. "We are seeing trade between the PRC and the Russian Federation improving," he says, noting that his province now sits right along a principal overland trade route between the two giant economies.

## Improved Road, Improved Lives

Along the road in western Mongolia, people have felt the immediate benefits of improved transport.

Yagaantsetseg, who runs a small store beside the road to support her five children, was once a livestock herder. The life was difficult and kept her children far from local schools. Her income was also low and she struggled to meet her expenses. She opened her small roadside store before the road was improved but that was challenging as well.

"Before the road was rehabilitated, we endured 14-hour trips to the provincial center, which is over 300 kilometers from here. We used to have some trade



We felt quite lucky. Besides the benefit of lower prices of merchandise, we can now travel in a safer and faster way.

Yagaantsetseg, a store owner who benefits from the new road



**Better supply, growing sales.**

Yagaantsetseg, who runs a small grocery, gets merchandise faster, to the delight of her customers (photo by Tsogtbaatar Khishigdorj).



**Speeding up.** The new road makes travel time faster and more convenient for Khovd residents (photo by Tsogtbaatar Khishigdorj).

**Easier commute.** Urangoo, a student at Khovd University, recalls how travel used to be an overnight ordeal (photo by Tsogtbaatar Khishigdorj).



**Stronger links.** About 223 kilometers of road from the border crossing at Yarant to Khovd city were improved (photo by Tsogtbaatar Khishigdorj).

With the improved roads, doctors in the province can see more patients over a wider geographic area, which is crucial in the vast, sparsely populated rural areas of Mongolia.

**Bridging gaps.** Governor Galsandondog Damdin has worked on building links between Khovd and neighboring provinces (photo by Tsogtbaatar Khishigdorj).



along the border with the PRC. To go to the border and come back required 2 to 3 days.”

When the newly improved road opened, traffic increased and so did business for her shop. She was also able to bring down her operating costs, which allowed her to increase her income to support her family.

“When the road project was completed, this gave us quite an opportunity,” she says. “We felt quite lucky. Besides the benefit of lower prices of merchandise, we can now travel in a safer and faster way.”

Tulga, a minivan driver along the road, has also benefited from lower operating costs. A shuttle service operator for the last 7 years, Tulga remembers having to use heavy-duty, expensive-to-maintain Russian vehicles to endure the poor road conditions. It would also take 12 hours to travel from one district capital to the next, forcing him to sleep overnight—an additional expense—before taking the trip back.

“Now, we can go there and back within the same day,” he says. “Our cars also do not suffer as much damage now. One of the key problems was dealing with flat tires and damaged shock absorbers. These days, that’s no longer a problem. Now, we only need to clean and polish our cars.”

## Saving Lives

Amarjargal Baasankhuu, who has been a doctor in the province for more than 25 years, says the new roads in the area have improved the lives of many patients.

“When I was head of the district hospital, there were difficulties in transporting and receiving emergency cases because of bad road conditions,” she says. “It was difficult for the patients being transported over those roads and it took quite a long time for doctors to reach them.”

With the improved roads, doctors in the province can see more patients over a wider geographic area, which is crucial in the vast, sparsely populated rural areas of Mongolia.



**More savings.** Tulga, who operates a shuttle service to Khovd city, saves time and fuel by using the new road (photo by Tsogtbaatar Khishigdorj).



**Lifesaving.** Amarjargal Baasankhuu notes how much faster doctors are able to reach patients, particularly emergency cases (photo by Tsogtbaatar Khishigdorj).



**Healthier mothers and babies.**

We have zero maternal mortality today, according to Batsukh Zodov (photo by Tsogtbaatar Khishigdorj).

Batsukh Zodov, a women’s health physician in the province of Khovd, has seen similar results. He remembers a time when patients struggled for hours traveling over rough roads to obtain vital medical services. He and other doctors endured the same hardship. In some cases, it would take him as long as 24 hours to reach a patient in a nearby district.

“When the road was bad, it was quite difficult to reach patients in remote areas,” he says, noting that one year there were 16 maternal deaths in his district alone. “It took a lot of time to reach patients.”

Since the road has been improved, days of travel have turned into hours, and in some cases hours have become minutes. The improved roads have also given doctors in the province more options, including bringing medical equipment to patients and allowing for more follow-up visits.

“The changes are vivid, like night and day,” he says. “We have zero maternal mortality today.”

**RESULTS CHAIN**

**WESTERN REGIONAL ROAD CORRIDOR DEVELOPMENT PROJECT PHASE I**

▷ **INPUT**

- **\$37.6 million grant** approved on 26 February 2008

▷ **OUTPUT**

- **223 km** Yarant–Khovd city road **improved**.
- **Two** road maintenance centers were established in addition to one existing facility.

▷ **OUTCOME**

- **Average speed** on road increased from 40 kph in 2008 to **80 kph** by 2015
- **Travel time** from Yarant to Khovd city **reduced by 4 hours** (from 10 hours in 2008 to 6 hours in 2017)

**Safe travels.** The project installed clearer signs as well as barriers to protect against rock slides (photo by Tsogtbaatar Khishigdorj).



PAKISTAN



# RESPONDING TO DISASTER WITH PARTNERSHIP

When an unprecedented disaster struck Pakistan, ADB joined with other partners to provide lasting solutions.

In 2010, Pakistan experienced the worst flooding in its history. An estimated 100,000 square kilometers (km) and 20 million people were affected—or about a tenth of the country’s entire population. More than 1,800 people lost their lives.

“It was one of the most horrific scenes I have ever experienced,” recalls Mohammad Sajjad, a 30-year-old farmer in Dirsari village, near Naran, a popular summer resort valley in Khyber Pakhtunkhwa Province, which was one of the first places to be struck by the floods. “I still remember the noisy cloudbursts and incessant rain. The river kept swelling until it started to swallow homes near the bank and wash away the roads.”

The cataclysmic flooding had broad impacts across society and the economy. Basic transport and irrigation facilities were badly damaged in 80 of the country’s 110 districts across Balochistan, Khyber Pakhtunkhwa, Punjab, and Sindh provinces. Immediate repairs were needed to 793 km, or 7%, of the nation’s highways.

Breaches in the flood embankments along the Indus River led to the flooding of 1.5 million hectares of agricultural land and damaged 1,925 km of provincial roads in Sindh Province. The cost to repair the damage done to the irrigation and transport sectors was estimated at \$3.3 billion.

