



FIJI
2019

52nd ADB ANNUAL MEETING
1-5 MAY



SUMMARY OF PROCEEDINGS



PROSPERITY THROUGH UNITY



INTRODUCTORY NOTE

The Fifty-Second Annual Meeting of the Board of Governors of the Asian Development Bank was held in Fiji from 1 to 5 May 2019. This Summary of Proceedings of the Meeting is presented in accordance with the provisions of Section 9 of the Rules of Procedure of the Board of Governors.

His Excellency Josaia Voreqe Bainimarama, the Prime Minister of the Republic of Fiji, addressed the opening session on 3 May 2019, preceded by the President of the Asian Development Bank, Mr. Takehiko Nakao.

The Governor for Fiji, the Honorable Aiyaz Sayed-Khaiyum, chaired the Meeting. The Alternate Governor for Cambodia, Mr. Vongsey Vissoth, and the Temporary Alternate Governor for Norway, Ms. Harriet V. Solheim, served as Vice-Chairs.

The views expressed by ADB members at the Annual Meeting of the Board of Governors are those of the speakers and do not necessarily reflect the views and policies of ADB.

Eugene Zhukov
The Secretary
Asian Development Bank
June 2019

SCHEDULE OF THE BUSINESS SESSION





FIJI
2019
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Document No. BG52-2
1 March 2019

SCHEDULE OF THE BUSINESS SESSION
Saturday, 4 May 2019

- 2:00 p.m. - The Chair calls the meeting to order
- Report of the Procedures Committee
 - Approval of the Provisional Schedule of the Business Session
 - Approval of the Provisions Relating to the Conduct of the Meeting
 - Approval of the Agenda for the Meeting:
 1. Notation of the Annual Report for 2018
 2. Notation of the Budget for 2019
 3. Notation of the Status of the Financial Resources of the Asian Development Bank
 4. Adoption of the Financial Statements, Management's Report on Internal Control over Financial Reporting, and Independent Auditor's Reports
 5. Adoption of the Allocation of Net Income
 6. Approval of the Composition of the Procedures Committee for 2019/2020
 7. Approval of the Chair and Vice-Chairs of the Board of Governors for 2019/2020
 - Management's Report to the Board of Governors
 - Remarks by Governors (3 minutes each)
 - Remarks by the Chair-Elect (2019/2020 Chair of the Board of Governors)
 - Closing Remarks by the Chair of the Board of Governors
- 5:30 p.m. - Closing

OPENING SESSION





FIJI
2019
52nd ADB ANNUAL MEETING
1-5 MAY



PRESIDENT'S OPENING ADDRESS
Moving Together as One Wave for the Future of Asia and the Pacific
52nd ADB Annual Meeting, Nadi, Fiji
3 May 2019

I. Introduction

ADB Governors, distinguished guests, ladies and gentlemen:

It is my privilege to join His Excellency Josaia Voreqe Bainimarama, the Prime Minister of the Republic of Fiji, and the Honorable Minister Aiyaz Sayed-Khaiyum, Chair of the Board of Governors, in welcoming all of you to the 52nd Annual Meeting of the Asian Development Bank.

I would like to thank the Government of Fiji for its warm hospitality and excellent arrangements. ADB has been supporting Fiji's development since Fiji joined ADB in 1970. We have worked closely with Fiji through investments in transport, water supply and sanitation, disaster recovery, and public sector management. Today, Fiji is growing steadily with a strong service sector and robust inward foreign direct investment.

This is the first time ADB is holding its annual meeting in a Pacific developing member country. I am pleased that through this meeting we can showcase the development gains taking place across the Pacific. In the Pacific region, there are a lot of opportunities such as internet and digital technologies which overcome remoteness. The region also faces challenges such as extreme weather events caused by climate change.

Pacific island countries have always been an important focus for ADB. Since Samoa joined ADB as a founding member in 1966, the number of Pacific island member countries has increased to 15. The newest, and 68th, member is Niue.

Welcome to ADB.

ADB's operations in the Pacific have increased significantly in recent years. Our ongoing projects in the region amount to \$3 billion, six times as much as in 2005. To support this expanding portfolio, ADB is increasing our physical presence in the Pacific. We are establishing country offices in 11 Pacific developing member countries, in addition to our existing offices in Fiji, Papua New Guinea, and Timor-Leste.

II. Regional Economic Outlook

I would now like to turn to the economic outlook for Asia and the Pacific.

Economic growth in the region remains solid, while there is much discussion about a slowdown and uncertainties in the global economy. Domestic consumption and investment have provided a strong growth foundation. In some countries, growth is even accelerating. Countries need to continue to pursue prudent macroeconomic policies, implement structural reforms, and invest in human capital and infrastructure.

ADB forecasts that the region will expand by 5.7% this year. Excluding the four newly industrialized economies (Hong Kong, China; Republic of Korea; Singapore; and Taipei, China), Asia and the Pacific is expected to grow 6.2% this year. If we can grow 6% annually, the economy will double in 12 years.

The People's Republic of China is projected to grow at 6.3% for the year. India's growth will remain solid at 7.2%. Southeast Asia will sustain growth at close to 5% this year and next. In Central Asia, growth will be 4.2% this year. And, while the Pacific was negatively impacted by an earthquake in Papua New Guinea last year, growth is projected to rebound to 3.5% this year.

Trade tensions remain a concern. If tensions escalate, they could seriously undermine consumer and investor confidence and weaken growth in the region. Maintaining open trade and investment regimes is key to vibrant and sustainable growth. In this respect, the ongoing efforts by Asian governments to promote new multilateral trade agreements within the region and beyond are encouraging.

III. The Year in Review: Achievements and Innovation

Let me now report on our achievements in the past year.

ADB's new lending and grant operations in 2018 grew to a record \$21.6 billion, an increase of nearly 10% from \$19.7 billion in the previous year. Compared to \$13.9 billion in 2013 when I became ADB President, this is an increase of 55%. Such an expansion became possible thanks to the much larger equity from the successful merger of the ordinary capital resources balance sheet and Asian Development Fund (ADF) concessional lending operations in 2017.

Going forward, I am of the view that ADB should intensify its focus on quality and innovation in our operations, while maintaining moderate volume growth.

ADB is strengthening its knowledge work. In 2018, we published a number of knowledge products and hosted important knowledge-exchange forums on clean energy, sustainable transport, water, climate actions, and digital transformation. We are also continuing efforts to incorporate innovative ideas and advanced technologies into our projects and programs.

IV. Direction of ADB Operations

Ladies and gentlemen:

Last July, ADB adopted Strategy 2030. We are now taking steps to implement the strategy. We are preparing seven operational plans as well as action plans for private sector operations and knowledge management. We are also developing a new corporate results framework to measure progress in implementation.

Today, I would like to highlight six areas which will be key to the success of Strategy 2030.

First, ADB's priority will continue to be addressing remaining poverty and reducing inequalities. We will strengthen our support to the poorest and most vulnerable countries in the region including those in fragile and conflict-affected situations and many small island developing states.

We are increasing our operations in health and education. We are supporting this year's G20 initiative of universal health coverage. In the Pacific region, ADB's support for financial inclusion is helping to provide microfinance services to people in remote areas.

Second is accelerating progress in gender equality. By 2030, we have committed to ensure that at least 75% of our operations by number will actively promote gender equality. We will develop a stronger pipeline of projects integrating gender equality designs into a wide range of operations, including transport, energy, and urban infrastructure.

ADB is also supporting a transformative gender agenda such as promoting women's land title ownership, which is a basis for women's economic empowerment. In the Pacific, we are supporting the training and recruitment of women for quality jobs.

Third is climate change. For ADB, 2018 was another strong year for climate investments, reaching almost \$3.6 billion in approvals for climate change adaptation and mitigation. By 2030, at least 75% of ADB's operations will support mitigation and adaptation efforts.

For countries that are most vulnerable to climate change, including in the Pacific, we will provide a wide range of assistance. For example, ADB will make Nauru's main harbor more resilient to rising sea levels. We have scaled up our disaster contingent financing in the Pacific. This allows countries to access financial resources immediately in the wake of a disaster, based on predetermined criteria.

Fourth, ADB will continue to foster regional cooperation and integration. Building on ADB-led subregional cooperation platforms in the Greater Mekong Subregion, Central Asia, South Asia, Southeast Asia, and the Pacific, we will further enhance regional connectivity through transport, energy, and trade facilitation; (2) promote regional public goods such as tackling communicable diseases; (3) help strengthen cooperation in financial sector and macroprudential policies; and (4) encourage knowledge sharing including in such areas as education and agriculture.

Fifth, on private sector operations. New lending, equity investments, and guarantees to private companies were \$3.1 billion in 2018, a 37% increase from the previous year. ADB will continue to expand our private sector operations. It will reach one-third of total operations in number by 2024. We will also target a substantial increase in commercial cofinancing.

ADB's private sector operations will widen geographic coverage by entering into new markets. We will also broaden our business reach to support social sectors, namely, education and health, as well as agribusiness companies. For example, in countries such as Papua New Guinea and Timor-Leste, ADB is providing loans to agribusiness companies to improve the agricultural value chain.

We will make greater use of risk management products to help projects become bankable. ADB recently approved a \$100 million Pacific renewable energy program, which includes credit enhancement for private sector investments in renewable energy in the Pacific.

We are bringing our private sector operations closer to clients by outposting more staff to resident missions. We will open an office in Singapore by the end of this year to facilitate engagement with private sponsors and financiers.

Sixth, ADB will continue to use concessional resources effectively to support poverty reduction, gender equality, climate actions, and disaster prevention and responses. We will develop a detailed proposal for the next ADF replenishment—ADF 13—for grant support covering the period 2021–2024. We will also continue to seek strong donor support for our trust funds. In addition, we are mobilizing concessional resources from bilateral and multilateral partners including the Green Climate Fund and Global Environment Facility.

V. Ocean Health and Sustainable Tourism

I would now like to turn to two topics of this annual meeting—ocean health and sustainable tourism, which are interlinked.

Healthy oceans are essential to our planet and for the millions of people in Asia and the Pacific, especially those who depend on oceans for their food and livelihoods. But our oceans are in danger. Increasing water temperatures, untreated wastewater and plastic pollution, and unsustainable fishing practices are all damaging the oceans. If we do not act now, by 2050, 90% of the region's coral reefs will be dead, and there will be no commercially exploitable wild fish stocks left.

Oceans are a public good and their protection requires collective action. ADB is already playing a catalytic role in this area through support for large regional programs such as the Coral Triangle Initiative. Across the region, ADB helps to reduce ocean pollution through investments in wastewater treatment and solid waste management systems.

At this annual meeting, we have launched an Action Plan for Healthy Oceans and Sustainable Blue Economies. We will increase ADB investment and technical assistance to \$5 billion in this area by 2024. Through this plan, we will help countries reduce, reuse, and recycle plastic waste, and address other forms of marine pollution. We will support sustainable fisheries and measures to protect and restore key marine and river ecosystems.

Now I would like to talk about sustainable tourism. In the past, tourism was a luxury, accessible to a limited number of privileged people. Today, so many people globally and in this region are enjoying tourism. The number of tourists has dramatically increased, thanks to a growing middle class, more leisure time, budget airlines, the influence of social media, better quality tourist infrastructure, and policies to promote the tourism industry.

In 2018, about 350 million international tourists arrived in Asia and the Pacific countries. This number has more than doubled since 2005. There is an increasing number of Asian tourists. For instance, foreign visitors to Japan increased from 10 million just five years ago to 31 million last year, and 27 million of them came from Asia.

Income from tourism is an important source of gross domestic product (GDP) for many countries. In Fiji, tourism was about 14% of GDP in 2017. If we include indirect contributions such as hotel construction, the share was about 40% of GDP.

Tourism is important for job creation due to the labor-intensive nature of its services. As robotics and artificial intelligence become more common, there will be a natural desire for more human interactions and seeing real things.

We can make tourism more human and inclusive by investing in the right skill sets of people. We must also pursue sustainable tourism by protecting nature, the environment, cultural heritage, and local communities. Otherwise, cities, beaches, and forests lose their attraction. Appropriate policies and regulations are essential.

ADB is supporting sustainable tourism through infrastructure investments, policy reforms, and institutional development. ADB will promote regional cooperation for tourism and help Asian countries take advantage of their beautiful landscapes, rich cultures and histories, and warm hospitality.

VI. Closing

Ladies and gentlemen:

There has been much discussion lately about the value of multilateralism. I am a firm believer in the multilateral system, which includes multilateral development banks such as ADB. National interests and multilateralism go hand in hand because we need international cooperation and collective action for the interests of people in nation states and the world.

Because multilateral development banks leverage taxpayers' money by tapping capital markets, they can efficiently and effectively support poverty reduction, invest in infrastructure, address climate change, and provide other global and regional public goods. But we must continue to reform and reinvent ourselves to achieve our missions and ensure the support of member countries and their taxpayers.

Today, we are together here in Fiji, surrounded by the beautiful blue ocean. There is a phrase in the Fijian language—*dua ga na ua*—which means “as one wave,” and it describes the way people move together. This meeting is our opportunity to work together as one wave for the future of Asia and the Pacific.

Thank you very much.



OPENING ADDRESS BY PRIME MINISTER OF THE REPUBLIC OF FIJI
His Excellency Josaia Voreqe Bainimarama
52nd ADB Annual Meeting, Nadi, Fiji
3 May 2019

The President of the Asian Development Bank;
The Chair of the Board of Governors, Hon. Aiyaz Sayed-Khaiyum;
ADB Governors,
Distinguished Delegates.

Bula Vinaka and a very good morning to you all.

Welcome to Fiji and welcome to the 2019 Annual Meeting of the Asian Development Bank.

This morning, we're making history for Fiji two times over. Not only is Fiji the first-ever Pacific island nation to ever host the ADB's Annual Meeting, but each of you—the over 2,000 delegates in attendance at this meeting—together represent the single largest international gathering to ever take place on Fijian shores. And, on behalf of the Fijian Government and the Fijian people, we are honoured and delighted to be your hosts.

Fiji has led the global campaigns for climate action, ocean preservation, and we're currently serving as the Chair of the World Bank Small States' Forum and Chair of the Governors of the International Monetary Fund and World Bank Group. But for all the prestige of our global leadership; we've never before played the role of host for a meeting of this scale. Historically, when it came to the big international conferences, we Pacific island countries have always been guests in another's home, because we were seen to lack the capacity to host such gatherings ourselves.

But the ADB's show of confidence in our country by bringing this Annual Meeting to Fiji marks the end of an era of missed opportunities for the Pacific. And we do very much see this meeting as a Pacific-wide achievement. Because today, it isn't upon us – the nations of the Pacific – to go out to the world. Instead, the world has come to us.

Only within the last decade has Fiji made a concerted effort to lay the foundation to host large-scale meetings of this global magnitude and importance. Most of you arrived in our country at the Nadi International Airport. Ten years ago, that new airport was considerably smaller, it was less efficient, and you all would have been waiting a lot longer for your baggage off the plane. Our re-development of that that airport has not only received international acclaim, but the airport itself has been recognised as a leading green airport in the Asia-Pacific region.

Ten years ago, the roads from Nadi here to Denarau were narrow and aging. Instead, you drove here on a newly paved and beautiful four-lane road, and owed to our commitment to building climate resilience, the electrical cabling along that road is installed securely underground.

I understand that I'm being live streamed this morning across social media. Ten years ago, telecommunications in Fiji were so underdeveloped, something like that would never have been possible. But as I speak to you now, my remarks can be viewed on television, or on a mobile phone, in even the most remote pockets of our country.

Through the growth of our national carrier, Fiji Airways, Fiji has established direct air connections to San Francisco, Los Angeles, Hong Kong, Singapore and Tokyo. And, coincidentally, all of those flights take around ten hours. We currently fly to all of the Pacific Rim, with the exception of South America, which we see as the next frontier for Fiji Airways. I assume that flight will also take around ten hours as well. So, ladies and gentlemen, it seems Fiji will soon go from being the hub of the South Pacific, to being the hub of the entire Pacific Rim.

The steady growth of our tourism industry has led to the development of the facilities that are now proudly adorned with the ADB Banner. But Fiji's ambition doesn't end with this meeting. This very island—the island of Denarau—is set to undergo a tremendous revival. Starting with a refurbishment here at the Sheraton in October, then down the road at the Sofitel and then next door at the Westin.

We're laying the groundwork to host even bigger gatherings in the years ahead, by building up not only our hotels, but our convention facilities – including a new convention centre to be built through our superannuation fund, the Fiji National Provident Fund. That new centre will have the capacity to host at least four and a half thousand people, putting us in the position to host the IMF and World Bank Group Annual Meetings in the very near future.

Fiji is fast becoming the total package, a nation that combines world-class facilities with the world-renowned warmth and hospitality offered by the Fijian people, which I'm sure you've all already had the chance to experience.

But our people are far more than just generous hosts. They are the engine powering what is quickly becoming one of the most diverse and dynamic island economies.

Fiji has set out and stuck with a bold vision for our national progress. United in realising that future, the Fijian people have spurred our economy to ten straight years of economic growth, a new record for Fiji. And we—a nation of 900,000 people—have earned ourselves a proud reputation as a champion for the cause of sustainable development.

The potential of Fiji's human capital was on full display in our Host Country Seminar event yesterday, where we honoured 30 of our most talented young Fijians as part of Fiji's first-ever 30

Under 30 competition. But the Fiji of today is built by more than potential alone—far more. Our success is owed to the opportunities we've created in the lives of our people, and to our commitment—at all levels of Fijian society—to forging common identity and forming common purpose.

Fijians today enjoy a vast array of civil, political and socioeconomic rights and protections that place equality over inequity and dignity over discrimination. Guided by the mandates of the Fijian Constitution, Fiji has emerged as a case study in harnessing the power of unity to create inclusive and wide-reaching prosperity.

The spirit behind that success is captured quite succinctly in the theme of the 2019 ADB Annual Meeting, "Prosperity Through Unity". Because, whether it's breaking bread between family and neighbours, communities joining together in cooperation, or nations extending hands of friendship to the rest of the world, unity—above all else—charts the surest path towards prosperity for all people.

In Fiji, the roofs of our traditional bures and the lashings of our canoes are held together by a coconut-fibre rope, known as magimagi. Now, on its own, the thread of a coconut husk is thin, no stronger than a single thread of twine. But the magimagi is not a single thread, it is a binding of coconut fibre, and those fibres work together to latch structures that can stand for generations and maintain sea-faring vessels that can traverse entire oceans.

As the many threads of the magimagi strengthen the rope by working together, so has the unity of the Fijian people strengthened our nation's character and powered our national prosperity. As has the multilateral approach of the ADB, through its efforts to balance the strengths of different nations and consider differing perspectives, strengthened development across the Asia-Pacific.

When we have unity, we have stability; the stability that people need to feel secure and businesses need to succeed. When we have unity, we generate confidence; confidence among a nation's citizenry and among investors that the future will be better and brighter than the present. And when we have unity, we can unleash our productive potential, by bringing new perspectives and new experiences to the decision-making table; whether that's unity across borders, unity across backgrounds or unity across generations.

Achieving unity takes trust, it takes respect and it takes mutual understanding. On the international stage, unity is forged by the ethos of multilateralism. And as history has shown us, unity, driven by a multi-lateral approach, is the key to global prosperity. We can't turn our backs on that proven pathway to global growth and development—especially given the present economic forecasts. Only together, only united, can the world maintain course towards greater prosperity.

In its five decades of the work in the Pacific, ADB has built trust and forged unity in our region by demonstrating a recognition that many Pacific challenges require Pacific-borne solutions to address.

Particularly in the arena of climate change, the ADB's commitment to funding resilient infrastructure development and to providing access to financial resources in the immediate aftermath of a disaster have proved critical to supporting sustainable Pacific island economies. Pacific island countries have also been able to access financing from the Green Climate Fund through the ADB. And now, the ADB has forayed into the private sector financing, particularly in support of the uptake of renewable energy.

But the emerging challenges facing Small States will take an even broader, smarter and more nuanced approach to address. We need to start thinking more outside the box. The World Bank, for example, has recently granted Fiji access to concessional finance, or IDA funds, on the basis—not of the size of our economy—but on our vulnerability to worsening climate impacts. We hope that ADB will follow suit through its ADF Facility.

Make no mistake, the vulnerability to climate impacts is not isolated to Fiji or even to the Pacific island countries. The growing ferocity of storms, the rising seas, and changing weather patterns are a global phenomenon, and no people, no economy and no nation will be spared the consequences. From the disappearing coastlines of Bangladesh, to water scarcity across the Mediterranean, to the desertification of arable farmland in land-locked countries in Africa, to the worsening super-typhoons wreaking havoc across the Philippines, Japan and China, to the communities slipping beneath the rising seas in the South-east of the United States, all people are vulnerable, and all nations must unite in taking decisive action to address this threat.

Fiji took up the reigns of global leadership in the campaign for climate action as president of the COP23 negotiations, and we continue to be a fierce advocate for that cause. But here at home, we haven't allowed ourselves to be intimidated into inaction by the worsening impacts of climate change. As I mentioned, our economy is an unbroken streak of ten years of economic growth, and the ADB is a critical partner to Fiji in transforming that economic prosperity into development that benefits all Fijians.

Since 1970, Fiji has accessed 524.4 million US dollars in loans, 35 million US dollars in grants, and 33.7 million US dollars in technical assistance through ADB financing. But the numbers alone don't tell the full story. The dollars and cents certainly speak volumes, but let me share with you what you'll never get from looking at a fact-sheet of the ADB's work in Fiji.

We can certainly determine how much asphalt and concrete it will take to construct a new road. But you cannot place a true value on the ADB's support in building a road that opens up a Fijian community to the rest of the nation. You cannot assign a number to the pride a Fijian woman feels when she's able to travel that road to sell produce in an urban market and earn income for her family. As more women are able to access similar opportunities, we create the scale necessary

for a holistic, inter-agency journey that can eventually lead to the construction, for example, of overnight accommodation that provides security to rural women vendors working in our cities.

We can certainly calculate the value of ADB's support in extending access to water to a Fijian community. But we cannot add up the countless hours of back-breaking labour that Fijian women and men have been spared, now that they no longer need to spend their days finding and carrying clean water back home.

We can estimate the gigawatts of solar energy a community will need to keep the lights on. But when the ADB supports the introduction of that new source of energy to a community, who can quantify the value of extra hours a student can study in their home once the sun has set, the value of gratification a vendor has when she can now sell produce into the night, or the feeling of security shared by all members of a community, now that their homes can remain lit well into the evening?

Friends, the intangible good created by the ADB's work in Fiji and across the Pacific may be immeasurable, but it is immense. And it is the gravity of this human impact that matters above all else. For these reasons and more, Fiji is a proud partner to the ADB. We are a proud home to the ADB regional headquarters in our capital, Suva. And, today, we are a proud host to this 2019 Annual Meeting of the Asian Development Bank.

Looking out over the faces of this room—and knowing the diversity of perspectives, backgrounds and knowledge that you all represent—gives me a profound sense of faith in the boundless potential of our unity. The potential to build a world better than the one we know. The potential to not only create prosperity, but ensure that prosperity uplifts all people, from the busiest metropolises on the Asian continent, to the most rural communities in islands across the Pacific. Let our shared commitment towards that future guide our discussions and seminars over the coming days; united in purpose in achieving inclusive prosperity.

Once again, I welcome you all to Fiji.

Vinaka vakalevu. Thank you.

BUSINESS SESSION





Document No. BG52-1
1 March 2019

AGENDA

1. [Annual Report for 2018](#)
2. Budget for 2019
3. Status of the Financial Resources of the Asian Development Bank
4. Financial Statements, Management's Report on Internal Control over Financial Reporting, and Independent Auditor's Reports
5. Allocation of Net Income
6. Composition of the Procedures Committee for 2019/2020
7. Chair and Vice-Chairs of the Board of Governors for 2019/2020

PROVISIONS RELATING TO THE CONDUCT OF THE MEETING

Admission

1. The business session of the Board of Governors of ADB will ordinarily be open to all registered Annual Meeting participants.
2. Meetings of the Procedures Committee, should they be called, shall be open to Governors who are members of the committee and their advisers, and others as may be considered necessary by the Chair of the committee.

(A separate paper on the arrangements for the business session and the Procedures Committee will be circulated to the Board of Directors prior to the Annual Meeting.)

Order of Speaking and Records

3. The Chair of the Board of Governors will establish the order of speaking for the business session. Governors desiring to speak and/or comment on any of the agenda items will generally be recognized in the established order of speaking. Speaking time for each Governor will be 3 minutes.
4. Governors are expected to keep their oral remarks within the allotted time. Governors have the option to deliver abridged oral remarks during the business session with the complete written remarks posted on the website. Governors also have the option to submit written remarks that will be uploaded to the ADB website. Joint remarks are encouraged.
5. The Secretary will keep a summary of the proceedings of the Annual Meeting, which will be made available to members as soon as possible after the meeting. Governors are requested to submit their remarks in English (the official language of ADB) for inclusion in the proceedings.

Procedures Committee

6. Before the meeting, the committee will consider (via correspondence) and make recommendations to the Board of Governors on the schedule and agenda for the meeting, and the provisions relating to the conduct of the meeting (and any procedural matters). A report of the Procedures Committee will be prepared. Notwithstanding this arrangement, the Procedures Committee members will need to make themselves available to convene during the meeting should the need arise.

Public Information

7. The Chair of the Board of Governors and the President of ADB may communicate to the media such information concerning the proceedings of the meeting as they may deem appropriate.

23 April 2019

REPORT OF THE PROCEDURES COMMITTEE FOR 2018/2019

The Procedures Committee for 2018/2019—consisting of the governors for Australia, Belgium, Fiji, Finland, Japan, Lao People’s Democratic Republic, Pakistan, the People’s Republic of China, Singapore, the United Kingdom, the United States, and Viet Nam—considered by correspondence and on a no-objection basis the (Draft) Report of the Procedures Committee for 2018/2019 on 22 April 2019.

The committee submits the following report to the Board of Governors:

1. Agenda for the Meeting

The committee recommends approval of the Agenda (BG52-1). Regarding the items on the agenda, the committee reports as follows:

- (i) **Annual Report for 2018.** The committee recommends that the Board of Governors take note of the Annual Report.
- (ii) **Budget for 2019.** The committee recommends that the Board of Governors take note of the report of the Board of Directors on the ADB and ADB Institute budgets for 2019 (BG52-4).
- (iii) **Status of the Financial Resources of the Asian Development Bank.** The committee recommends that the Board of Governors take note of the report of the Board of Directors (BG52-5).
- (iv) **Financial Statements, Management's Report on Internal Control over Financial Reporting, and Independent Auditor's Reports.** The committee noted the report of the Board of Directors (BG52-6) and recommends that the draft resolution entitled “Financial Statements, Management's Report on Internal Control over Financial Reporting, and Independent Auditor's Reports” be adopted by the Board of Governors.
- (v) **Allocation of Net Income.** The committee noted the report of the Board of Directors (BG52-7) and recommends that the draft resolution entitled “Allocation of Net Income” be adopted by the Board of Governors.
- (vi) **Composition of the Procedures Committee for 2019/2020.** The committee recommends that a Procedures Committee be constituted consisting of the governors for Australia, Denmark, Indonesia, Japan, the People’s Republic of China, the Philippines, the Republic of Korea, Switzerland, Tajikistan, Thailand, Turkey, and the United States. The committee should be available for consultations at the discretion of the chair regarding the schedule of meeting,

provisions relating to conduct of meeting, the agenda for the meeting, and any procedural matters, by correspondence, and if necessary, by convening immediately before or during the Fifty-Third Annual Meeting. The committee further proposes that the Governor for the Republic of Korea be appointed Chair of the Procedures Committee.

- (vii) **Chair and Vice-Chairs of the Board of Governors for 2019/2020.** The committee also proposes that the Governor for the Republic of Korea be elected Chair and the Governors for Indonesia and Luxembourg be elected Vice-Chairs of the Board of Governors for 2019/2020.

2. Provisional Schedule of the Business Session

The committee recommends that the Provisional Schedule of the Business Session (BG52-2) be approved with such changes as the Chair may announce during the course of the meeting.

3. Provisions Relating to the Conduct of the Meeting

The committee recommends that the Provisions Relating to the Conduct of the Meeting (BG52-3) be approved.

BUDGET FOR 2019

REPORT OF THE BOARD OF DIRECTORS

I. ASIAN DEVELOPMENT BANK

1. A report on the 2018 budget of the Asian Development Bank (ADB) was submitted to the Board of Governors at the 51st Annual Meeting in May 2018.¹
2. Actual net 2018 internal administrative expenses (IAE) totaled \$636.0 million including budget carryover of \$13.4 million, compared with the budget of \$672.3 million (Appendix 1).
3. On 14 December 2018, the Board of Directors approved the net IAE budget of \$690.5 million for 2019 (Appendix 1). The 2019 net IAE budget consists of \$675.3 million for ADB, \$1.8 million for the Compliance Review Panel and the Office of the Compliance Review Panel (Appendix 2), and \$13.4 million for the Independent Evaluation Department (Appendix 3).
4. ADB's 2019 budget supports the strategic and institutional priorities of the Work Program and Budget Framework, 2019–2021.² The 2019 work program commitments comprise \$17.1 billion and 105 projects for sovereign operations, \$3.2 billion and 32 projects for nonsovereign operations, and \$329.0 million for 234 technical assistance projects. ADB will focus on the seven operational priorities of Strategy 2030, promote the use of innovative technology and integrated solutions throughout its operations, expand its private sector operations, employ the One ADB approach to strengthen collaboration between sovereign operations and nonsovereign operations, and synergy in knowledge activities between operations and non-operations departments.
5. The 2019 budget is the first to support the implementation of ADB's new long-term strategy, Strategy 2030. The main cost drivers are (i) an increase in staff to support ADB's capacity to deliver an expanding and more complex work program; (ii) ongoing Real-Time ADB information technology (IT) reforms and the organizational resilience program; and (iii) support for the decentralization of operations.
6. Appendix 4 provides a comparison of the 2019 work program with the actual results for 2018.
7. In addition to the IAE budget, the 2019 budget includes \$11.5 million for annual capital expenditure to fund the cyclical capital expenditure requirements of headquarters and field office for 2019.

¹ ADB. 2018. Report of the Board of Directors to the Board of Governors: Budget for 2018. Manila.

² ADB. 2018. Work Program and Budget Framework, 2019–2021. Manila.

II. ASIAN DEVELOPMENT BANK INSTITUTE

8. The actual expenses of the Asian Development Bank Institute (ADBI) for 2018 totaled \$13.3 million, representing a utilization rate of 79% of the budget of \$ 16.8 million (Appendix 5). The utilization consisted of \$5.1 million for program expenses and \$8.2 million for IAE.

9. On 14 December 2018, ADB's Board of Directors approved the 2019 budget of \$17.8 million for the ADBI, comprising \$6.1 million for program expenses and \$11.6 million for IAE.

10. The program expense budget of \$6.1 million consists of \$3.2 million for the research program and \$2.9 million for capacity building and training. The IAE budget of \$11.6 million includes a general contingency of \$0.6 million (Appendix 6).

11. In addition to the IAE budget, the 2019 ADBI budget includes an annual capital budget of \$50,000 for the IT server system replacement.

**ASIAN DEVELOPMENT BANK: INTERNAL ADMINISTRATIVE EXPENSES
COMPARISON OF 2019 BUDGET WITH 2018 BUDGET AND ACTUAL RESULTS
(\$'000)**

Item	2018		2019
	Budget	Actual	Budget
A. Board of Governors	2,417	2,397	2,798
B. Board of Directors	17,791	15,894	17,800
C. Independent Evaluation	12,858	10,947	13,437
D. Accountability Mechanism	2,851	2,630	2,917
Compliance Review Panel and Office of the Compliance Review Panel	1,843	1,512	1,799
Office of the Special Project Facilitator	1,008	1,118	1,118
E. Operational Expenses	502,639	475,383	516,608
Salaries	281,088	250,513	274,625
Benefits	158,423	150,486	156,600
Contribution to Staff Retirement Plan ^a	64,207	61,062	65,092
Staff development	8,898	8,567	10,011
Relocation	7,170	6,392	5,794
Consultants	31,229	27,885	32,541
Business travel	35,294	31,111	36,432
Representation	537	429	605
F. Administrative Expenses	129,373	123,395	139,298
Communications	9,541	6,875	9,558
Office occupancy	33,273	31,627	33,206
Library and subscription	6,104	5,625	6,428
Office supplies	1,348	1,057	1,323
Equipment, maintenance, and support	13,370	15,868	17,616
Contractual services	34,300	31,775	38,527
Insurance	7,505	6,662	6,892
Depreciation	23,108	23,059	24,850
Miscellaneous	828	846	898
Total Regular Programs	667,929	630,645	692,858
G. General Contingency	6,679	0	6,929
Gross IAE	674,608	630,645	699,787
H. Fee Reimbursements	(9,000)	(8,982) ^b	(9,299)
I. Net IAE	665,608	621,663	690,488
SRP Switch Incentive Scheme	6,658	901	...
J. Net IAE After SRP Switch Incentive Scheme	672,264	622,565	690,488 ^c
K. Carryover of IAE Budget	...	13,445 ^d	...
L. Net IAE after Carryover and SRP Switch Incentive Scheme	672,264	636,010	690,488

Memo Item	2018		2019
	Estimate	Actual	Estimate
Gross Administrative Expenses	681,264	631,547 ^a	699,787
Accounting Adjustments	25,062	37,092	(44,956)
Accrual for SRP	50,939	60,414	(4,847)
Accrual for GMP/PRGMP	11,494	9,389	(2,178)
Loan origination cost ^f	(37,371)	(37,608)	...
Other adjustments ^g	...	4,897	(37,931)
Overall Administrative Expenses	706,326	668,638	654,831

... = not available or not calculated, () = negative, ADB = Asian Development Bank, IAE = Internal administrative expenses, GMP = Group Medical Insurance Plan, PRGMP = Post-Retirement Group Medical Insurance Plan, SRP = Staff Retirement Plan.