**Building resilience.**

Pakistan is applying lessons learned in disaster recovery to build back smarter (photo by M. Ismail Khan).

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**Rapid progress.** Mohammad Aachr used to take 9 hours to drive from Thatta to Jati. Today, the journey takes only an hour (photo by M. Ismail Khan).



**All smiles.** Mohammad Aachr enjoys a smooth drive in his colorful truck (photo by M. Ismail Khan).

## Taking Stock

As soon as the floods receded, the government worked to restore housing, basic services, and livelihoods. To get a longer-range perspective, ADB and the World Bank prepared a damage and needs assessment in coordination with national and provincial government agencies.

“The idea was to build back smarter but the scale of the devastation was so immense that the government was grappling with difficult questions,” says Shaukat Shafi, the staff member at ADB’s Pakistan office who worked on the assessment. He notes that the damage assessed was so immense that there was no way the government could finance the reconstruction needs without help.

ADB responded to the crisis with the Flood Emergency Reconstruction Project, which included a \$4 million technical assistance grant to meet urgent needs and a \$650 million emergency loan to address long-term reconstruction needs.

The project helped fund the reconstruction of damaged roads, flood embankments, canals, and drains with the goal of economic and social recovery and increasing resilience to future flooding.

## Roads and Happy Farmers

The downstream Thatta District is located in the southern part of Sindh Province where the Indus River flows into the Arabian Sea. The largely poor and agricultural district suffered the most as the water traveled down to inundate its towns and farming area. But roads and embankments built under the project have helped bring life back to normalcy in this tormented southern part of the country.

“Before the floods, the road from Thatta to Sujawal and onward to Jati was dilapidated and pockmarked with potholes and the floods made it worse,” remembers 60-year-old Mohammad Aachr, a truck driver who has been plying this stretch for 20 years. “The journey used to take us between 8 and 9 hours



and the potholes used to break the axles of our trucks frequently, costing me personal fortunes. But now the Thatta–Jati route is just a breezy 1-hour drive.”

On the other hand, the strengthening and upgrading of the sprawling Shahbandar–Molchand Bund on the left bank of the Indus River means farmers can now sleep without the fear of water inundating their farmland and homes. The embankment, now compacted and raised 6 feet, secured the nearby areas of Sujawal, Jati, Choochar Jamali, and other areas from subsequent floods, thus protecting thousands of families and their farmlands.

## Building Resilience

The project restored 41.2 billion cubic meters of canal carrying capacity. It rehabilitated, reconstructed, and strengthened 103 flood embankments measuring more than 1,400 km in length. Improvements were

**Reinforcing defenses.** A worker on the embankment along the Indus river (photo by M. Ismail Khan).

also made to the effectiveness and performance of government agencies handling financial management, procurement, and social safeguards. An assessment of the project by ADB found that the reconstructed flood embankments protected social and economic assets in the flood-affected areas of Sindh Province.

In the transport sector, the project supported the repair of 3 bridges and 920 km of provincial roads. As a result, truck traffic on the repaired sections increased by an average of 141%. Five years after the floods, annual average daily traffic on the national highways affected by the disaster had increased by 22%.



**More customers.** Muhammad Saleem's roadside eatery has served more tourists since the rehabilitation of the Naran road (photo by M. Ismail Khan).



## This road is our lifeline.

Muhammad Saleem, owner of a roadside eatery

### Repairing a Lifeline

For Mohammad Sajjad, the farmer in Dirsari village, one of the worst aspects of the flooding was the damage done to the Naran road, which leads to a popular tourist resort valley in the western Himalayas and is used by farmers to get their goods to market.

“For my family, transporting our potatoes and turnips to Mansehra and Islamabad is how we make money to buy fuel and supplies to survive the harsh winter,” says Sajjad.

After the road was repaired as part of the ADB-supported project, access to the market was not only restored but travel time was almost halved by the better-quality road.

At a roadside eatery run by Muhammad Saleem, 33, the improved road provided a chance to serve tourists and travelers the freshly caught trout from a pond he maintains near his restaurant. He says without the tourists, and the road that brings them, he and his family would struggle to survive.

“This road is our lifeline,” he says.

### From Disaster to Resilience

In Pakistan, ADB has built on post-flood and post-earthquake reconstruction lessons to establish, in coordination with partners and the national



**Ease of travel.** Mohammad Sajjad's family now has an easier time transporting turnips and potatoes along the rehabilitated Naran road (photo by M. Ismail Khan).



**Built better.** About 344 km of national highways and 920 km of provincial roads were rehabilitated with ADB support (photo by M. Ismail Khan).



The journey used to take us between 8 and 9 hours and the potholes used to break the axles of our trucks frequently, costing me personal fortunes. But now the Thatta–Jati route is just a breezy 1-hour drive.

Mohammad Aachr, truck driver

government, Pakistan’s first disaster risk management fund. The National Disaster Risk Management Fund is boosting the country’s disaster preparedness and reducing socioeconomic and fiscal vulnerability to natural hazards.

“ADB came up with this idea of establishing the fund. It is providing a platform not only for the Government of Pakistan and provincial governments, but also for other development partners who want to invest,” says Nadeem Ahmed, the fund’s chief executive officer.

“We know we cannot prevent a natural hazard from happening, but we can prevent it from becoming a disaster. We know our progress on disaster risk reduction is limited largely due to financing and capacity constraints, and the fund is designed to address this by providing a robust and sustained approach to reducing disaster risks, supporting the Sustainable Development Goals, and mitigating climate vulnerabilities.”



**Crucial to business.** The Naran road leads to popular tourist spots and markets (photo by M. Ismail Khan).

## RESULTS CHAIN

### FLOOD EMERGENCY RECONSTRUCTION PROJECT

#### ▷ INPUT

- **\$650 million loan** and **\$4 million technical assistance grant** approved on 30 March 2011

#### ▷ OUTPUT

- **344 km** of national highways, and **920 km** of Sindh provincial **roads repaired, rehabilitated, and reconstructed**
- **2.2 million ha** of flood-stricken **agricultural lands improved**
- **103 flood protection embankments**, 1.2 billion cubic meters of canal carrying capacity **rehabilitated, strengthened, and resectioned**

#### ▷ OUTCOME

- **Employment of 4.3 million men and 1.7 million women** in agriculture in Sindh Province returned to pre-flood levels

## PEOPLE'S REPUBLIC OF CHINA



# CLEANER URBAN TRANSPORT FOR CLEARER SKIES

**In the People's Republic of China, cities are using innovative financing to modernize their public transport systems, clean the air, and decongest roads.**

In many cities across the People's Republic of China, fast-growing populations with more disposable income have resulted in greater vehicle ownership. Although cities have tried to keep pace with this growth by investing in more roads, urban areas across the country continue to suffer from traffic congestion. In addition, air pollution in some major cities has reached dangerous levels. Many of the country's 500 larger cities do not meet the air quality standards recommended by the World Health Organization.