Note: Numbers may not sum precisely because of rounding.

^a This excludes SRP contribution for the Board of Directors, Independent Evaluation Department, and Accountability Mechanism. The SRP budget for these offices are included in their respective budget categories.

^b This amount reflects the estimated total expenses apportioned during the year for administering external funds, excluding Japan funds for which the costs are charged to the funds.

^c Net IAE for 2019 consists of \$675.3 million for ADB, \$13.4 million for Independent Evaluation Department, and \$1.8 million for the Compliance Review Panel and Office of the Compliance Review Panel.

^d The purpose of budget carryover is to ensure funding for urgent, unplanned special initiatives, delayed projects, and the unfinished program of prior year's activities without distorting the funding for the current year's regular work program and without placing pressure on the general contingency. ADB carried over \$13.4 million to 2019 — 2.0% of the 2018 net IAE budget. The unspent balance of the budget carryover will lapse at the end of the budget calendar year.

^e Refers to actual gross IAE before adjusting for fee reimbursements.

^f Accounting standards requires that a portion of the loan origination costs be deferred and amortized over the life of the loan.

^g Refers to adjustments net of accrued resettlement and repatriation allowances and severance payments, costs for Afghanistan Guest House and Country Director Residence and Public Information Center and other miscellaneous items, and expenses of the Japan Special Fund.

Source: Asian Development Bank.

**ASIAN DEVELOPMENT BANK:
COMPLIANCE REVIEW PANEL AND OFFICE OF THE COMPLIANCE REVIEW PANEL
COMPARISON OF 2019 BUDGET WITH 2018 BUDGET AND ACTUAL RESULTS
(\$'000)**

Item	2018		2019
	Budget	Actual	Budget
Compliance Review Panel	865	832	860
Salaries	289	276	323
Benefits	137	166	137
Business travel	40	43	60
Administrative expenses	400	347	340
Office of the Compliance Review Panel	977	680	939
Salaries	324	279	292
Benefits	360	192	247
Relocation	50	0	92
Consultants	140	142	210
Business travel	80	51	78
Representation	1	1	1
Administrative expenses	23	15	20
Total	1,843	1,512	1,799

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank.

**ASIAN DEVELOPMENT BANK:
INDEPENDENT EVALUATION DEPARTMENT
COMPARISON OF 2019 BUDGET WITH 2018 BUDGET AND ACTUAL RESULTS
(\$'000)**

Item	2018		2019
	Budget	Actual	Budget
Salaries	6,120	5,388	6,561
Benefits	3,449	2,881	3,526
Consultants	2,330	1,995	2,310
Business travel	793	593	815
Representation	5	10	10
Administrative expenses	161	80	215
Total	12,858	10,947	13,437

Note: Numbers may not sum precisely because of rounding.
Source: Asian Development Bank.

**ASIAN DEVELOPMENT BANK:
COMPARISON OF 2019 PROGRAM WITH ACTUAL RESULTS IN 2018**

Key Outputs	2018 actual	2019 program
A. Commitments^a in Asian Development Fund and Ordinary Capital Resources		
Amount (\$ million)	21,576	20,208
Committed projects (no.)	164	137
Private sector operations		
Amount (\$ million)	3,136	3,150
Committed projects (no.)	32	32
Sovereign operations ^b		
Amount (\$ million)	18,440	17,058
Committed projects (no.)	132	105
1. Investment projects		
Amount (\$ million)	15,124	12,228
Committed projects (no.)	112	77
2. Policy-based lending		
Amount (\$ million)	2,398	2,641
Committed projects (no.)	13	18
3. Results-based lending		
Amount (\$ million)	650	1,482
Committed projects (no.)	3	2
4. Sector development programs		
Amount (\$ million)	265	584
Committed projects (no.)	3	4
5. Project readiness facility		
Amount (\$ million)	3	123
Committed projects (no.)	1	4
B. Multitranche Financing Facilities		
1. Facilities		
Amount (\$ million)	500	4,357
Committed facilities (no.)	1	6
2. Periodic financing requests		
Amount (\$ million)	2,897	3,430
Committed projects (no.)	19	13
C. Portfolio Management		
1. Ongoing projects at year-end (no.)	897	867
Regional departments	666	629
Private Sector Operations Department	231	238
2. Contract awards (\$ million)	10,245	10,870
3. Disbursements (\$ million)	14,760	14,893
4. Project completion reports (no.)	81	80
D. Cofinancing^c		
1. Sovereign cofinancing (\$ million)	6,700	4,440
2. Nonsovereign cofinancing (\$ million)	7,165	6,600
E. Technical Assistance Operations^d		
New commitments (\$ million)	372	329
No. of new committed TA projects	346	234
1. Transaction TA ^e	150	121
2. Knowledge and Support TA ^f	196	113
Portfolio (no.)	865	780
TA completion reports (No.)	177	209

Key Outputs	2018 actual	2019 program
F. Transaction Advisory Services (no.)		
1. New mandates	7	4
2. Mandates under implementation	12	17
G. Knowledge Products (no.)^g		
1. Regional departments	181	150
2. Specialized knowledge departments	112	132
3. Other departments	36	32
H. Country and Regional Strategies and Operations Business Plans		
1. Country partnership and regional cooperation strategies(no.)	2	9
2. Country and regional operation business plans (no.)	38	39
I. Borrowings (\$ million)		
Borrowings ^h	23,507	23,575
J. Resources		
1. Staff positions ⁱ (no.)		
International staff	1,136	1,191
National and administrative staff	2,124	2,177
National staff	900	906
Administrative staff	1,224	1,271
2. Internal Administrative Expenses (\$ million)	636	690
F. Income (\$ million)		
1. OCR ^j	889	931
2. ADF ^k	(14)	(16)

()= negative. ADB = Asian Development Bank, ADF = Asian Development Fund, no. = number, OCR = ordinary capital resources, TA = technical assistance.

^aCommitments refer to financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or investee company and ADB.

^bIncludes periodic financing requests but not multitranches financing facilities.

^cExcludes cofinanced TA projects.

^dIncludes cofinanced TA projects.

^eTransaction TA prepares, enhances readiness, develops capacity, and/or provides policy advice for a specific ensuing project; helps deliver outputs or mitigate the project risks under a specific ongoing project through capacity development and/or policy advice; or develops a specific public-private partnership project under transaction advisory services.

^fKnowledge and support TA is not directly linked to ADB-financed projects. Examples include capacity development, policy advice, and research and development. The outputs of knowledge and support TA (i) are often fed into the preparation of government policies and strategies, and ADB's policies, strategies, and plans; or (ii) may lead to transaction TA to prepare a specific ensuing project.

^gRefers to the five types of knowledge products: flagship, technical studies, working papers, policy briefs, and op-ed articles. Figures include knowledge products and services funded by TA and administrative budget.

^hThis is the total proceeds of borrowings after swaps. The 2019 borrowing program will be updated as loan disbursement projections evolve.

ⁱ Figures exclude the staff of the Office of the Compliance Review Panel and the Independent Evaluation Department, the director's advisors, and the support staff of the Board of Directors.

^jOCR income refers to operating income.

^kADF income represents reported net income before (i) net realized gains and/or losses, (ii) net unrealized gains and/or losses, and (iii) grants expenses.

Source: ADB. 2018. *Work Program and Budget Framework 2019–2021*. Manila; ADB. 2019. *Statement of the Asian Development Bank's Operations in 2018*; Procurement, Portfolio and Financial Management Department; and Strategy, Policy and Review Department.

**ASIAN DEVELOPMENT BANK INSTITUTE:
COMPARISON OF 2019 BUDGET WITH 2018 BUDGET AND ACTUAL RESULTS**
(\$'000)

Item	2018		2019
	Budget	Actual	Budget
A. Program Expenses	5,815	5,096	6,138
Research	3,164	2,678	3,222
Capacity building and training	2,651	2,418	2,916
B. Internal Administrative Expenses	10,949	8,176	11,626
Advisory council	100	80	100
Staff costs	5,945	4,246	6,228
Business travel	500	407	630
Representation	3	1	3
Office occupancy	3,000	2,743	3,000
Depreciation	70	9	35
Office equipment	570	539	886
Contractual services	50	71	50
Library	62	7	30
Communications	60	40	60
Office supplies	19	14	19
Fire insurance	5	3	5
Bank charge	15	17	20
General contingency	550	-	550
Total Expenses	16,764	13,272	17,764

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank Institute.

**ASIAN DEVELOPMENT BANK INSTITUTE:
2019 BUDGET DISTRIBUTION OF EXPENSES BY PROGRAM**
(\$'000)

Item	Research	Capacity Building and Training	Administration, Management and Coordination	<u>Total</u> Amount	%
A. Program Expenses	3,222	2,916	0	6,138	35
B. Program-Related Internal Administrative Expenses	2,245	2,322	2,394	6,961	39
Staff cost	1,980	2,126	2,122	6,228	
Business travel, representation, and advisory council	265	196	272	733	
C. Subtotal (A+B)	5,467	5,238	2,394	13,099	74
D. Administrative Expenses				4,115	23
E. Total Administrative Expenses Before General Contingency (B+D)				11,076	62
F. General Contingency				550	3
G. Total Administrative Expenses After General Contingency (E+F)				11,626	65
H. Total Expenses (A+G)				17,764	100

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank Institute.

STATUS OF THE FINANCIAL RESOURCES OF THE ASIAN DEVELOPMENT BANK REPORT OF THE BOARD OF DIRECTORS

1. On 29 April 2009, the Board of Governors adopted the fifth general capital increase (GCI V) of the Asian Development Bank (ADB).¹ GCI V was concluded in January 2012 and generated subscriptions from 66 of 67 ADB members with total subscribed shares representing 99.7% of authorized shares. The total value of paid-in shares from GCI V was estimated at \$3.4 billion.² As of 31 December 2018, 100% of contributions were received. Of this amount, 61.1% was paid in cash, 25.2% in promissory notes with fixed encashment schedules, and 13.7% in on-demand promissory notes. On October 2018, the Board of Governors approved the special increase in capital subscription of Portugal.³ Subsequently, Portugal's subscription to 24,080 shares was declared effective in December 2018. In October 2018, the Board of Governors also approved the application for membership of Niue and its subscription to capital stock.⁴ Niue's membership and its subscription was not yet effective as of 31 December 2018. As of 31 December 2018, GCI V subscribed shares, including the special increase of Portugal, were valued at \$98.6 billion, bringing ADB's total subscribed capital to \$148.0 billion. Table 1 shows the capital position of ADB as of 31 December 2018.

Table 1: Capital Position of the ADB as of 31 December 2018
(\$ million)

Capital Subscription (A)	Paid-In Capital ^a (B)	Reserves ^b (C)	Total Paid-In Capital and Reserves (D = B + C)
147,965	7,029	43,955	50,984

^a The figure excludes all promissory notes (on-demand and with fixed encashment schedule).

^b The sum of the balances in ordinary reserve, special reserve, loan loss reserve, surplus, cumulative revaluation adjustments account, net income after appropriation, accumulated other comprehensive loss, and the net notional amounts required to maintain value of currency holdings.

Source: Asian Development Bank. 2018. *Management's Discussion and Analysis and Annual Financial Statements, 31 December 2018*. Manila.

2. In April 2015, ADB's Board of Governors approved the proposal to combine Asian Development Fund lending operations with the ordinary capital resources balance sheet.⁵ This

¹ ADB. 2009. *The Fifth General Capital Increase of the Asian Development Bank*. Manila.

² Based on the historical United States dollar–special drawing right exchange rate of \$1.20635.

³ ADB. 2018. Board of Governors' Resolution No. 395. ADB. 2018. *Special Increase in Capital Subscription of Portugal*. Manila.

⁴ ADB. 2018. Board of Governors' Resolution No. 394. ADB. 2018. *Membership of Niue and Increase in Authorized Capital Stock*. Manila.

⁵ ADB. 2015. *Enhancing ADB's Financial Capacity for Reducing Poverty in Asia and the Pacific*. Manila.

combination became effective on 1 January 2017 and has substantially increased ADB's equity base, while increasing the equity-to-loan ratio (ELR) from 25.9% at the end of 2016 to 51.0% on 1 January 2017.⁶ The expanded resources will allow ADB to increase support to poor developing member countries, enhance its risk-bearing capacity and support for private sector operations, and strengthen its preparedness for any future economic crises or natural disasters.

3. ADB's total lending capacity is limited by three financial constraints: (i) the lending limitation in the Agreement Establishing the Asian Development Bank (the Charter)⁷ and lending limitation policy,⁸ (ii) the borrowing limitation policy,⁹ and (iii) the capital adequacy requirement.¹⁰

4. Lending and borrowing headrooms are important indicators of ADB's future lending and borrowing capacity. Table 2 shows the lending and borrowing headrooms as of 31 December 2018, based on ADB's total lending and borrowing authority. ADB is expected to have sufficient lending and borrowing headrooms over the medium term.

Table 2: Lending and Borrowing Headrooms as of 31 December 2018
(\$ billion)

Headroom	Actual 2018
A. Lending Headroom (A1 – A2)	84.6
1. Lending authority	193.0
2. Outstanding loans (including other debt securities), callable guarantees, and equity investments and related prudential buffers	108.4
3. Utilization of lending authority (A2/A1)	56%
B. Borrowing Headroom (B1 – B2)	53.5
1. Borrowing authority	146.5
2. Outstanding borrowings	93.1
3. Utilization of borrowing authority (B2/B1)	64%

Notes:

1. Numbers may not sum precisely because of rounding.
2. Lending authority is the sum of the Asian Development Bank's unimpaired subscribed capital and reserves (including surplus but excluding special reserve).
3. Borrowing authority is the sum of callable capital of nonborrowing members, paid-in capital, and reserves (including surplus and special reserve).

Source: Asian Development Bank.

⁶ ADB. 2017. *Transfer of Asian Development Bank Loans and Other Assets to Ordinary Capital Resources*. Manila and Board of Governors' Resolution No. 387.

⁷ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila. Article 12.1 of the Charter provides that "[t]he total amount outstanding of loans, equity investments and guarantees made by the Bank in its ordinary operations shall not at any time exceed the total amount of its unimpaired subscribed capital, reserves and surplus included in its ordinary capital resources, exclusive of the special reserve provided for by Article 17 of this Agreement and other reserves not available for ordinary operations."

⁸ ADB. 2008. *Review of the Asian Development Bank's Lending Limitation*. Manila and ADB. 2015. *Review of the Asian Development Bank's Equity Investment Limitation*. Manila. ADB's lending limitation policy limits its total amount of disbursed loans, disbursed equity investments and related prudential buffer, and the maximum amount that can be demanded from ADB under its guarantee portfolio to no more than the sum of ADB's unimpaired subscribed capital and reserves (including surplus but excluding special reserve).

⁹ ADB. 2008. *Review of the Asian Development Bank's Lending Limitation*. Manila. The policy limits gross outstanding borrowings to the sum of the callable capital of nonborrowing members, paid-in capital, and reserves (including surplus and special reserve).

¹⁰ ADB. 2008. *The Asian Development Bank's Long-Term Capital Adequacy Framework*. Manila (updated based on ADB. 2012. *Risk Management Report: Second Quarter 2012*. Manila) and ADB. 2017. *Review of the Asian Development Bank's Capital Adequacy Framework*. Manila.

5. As per ADB's capital adequacy framework, a minimum ELR of 34% is used in financial planning (footnote 10). Table 3 lists the components of the ELR as of 31 December 2018. The ELR is projected to remain above the minimum ELR requirement over the medium term. Capital adequacy is also monitored using a capital utilization ratio, which is the ratio of total economic capital used (numerator) to total available capital (denominator). The higher the ratio, the lower the remaining deployable capital or excess risk-bearing capacity. As of the fourth quarter of 2018, the capital utilization ratio was 54.5% indicating a strong capitalization and ability to execute ADB's business plan over the medium-term.

Table 3: Equity-to-Loan Ratio Components as of 31 December 2018

Item	Usable Equity (\$ million)	Loans and Guarantees (\$ million)	ELR (%)
ELR Components	50,820	107,026	47.5

ELR = equity-to-loan ratio.

Notes:

1. Usable equity is the sum of usable paid-in capital, ordinary reserve, special reserve, and surplus.
2. Loans and guarantees is the sum of net outstanding loans and present value of guarantees (net of amounts guaranteed, insured, or reinsured by highly creditworthy counterparties), less cumulative loan loss reserves and provisions.
3. Based on notes 1 and 2 above, the numbers related to equity, loans, and guarantees may not reconcile with the numbers in Tables 1 and 2.

Source: Asian Development Bank.

6. The Board of Directors will continue to carefully monitor ADB's financial resources to ensure that ADB remains a relevant and responsive institution in the region, and that its resources are managed in the most effective and efficient manner.

**FINANCIAL STATEMENTS, MANAGEMENT'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING, AND INDEPENDENT AUDITOR'S
REPORTS
REPORT OF THE BOARD OF DIRECTORS**

In accordance with Article 31 (iii) of the Articles of Agreement and Section 15 of the By-Laws, the audited financial statements of ADB for 2018, including the financial statements for the operations of Special Funds, as contained in the Annual Report for 2018, are submitted for approval, together with the text of a draft Resolution.

(DRAFT) RESOLUTION NO. ____

**FINANCIAL STATEMENTS, MANAGEMENT'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING, AND INDEPENDENT AUDITOR'S
REPORTS**

The Board of Governors

Having reviewed the Independent Auditor's Report on the Financial Statements and Management's Report on Internal Control over Financial Reporting of ADB for 2018

RESOLVES:

That the audited Financial Statements as contained in the Annual Report of ADB for 2018, which include separate financial statements for the operations of Special Funds, are approved.

ALLOCATION OF NET INCOME REPORT OF THE BOARD OF DIRECTORS

1. The net income of the Asian Development Bank (ADB) for 2018 was \$749,759,542. In accordance with Article 17 of the Agreement Establishing the Asian Development Bank, the amount of guarantee fees received by ADB must be set aside in the special reserve to meet the liabilities of ADB. In accordance with this requirement, ADB appropriates the guarantee fees earned during the year to the special reserve; this portion of the net income is excluded from the income allocation exercise. In 2018, after appropriating for the guarantee fees of \$23,666,810 to the special reserve, the total remaining net income is \$726,092,732.

2. Additional adjustments are made to this remaining net income amount with respect to the cumulative revaluation adjustment (CRA) account and loan loss reserve (LLR) account. The CRA and LLR are separate categories of reserve accounts (equity accounts) in ADB's financial statement and reflect the underlying financial transactions and financial risks for income allocation. The CRA adjustments resulting from the fair value of all derivatives (borrowings and asset-related derivatives) and borrowings (includes borrowings that are swapped or are intended to be swapped in the future) would generally reverse at the maturity or unwinding of the instruments and are excluded from the net income amount in deriving the allocable net income. Since it is prudent to consider only the realized gains or losses from equity investments as allocable net income, the CRA adjustments (unrealized gains and losses) related to the equity investments are also excluded from the net income amount in deriving the allocable net income. LLR is a portion of expected losses that is not recognized in the net income. This amount is set aside in a reserve account (the LLR) and represents a decrease to the allocable net income. Accordingly, after due consideration, the Board of Directors recommends to the Board of Governors the following adjustments to the net income amount to determine the allocable net income for 2018:

- (a) \$138,961,428, representing adjustments for the net unrealized loss for the year ended 31 December 2018, be added from the CRA account; and
- (b) \$23,700,000, representing an increase in the LLR as of 31 December 2018, be added to the LLR.

3. After these adjustments, the resulting allocable net income of ADB for 2018 is \$841,354,160. After due consideration, the Board of Directors recommends that this allocable net income be allocated as follows:

- (a) \$498,954,160 to Ordinary Reserve;
- (b) \$259,400,000 to the Asian Development Fund;
- (c) \$80,000,000 to the Technical Assistance Special Fund; and
- (d) \$3,000,000 to the Financial Sector Development Partnership Special Fund.

4. A draft Governors' Resolution implementing the allocations described in paras. 2 and 3 above is attached.

(DRAFT) RESOLUTION NO. _____

ALLOCATION OF NET INCOME

The Board of Governors

Having considered the Report of the Board of Directors on the allocation of the net income of ADB's ordinary capital resources for the year ended 31 December 2018

RESOLVES:

That, of the net income of ADB from its ordinary capital resources for the year ended 31 December 2018 amounting to \$726,092,732 after appropriation of guarantee fees of \$23,666,810 to the Special Reserve,

- (a) the following adjustments be made to the net income amount to determine the allocable net income: (i) \$138,961,428 representing adjustments for the net unrealized loss for the year ended 31 December 2018, be added from the cumulative revaluation adjustments account; and (ii) \$23,700,000 representing the adjustment to the loan loss reserve as of 31 December 2018, be added to the loan loss reserve;
- (b) \$498,954,160 be allocated to Ordinary Reserve;
- (c) \$259,400,000 be allocated to the Asian Development Fund;
- (d) \$80,000,000 be allocated to the Technical Assistance Special Fund; and
- (e) \$3,000,000 be allocated to the Financial Sector Development Partnership Special Fund.



**OFFICERS OF THE BOARD OF GOVERNORS AND PROCEDURES COMMITTEE
FOR 2018/2019 AND 2019/2020**

2018/2019

BOARD OF GOVERNORS

Chair: Fiji
Vice-Chairs: Cambodia
Norway

PROCEDURES COMMITTEE, 2018/2019 (FIJI)

Australia, Belgium, Fiji, Finland, Japan, Lao People's Democratic Republic, Pakistan, the People's Republic of China, Singapore, the United Kingdom, the United States, and Viet Nam

2019/2020

BOARD OF GOVERNORS

Chair: Republic of Korea
Vice-Chairs: Indonesia
Luxembourg

PROCEDURES COMMITTEE, 2019/2020 (INCHEON)

Australia, Denmark, Indonesia, Japan, the People's Republic of China, the Philippines, the Republic of Korea, Switzerland, Tajikistan, Thailand, Turkey, and the United States

RESOLUTIONS ADOPTED BY THE BOARD OF GOVERNORS





RESOLUTION NO. 399

**FINANCIAL STATEMENTS, MANAGEMENT'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING, AND INDEPENDENT AUDITOR'S
REPORTS**

The Board of Governors

Having reviewed the Independent Auditor's Report on the Financial Statements and Management's Report on Internal Control over Financial Reporting of ADB for 2018

RESOLVES:

That the audited Financial Statements as contained in the Annual Report of ADB for 2018, which include separate financial statements for the operations of Special Funds, are approved.

(Adopted on 4 May 2019)



FIJI
2019
52nd ADB ANNUAL MEETING
1-5 MAY



RESOLUTION NO. 400

ALLOCATION OF NET INCOME

The Board of Governors

Having considered the Report of the Board of Directors on the allocation of the net income of ADB's ordinary capital resources for the year ended 31 December 2018

RESOLVES:

That, of the net income of ADB from its ordinary capital resources for the year ended 31 December 2018 amounting to \$726,092,732 after appropriation of guarantee fees of \$23,666,810 to the Special Reserve,

- (a) the following adjustments be made to the net income amount to determine the allocable net income: (i) \$138,961,428 representing adjustments for the net unrealized loss for the year ended 31 December 2018, be added from the cumulative revaluation adjustments account; and (ii) \$23,700,000 representing the adjustment to the loan loss reserve as of 31 December 2018, be added to the loan loss reserve;
- (b) \$498,954,160 be allocated to Ordinary Reserve;
- (c) \$259,400,000 be allocated to the Asian Development Fund;
- (d) \$80,000,000 be allocated to the Technical Assistance Special Fund; and
- (e) \$3,000,000 be allocated to the Financial Sector Development Partnership Special Fund.

(Adopted on 4 May 2019)

MANAGEMENT'S REPORT TO THE BOARD OF GOVERNORS





FIJI
2019
52nd ADB ANNUAL MEETING
1-5 MAY



MANAGEMENT'S REPORT TO THE BOARD OF GOVERNORS

by ADB President Takehiko Nakao

Business Session

4 May 2019

52nd Annual Meeting of the Board of Governors

Nadi, Fiji

Introduction

Good afternoon. This is a good opportunity for me to personally report to the Board of Governors regarding the state of ADB.

Last July, ADB's Strategy 2030 was approved by the Board of Directors. We are now taking steps to implement the strategy to better respond to the complex challenges and changing needs of our developing member countries.

Today, I would like to discuss key achievements in 2018 and our prospects for 2019 and going forward, without repeating the points I made in my opening remarks yesterday.

Performance in 2018

In 2018, ADB's commitment of loans and grants reached a record high of \$21.6 billion, a 10% increase from \$19.7 billion in 2017. Disbursements also improved, rising to \$14.2 billion in 2018, an increase of 24% from the previous year.

We quickly responded to emergencies, including Cyclone Gita in Tonga and the earthquake disaster in Indonesia. ADB provided assistance to displaced people in Bangladesh with a grant of \$100 million. Although Bangladesh is not eligible for ADB grants, we made an exception thanks to the support of the Asian Development Fund (ADF) donors, enabling ADB's flexible response to this humanitarian crisis.

In our private sector operations, we are increasingly providing loans to the private sector in local currencies, not only such as renminbi, baht, and Indian rupee but also including currencies of Armenia, Georgia, Mongolia, and others, to respond to client needs and foster capital market development in our developing member countries. To fund these operations, the Treasury Department is expanding local currency bond issuance.

ADB is expanding equity investment to nurture the private sector in frontier economies. We recently strengthened our equity teams both in the Private Sector Operations Department and the Office of Risk Management.

In 2018, our private sector operations mobilized \$7.2 billion in cofinancing on top of \$3.1 billion from its own resources, an increase of over 20% from the previous year. Commercial cofinancing includes B-loans and parallel financing with commercial banks and risk transfers to private insurance companies. We are also increasing our public cofinancing for our private sector operations, such as the trust funds from JICA (LEAP) and the Canadian government (CFPS).

We secured seven new mandates for public-private partnership (PPP) transaction advisory services and reached commercial closure on three transactions. We are effectively using the Asia Pacific Project Preparation Facility to support PPPs.

On the funding side, we raised more than \$23 billion in 17 different currencies, including 11 local currencies, which is one of the most diversified borrowing programs ADB has implemented. The 2018 borrowing program included issuance of thematic bonds such as green, gender, and water bonds, totaling \$1.8 billion.

ADB is expanding our role as a knowledge provider. We are establishing a High-Level Advisory Group on Digital Technology for Development that will be composed of recognized leaders in academia and IT industries. The group will advise ADB on how digital technologies can be applied in our operations.

ADB is modernizing itself by advancing a digital transformation. Through our Digital Agenda 2030 which the Board of Directors approved last year, we will make an internal capital IT investment that amounts to \$118 million in its first stage from 2019 to 2023. The Digital Agenda will further strengthen ADB's IT systems, including real-time access to data.

I am pleased to announce that 2018 was ADB's best year since we started a corporate scorecard in 2009 in our corporate results framework. At all levels—from delivery of development results, to performance of ongoing operations, to internal management—key targets were achieved or surpassed.

Implementing Strategy 2030

This year, we started implementing Strategy 2030.

To achieve the ambitious goals under Strategy 2030, we need to strengthen our human resources. We introduced a new performance management system that includes a 360-degree assessment of managers. In 2018, we recruited a record 370 new staff, including 22 young professionals. We made good progress on staff diversity, in particular gender balance. Women now account for 36% of ADB's international staff, putting us one step closer to meeting our target of 40% by the end of 2022. One area where further progress is needed is gender balance of the Board of Directors. Recognizing it is the responsibility of ADB's Governors to nominate and elect Directors and Alternate Directors to ADB's Board of Directors, I seek the cooperation of all Governors in giving gender balance more attention going forward.

We will continue to recruit fresh talent. To develop and deploy our staff more effectively, we will promote staff mobility between departments, introduce flexible work arrangements, and continue to strengthen training for managers and staff.

ADB puts utmost importance to transparency and accountability. In 2018, ADB was ranked first by the International Aid Transparency Initiative among multilateral and bilateral donor organizations. Also last year, we adopted our new Access to Information Policy, which is based on presumption in favor of disclosure. This will further increase our transparency and promote the participation of stakeholders, including civil society organizations.

Let me talk a little bit about our financial resources. As I mentioned earlier, last year's total commitment of loans and grants was \$21.6 billion compared to \$13.9 billion in 2013 when I was appointed President of ADB. Such an expansion became possible thanks to the successful merger of our ordinary capital resources balance sheet and the ADF concessional lending operations in 2017.

Going forward, ADB's operations are expected to continue to increase moderately to respond to growing client needs. This is possible without asking for a capital increase in the near future. I want to emphasize that, from now on, ADB should intensify its focus on quality. Achieving volume targets remains important, but it should come with quality.

One of the important agendas for this year is to consider greater diversification of our financing terms. We have a system of providing regular OCR loans, concessional loans, ADF grants, and their combinations depending on the country's stage of development and situations. While we are continuing to support upper-middle income countries in such areas as climate change and regional public goods, it is natural to consider differentiated pricing among our regular OCR loans reflecting the evolution of country situations.

ADB will continue to apply the graduation policy with close consultation with the country, based on the three criteria: (i) per capita national income; (ii) availability of commercial capital flows on reasonable terms, and (iii) strength of key economic and social institutions.

Providing grant support to the poorest and most vulnerable developing member countries will remain an essential function of ADB. We started consultations with our donors for the ADF 13 replenishment that covers 2021 to 2024. We are considering how to use the grants for some thematic priorities such as climate change, gender, disaster prevention and management, and regional public goods such as regional health security. We are aiming at next year's annual meeting for the conclusion of the ADF 13 replenishment. I look forward to your constructive input and discussion to that end.

I would like to touch upon the governance of ADB. The G20 Eminent Persons' Group report published last year emphasized that the governance of multilateral development banks (MDBs) needs to be brought up to date. ADB is reforming and reinventing itself.

As part of ADB's governance reform, we are reviewing the functional relationship between our Board of Directors and Management. We aim to enhance our effectiveness by reorienting the Board's focus to strategic priorities and adopting a practical risk-based approach that delegates greater responsibility to ADB Management for project and program approvals. As the scale and complexity of ADB's operations increase, we need a new model to achieve the dual targets of securing the role of the Board on the direction of ADB on the one hand, and enhancing efficiencies and speed in decision making on the other.

Contrary to some perceptions, MDBs have been closely collaborating with each other and the IMF at various levels. MDB leaders meet at least three times a year. In addition, MDB staff from almost all departments have regular meetings with other MDB peers. As encouraged by the G20 Eminent Persons' Group, ADB will continue to strengthen its collaboration among MDBs and the IMF to work as a system. This includes the idea of country platforms with a focus on (i) ownership by countries, (ii) debt sustainability, (iii) involvement of bilateral financiers, and (iv) and private sector resource mobilization.

Closing

Let me conclude by reaffirming my commitment to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. I expect your continued strong support.



FIJI
2019
52nd ADB ANNUAL MEETING
1-5 MAY



GOVERNORS' STATEMENTS



GOVERNORS' REMARKS: ORDER OF SPEAKING

(4 May 2019)

Fiji (Chair)

- | | |
|---|-------------------|
| 1. Japan | 16. New Zealand |
| 2. Republic of Korea | 17. Netherlands |
| 3. United States | 18. Azerbaijan |
| 4. People's Republic of China | 19. Georgia |
| 5. India | 20. Ireland |
| 6. Australia | 21. Austria |
| 7. Indonesia | 22. Belgium |
| 8. Canada | 23. Luxembourg |
| 9. Pacific developing member countries ¹ | 24. Taipei, China |
| 10. Germany | 25. Bangladesh |
| 11. Malaysia | 26. Switzerland |
| 12. Nordic member countries ² | 27. Spain |
| 13. France | 28. Afghanistan |
| 14. United Kingdom | 29. Bhutan |
| 15. Italy | |

The following ADB members have indicated that they will not deliver but will submit written remarks:

- | | | |
|---------------------|---------------|----------------|
| • Armenia | • Mongolia | • Tajikistan |
| • Brunei Darussalam | • Myanmar | • Thailand |
| • Cambodia | • Nepal | • Turkey |
| • Hong Kong, China | • Pakistan | • Turkmenistan |
| • Kazakhstan | • Philippines | • Uzbekistan |
| • Kyrgyz Republic | • Portugal | • Viet Nam |
| • Lao PDR | • Singapore | |
| • Maldives | • Sri Lanka | |

¹The Cook Islands, The Federal States of Micronesia, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu. A joint remark will be delivered by the Governor for the Republic of Marshall Islands.

²Denmark, Finland, Norway, and Sweden. A joint remark will be delivered by the Governor for Sweden.



AFGHANISTAN

Mohd. Humayon Qayoumi, Governor

The Fifty-Second Annual Meeting of the Board of Governors in Nadi, Fiji from 2 to 5 May 2019.