In response to this issue, many local governments—with the support of the national government and private companies—are promoting the use of public transport, particularly modern, clean, and efficient bus fleets.

The city of Qingdao in Shandong Province, along the country's east coast, is one of those areas where the local government is working with local companies to clean up the air and cut traffic with the use of modernized bus fleets.

“Clean energy vehicles are extremely important for improving the environment and air quality, and helping citizens travel,” says Mao Defeng, deputy general manager of Jowin Group Corporation, the company that operates clean buses in Qingdao city. “In recent years, we have been focusing on clean public transport and clean new energy vehicles. As a state-owned enterprise, our group is obliged to do our part to contribute.”

This expansion of clean bus transport has not come without its challenges. Many local bus companies are not able to find the financing to modernize their fleet, or they are already in debt. Some rely on government subsidies to prevent them from operating at a loss. Many banks are reluctant to make large loans to such companies.

## Leasing: A Flexible Solution

To overcome the financing challenges, transport companies have turned to leasing arrangements that offer greater flexibility than ordinary bank borrowing and purchasing of new buses. Leasing allows bus operators to obtain larger amounts of longer-term financing at more competitive rates.



**Cleaner air.** The skyline of the city of Qingdao (photo by Lu Jingwen).





**Effective solutions.** Yongjun Yang, general manager of the Public Utilities Business Unit, International Far Eastern Leasing Company Limited (photo by Lu Jingwen).

The International Far Eastern Leasing Company Limited has been active in this type of work. “Our clean bus leasing business is positioned to be professional, one-stop, and tailor-made,” says Yongjun Yang, general manager of their Public Utilities Business Unit. “We aim to provide effective solutions for the public transport enterprises that need funding.”

To support this work, the ADB-financed Loan Program for Clean Bus Leasing is funding the leasing of buses running on cleaner fuels, buses that are energy-efficient or use new energy sources, and conventional buses that meet the most advanced environmental regulatory standards for emissions.

Since it joined the ADB-backed program, the Baoding Public Transport Corporation, a bus operator in Hebei Province, has registered more than 1,300 vehicles and about 70% of them are powered by clean, new energy sources. This includes electric buses that use a charging station that can charge 200 buses per day.

“We charge the vehicles during off-peak hours when the cost of electricity is lower to keep costs down,” explains Cao Chunguang, head of the Technical Equipment Department of the corporation.

**Environment-friendly transport.** Jowin Group’s clean bus fleet at Qingdao East Bus Terminal (photo by Lu Jingwen).





“It is much cleaner to drive electric buses and the cost is three to four times less than operating a diesel bus,” says Gao Junlin, director of the company’s charging station.

**Cleaner buses, cleaner air.** Visitors in Baoding can now see the sights the city has to offer by hopping onto an electric bus (photo by Lu Jingwen).

The program is financing as many as 5,000 leased buses that run on cleaner fuel, including compressed natural gas and liquefied natural gas, as well as electric and hybrid buses. The program, which is ADB’s first private sector loan to support sustainable transport in the People’s Republic of China, is expected to help achieve 1.3 million tons of greenhouse gas emissions savings per year by 2019.

As part of the program, companies have provided \$375 million in lease financing for clean buses to more than 15 public transport operators. At least 30% of public transport operators receiving financing from the program are located in less-developed inland or western provinces.



**Clean bus advocate.** Li Yongzhi, driver of Qingdao Jowin Group, started driving clean buses 3 years ago (photo by Lu Jingwen).

The new buses have been received well by commuters and operators alike. “Electric vehicles are energy-saving and environment-friendly,” says Li Yongzhi, a 53-year-old bus driver in Qingdao city. “They run on automatic transmission, which allows very stable starting and extremely low noise, much lower than the noise made by diesel vehicles.”

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**Low emissions a priority.** Mao Defeng, deputy general manager of the Jowin Group Corporation, sees clean public transport and clean new energy vehicles as a top company priority (photo by Lu Jingwen).



**Bus charging.** A staff member powers up a bus at the electric recharge station of Jowin Group located at the East Bus Terminal (top). An operator at Jowin Group's bus battery swap station (bottom) (photos by Lu Jingwen).



It is much cleaner to drive electric buses and the cost is three to four times less than operating a diesel bus.

Gao Junlin, director of the Baoding Public Transport Corporation charging station

## RESULTS CHAIN

### LOAN PROGRAM FOR CLEAN BUS LEASING – FAR EAST HORIZON

#### ▷ INPUT

- **\$100 million loan** approved on 15 January 2013


#### ▷ OUTPUT

- **1,860 clean buses** financed through Far East Horizon by December 2015
- **37% of public transport operators** who received financing from the program located in **less-developed inland or western provinces**
- **315 new jobs** created for drivers and other bus company roles

#### ▷ OUTCOME

- Over **156 million vehicle-km** of service per annum provided in 2013–2015
- **Greenhouse gas emission savings** of **488,250 tons per annum** achieved in 2013–2015

PEOPLE'S REPUBLIC OF CHINA



**Standing tall.** Munao Columns of the Jingpo ethnic group at Center Plaza in Mangshi city (photo by Lu Jingwen).

# BUILDING ROADS THAT HELP SMALL TOWNS



**A project in Yunnan Province helped bring the People's Republic of China closer to its neighbors and drive local development.**

For decades, Shan Zengquan has been transporting fruit over rugged mountain roads in Yunnan Province in the People's Republic of China (PRC) to supply local vendors and other nearby markets. It used to take his trucks 5 hours of rough, dangerous travel to get from Longling County in Yunnan Province to his distribution center in the city of Ruili, a major crossing point on the border with Myanmar. Now, with a new expressway built with ADB's assistance, it takes less than an hour.

The effect of the new road, and others like it in the area, has been far-reaching.