Honorable President, Members of the Board of Governors, Representatives of International Development and Financial Institutions, delegates from civil society organization, ladies and gentlemen;

Let me first thank you the government of Fiji for hosting the 52nd Annual Meeting of the Board of Governors here in Nadi, Fiji. Thank you for the excellent preparations to the host country and the management of the Asian Development Bank (ADB).

Mr. President,

On behalf of the government of the Islamic Republic of Afghanistan, I extend my heartfelt congratulations for the excellent leadership and management of the ADB team. The team has contributed exuberantly while working with the member states.

Taking this opportunity, I extend my emphasis on growing needs on poverty index and support to the achievements in year 2018. In particularly, I refer to the following key highlights.

- ADB disbursed a record \$14.18 billion in 2018— \$2.74 billion more than in 2017.
- Continued decline in absolute poverty amid moderating economic growth.
- Poverty reduction has continued, but 264 million people in the region still lived below the extreme poverty line in 2015 and 836 million people lived just above that level.
- The prevalence of stunting among children under the age of 5 in ADB DMCs remained above global averages. Child mortality declined from 36 per 1,000 live births in 2014 to 31 per 1,000 in 2017 but remained substantially higher in the concessional assistance countries, at 49 per 1,000.
- About 92% of people in ADB DMCs had access to electricity in 2017, although the share generated from renewable sources declined.
- The rates of water and sanitation coverage remained largely unchanged, with wide rural–urban disparities.
- While road access increased by 2.2 kilometers per 10,000 people during 2013–2016 to 22.3 kilometers per 10,000.
- Environmental trends still a concern. Forest cover remained unchanged and the region saw a continued rise in total carbon emissions, albeit at a slower pace, while carbon intensity declined.

In addition, to the last year's achievement and continued work to address the challenges in the region, I believe it's important for ADB to showcase digital solutions for urban development that will help optimize urban planning and infrastructure development.

Furthermore, private sector also has a key role to play both in promoting efficiency in the use of resources and mobilizing investments to augment the limited public sector funds available to achieve sustainable growth. As ADB plans to increase its private sector operations so that they account for one-third of supported projects by 2024. Hopefully, ADB's demonstration role in

catalyzing private sector capital for achieving a sustainable development path in the region will go a long way.

About the Asian Development Fund (ADF) 12 Midterm Review Meeting which was held in Manila two months ago. It was an opportunity to start discussing the future of ADF, as well as ADB concessional assistance more generally. I would like to thank the representatives from the ADF donors for the constructive discussions and extending Afghanistan's phase out period under the ADF 13. My team relayed to me the content of these discussions and I highly appreciated the specific and comprehensive comments and inputs by donors.

On behalf of the people of Afghanistan, I thank you all for the contributions and assistance provided to the government of Afghanistan.

Thank you.



ARMENIA

Armen Hayrapetyan, Alternate Governor

Dear Mr. Chairman,
Dear Mr. President, Takehiko Nakao
Distinguished Governors and Delegates,
Ladies and gentleman, good morning

Gladly taking this unique opportunity, I would like to note that it's an honor to be present at this important event for strengthening and enlarging our cooperation with the Asian Development Bank (ADB) in meeting global challenges.

Bearing in mind the constructive collaboration with the ADB over these years, we should highlight ADB's support in integrating Armenia's economy regionally, and rebalancing it toward more resilient, inclusive and environmentally sustainable growth. We appreciate ADB support in endorsing Armenia's efforts in improving infrastructure, namely enhancing transportation, urban development, promoting energy sector, and many others.

It is very high on our country development agenda to provide opportunities for people and for businesses to connect, trade, and access better and developed service. ADB's support in implementation of elaboration of the new generation infrastructure projects in the frames of private sector investment programs as well as development of private sector lending facilities is also highly appreciated.

For decades, ADB has shown genuine commitment in helping governments to improve the quality of infrastructure and today I see a very prominent opportunity to achieve these through expanding our cooperation with the ADB in developing private sector.

I strongly believe that our joint endeavors and keen commitment towards the facing the global challenges will bring more significant results for the better life of our people by asserting our stable economy.

Thank you very much, Mr. Chairman, the esteemed board, and participants of this event.



AUSTRALIA

Chris Legg, Temporary Alternate Governor

It is my pleasure to attend the 2019 Annual Meeting of the ADB Board of Governors, representing Australia's Governor, the Treasurer, the Hon Josh Frydenberg MP, especially during the first ADB annual meeting being held in a Pacific Island Country.

I would like to take this opportunity to thank the Government of Fiji for hosting the 52nd ADB Annual Meeting, and congratulate everyone involved in ensuring the success of the meetings.

Holding the Annual Meeting here in the Pacific for the first time is testament to the emergence of a confident and assertive region, with Governments across the Pacific committed to engaging constructively in multilateral efforts to enhance the wellbeing of their citizens.

The successful development of the Asia-Pacific region is fundamentally important to Australia. And the ADB's priorities remain closely aligned with our own – the eradication of poverty and achievement of a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.

Indeed, the ADB is one of Australia's most important multilateral partners, and we commend the Bank Management's sustained reform efforts to strengthen the institution as it responds to emerging global and regional challenges.

These challenges are particularly acute in the Asia-Pacific region – there remain a large number of people living in poverty, the costs associated with disasters are rising, there are increasing environmental concerns, and substantial infrastructure gaps remain. In addition, many countries in the region face significant capacity constraints to adequately meet these challenges.

Australia welcomes the new long-term corporate strategy, Strategy 2030, released by the Board of Directors last year. Noting the recent development of Operational Plans (OPs) for each of the seven operational priorities set out in Strategy 2030, we support the complementary approach taken to the OPs to capture synergies across the operational priorities.

Implementation of Strategy 2030 will not be business as usual – all aspects of ADB's operations and processes need to be examined to see if they continue to be fit for purpose and are adequately resourced.

Strategy 2030 recognises that the ADB's private sector operations need to play an increasing role as a catalyst for development. In particular, the ADB's balance sheet – even after the ADF-OCR merger – is far too small to meet the infrastructure needs of the region alone. This means breaking out of the traditional mindset of sovereign lending and increasingly considering non-sovereign financing first. We should ask "if not, why not?" in relation to non-sovereign financing for every project.

The first ADB annual meeting hosted by a Pacific Island member is also an opportune time for us to reflect on the special challenges faced by the ADB's Small Island Developing States (SIDS).

For instance, for a country like Tuvalu the challenges are enormous – a nation of 11,000 people spread across nine atolls and reef islands, with a maximum elevation of less than five meters,

and a total land area of 26 square kilometres yet an oceanic area of around 900,000 square kilometres.

Strategy 2030 recognises the role of the Asian Development Fund (ADF) as the ADB's facility for providing grants to the poorest and most vulnerable developing member countries.

Australia welcomes the increase in minimum base allocation from \$6 million to \$13 million per year in 2019 and 2020. This increase was particularly beneficial to SIDS that face unique vulnerabilities based on geographic isolation, small populations, distance from major markets, narrow economic base, and significant vulnerability to climate change and natural disasters.

As we look towards the next replenishment of the ADF (ADF13), Australia will continue to advocate for an allocation system that delivers a fair share of ADF assistance to Pacific countries. This will necessarily need to include substantial base allocations as part of the country based component.

Australia is pleased to be supporting the expansion of the ADB's field presence in the Pacific through our Pacific Partnership Facility and we urge the ADB to take the necessary steps for the Pacific country offices approved last year to be opened as soon as possible.

And Australia encourages the ADB to continue efforts to improve the speed and effectiveness of project delivery, especially in the Pacific.

Australia will continue to work actively with the ADB and other parties in the region to address significant challenges. The Australian Government recently announced a new A\$2 billion infrastructure financing facility for the Pacific and Timor-Leste, designed to assist in developing transformational infrastructure projects in the region.

We expect the ADB to continue to engage with the G20 and to collaborate with other international financial institutions and bilateral partners, in the cooperative pursuit of shared objectives, through multilateral and regional forums.

Finally, Australia is encouraged by progress on diversity in ADB staff and management, and recognises the need for parallel efforts to enhance gender diversity in the Executive Board. Nonetheless, there is still much to be done if we are to ensure that the institution is well placed to tap the strengths of a diverse and inclusive culture.

Overall, we are confident that the ADB's reform efforts and its close ties with partners will ensure that the institution continues to play a strong and influential role in the Asia-Pacific region's development.



AUSTRIA

Elisabeth Gruber, Temporary Alternate Governor

Mr. Chairman, Mr. President, Distinguished Governors, Ladies and Gentlemen,

It is my great pleasure to address the 52nd Annual Meeting of the Asian Development Bank. I would like to thank the Government of Fiji and all organizers for the warm welcome and for the well-chosen theme of this year's annual meeting: **Prosperity Through Unity**.

Austria shares the view **that multilateral processes and institutions** have fostered the growing openness and interconnectedness of our economies, countries and continents.

Thanks to **strong multilateral institutions** like the Asian Development Bank, **seven decades of sustained global economic growth**, with hundreds of millions of people lifted out of poverty have been achieved. This is especially the **case for Asia and the Pacific but as well for Europe**.

Moreover, given that we are here today in the **Pacific**—a region most vulnerable to global threats **like climate change or marine pollution**—we would consider **multilateral institutions being more crucial now than ever**.

With its **strategy 2030 the Bank** has an excellent basis to be the **leading multilateral development institution** on the continent and to tackle global challenges head on. It **sets the course of action** with regards to poverty reduction, gender equality, tackling climate change and private sector development. This **action has to be implemented**. Together we have to agree on an efficient and effective delivery. In this we have to take into account the particular needs of remote islands, fragile and conflict-affected states and situations and countries and regions hit by natural and manmade disasters.

Moreover, Austria is convinced that the Bank should be ambitious with regards to **private sector operations**. If operating within the boundaries of good governance the private sector is key for the improvement of people's lives by generating 90% of jobs and by being the basis for much needed tax revenues supporting the delivery of essential public goods.

Delivering on the Bank's target of one-third of its total number of operations by 2024 is ambitious. It is crucial however to **deliver first and foremost in qualitative results**, fostering **high quality, sustainable infrastructure, socially inclusive manufacturing and decent jobs**.

This requires **innovative approaches** on risk sharing, financing and in how knowledge is shared within the Bank. Austria is looking forward to the presentation of a new and ambitious private sector strategy in this context.

Last but not least **Austria fully supports** the Bank in its endeavor to become the **leading knowledge institution on the continent**. Only by working together we will achieve solutions necessary for global challenges like climate change, environmental degradation or migration. Let me ensure you that Austria is committed to remain an active and reliable partner of the Asian Development Bank.

Thank you for your attention.



AZERBAIJAN

Samir Sharifov, Governor

Chairperson,
President Nakao,
Esteemed Governors

I feel privileged to attend this 52nd Annual Meeting of the Board of Governors of the Asian Development Bank taking place in Fiji. I seize this opportunity to highly praise the excellent organizational arrangements that the host Government in cooperation with ADB management made for this Meeting. On behalf of the delegation of Azerbaijan and on my own behalf I would also like to express my sincere appreciation for the Government and people of Fiji for the warm welcome and generous hospitality.

This 52nd Annual Meeting is remarkable for being the first Annual Meeting organized in Pacific islands that clearly demonstrates deepening engagement of ADB with Pacific island countries. Increase in ADF base allocation for PDMCs in 2019 and 2020, approval of new country offices for smallest PICs, and growing cooperation with development partners to scale up infrastructure and private sector operations in the Pacific are clear indications of ADB's commendable commitment to contribute to the economic development of small islands in the Pacific.

ADB achievements and Strategy 2030

2018 was another impressive year in terms of ADB performance. Commitments in total loans and grants have well exceeded the target set for 2018. It is particularly commendable to witness 37% growth in private sector operations and co-financing activities reaching record volumes in Bank's history. We attribute it to the skillful management of President Nakao and strategic decision on pooling OCR/ADF resources.

I would also like to underscore the importance of the approval of Strategy 2030 for adding value to the development of member countries. Now, for the successful implementation of Strategy 2030, it is important that ADB becomes even more responsive and extra effective organization. In this regard, the range of new products and modalities developed in 2018 such as project readiness financing, small expenditure financing facility, policy based guarantees, PPP standby financing facility are critical to significantly increase ADB's operational effectiveness.

While widening the range of products and modalities is important, no strategy will yield tangible results without skills and human resources for its implementation. We are glad to see that 2018 was a fruitful year for ADB human resource development with record number of newly recruited staff and in particular young professionals in the critical fields of IT, health and education.

Azerbaijan

Azerbaijan continues its successful cooperation with ADB. For the last couple of years we have seen deepening cooperation between ADB and the Government of Azerbaijan, which resulted in significant growth of the loan portfolio. In 2018, new financing commitments of loans, grants and technical assistance to Azerbaijan amounted to \$350 million. In particular, I have to mention the Improving Governance and Public Sector Efficiency Program (Subprogram 1). This program supports our reform efforts in public financial management, ensuring rule based fiscal planning

and policy, strengthening governance in SOEs, and overall contribute to improving access to finance and investment climate in Azerbaijan. In this regard, it is worth to mention that according to the World Bank's 2019 Doing Business report, Azerbaijan became one of the 10 top reformer countries in the world improving its ranking from 57th to 25th globally. We believe that our cooperation with international IFIs and ADB in particular has contributed to this notable progress immensely.

We look forward to continue deepening our partnership with ADB within a new country partnership strategy to be adopted this year. Government of Azerbaijan is keen to diversify the economy, decrease its reliance on resource revenues, further improve the country's business environment and attract private sector investments. We believe ADB's support, in particular its knowledge solutions and technical assistance is instrumental in achieving these objectives and we confidently rely on it.

To conclude, Mr. Chair, I am pleased to inform you that Azerbaijan will participate in ADF 13 replenishment. With this Azerbaijan would like to join the international donor community and support ADB in its efforts to alleviate poverty in the region.

Thank you for your attention!



BANGLADESH

Md. Ashadul Islam, Temporary Alternate Governor

Mr. Chairman, Honorable Governors, President of ADB, Excellencies and distinguished guests and Ladies and Gentlemen.

It is a great pleasure and honor for me and my delegation to be here in the Republic of Fiji for the 52nd Annual Meeting of the Board of Governors of the Asian Development Bank.

First of all, I would like to thank the Government and the people of Fiji for their warm welcome and generous hospitality since our arrival here. I would also like to take this opportunity to express my sincere thanks to the ADB for arranging such a wonderful gathering. On the auspicious occasion of its 52nd Annual Meeting, I wish to convey my heartiest felicitations to President Takehiko Nakao for his dynamic leadership and to his team for their unrelenting efforts towards ADB's substantive accomplishments in accelerating growth and reducing poverty in Asia and the Pacific. The bright idea of giving a theme "Prosperity through Unity" appears to me to be very thoughtful and appropriate, indeed.

Excellencies and distinguished delegates,

Please allow me to briefly touch upon the development situation of Bangladesh. You will be happy to note that under the dynamic and visionary leadership of Hon'able Prime Minister Sheikh Hasina, daughter of the father of the nation Bangabandhu Sheikh Mujibur Rahman, Bangladesh has made significant progress in different areas and achieved remarkable success in socio-economic development. The country has a vision of becoming a middle income country by 2021 and a prosperous and developed country by 2041. In order to achieve these developmental milestones the government has articulated strategies in our perspective plan (2010-2021), 7th Five Year Plans, and sectoral plans and newly developed Delta Plan 2100. The government adopted Delta Plan 2100 with the aim to ensure water and food security, economic progress and sustainable development through managing climate change scenario. Under this plan the government is going to implement 80 projects in the first phase, out of which 65 are for infrastructure development and the rest is for institutional capacity building. There will be massive construction of 16,616 km embankment in the coastal areas for protection of coastal belt of the country from disaster. However, these goals are aligned with the SDGs 2030.

Excellencies,

Bangladesh is one of the fastest growing economies in South Asia with a growth rate of about 6.5% in the last 10 years having one of the best gender parity and human development indicators in South Asia. Poverty has reduced to 22%. The GDP growth is rising at a sustained rate and now it is more than 7 percent for the last three consecutive years. According to the 'Asian Development Outlook 2019' the GDP of Bangladesh is expected to grow by 8 percent and our target is set to grow by 8.13% during the year 2018-19 which will put Bangladesh as one of the top five performers globally. Annual export registered at \$34.8 billion and import stood at \$47 billion. The forex reserve is \$32.2 billion. The per capita income is \$1,752 from a mere \$318 in 1972 and the Ministry of Planning has set the target to increase per capita income to \$1,909 by the end of this year. In terms of GDP Bangladesh has been the 43rd largest economy and as per the report 'the most powerful economies in the world by 2050' constructed by PwC, in terms of purchase power Bangladesh will become the 23rd largest economy in the world.