**Growing business.** Shan Zengquan, general manager of Hongfa Fruit Company Limited from Xuzhou city, Jiangsu Province (photo by Lu Jingwen).



**Beyond roads.** Mei Xueneng, the Director of the Transport Bureau in Dehong prefecture, sees a broader benefit of the new expressway (photo by Lu Jingwen).

“The transport speed decides the speed of economic growth,” notes Mei Xueneng, director of the Transport Bureau of Dehong Dai and Jingpo Autonomous Prefecture in Yunnan Province.

The new expressway, as well as several others in the area, is the result of the ADB-supported \$250 million Yunnan Integrated Road Network Development Project that helped complete the national expressway system in the province and constructed a highway from Kunming, the provincial capital, to the Myanmar border.

### Roads with Many Benefits

Before the project started, existing roads in Yunnan Province were in various states of disrepair. The rugged terrain, coupled with deterioration over time, meant that vehicles could not travel faster than 40 kilometers (km) per hour. In addition, non-toll roads did not have sufficient funding for construction and maintenance. Road conditions were poor because of overloading and substandard road design, and maintenance works were mostly done by village locals voluntarily.

The Yunnan Integrated Road Network Development Project forms part of a broader set of infrastructure projects jointly designed by ADB and the PRC. Together, these projects not only improved road access for people in the province, but also promoted investment in the area and strengthened regional cooperation in coordination with the Greater Mekong Subregion countries.

The project improved the condition of the road network in Yunnan Province and rural roads in Dehong prefecture, while augmenting road maintenance. When the construction work was completed in 2015, about 630 km of road had been rehabilitated.

Huang Ruqiang, a 54-year-old jade merchant from Ningbo city in Zhejiang Province, travels between Ningbo and Ruili five or six times a year. He remembers how it used to be a grueling overnight trip.

**Working together.** Wang Bao and his wife Mei Chunzhi maintain the road in Mangguo village, near the town of Mangshi (photo by Lu Jingwen).



**A united community.** Dai people prepare for a wedding banquet at the Bodhi Temple in Mangshi City (photo by Lu Jingwen).





**Extra income.** The money Wang Bao and Mei Chunzhi earn from maintaining the road goes a long way on their farm (photo by Lu Jingwen).



Now, except for the 3-hour rest time for drivers on the way, it only takes about 9 hours to get to the destination. That saves a lot of time and is much more safe and comfortable.

Huang Ruqiang, jade merchant



**Travel made easier.** Jade merchant Huang Ruqiang completes the journey in half the time it used to take (photo by Lu Jingwen).

“In the past, it took 22 hours to travel from Kunming to Ruili,” he says. “Now, except for the 3-hour rest time for drivers on the way, it only takes about 9 hours to get to the destination. That saves a lot of time and is much more safe and comfortable. Passengers feel less tired than before.”

About 650 km was being maintained upon completion of the project. Sixty-nine maintenance groups with 259 members had been formed of which 90% were women and more than 50% were from ethnic minorities.

In Mangguo, a village in Yunnan Province, Wang Bao, 56, and his wife Mei Chunzhi, 60, both members of the Dai ethnic minority group, have been maintaining rural roads as part of the project for over 2 years. When they are not farming, they are paid to keep rural roads clean and orderly.

“We are responsible for maintaining 7 kilometers of rural roads near the village. We do the work once or twice a week and are paid over CNY10,000 per year. We use the money for our household and farming needs,” says Mei Chunzhi.

The project is also helping to build community-based women’s groups responsible for maintaining the condition of rural roads near their villages. A road maintenance group consists of five or six women who are paid based on the number of days they work. The maintenance teams are formed from Dai, Jingpo, De’ang, and Han ethnic groups and from one of the PRC’s smallest ethnic minorities, the Achang. The project gives women confidence and improves their status in the family.

Qian Anxiang, 36, used to be a part of one of these groups. In 2013, she passed the civil service exam and became a staff member of the transport administration office of her town, Mangshi. To her, keeping the roads of her community in good condition is a lifelong passion.

“I will continue to provide training to other maintenance workers, so as to ensure good



**Moving up.** Qian Anxiang, a former road maintenance worker, now trains maintenance workers for the Transport Administration Office of Mangshi town (photo by Lu Jingwen).



I will continue to provide training to other maintenance workers, so as to ensure good maintenance work of our successors, generation after generation.

Qian Anxiang, Dai ethnic minority employee of the Transport Administration Office in Mangshi Town

maintenance work of our successors, generation after generation,” she says.

Although the road project was broad in scope and designed to have benefits that cascaded nationally and throughout the region, it also focused on helping some of the most vulnerable people in the areas near where the roads were being built. About 1 million people directly benefited from the project, 38% of them belonging to ethnic minorities. Mechanisms were included in the project not only to mitigate the negative impacts on these groups, but also to benefit them directly.

Shi Yansuobao, 24, who is a member of the Dai ethnic minority, runs Zhefang Kantuo Shi Family Restaurant with his family on the roadside of Longrui expressway in Kantuo Village near Mangshi city.

**Road to success.** Shi Yansuobao (second from right), who lives with his family in Kantuo village, Dehong prefecture, runs a restaurant near the Longrui expressway (photo by Lu Jingwen).

“After the opening of Longrui expressway, the traffic increased and the business became much better. It’s mainly because our village is located on the only way



to the expressway and we have rural roads leading directly to the village entrance. Therefore, it is very convenient for passing vehicles to stop off in the village for rest and meals. Our restaurant has 100 customers on average every day.”

## More than Just Travel Time

The project has reduced average travel time by at least 40% on the roads it improved. Travel time by road between the cities of Longling and Ruili was reduced from 4 hours in 2010 to 2 hours in 2016, with average travel speed on improved local roads increasing from 10–20 km per hour in 2010 to 30–40 km per hour in 2016.

The improved travel times are impressive, but Mei Xueneng, the director of the Transport Bureau in Dehong prefecture, sees a broader benefit.

“Since the road was opened to traffic, agricultural products travel easily across the border between the PRC and Myanmar,” he notes. “About 1.5 million tons of agricultural products typically reach the PRC from Myanmar through this road. It also facilitates the sale of other goods to the PRC market from Myanmar. The project brings more opportunities and better conditions to the people of surrounding countries.”

Many factories are being built in Dehong prefecture thanks to the improved road network in Yunnan Province, providing new job opportunities for Myanmar people. According to preliminary statistical data, about 100,000 Myanmar migrants are working in the cities of Mangshi and Ruili. The project has broad regional implications as well. “The Longling–Ruili expressway is an important section of the Asian road network,” says Mei Xueneng. “This project plays a significant role in fostering regional cooperation and local development.”

He notes that the improvement of transport conditions has also brought in new investors, including the Yinxiang Group, which produces about 1 million motorcycles a year, and BAIC Group, which manufactures about 150,000 vehicles a year.

“These projects not only drive local development, but also bring job opportunities to local and Myanmar people and increase their incomes. The road also facilitates the development of surrounding countries, enabling them to benefit from the fast economic growth of the People’s Republic of China,” he states.



**Just in time.** Fruits and produce arrive at the market in good condition due to faster travel times (photo by Lu Jingwen).

## RESULTS CHAIN

### YUNNAN INTEGRATED ROAD NETWORK DEVELOPMENT PROJECT

#### ▷ INPUT

- **\$250 million loan** approved on 2 December 2010

#### ▷ OUTPUT

- **163.3 km expressway and class II roads completed** and opened to traffic by December 2015
- **636.45 km local road network rehabilitated** with safety features
- **4,714 km rural roads maintained** by 69 trained women’s groups in Dehong prefecture

#### ▷ OUTCOME

- **Travel time** from Longling to Ruili **halved** (from 4 hours to 2 hours)

**A place of worship.**  
Bodhi Temple of  
Mangshi city in Yunnan  
Province (photo by  
Lu Jingwen).



**Back on his feet.**

For Lopau Mapuinuumaia (right), the 59-year-old farmer who was nearly swept away, life has improved (photo by Rudy Bartley).



## SAMOA

# REBOUNDED TOGETHER FROM DUAL CRISES



**Samoa was hit by a devastating tsunami at the same time as it was suffering from the effects of the global financial crisis. The country's partnership with ADB was a critical factor in recovering from the twin disasters.**

Lopau Mapuinuamanaia remembers the day his village in southeastern Samoa was torn apart. On 29 September 2009, the 59-year-old farmer was up early planting banana and taro seedlings when he felt the earth shake violently. His instinct was to run but he decided to stay and wait for instructions from village leaders.

Waiting outside his coastal home, he anxiously watched as the waves grew. Then he heard what he describes as the sound of a bomb exploding. A huge wave smashed against the reef about 100 meters off shore and sped toward him. He was nearly swept away, but survived. Many of his family members were less fortunate.

“The black wave swept away everything,” he recalls. “My village was drowned in deep, dirty sea water. The roofs of houses were caught

in coconut trees or floating down the street. There were bodies everywhere.”

The tsunami reached up to 400 meters inland and damaged or destroyed villages, schools, roads, and tourist facilities along Samoa's southwest, southern, and southeastern coastline. More than 140 people were killed and damages were estimated at \$106 million—about a fifth of the country's annual gross domestic product. Many of the hardest-hit villages were poor before the disaster struck.

In the midst of the devastation, Samoa was also suffering the effects of another crisis. After nearly a decade of strong economic growth, the country's economy was severely affected by the 2008 global financial crisis. By 2009, Samoa was recovering from a recession where hundreds of businesses





**Back to school.** Malaea Lauano, principal of Leififi College in Apia, recalls how school attendance rose again, thanks to the school fee grant system (photo by Rudy Bartley).

closed and thousands of jobs were lost. The amount of money sent home by Samoans working outside the country—a lifeline for many of the country’s poorest people—dropped precipitously.

## A Time for Partnership

Samoa and ADB worked together to devise a plan to address both crises through the \$26.8 million Samoa Economic Recovery Support Program. The loan helped the country’s leaders improve the government’s financial management systems and restructure areas that made it vulnerable to internal and external shocks.

The program also supported the country’s economy through the rebuilding of infrastructure damaged by the tsunami, direct assistance to victims, housing provisions, and other basic services delivered to the public.

“The ADB-supported Samoa Economic Recovery Support Program came at a time when Samoa was beginning to recover from the effects of the global financial crisis and at the same time we had the tsunami, so the economy was obviously under great strain,” says Samoa’s Minister of Finance and ADB Governor Sili Epa Tuiot.

As part of the program, the governments of Australia and New Zealand helped hard-hit families pay primary school fees. In the months after the tsunami, children were afraid to come to school because they feared the tsunami would return. This was taking place at the same time that many parents were having trouble coming up with the money needed to pay for school fees.

“After the scheme was introduced in 2010, there was a spike in school attendance,” recalls Malaea Lauano, the principal of Leififi College in Apia. “Suddenly, more kids started coming to school because their parents no longer had to pay fees.” More than 50,000 students have benefited from the Samoa School Fee Grant system since the program was launched in 2010.

The assistance program was created to address the crises at the time, but proved so successful that it was

adopted as a long-term policy by the government and still exists today.

“Before the school fee relief scheme, we did not have any computers for the almost 900 students from years 9 to 11 here at Leififi College,” Malaea says. “After we received the government support, we were able to set up three computer labs, install electric bells, and invest in a public announcement system which has boosted internal communications. For the first time, we could buy textbooks, projectors, school furniture, physical education equipment, musical instruments, and materials for cooking, sewing, and art.”

Katalina Sia, the principal of Maagiagi Primary School in Apia, says, “More resources for teachers and school fee grants were positive things to come out of the tsunami and global financial crisis experiences.” She adds, “I have been able to buy computers, televisions for classrooms, printers, photocopiers, and library books. The scheme has definitely strengthened education standards in the country.”



**Help needed.** Katalina Sia, principal of Maagiagi Primary School in Apia, says that educational support was something positive that came out of the twin crises of 2008 and 2009 (photo by Rudy Bartley).

## Innovative Solutions

ADB, working with Samoa’s other development partners, has helped the country bounce back in the last decade, according to Samoa’s Minister of Finance and ADB Governor Sili Epa Tuiot.

“ADB’s timely intervention, together with the assistance of other development partners, helped us get back to normality as soon as possible,” he says. “Because of the support we received from partners, we are in a much better position now. The economy has performed relatively well. We have rehabilitated most of the infrastructure that was destroyed by the tsunami.”

To address the crises facing the country, Samoa and ADB decided to use a policy-based lending program. This type of financing instrument combines financial assistance in coordination with structural reforms to the economy. It allows countries to address an immediate crisis while at the same time making changes that will avoid similar problems in the future.