You are aware that Bangladesh has achieved a significant milestone meeting all the graduation criteria from LDC to Developing Country by UN Economic and Social Council. The country is on track by completing all the ground works for implementing the SDGs, embedding the global development agenda into the 7th five year plan, mapping of Ministries by goals and targets, data gap analysis, preparing sector strategy and action plans, SDG financing strategy and SDG monitoring and evaluation Framework. The formerly renowned chief economist of World Bank Mr. Kaushik Basu described Bangladesh's progress as one of the most 'remarkable and unexpected success stories' of South Asia. Bangladesh is considered a global role model for development. You will be pleased to know that we have been able to improve the quality of lives of our people through adopting and implementing effective public policy. We require more investment in energy, power, transportation and human resource development to reach to double digit GDP growth rate, essential for achieving SDGs and tackling graduation challenges. The government has been developing 100 Economic Zones, High tech Park, Software Technology Park and also facilitated public private investment in emerging industries for employment and development. The main features of the economic zones are easy access to land, air and sea transportation, abundance of cheap and hardworking labour and robust investment protection mechanisms in the zones which derives from modern and efficient infrastructure, general fiscal and non-fiscal concessions to the investors and better governance due to 'one window' service and elimination of red-tape and bureaucratic delays. These zones are kept separate from the Domestic Tariff Area (DTA) by fiscal barriers and provide internationally competitive duty-free environment for export production at low cost which is attracting both local and foreign investors.

Much emphasis has been given on technical education and ICT education. The Government has also attached huge importance in attaining inclusive growth, gender parity and reduction in rural urban disparity.

There are several drivers which made such success possible. One of them is Bangladesh's export driven economic growth strategy. Export oriented industrial development, supported by the timely and appropriate measures like export incentives, tax incentives, and establishment of export processing zone, gave Bangladesh an opportunity to utilize its abundant and relatively cheaper labor force, including female labor. Moreover the Government has created a favorable environment investment climate for foreign investors. "The One-Stop Service Act 2018" is helping removing all difficulties investors face before starting their businesses. Bangladesh Investment Development Authority (BIDA) is providing 15 services including clearance certificates related to foreign borrowing, import recommendations, and appointment of foreign employees—under the one-stop service. Six organizations – BIDA, Bangladesh Bank, NBR, Rajuk, the Bangladesh Electrification Board, and the Office of the Chief Controller of Imports and Exports – are providing the services. The one-stop service will basically be all service in an automated and digitalized format, for investors to access through a single window. BIDA also has undertaken massive reform programs. The Supreme Court, 18 ministries, and 25 different organizations are helping to improve in all the 10 criteria set in the Ease of Doing Business Index.

You are also aware that Bangladesh has gradually shifted the basis of its economy from agriculture to manufacturing and services, the lack of export and manufacturing diversification is a concern. Bangladesh has not fully exploited its potential yet. The export base remains excessively reliant on ready-made garments. However, prospects for alternative goods-including leather goods, processed foods, pharmaceuticals, light engineering, and ship building—are promising, but remain to be exploited. Again, Bangladesh has not fully utilized its geographical advantages—linking South Asia with Southeast and East Asia. Export shares to these growing neighboring economies are still at nascent stage.

'Digital Bangladesh' as announced by the Hon'ble Prime Minister in 2009 to introduce digital technology came to force through using information technology platform around 200 public services being delivered to people at their doorsteps.

Bangladesh is one of the leading pioneers in using state-of-the-art financial technology (fintech) that is making financial inclusion faster than ever. Mobile phones and alternate banking channels, such as agent banking are bringing millions of individuals into the formal financial system, meaning they have bank accounts or mobile money account for the first time. At the same time due to reform of monetary policy of the Central Bank the transmission channels have improved dramatically which is providing hope for a more inclusive and vibrant economy for Bangladesh.

Bangladesh has now become a member of 53rd member satellite club through launching Bangabandhu satellite-1. By 2023 we hope to launch 5G system and bring the value of internet and mobile usage to a reasonable level.

As per election manifesto, the government is in the process to strengthen the human rights commission, the Anti-Corruption Commission, the media and the judiciary focusing parliament as the center of all state activities. The government is committed to ensure accountability in all of administration by making administrative system service and welfare oriented. The government has also adopted zero tolerance policy against corruption. By introducing modern information and technology, the country is trying to bring down the scope of corruption gradually to zero. The government has also taken effective steps to stop militancy, terrorism, drugs, extortion, illegal occupation and communalism from the country.

Bangladesh has already demonstrated its competence as a nation in implementing mega projects. The mega projects include the Padma Bridge, Metro Rail, Rooppur Nuclear Power Plant, Rampal Coal-based Power Plant, Deep Sea Port, Dhaka Mass-Rapid Transit Project, LNG Terminal, Moheshkhali Matarbari Integrated Infrastructure Development Program, Pyara Sea Port, Padma Setu Rail Link and Chittagong to Cox's Bazar rail line project. The work of these projects is progressing very fast. The LNG supply from the LNG terminal has already started in the national grid. Once completed these mega projects will give Bangladesh extra advantage in terms of regional connectivity, improved transportation and energy security.

Bangladesh has prioritized its importance on human development capacity and skilled manpower as it is considered the most important means of fostering inclusive growth. The country is creating more opportunities for increased access to education and skills development. The government has increased allocation in the national budget for the education sector gradually. This year it is around 53,054 crore taka which is 2% of the GDP. Raising budgetary allocations for the education and skills sector, strengthening vocational education, and making higher education more accessible and affordable are targeted. We need more investments to improve the quality of education.

One of the main obstacles in implementing our plans is disasters due to climate change. We have already taken initiatives to build sustainable infrastructures aligning our budget with disaster. We have synchronized the goal of the Seventh Five-Year Plan with SDGs so that SDGs are easily achievable and we could able to implement our development plans. Our government is working hard to eliminate hunger, poverty and all forms of discrimination so as to transform the country a middle income country by 2030 and a developed country by 2041.

Excellencies, Ladies and gentlemen,

It is a great concern for us that we had to host more than a million forcibly displaced Myanmar nationals, Rohingyas who took shelter in Bangladesh. This influx of more than one million Rohingyas from Myanmar to Bangladesh is indeed a considerable stress on our development efforts. We sincerely acknowledge ADB's urgent support of \$100 million. I call upon the international community to come forward in support of these forcibly displaced people for a permanent solution.

In our journey towards achieving our goal, we have a critical challenge ahead- that is, adverse climate change which has multifaceted impacts resulting excessive rains, untimely droughts, floods, cyclones, salt intrusion in the coastal belt, though we had contributed nothing to the impairment of climate change. Climate change induced disasters are causing millions of lives, creating extreme poverty and thus challenging the development trajectory harshly. That leads to migration of our people rural to urban area- posing threats to the capacities of cities and creating "Climate Refugee" within the country. I would appeal to whole international community through you for doing something collectively to save the people and planet- otherwise all our development effort would be meaningless.

Ladies and Gentlemen,

Let me turn my attention back to the ADB annual meeting. I would like say that global economic expansion will come from strong external demand, which is supported by a further pickup in growth this year in the major industrial economies and robust domestic demand. South Asia remains the fastest growing of all sub-regions. Growth in the sub-region rose to 6.8% in 2019 from 6.7% in 2018. In India growth slipped from 7.2% in 2017 to 7% in 2018. Bangladesh's growth accelerated to 7.86% in FY 2018 from 7.28% in the previous year and is expected to reach 8% in FY 2019 and 2020. Most countries in South Asia are expected to improve their growth rate. India is also expected to increase growth rate to 7.2% in 2019 and 7.3% in 2020 because of recovery in agriculture and domestic demand. Across the South Asia region, domestic demand will remain as the key sustainer of growth.

I am pleased to acknowledge ADB's contribution to socio-economic development in Asia and the Pacific region through promotion of inclusive economic growth, environmental sustainability and regional integration. However, more can be done to keep pace with the aspirations of the people. The region remains home to over 1.24 billion of the world's poor who live on less than \$3.20 a day; 326 million of these people live on less than \$1.90 a day and are classified as extremely poor. Income inequality in the region has worsened and social disparity continues to remain in access to education, health services, electricity, water resources, and sanitation in several countries. There is a critical need to further strengthen ADB's efforts towards ending poverty and reducing inequality by the year 2030. ADB needs to scale up its programmes for job creation, improving education and training, providing health care services, securing agricultural expansion and ensuring social protection.

I would like to appreciate ADB's partnership with Bangladesh. ADB provides support in all the important sectors of the country with special focus on energy, transportation, connectivity, education and health and promoting regional cooperation and integration. In addition to the financial resources, ADB strengthens its role as knowledge provider, ensure more proactive role for research, and disseminate knowledge.

We know that through ADB's Strategy 2030, ADB now approaching differentiated way, which refers to the country needs and key priorities. As per the 7th five year plan of Bangladesh ADB is

targeting for long-term financing in the private sector where ADB prefers for co-financing and value addition. In this point, I would like to suggest ADB to focus more on innovative financing like impact bond, SDG bond, Green bond, Blended financing for creating more opportunities leaving no one behind. ADB might also consider for concessional assistance mobilizing new sources of capital through innovative financing options for private sector so that it creates access to easy financing. Moreover, access to finance both for women and youth need to be well planned to reap the benefits of demographic dividend and ensuring gender equality.

Bangladesh has to make some extraordinary efforts in its economic and social development programmes in the coming years to achieve vision 2021 and 2041. The overall capacity of the economy has to be vastly improved. Actions are underway for diversification of the economy through upgrading technological infrastructure, accelerating industry-appropriate skills development, institutional strengthening and improving productivity.

Despite all these efforts, we need to invest a lot more in the areas of institutional reforms and human capital development, climate change adaptations, combating natural disasters, generating employment and ensuring good governance. A huge investment is needed to sustain the current growth momentum and also to achieve SDGs 2030 and develop a prosperous and developed country by 2041. We have made our future investment plan, where we have planned to fetch most from our internal resources by increasing our national savings; we also need financial support from external sources. We firmly believe that the ADB and other development partners will join us and help us in achieving our developmental milestones, our journey towards achieving the status of a developed economy by 2041.

Excellencies, ladies and gentlemen,

As I have mentioned before that ADB's Strategy 2030 is aligned with our national priority; at the same time, ADB has aligned its strategy with major global commitments such as Sustainable Development Goals, the new climate agreements reached in Paris in 2015 and Sendai Framework for Disaster Risk Reduction.

You know that the LIBOR has a raising trend which might make greater burden of debt for developing countries. For this we need sustainable solution for bench marking. We also need to think on reducing process time for loan and procurement; using technologies, we might find innovative solutions.

You all know that the global economic atmosphere and socio-economic scenery is changing; here ADB can play significant and greater role for growing together. This requires promoting dialogue and collaboration among diverse partners and tuning to next level of documentation for maximizing efforts in achieving long term well defined goals.

You know that Artificial Intelligence (A.I) is changing everything including financial landscape. Even new innovations simply fail to cater the needs of everyday changing scenario. If our pace is not harmonized in terms of innovation for leveraging technology, capacity development and for future preparation, it might put us all in trouble.

In this forum, I would like to suggest that ADB might come forward with sustainable ideas for innovative concessional financing, business process easing, technology based capability development for not only taking preparation but to sustain with the changes of innovative world. It can strengthen country focused approach, promote use of innovative technology, deliver integrated solutions by combining expertise, and strengthen institutional capacity to address the development issues and delivering projects and value for money procurement. ADB can provide

more concessional sources funding to address poverty and inequality, climate change, disaster resilience, food security and agriculture value chain, mobile financial services like fin-tech, and developing social sectors in Developing Member Countries (DMCs) like Bangladesh.

Ladies and gentlemen,

We attach great importance and value to its thriving and time-tested partnership with ADB. We hope that this would continue in our future efforts for sustainable development.

I would like to conclude with the hope that mutual and meaningful relationship will continue to flourish in the future. This will certainly help our country move forward and achieve the developmental milestone, achieving the status of a prosperous and developed country by 2041.

I also assure all out support to the ADB and wish all members' continued success in their quest for development, peace and prosperity with a special wish for the success and well-being of our host country.

Mr. Chairman, thank you very much for giving me an opportunity to share my thoughts at this august event.

Wish you all greater success, good health and prosperity.

May our friendship live long!



BELGIUM

Ronald De Swert, Temporary Alternate Governor

Mr. Chairman of the Board of Governors,

Mr. President Nakao,

Honorable governors,

Distinguished guests,

Impressive growth allowed to significantly reduce absolute poverty. But our work is far from finished. Numerous challenges are piling up and need to be addressed in the coming decade if one wishes to keep alive the prospects of prosperity, inclusiveness, resilience, and sustainability which are key to achieving the ultimate goal of a region free of poverty.

Belgium welcomes the seven operational priorities of the ADB in the new Strategy, and in particular the emphasis on climate change, where ADB is significantly boosting its efforts. The track record of PSOD in renewable energy is commendable, as is the goal of 75% of operations involving climate. Beyond expanding in renewables, promoting innovative technologies and phasing out fossil fuels, other fields of activity should be explored, like energy efficiency or the way we move and live. In this regard, we recall the need for a comprehensive review of the Bank's Energy policy to ensure the ability of the ADB to meet the Global Agenda on Climate Change.

Belgium attaches great importance to gender equality and women's empowerment, in particular in Central Asia, as these are fundamental cornerstones of sustainable and equitable development. Women constitute half of our populations. To leave this rich source of talent underused is bad policy. ADB should focus more on their inclusion in the financial system. The number of women in the region having access to their own bank account is markedly inferior to that of men and this makes them more vulnerable. Access to technology is a key instrument to fill this gap, which needs to be reduced to achieve gender equality, one of the 17 SDGs clearly in need of more attention, as it remains rather superficial in the operational plans under ADB's Strategy 2030.

Lastly, on ADF, Belgium seizes this opportunity to remind that the new ADF is a part of the reaction to the downward pressure on regular donor contributions that called for a new way to cover the needs of concessional financing. The main beneficiaries will soon become Afghanistan and small states, in particular Pacific Island States. We look forward to the day when Ordinary capital resources will generate enough resources to allow ADB to take care of them and when our annual meeting of ADF donors will become a specific meeting of governors discussing the activities of ADB in concessional resources.

Of course, I cannot end my intervention before thanking the Government of Fiji for hosting this annual meeting and for giving us the opportunity to meet your warm and hospitable people.

Thank you.



BHUTAN

Namgay Tshering, Governor

Mr. Chairman, Mr. President, Hon'ble Governors, Distinguished Delegates, Ladies and Gentlemen,

At the onset, I would like to convey the warm greetings of His Majesty the King, the Government and the people of Bhutan to all the distinguished delegates participating in this very important event here in Fiji. It is indeed an immense pleasure for me and my delegation to be a part of the 52nd Annual Meeting of the Board of Governors of the Asian Development Bank (ADB).

I would like to thank the Government of the Republic of Fiji for extending kind hospitality to me and my delegation and congratulate the government for successfully hosting this very important event. I also would like to express our sincere appreciation to President Nakao and ADB team for the excellent arrangements made for this Annual Meeting in this beautiful country.

Mr. Chairman, Distinguished Delegates, ladies and gentlemen, it is inspirational to note that the global economic growth is expected to pick up from 3.3% in 2019 to 3.6% in 2020 supported by significant policy accommodation by larger economies. Bhutan has made good progress in its socio-economic front and has achieved economic growth at an average of 7.5% over the past three decades. The growth is expected to remain between 6-7% in the next five years. Traditionally, the high economic growth in Bhutan is largely contributed by hydro power sector. However in recent times, the growth in service sector has constantly increased contributing to almost 42% of GDP as of 2017.

Following the development paradigm of 'Gross National Happiness', developmental plans and programmes in Bhutan are drawn in perfect synergy and consonance with sustainable development targets. The per capita income also increased to USD 3,438 in 2017 from USD 1,290 in 2005. Considerable progress has also been achieved in alleviating poverty; the poverty rate has reduced from 12% in 2012 to 8.2% in 2017. As such, Bhutan is on track to achieve most of the regional and global targets.

With prudent and inclusive fiscal policy guided by strong legal framework and continued support of development partners, the Government has been able to contain the fiscal deficit below 3% of GDP over the plan period, as mandated by the Constitution. Since the formation of third democratically elected government following the general election in November 2018; my government is striving to bring major fiscal policy reform to strengthen the base of our economy. Some of the fiscal reform includes introduction of Goods & Service Tax (GST) and exploring innovative financing mechanisms.

Mr. Chairman, distinguished delegates, ladies and gentlemen,

I am pleased to report here that Bhutan will finally graduate from the list of Least Developed Countries (LDC) by 2023 and enter the cohort of Middle Income Countries 4 years from now. While it is of great pride that Bhutan has made significant development progress enabling it to graduate from the list of LDC, we must be mindful of our shortcomings and prepare accordingly, so as to ensure smooth and sustainable transition. It is crucial that Bhutan continues to receive support and assistance from our development partners and multilateral development banks to successfully implement the priority developmental activities. The 12 FYP will be the last plan

period as LDC, therefore the focus of the 12 FYP will be to build productive economic capacity, generate employment through skills development, and diversify and build economic resilience, so that the graduation is sustainable.