I have been able to buy computers, televisions for classrooms, printers, photocopiers, and library books. The scheme has definitely strengthened education standards in the country.

Katalina Sia, principal of Maagiagi Primary School in Apia



**Achieving results together.** The people of Samoa cherish the country's productive partnership with ADB, according to Samoa's Minister of Finance and ADB Governor Sili Epa Tuiot (photo by Rudy Bartley).



The program clearly demonstrated collaboration and coordination. I believe our relationship with ADB is very strong.

Sili Epa Tuiot, Minister of Finance  
and ADB Governor

“Policy-based loans help us make better use of the available resources,” he says. “They help us look at the big, longer-term picture, to ensure we build back better and help us improve our budget processes. They enable us to look at the macroeconomic framework and make sure that everyone is working toward that to deliver on the policy objectives. I believe it is something we should continue with.”

“ADB has been a key development partner of Samoa and has contributed much to where we are today as a nation, as a people, and to the economy,” says Minister Sili Epa Tuiot. “The program clearly demonstrated collaboration and coordination. I believe our relationship with ADB is very strong. We meet quite often. We have good access to the bank’s Management and we can have full and frank discussions with them about what the bank can do for us and what we need from them. These robust discussions are ongoing. It’s a relationship we cherish. It’s a very productive partnership that we hope will continue for many years to come.”

For Lopau Mapuinuamanaia, the 59-year-old farmer who was nearly swept away, life has improved. The program financed the improvement of the roads in his area, which helps him bring his crops to market. He was provided with assistance to build a stronger house located further from the coast. “We feel safe living away from the sea,” he says.

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**Learning lessons.** Students connect to a world of information at the Maagiagi Primary School (photo by Sally Shute-Trembath).

## RESULTS CHAIN

### ECONOMIC RECOVERY SUPPORT PROGRAM (SUBPROGRAM 1)

#### ▷ INPUT

- **\$16 million loan** approved on 14 April 2010

#### ▷ OUTPUT

- **54,150** primary, secondary, and special **students benefited** from the Samoa School Fee Grant Scheme
- Immediate **housing** and other living needs of tsunami-affected communities provided

#### ▷ OUTCOME

- **Real GDP growth achieved** despite the shocks: 2.0% in FY2011, 1.5% in FY2012, and 1.3% in FY2013
- **Government effectiveness score improved** from a percentile rank of 63.9 in 2006 to **55.0 in 2011**

**Rising fortunes.** Zamira Abdukarimova expanded her bakery through a small loan from HamkorBank (photo by Relisa Granovskaya).



## UZBEKISTAN

# HELPING WOMEN ONE SMALL LOAN AT A TIME



**In Uzbekistan, a project that lends money to small businesses, with a focus on helping women entrepreneurs, is having a broad societal impact.**

In the remote autonomous region of Karakalpakstan, in northwestern Uzbekistan, there is a vibrant entrepreneurial spirit.

Zamira Abdukarimova exemplifies that spirit. The 53-year-old mother of four adult children has dedicated over 25 years of her life to building her bakery business. She struggled with just a single oven—until 2014, when she received a loan to buy new baking equipment.

“Now I can make more than 100 flatbreads at a time,” she says. Her increased production has allowed her to employ 15 people, including 10 women, most of whom did not have permanent, full-time jobs before working for her. “We trained them and now they work here full time.”

Her growing business has paid for her children’s higher education and a son’s wedding. She also bought a new house and



**Improving productivity.** The loan that Zamira Abdukarimova received for her bakery was part of the ADB-supported Small Business and Entrepreneurship Development Project (photo by Relisa Granovskaya).



**Sweet returns.** After receiving a loan from HamkorBank in 2014, Bakhrom Yuldashev (above) was able to buy new equipment and turn an old building into a thriving ice cream factory. The factory (below) now produces 15 types of ice cream (photos by Relisa Granovskaya).

a car and opened another shop to sell baked goods. She is considering building a new two-story bakery and stocking it with new equipment to ramp up production further.

The loan that she received to jumpstart her business was part of the Small Business and Entrepreneurship Development Project, which was supported by ADB with a \$50 million loan and a \$500,000 technical assistance grant. The project has provided a line of credit to two commercial banks—Ipak Yuli Bank and HamkorBank—which on-lent the money to small businesses, with a particular focus on helping women entrepreneurs.

The project also supported training to develop the banks' microfinance operations and provide entrepreneurial skills to borrowers. Its ultimate goal was to enable women-owned and rural small businesses to play a greater income-generating role in



Uzbekistan's economy by providing them with better access to credit.



## Creating Jobs for Women

Loans from the project provided skills and employment to women in places where work opportunities were scarce. One such place is Karakalpakstan, where Bakhrom Yuldashev has worked for years struggling to get by selling ice cream he made himself. In 2013, he saw that a derelict former dairy factory was up for auction.

“The building did not even have doors and was an eyesore in our town,” he recalls.

After receiving a loan from HamkorBank in 2014, he was able to buy new equipment and refurbish the old building. As a result, Nukus Dilisha, his ice cream business increased its sales and has become a local favorite.

“We now produce 15 types of ice cream,” he says. “It is a great feeling to have our own Karakalpak brand sold across the republic.”

Bakhrom trained and hired 14 people—most of them women—to work at his ice cream factory. One of them is 20-year-old Ainura Satbayeva. She lives with her parents and is happy to be paid to learn and practice a new skill.

“It is great to have my own money, as I can help my parents with everyday expenses, and can pay for prepping myself for university,” she says. “I want to study at a local university and become a biologist.”

## All in the Family

Family businesses are popular in Uzbekistan, and women play an active role in establishing and running them. Gulnora Khamidova, a 37-year-old mother of four, has for years helped her father run a porcelain shop in the city of Andijan. In 2014, her father retired and she took it over.

It is great to have my own money, as I can help my parents with everyday expenses, and can pay for prepping myself for university.

Ainura Satbayeva, part-time student who works at Nukus Dilisha



**Big dreams.** Ainura Satbayeva works at Nukus Dilisha to help her parents and support her education (photo by Relisa Granovskaya).





**At the helm.** Gulnura Khamidova, manager of a family porcelain trading business, expanded their store with the help of a business loan (photo by Relisa Granovskaya).

“I was a teacher at a local technical school and had recently had my third child, so combining that with a full-time job was a challenge,” she says.