With a total outlay of Nu. 310 billion equivalent to about USD 4.5 billion for five years; the Royal Government of Bhutan has started implementing the 12 Five Year Plan with the overarching goal of 'pursuing just, harmonious and sustainable society through enhanced decentralization'. The 12 FYP is built upon the 17 National Key Result Areas aligned to four pillars and nine domains of Gross National Happiness (GNH).

Mr. Chairman, Distinguished Delegates, Ladies & Gentlemen.

I must reiterate my sincere thanks to the President Nakao and ADB senior management for your unwavering support to Bhutan irrespective of the size of the Bank's portfolio in the country.

Since becoming member in early 80s, Bhutan has continued to receive progressive development support from ADB in priority sectors such as energy, finance, transport and urban development. With much affection, I am proud to inform here that ADB is Bhutan's largest multilateral development partner. ADB's favourable lending policy coupled with budgetary support has helped to improve the fiscal position and provide flexibility to respond to the changing priorities of the Royal Government of Bhutan.

In conclusion, I would like to once again express our deepest appreciation and gratitude to President Nakao and ADB Management for your continued support extended to the Royal Government and the people of Bhutan. I would also like to congratulate ADB's efforts towards achieving ADB's vision 2030: the vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. We would like to wish success to President Nakao and ADB Management in carrying forward the reform initiatives successfully.

I thank the Chairman and the distinguished delegates for this opportunity.

Thank you and Trashi Delek.



BRUNEI DARUSSALAM
Mohd Amin Liew, Governor

Your Excellency Chairman of the Board of Governors, Fellow Governors, President of The Asian Development Bank (ADB), Distinguished Guests, Ladies and Gentlemen. Foremost on behalf of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, let me convey our sincerest gratitude and appreciation to the Government and people of Fiji for the warm hospitality and excellent arrangements. I would also like to thank the ADB President and his team for the excellent meeting preparations.

Mr. Chairman and fellow Governors,

The unified vision of a poverty free Asian region are the foundation of ADB's establishment in 1966. It kick started a noble journey, in which throughout the years have lifted more than a billion people out of extreme poverty in the region, improved the living standards of many lives and communities, as well as assisted member countries to make progress in their socio-economic development. Without this unified and clear vision, achieving regional prosperity is difficult. Thus is why we believe this year's theme of "Prosperity through Unity" is pertinent. In today's context, with the rapid advancements of technology, the global environment is changing faster and with it we face new development challenges. We must strive to enhance the strong spirit of unity that we have instilled in ADB, to move forward and ensuring that the development gaps between member countries are narrowed. In line with this year's theme, we would like to highlight the following focus areas for ADB's consideration.

First, facilitating and promoting market systems that are inclusive. We are all dependent on market systems to develop our economies. However, as we progress there are still segments of the population that are left behind, such as the poor and vulnerable groups including women and youths. Therefore, it is important for market systems to work effectively and inclusively to benefit all. Making markets function better, be more accessible and competitive can stimulate investments and encourage innovation, thus creating quality jobs, goods and services. This will provide the much needed opportunities that unlock the people's potential to empower themselves in improving their livelihoods. We believe the ADB can play a greater role in these areas particularly in formulating market competitiveness enhancement strategies and providing comprehensive reform objective assistance.

Second, enhancing market to market connectivity. The term connectivity covers a wide spectrum ranging from communication, transportation to digitalization in which the depth of the world's connectivity has increased over the years. Enhanced market to market connectivity drives cost down, create new business opportunities, facilitate skills-knowledge and technology transfers which leads to affordable technology as well as the optimal utilization of a country's comparative advantage. We acknowledge and commend ADB's efforts and support in deepening the region's connectivity through soft and hard infrastructures and would like to encourage the ADB to continue with these efforts in particular ones that support inclusive growth.

Lastly, we would like to thank and appreciate the ADB's continuous support and involvement in various regional initiatives especially under the ASEAN, ASEAN+3 and BIMP-EAGA forum. We view the ADB as one of our important strategic partners in strengthening regional cooperation and a trusted adviser in realizing these initiatives. We look forward to a continuous ADB engagement in the region.

Thank you.



CAMBODIA

VONGSEY Vissoth, Alternate Governor

Mr. Chairman
President Nakao
Fellow Governors
Ladies and Gentlemen

It is my great honor to represent the Royal Government of Cambodia at this 52nd Annual Meeting of the Board of Governors of the Asian Development Bank and exchange views about emerging global and regional development challenges, the headwinds facing member countries and how the ADB can assist in responding to them. I sincerely thank the people of Fiji for their gracious hospitality and for the excellent arrangements made by the Government of the Republic of Fiji in hosting this Annual Meeting. It is indeed a great pleasure for my delegation and me to experience the beautiful and pristine environment of the paradise islands of Fiji.

Ladies and Gentlemen

The Asia-Pacific region has made great strides in reducing poverty and achieving impressive economic growth with most of the developing countries in the region, including Cambodia, having already advanced to middle-income status. Over the past five decades, ADB has been a key partner of the developing member countries in this remarkable transformation of the Asia and Pacific region, and we are confident that it will continue to play a significant role in the next phase as we usher into the Fourth Industrial Revolution (4IR). ADB has now established a solid capital base with the successful merger of the concessional Asian Development Fund (ADF) and the Ordinary Capital Resources (OCR) and together with the adoption of its new long-term corporate strategy, Strategy 2030, in July 2018, it is well placed to further enhance its capacity to optimize its operations, and better serve the needs of member countries. We all look forward to working closely in partnership with the ADB and other development partners to build a prosperous, inclusive, resilient, more integrated and sustainable Asia and Pacific, while sustaining efforts to eradicate extreme poverty and move expeditiously towards achieving the Sustainable Development Goals (SDGs).

The Asia-Pacific region is now a powerful engine for the world economy, contributing about 60% of the global growth and has, over past decade, experienced an average economic expansion of 6.8% underpinned by stable economic conditions, that has produced remarkable results in poverty reduction. Growth in 2018 will moderate to 5.9% from the 6.2% in 2017 as the result of the softening of global trade and economic activity and unresolved trade tensions. It faces a number of challenges and risks that, if left unaddressed, could derail its prosperity going forward. The region is among the most vulnerable to natural disasters and to the impacts of climate change which pose a growing threat to our development and prosperity. It is therefore critical that ADB assist the member countries to prioritize strengthening their disaster resilience. The region is still home to 264 million people living in extreme poverty and an additional 836 million living in poverty, many of which are at risk of being pushed into extreme poverty through economic downturn and external shock. An Asia and Pacific Region free of poverty must remain a central focus of our shared development agenda. In addition, the region faces several development challenges notably rising inequality; rapid urbanization; huge demographic shifts, growing environmental pressures; and large infrastructure deficits.

ADB is expected to play an increasingly greater role in supporting regional countries' sustained efforts, through the adoption of new operational priorities and tailor-made approaches, to respond more effectively to these challenges. We are pleased with ADB's commitment to prioritize support for the region's poorest and vulnerable countries; promote infrastructure investments that are green, sustainable, resilient, and inclusive; double its efforts to expand its private sector operations; catalyze and mobilize more financial resources; and strengthen its role as a knowledge provider. With the rapid pace of technological advancements, we look forward to the ADB assisting our economies utilize new and emerging technologies in meeting these development challenges. We strongly believe the integration of technological innovation is key to the development of the digital economy, and critical to reignite productivity growth for rapidly aging Asian economies while at the same time, managing the disruptive impacts on society such as labor displacement, cyber fraud, and data theft. We stress the need for ADB to support member countries in building social safety nets to address these negative impacts as a result of technological transformation.

Cambodia greatly value the very strong, trusted and constructive partnership with ADB in our journey to transforming Cambodia's economy from lower income to lower-middle income country. After the successful implementation of country partnership strategy (CPS) 2014-2018, the Government and the ADB is in the process of finalizing CPS 2019-2023 which aims to transform Cambodia's economy to an environmentally green, social inclusive and digitally transformed economy. Our investment during this period will be guided by long-term sector strategic framework and investment plans and we would like to seek for assistance and cooperation in the formulation of these plans. At the same time, Cambodia is looking forward to an expansion of ADB's support with larger size loans/projects and both ADB and the Government have agreed to put a greater emphasis on project quality, efficiency in portfolio management by focusing on human capital development and institutional capacity building. We would also like to see the mainstreaming of gender, climate change and digital technology in all ADB's operations.

Ladies and Gentlemen

I would like to take this opportunity to highlight some of the key achievements in Cambodia's economic growth and development. Cambodia has achieved a largely inclusive economic growth of around 7% annually over the last five years. The economy expanded by 7.5% in 2018 and is projected to moderate to 7.1% in 2019. The GDP per capita has increased from 1,042 dollars in 2013 to 1,548 dollars in 2018. Moreover, the inflation rate will remain subdued at 2.5% this year and the fiscal deficit is manageable at below 2.5% of GDP. Poverty has reduced to below 10%.

The fiscal performance continues to follow the progressive trend as a result of substantial revenue growth as well as rationalizing and prudent expenditure. The revenue collection increased from 15.2% in 2013 to 22.16% of GDP in 2018. Going forward, the Mid-Term Revenue Mobilization Strategy, 2019-2023, will ensure the continued growth in revenue mobilization. Expenditure has been broadly in line with budget plan, reaching the level of 24.4% of GDP in 2018. More importantly, from 2013 to 2019, the government has significantly increased expenditure on the priority sectors to support the Government's policy and reform agenda, and accelerate socio-economic performance. Public expenditure for education has increased by three and half fold, for health by more than two fold, and for agriculture by more than three fold. Public debt remains sustainable and at low risk of debt distress, with the present value of Public debt to GDP at around 21%, and debt service to revenue at around 5% at end of 2018.

Going forward, the Royal Government of Cambodia will continue to implement the Rectangular Strategy Phase IV (2018-2023) to ensure sustainable economic growth and poverty reduction by one percent annually. In addition, the Royal Government of Cambodia will accelerate the pace of

diversification and enhance competitiveness of the economy while maintaining sound macroeconomic policies, investing more in infrastructure and human capital, developing digital economy, promoting the entrepreneurship eco-system, improving the investment climate, building institutional capacity, and fostering the small and medium enterprise sector.

In conclusion, I would like to congratulate President Nakao, his Management Team and Staff for the excellent results achieved in 2018 and look forward to the successful and timely implementation of the Strategy 2030 under the leadership of President Nakao.



CANADA

Andrew Clark, Temporary Alternate Governor

I would like to warmly thank the Government of the Republic of Fiji for hosting this year's Annual Meeting, the first Annual Meeting to take place in a Pacific Island Country. As the world seeks to address the on-going challenges of disaster risk and climate change adaptation, we view this as particularly meaningful and symbolic. Canada sincerely hopes we can translate this symbolism into strong collective action. We continue to place great value on our engagement with the Asia-Pacific region, and we view the Asian Development Bank (ADB) as a key multilateral development partner in fostering sustainable, green, gender-responsive and inclusive economic growth throughout the region.

The development landscape has changed considerably in the Asia Pacific region with over one billion people lifted out of extreme poverty since 1990, an outcome in which the ADB and all of its partners have played a crucial role and should be justifiably proud. But we know significant challenges remain, such as building disaster and climate change resilience and addressing widespread income and gender inequalities.

Canada welcomes the completion of the new strategic framework for the ADB: *Strategy 2030*. This forward-looking strategy will help the ADB respond to the region's changing needs and achieve a more prosperous, inclusive, resilient and sustainable Asia and the Pacific, and sets important targets in the key areas of gender, climate and private sector operations. We are encouraged by the inclusion of a number of key issues, such as a differentiated approach towards support for Small Island Developing States; and fragile, conflict affected States; accelerating progress in gender equality; and tackling climate change. We are pleased the Bank will develop a range of differentiated pricing options reflective of member countries' economic development.

Canada also greatly appreciates the quick response of the ADB and partners in this past year in addressing a number of environmental and humanitarian crises including, perhaps most importantly, the dire situation in Cox's Bazar, responding to the substantial urgent infrastructure requirements of the Rohingya refugees, for which there remain significant unmet needs. We therefore welcome the ADB's greater involvement in highly complex, fragile or difficult environments, which will require the comprehensive application of the Bank's "One ADB" approach.

But we cannot ignore **the growing inequality in the region**, and must ensure that economic growth works for everyone. Focusing on the poorest and most vulnerable countries and people, especially women and girls, is a priority for Canada. We also believe that this must remain at the core of the ADB's work, particularly through the Asian Development Fund.

We would like to underline the crucial importance for both ADB and the region to bridge the gender gap by greater promotion of gender equality and **empowering women and girls**.

Canada believes strongly that focusing on advancing gender equality and the empowerment of women and girls is the best way to reduce poverty and achieve the Sustainable Development Goals, which is why Canada has a Feminist International Assistance Policy.

We need to foster greater participation of women in the social, economic and political spheres – starting with project design and aiming for ambitious gender equality targets and tangible results

that close gender equality gaps across all sectors of ADB programming. Canada believes that addressing the systemic barriers that women and girls face, and providing them with the tools and opportunities to be powerful agents of change, are of paramount importance to the region's long-term prosperity.

Canada encourages ADB to continue its efforts to implement gender mainstreaming into all programming, in order to reach the increased targets for gender equality integration into all projects. Canada is pleased that ADB will reach beyond previous targets and is now committed to achieving at least 75% of ADB's operations will promote gender equality by 2030. While the new target could have been a bit more ambitious from our perspective, it is a good step in the right direction and we would encourage the Bank to surpass this commitment. To that effect, we would also urge ADB to consider projects focused specifically on gender equality and establish specific targets that demonstrate how the results of ADB's work is closing gender equality gaps in all sectors, particularly infrastructure programming.

We believe the importance of women in leadership roles cannot be underestimated and so we value improved gender diversity on ADB's Board of Directors and would suggest Governors, Directors and senior officers explore ways to enhance and promote gender equality in all board decision-making, and increase Board diversity when making appointment decisions. For its part, the ADB needs to put into place additional staffing, training resources and capacity at all levels in order to achieve these important objectives. As an organization, the ADB has made significant progress to address gender inequalities, with good gender equality tools and policies and the Bank should continue to recruit and further empower its staff, especially women, at the senior levels, with adequate training and resources to meet these challenges.

We also need to emphasize the global challenge of **climate change, and particularly its impact on the Asia and Pacific region.**

The fight to limit the impacts of global climate change is tremendously important for the Asia and Pacific region, and the ADB can play a leadership role in addressing this enormous challenge. Canada welcomes the ADB's commitment to double its annual climate financing by 2020, and we encourage stronger consideration of adaptive solutions. We also support the target of 75% commitments by ADB to be climate relevant, and look forward to seeing the methodology that will underlie this commitment, which should be defined in collaboration with other MDBs to ensure consistent accounting of climate financing.

The ADB is a key stakeholder in efforts to ensure the region moves further away from non-renewable energy sources to meet its COP21 commitments. We reiterate the desirability for the Bank to update its 2009 Energy Policy so the ADB can play a greater and more catalytic role in promoting clean energy, energy efficiency, climate-proofed infrastructure and environmentally sustainable, gender-responsive growth throughout the Asia-Pacific region. If just four of ADB's regional member countries proceed with their current coal fired generation plans the Paris 2-degree target will be essentially unachievable. We are convinced there are utility scale renewable energy alternatives, which ADB is already piloting, and we encourage all Asian nations to join the global Powering Past Coal Alliance. Finally, Canada notes the World Bank's commitment and leadership to stop all investments in coal, oil, and gas and believe ADB should give serious consideration to doing the same.

As a result of the 2018 G7 Leaders' Summit, under Canadian leadership, G7 Leaders committed to the Charlevoix Blueprint for Healthy Oceans, Seas and Resilient Coastal Communities. The health of our oceans and seas is critical to the well-being of our planet and plays a fundamental role in the global climate system and supporting communities, jobs and livelihoods, food security,

health, biodiversity and economic prosperity. We were very pleased that Bangladesh, the Marshall Islands, the Seychelles and Vietnam have also joined the G7 leaders' commitment to protect the health of marine environments and ensure a sustainable use of marine resources as part of a renewed agenda to increase global biodiversity.

As a further demonstration of our leadership on healthy oceans, Canada committed \$100 million to a marine litter mitigation fund to help developing countries prevent waste from entering the oceans, address plastic waste on shorelines, and better manage existing plastic resources. This fund will help the main Asian global hotspots, and African countries at risk.

Canada is also providing \$20 million in support of sustainable fisheries management in developing countries, including \$10 million to the Pacific Initiative for Biodiversity, Climate Change and Resilience initiative announced at the November 2018 APEC Summit to assist the Pacific region adapt to climate change, protect biodiversity, and improve ocean health.