With an ADB-supported loan from the Ipak Yuli Bank branch in Andijan Region, she expanded the store’s inventory and has since visited the People’s Republic of China to scout for new types of products to stock. She also invited two sisters and a niece to join her in the business. The increased business has allowed her to build a new house, buy a car, and save money for her children’s education.

“Just look how beautiful our shop has become!” she exclaims proudly.

### From Worker to Manager

At the Andijan branch of Ipak Yuli Bank, the region’s entrepreneurial tradition is evident. More than 30% of microfinance loans extended by Ipak Yuli Bank with ADB support in the region went to women entrepreneurs and more than 60% helped rural businesses.

“Even though we only opened our branch in 2014, we are expanding our activities rapidly, in particular targeting businesses that are run by women, hire women, or operate in remote areas,” says branch manager Ulugbek Ishnazarov.

In Khodjiobod District, some 40 kilometers from Andijan city, much of the entrepreneurial activity is centered around textile production. One of those small textile factories is managed by Abduvakhob Mamatkhodirov, who received a loan to increase his working capital and expand production.

“After receiving support from Ipak Yuli Bank, we have almost doubled our production to 35,000 garments per month and are now exporting them to other countries—Kazakhstan, the Russian Federation, and the Kyrgyz Republic,” he says, adding that they have hired 10 new employees, all women. “We even have women coming from other districts to work for us. Unlike the seasonal agricultural work they were doing before, this provides a stable, year-round income for them.”

Umida Sultanova, a 35-year-old mother of two, helps manage the workforce at the small factory.

“I started working here 10 years ago, when there were just five of us and we worked from one small room in a house,” she recalls. “Now, I manage 35 people here and am responsible for the final product,” she says.

“Even if someone offers me a better salary I will decline, as I love to work here so much,” she says. “The women who come here lack job experience and possess little or no knowledge of this line of work, so I train them and make sure they are happy here, too. I know this work very well now and want to open my own production line one day that will be affiliated with this business.”

On the outskirts of Tashkent, the capital city, is another small business supported by the project. Utkir Sodikov used a loan to expand his factory’s dishware production and increase his workforce from 12 people in 2013 to 30 people in 2016, 24 of them women, mostly from the surrounding villages.



**On the rise.** Starting with little knowledge about textiles, Umida Sultanova, production manager, rose through the ranks and now mentors other employees (photo by Relisa Granovskaya).



**In charge.** Dildora Nabieva's promotion to manager enables her to support her son's passion for football and send her children all the way to college (photo by Relisa Granovskaya).

"We take young women without previous work experience and train them," he says. "We have our own system whereby they start from the basic tasks and move up to more advanced work."

Dildora Nabieva, a 40-year-old mother of three who lives in a nearby village, started at the factory 3 years ago. A full-time mother back then, she had never worked before. However, she quickly built her expertise and soon progressed to the highest skill level.

"I just realized that this is a type of work that I can do well," she says. She now manages the work of 30 people and is responsible for the work quality across all skill levels. "I understand my employees well, and they understand me—that's why we enjoy working together."

Her salary has doubled, which means she can afford to pay for her children's college tuition, including supporting her young son's passion for football. "That's all I ever wanted," she says.



**Help within reach.** Malakat Tuychieva, a 43-year-old patient feels a lot better knowing that medical help and vital diagnostic services are closer to where she lives (photo by Relisa Granovskaya).

## Societal Benefits

The project has also had other positive effects on women, particularly in the area of providing better social services. In the small village of Munduz, in Khodjjobod District of Andijan Region, the project helped finance the opening of the first private medical service center and stocking it with critical diagnostic equipment.

"Before our center opened, people from the village and its surroundings had to travel 6 or 7 kilometers to receive good-quality medical diagnostics and help," says Adkham Kenzhaev, chief executive officer. The clinic employs 8 people, including 6 women, and provides inpatient facilities to 120 patients per month, three-quarters of them women.

"All the conveniences are here, and the staff and service are of high quality," says Malakat Tuychieva, a 43-year-old patient. "Whatever I need here—all the tests and inpatient services—are timely and affordable. Before, I had to travel to Andijan city to go

to the hospital and it was expensive. I can take better care of myself here.”

Zebokhon Muminova, 34 years old, provides another example of how social services have improved. When she was expecting her third child, she opened a private nursery in the suburbs of Tashkent, thinking moms like her would need it.

“Even though I am not an educator by profession, I always wanted to open my own business, but also I did not want to sacrifice my time with my children,” she says, “So I saw a great opportunity in opening my own school.”

She started small, but soon realized that there was a huge demand from other parents around the neighborhood. When she decided to expand, a project-supported loan helped her open a large facility that could accommodate up to 60 children and employed 18 women.

“We provide support for other moms who now can leave their kids in a comfortable and safe environment,” says her deputy Laziza Yusupova. “This gives them the opportunity and time to either continue their higher education or get back to the labor market.”



We provide support for other moms who now can leave their kids in a comfortable and safe environment.

Laziza Yusupova, deputy of a private nursery in Tashkent



**A daycare service.** Laziza Yusupova helps create a safe and fun learning environment for young children in Tashkent (photo by Relisa Granovskaya).

## RESULTS CHAIN

### SMALL BUSINESS AND ENTREPRENEURSHIP DEVELOPMENT PROJECT

#### ▷ INPUT

- **\$50 million loan** and **\$500,000 technical assistance grant** approved on 1 October 2013

#### ▷ OUTPUT

- **5,952 new microfinance and small business loans** issued by participating commercial banks (76% to rural clients, 33% to women)
- **8,028 clients trained** in business finance

#### ▷ OUTCOME

- **Growth in bank assets** mainly driven by loan book in 2014–2016 (**52%** for HamkorBank, **34%** for Ipak Yuli Bank)
- More than **200% portfolio growth** for HamkorBank, from 2014 to 2016; **46%** for Ipak Yuli Bank from 2013 to 2016

**Feeding the mind and the body.** Lunch hour for students at the Rang Dong Lower Secondary School in Tuan Giao District, Dien Bien Province (photo by Tran Viet Tuan).



It's very hard for teachers to persuade children to go to school because many families cannot even afford food.

Nguyen Van Doanh, principal of Rang Dong Lower Secondary School

## VIET NAM

# A DREAM FULFILLED IN THE REMOTE MOUNTAINS



**A partnership between Viet Nam and ADB is helping the country's poorest children get into school and stay until graduation.**

Ethnic minorities, who make up about 14% of the population of Viet Nam, are some of the most vulnerable people in the country. They often live in remote mountainous areas or on lowland river deltas with very limited access to government services and education. They are among the poorest people in the country.

Education and training, which can lift many of them out of poverty over the long term, are a constant struggle. For many of these students, school is out of reach due to poor roads, long distances from populated areas, and language and cultural barriers. Ethnic minority children, particularly girls, are often

**A place to stay.**

Dormitories like this one in Rang Dong Secondary School in Tuan Giao District, Dien Bien Province increase the attendance rate (photo by Tran Viet Tuan).

forced to drop out of school or never get the chance to attend at all.

“It’s very hard for teachers to persuade children to go to school when many families cannot even afford food,” says Nguyen Van Doanh, principal of Rang Dong Secondary School, which is located in Rang Dong Commune, Tuan Giao District, Dien Bien Province.

Lo Van Phien, a 42-year-old farmer in the northwestern province of Dien Bien, experienced this firsthand. Earning a small income from farming and raising livestock, he struggled to keep his son Lo Van Kim in school when the family could not even afford regular meals. His boy had to walk for about 45 minutes to travel a daily distance of 2 kilometers over mountains on an empty stomach to get to school. His son dreamed of becoming a veterinarian one day in his community, but by the sixth grade the family could no longer afford to keep him in school.

**Work before play.** Tao Thi Xai (second from right) finishes her homework with help from friends (photo by Tran Viet Tuan).



**Studying hard.**

A student at the Ran Dong Lower Secondary School in Tuan Giao District, Dien Bien Province (photo by Tran Viet Tuan).



To address the challenges faced by students like Lo Van Kim, Viet Nam and ADB partnered on the \$65 million Lower Secondary Education for the Most Disadvantaged Regions Project, which began in May 2008. It was designed to help the country's poorest kids get into school and stay there until graduation. Specifically, the project was designed to improve access, quality, relevance, planning, and management of lower secondary education in 17 provinces that are considered poorest in Viet Nam.

The project financed the construction of 820 new lower secondary school classrooms, 61 libraries, 959 boarding rooms and dormitories, and 467 teacher housing units. In addition, more than 6,000 teacher training college students were provided with training on the new curriculum. A total of 33,190 lower secondary school teachers in 17 provinces also completed the training. The project gave scholarships to 225 students.

“The scholarships helped nourish the dream for many poor children,” says Nguyen Van Doanh.



**Turning things around.** Nguyen Van Doanh, principal of Rang Dong Lower Secondary School, says that it used to be difficult to get students to attend classes when their families do not even have enough money for food (photo by Tran Viet Tuan).





**Learning new things everyday.**  
Lo Van Kim looks for information  
on cattle diseases online (photo by  
Tran Viet Tuan).

In Dien Bien Province, 77 students received scholarships and 67 of them were able to finish high school. “The construction of new facilities, especially boarding rooms, increased the attendance rate,” says Nguyen Van Kien, deputy director of the Dien Bien Province Department of Education and Training. In Dien Bien Province alone, the project also built 94 classrooms, 13 laboratories, 7 libraries, 214 boarding houses, 77 teachers’ offices, 20 kitchens, and 30 toilets.

The project is credited with raising awareness in the local community of the importance of education. The support appears to be sustainable, with the provincial government issuing a decree that provides ongoing financial assistance to ethnic minority students. During school year 2017/18, 47 provinces provided 70,000 tons of rice for more than 500,000 eligible students.

Lo Van Kim, who struggled to stay in school and reach his dream of being a veterinarian, was awarded a scholarship in 2009 as part of the project. He wanted to help animals because at one point, he saw his family’s livestock die off due to a preventable disease and there was no veterinarian in the community to save them.

With the scholarship, Lo Van Kim was able to buy a bike for his daily ride to school and pay for his meals and school supplies. After finishing secondary school, Lo Van Kim was admitted to the Son La College of Agriculture and Forestry, about 200 kilometers from his home, to study veterinary medicine. After 2 years studying, with support from the money his father had saved from the project scholarship program and government assistance, he returned to his hometown and became the only veterinarian in his community.

Today, Lo Van Kim visits nearby areas to teach villagers about how to keep their livestock healthy. He opened the only veterinary store serving three nearby communes. Villagers who live far away also bring their cattle to Kim, seeking his advice on dealing with common diseases and how to protect cattle during the rainy and cold season. Lo Van Kim is the pride of his family, and he is helping others in his community improve their lives.



**Encouraging signs.** Nguyen Van Kien, deputy director of the Dien Bien Provincial Department of Education and Training, says that the newly built classrooms and boarding facilities increased the province's net enrollment rate (photo by Tran Viet Tuan).

## RESULTS CHAIN

### LOWER SECONDARY EDUCATION FOR THE MOST DISADVANTAGED REGIONS PROJECT

#### ▷ INPUT

- **\$50 million** loan approved on 10 December 2007

#### ▷ OUTPUT

- **868 classrooms**, 259 separate male and female toilets, 61 libraries, 78 laboratories, **467 teacher housing units** built
- **219,272 teachers** received in-service teacher training; **6,151 teacher trainees** received pre-service teacher training
- Scholarships awarded to **400 female and 225 ethnic minority students** (SY 2009–2013)

#### ▷ OUTCOME

- Net enrollment rate in lower secondary in 103 disadvantaged districts in 2014 increased to **81.6%**, from 76.4% in 2006
- **7.9% increase** in **ethnic minority student enrollment**
- **Female dropout rate decreased by 50%**, **female ethnic minority dropout rate decreased by 44%**

# CONTRIBUTORS

**Bangladesh: Throwing a Lifeline  
to Small Businesses**

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**Next generation.** Children at a Tashkent pre-school share smiles as they wave to the camera (photo by Relisa Granovskaya).

## **Together We Deliver**

*Results Achieved, Lives Improved*

This publication reflects on the enduring partnership of the Asian Development Bank (ADB) with its developing member countries. These 10 stories illustrate how ADB, working with government and development partners, helps citizens respond to the varied needs of each country such as climate change mitigation, access to economic opportunities and social services, and disaster recovery. ADB's approach to development continues to evolve with the needs of its regional members. Through innovation and strong partnerships, ADB remains committed to helping its members achieve the Sustainable Development Goals.

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