And the Sustainable Blue Economy Conference, co-hosted by Canada, Kenya, and Japan, built on Canada's efforts to safeguard our oceans and support resilient coasts and coastal communities. Many around this table have signed on to the Oceans Plastics Charter: 6 of our G7 partners, as well as the Netherlands and Norway, the Marshall Islands, Nauru, Palau, Myanmar and Samoa. We welcome the ADB and all member states' efforts to join us in addressing these pressing global problems.

These commitments reflect the development assistance strategy and priorities that Canada is pursuing in the Asia Pacific, notably: advancing gender equality and women's empowerment; climate change, ocean health and clean energy; and developing innovative financing models.

Canada and our partners at the 2018 G7 Leaders' Summit also committed \$3.8 billion to support quality education for women and girls in crisis and conflict situations. Canada welcomed an additional \$527 million from partners at the UN General Assembly to help developing countries give every child access to quality education and modern skills training. We are pleased that ADB has expanded its support for technology advances in primary education in Bangladesh and youth and vocational education for technology and skills upgrading in India and Sri Lanka. We are also happy to note that ADB was again successful this year in their application for the Women Entrepreneurs Finance Initiative (We-Fi) for the Asia and Pacific region, over which Canada has the Presidency and helps fund.

These commitments reflect the development assistance strategy and priorities that Canada is pursuing in the Asia Pacific, notably in advancing gender equality and women's empowerment; in addressing climate change, ocean health and clean energy; and in developing innovative financing models.

Recognizing that public resources alone will be insufficient to meet the Sustainable Development Goals, we encourage the ADB to use its capital wisely by increasingly seeking to mobilize private capital to increase total resources available for projects. The success of Canada's partnership with the ADB and the other multilateral development banks, working together as a system, highlights the effectiveness of blended finance as a tool to both attract private sector investment to developing countries and to disseminate technological knowledge and expertise, which Canada's 200 Million Climate Fund for the Private Sector in Asia exemplifies. Canada is pleased that the ADB is considering using Canadian funds from this Climate Fund for the Private Sector to support the ADB's Pacific Renewable Energy Program, for which at least 5 Pacific developing member states will receive support to work with the private sector in developing their own power generation facilities through partial risk guarantees, loans and letters of credit.

We support ADB's efforts to strengthen its results-based approach to its new corporate results framework, and want to ensure strong monitoring and measurement frameworks are in place for this dynamic new framework. We continue to encourage the ADB to increasingly approach its operations in the context of multilateral development banks operating as a system. By working together and coordinating their interventions, these banks have the potential to achieve a transformational development impact that is beyond the reach of a single institution. Ongoing work such as the G7 and the G20's Eminent Persons Group on Global Finance Governance point to a growing appetite of shareholders to increase MDBs' effectiveness, coherence and coordination. Multilateral development banks working together as a system are playing an instrumental role in advancing the G20 Roadmap to Infrastructure as an Asset Class, which seeks to unlock large volumes of capital into much need infrastructure investments.

To conclude, I would like to repeat Canada's steadfast commitment to the ADB and the Asia and Pacific region as together we address poverty reduction, gender equality and climate change challenges.



FIJI
Aiyaz Sayed-Khaiyum, Governor

President of the Board of Governors;
President of the ADB;
Fellow Governors;
Distinguished Guests;
Ladies and Gentlemen.

I don't intend to make a long speech. I know many of our delegates have quite a way to travel back home, and I very much want you to be able to spend your remaining time in Fiji somewhere other than this room.

On behalf of the Fijian people, I would like to convey my sincere thanks and appreciation to the Asian Development Bank for the opportunity to host the 52nd Annual Meeting of the Board of Governors. As our Honourable Prime Minister put it, this meeting is history in the making for Fiji and the Pacific, as never before has an international gathering of such strategic significance and wide-reaching influence come to our region.

I hope your time with us in Fiji, and among the Fijian people, has given you the opportunity to learn about the Pacific and understand the real potential of this region as an engine for economic progress and development.

Fiji may have a smaller population and economy than other previous Annual Meeting hosts. But, as we are a fond of saying, we really punch above our weight when it comes to our presence on the world stage — and our contribution to the international conversations on some of the most important issues facing the global economy.

That's because we face a unique set of challenges in the Pacific that have armed us with the experience and foresight to talk about issues that now have rising urgency the world over. Indeed, we've been keen to place a heavy focus on **sustainable** development during this 2019 Annual Meeting, as that is a cause near and dear to the hearts of Pacific Island people. Whether its oceans preservation, climate adaptation, development in tourism, or the uptake of new technology, we in the Pacific have been fierce advocates for shifting the world economy onto a more sustainable and future-facing trajectory. Through this week, it has been made abundantly clear that this vision is one that is shared by ADB.

I don't intend to again go over in detail the enormity of the threat small state economies face from climate change. But I'd like to highlight once again that many vulnerable nations are only one severe weather event away from total economic catastrophe. That is why we are pressing so intensely to broaden and deepen access to sustainable financing mechanisms for vulnerable nations that help us build climate resilience across our economies. And it's why we're asking that those mechanisms offer more favourable terms that recognise a nation's vulnerability to climate impacts above all else.

While this may be the first time the ADB has brought its Annual Meeting to the Pacific, your organisation's work in the Pacific stretches back decades. With ADB's unwavering partnership

and foresight, the Pacific region has made unprecedented strides in tackling poverty and accelerating growth and development.

On the same note, the region needs to remain vigilant about new and evolving risks to global markets. Elevated trade tensions, along with increased trade policy uncertainty in the United States, slower growth in China, muted multilateralism and tighter global financial conditions pose a possible risk to the Asia Pacific region — a risk that is amplified for small and open economies like Fiji that are not as insulated from global economic events as our larger, more developed counterparts.

In closing, Mr President, I would like to expressly reiterate that Fiji has indeed been very honoured to host this Annual Meeting. I hope that you have all enjoyed the warmth of our Fijian hospitality and had the chance to enjoy some of the sights that Denarau has to offer, and perhaps you've already made plans for your next holiday — or better still, your next investment — in Fiji. Because while our pristine beauty and impressive hosting facilities have certainly been assets this week — above all else, I hope you now see that Fiji's best asset is, in fact, our people.

I will now resume my role as Chair and call on Governors to make their statements.

Vinaka Vakalevu.



FRANCE

Christophe Morchoine, Head of Delegation

Mr. Chairman of the Board of Governors,
President Nakao,
Honorable Governors,
Distinguished guests,

1. First let me thank the host country for welcoming us in Nadi for this 52nd Annual Meeting of the Asian Development Bank (ADB). Let me extend my deep appreciation to the Fijian people for its warm hospitality. I know how symbolic it is to meet here in Fiji, in a region highly exposed to global warming and climate change.

2. In this regard, we commend ADB for spearheading the implementation of the Paris Agreement in the Asia-Pacific region. It is much welcomed that an ambitious target of making 75% of commitments climate-relevant by 2030 has been adopted in Strategy 2030. It will allow to combine \$80 billion for green finance over the period. ADB must build on this momentum to further support renewables and help phase out fossil fuel energies. The review of ADB's energy policy starting this year will be an important milestone. ADB must increase its efforts towards adaptation projects to construct climate-proof infrastructures that are more resilient to natural disasters. ADB must strive to protect biodiversity and contribute to address marine pollution too. We also welcome the main priorities set out in Strategy 2030, consistent with the Sustainable Development Goals. It is paramount for ADB to address remaining poverty and the issue of growing inequality, achieve gender equality and improve governance.

3. To live up to these objectives, in a fast-evolving environment, we urgently need to modernize our instruments through three sets of reforms: pricing, Asian Development Fund (ADF) and private resources mobilization.

4. First, we must review ADB's loan charges to provide Developing Member Countries (DMCs) with a fair and efficient funding and better finance knowledge. While economic divergences are widening between countries in the region, flat pricing is no longer fit-for-purpose. It is high time we designed and implemented differentiated pricing. This reform will allow to better adjust our products to financial capacities of DMCs. It will enable to channel more resources to the poorer and more fragile and vulnerable countries. For emerging economies, it will pave the way to graduation, which must be the ultimate objective of recipient countries and Multilateral Development Banks (MDBs). Equally important, ADB's loan charges stand out from its peers' as abnormally low. In our view, the current pricing does not allow the Bank to provide enough capacity building to DMCs, nor enough innovation to the more advanced borrowers that are in search of sophisticated solutions. ADB must adjust its loan charges upwards to remain relevant and maintain a level playing field among MDBs. The supplementary resources would be used to fund more technical assistance and in-house knowledge, another key objective of Strategy 2030. We welcome the work initiated by Management and look forward to a breakthrough this year.

5. Second, the rapid economic expansion of the Asia-Pacific region is a call to collectively rethink the direction we want to give to ADF. The number of grant-eligible countries has been constantly decreasing. In only a few years, apart from temporary special assistance, ADF will exclusively cater for a small number of small states. Therefore, the need for a dedicated grant instrument for the Asia-Pacific will fade. Donors will remember that the spirit of the merger, approved in 2016,

was that ADB's net income would progressively take over ADF's funding. As ADF is set to grow smaller, an adequate review of ADB's loan charges would allow to achieve that objective through the period covered by Strategy 2030. This medium-term plan should be thought through now, as we are opening the discussion on ADF 13 by the end of this year.

6. Third, we must strengthen further our ability to leverage on private co-financing and maximize the catalyst role of public resources. Public institutions cannot keep pace with the economic growth of the largest economies and fill financing gaps by themselves. ADB must play a catalyst role in crowding-in private flows from commercial banks and institutional investors, who manage tremendous amount of savings and seek portfolio diversification, financial return but also, increasingly, a sense of purpose in their investment. ADB must continue to help develop local financial markets and diversify its lending currencies. ADB will also play an increasing role in supporting directly the private sector, as a financier, when market inefficiency makes a case for spending public money. While ADB has already embarked on such a path, set out in Strategy 2030, the ongoing preparation of a corporate strategy for the Private Sector Operations Department is a crucial step. We expect this dedicated strategy to elaborate on the mandate, the financial model and the institutional setup, as well as on how to measure development impact and set, accordingly, a risk-return profile.

7. These reforms will place ADB on a better footing to implement the international agenda alongside its peer institutions, who work as a system and face challenges that have to be addressed, in essence, through multilateralism. We wish to put emphasis on financial integrity and debt.

ADB must strive to support sound governance, as a prerequisite for the success of many development programs and eventually of the countries themselves. This consists in a continuum of interrelated issues: mobilization of domestic resources, healthy public finance, effective public procurement and expenditure, and the fight against illicit financial flows and corruption. This can be achieved through a continued cooperation with the international instances in charge, such as the Global Forum on Transparency and Exchange of Information for Tax Purposes or the Financial Action Task Force, and more technical assistance dedicated to these priorities.

As indebtedness is building up and global uncertainties are on the rise, ADB has a critical role to play to preserve debt sustainability, in financing economically viable projects where expected returns can provide for debt servicing, and in helping DMCs to manage their public finance. As stated by the Group of Twenty, a strong coordination between MDBs and the IMF is essential to achieve global financial stability. We also encourage ADB, as an observer, and ADB members to work closely with the Paris Club on these issues.

8. On a final note, we wish to commend the excellent partnership between ADB and AFD, the French Agency for Development, a relationship that has been flourishing for more than 20 years. The new co-financing agreement signed this year reflects our common commitment to the Asia-Pacific region, in combining \$5 billion from the two institutions in the next three years, including some targeted initiatives in the urban sector. We are proud to be one of ADB's prominent bilateral partner and, more than ever, convinced that cooperation will always be the key for success.

Mister President, Honorable Governors, thank you for your attention.



GEORGIA

Ivane Matchavariani, Governor

Esteemed President Takehiko Nakao, Honorable Heads of Delegations, Honorable Ministers, Distinguished Delegates, Ladies and Gentlemen

It is my pleasure to be here presenting my country and participate in the 52nd Annual Meeting of the Asian Development Bank (ADB). At the same time, on behalf of the delegation of Georgia, I would like to express my sincere appreciation to the Government of the Republic of Fiji for this excellent organization of the event and warm hospitality and beautiful landscape.

It is more than half a century since the Bank's first annual meeting and (here let me repeat what was already mentioned) over this period we have seen significant changes in the region, the development of the region is absolutely remarkable, and it is true also for every decade during this period. The role of ADB was crucial in this development, instrumental in allowing countries overcome challenges to take opportunities. If we look back these challenges were very complex and diverse.

Now, looking forward, we are in front of another decade of opportunities. Therefore, dear governors, I would like to focus on the importance of successful implementation of strategy 2030. Quite large number of the countries in the region during next year will be facing challenges of middle income country trap. Allowing the countries to overcome this challenge will be the biggest objective of the Bank.

I want to emphasize the importance of knowledge sharing in successfully achieving the objectives of the Bank.

When we are talking about the success of past years, of course that success was not evenly distributed among countries. That of course can be a pity, however I want us to look at opportunities of it - opportunities of sharing the knowledge and experience among the countries, that I believe, will be very important. This is the area where the bank should focus.

Another vital and crucial area for knowledge sharing is education itself. And really there is so much to share. Four out of top five countries in World Bank Human Capital index are Asian countries. Despite, having top performers, we all know that that there are countries in the region who lag behind.

I think we all are unanimous on the importance of developing education system. Therefore, looking at more systematized approaches in this area is very important.

Also, let my underline the role of innovation in development of the countries.

We are living in the era which is called Fourth Industrial Revolution (Industry 4.0) the era which will disrupt digital, physical and biological systems. Robotics, Artificial Intelligence, machine learning, blockchain, virtual learning are going to disrupt economic systems.

This certainly is an opportunity for countries and I think, helping the countries to catch up with advancements in new technologies should be one of the most important strategic directions for multilateral development banks and ADB in particular.

In addition, let me accentuate, on the role of the Private sector. The healthy and sustainable economic growth is possible only with private sector driving role.

More investments in private sector are needed. May be higher risk appetite from the Bank with effective and smart risk management.

Last but not least, the most unpredictable change that can happen in a decade to come is a climate change. We cannot afford ignoring it or simply watching at it.

Again, smart policies and decisive actions are needed.

Thank you!



GERMANY

Norbert Barthle, Governor

Mr. Chairman, President Nakao, Honourable Governors, Distinguished Guests,

This annual meeting is taking place at a point at which multilateral cooperation has come under stress and global uncertainty has reached a record level. Many ask whether the global institutions that were formed after the Second World War are still relevant to resolving the current and emerging challenges of the 21st century. The answer must be “yes”—and we as shareholders have a role to play to keep them fit for purpose. After all, most of the current challenges and topics we are dealing with transcend borders and indeed regions. As our Chancellor, Ms. Merkel, recently said, these challenges cannot be resolved if we only consider ourselves as a community of responsibility in the national context—they can only be resolved if we regard our entire world as a community of responsibility.

Germany considers the Asian Development Bank a vital partner for continuing to build a global community of responsibility. This is why we fully support ADB’s new long-term strategy with its ambitious objectives of tackling regional challenges, further reducing poverty, responding to Developing Member Countries’ (DMC) needs, and fulfilling its commitments with regard to the SDGs and the Paris Agreement.

Now the time has come for the Bank to describe clearly how it intends to achieve these objectives, how it intends to monitor results, and how it intends to deliver results in an efficient and effective manner. In particular, it will be crucial to undertake a timely review of ADB’s institutional structures, processes and human resource mix. We need to ensure that ADB is fit for purpose!

The draft operational plans for each priority area as well as the Corporate Results Framework are certainly promising steps in the right direction. So far, however, we still miss concrete “target figures” to ensure accountability and impact measurement.

Notably, we expect the Bank to explain in detail how it can support countries in reaching their Nationally Determined Contribution commitments in the area of climate change. ADB needs to further align its portfolio with the long-term goals of the Paris Agreement. This requires, among other things, a revision of the outdated energy policy, and the elaboration of a clear strategy for phasing out fossil fuel investments.

On environment, I greatly welcome that ADB has further strengthened its commitment to environmental protection. In particular, Germany congratulates ADB on its action plan on ocean health. Every year, up to 13 million tonnes of plastic waste from land sources ends up in the sea. Most of it comes from Southeast Asia, G20 countries and the Mediterranean region. We recognise that many other economies simply export their waste to places where appropriate waste treatment cannot be taken for granted—with still unforeseeable consequences for our health, the environment and indeed entire economies. For Germany, the protection of the oceans is therefore currently one priority for its development cooperation. We have launched the Blue Action Fund with a German contribution of 50 million euros (France and Sweden are further contributors). The Blue Action Fund provides support to NGOs engaged in implementing marine conservation projects which simultaneously improve the livelihoods of coastal populations. We look forward to continuing to work with ADB to explore possible synergies and openings for collaboration, including through our development agencies.

This brings me to a more general point on regional and global challenges. The example of ocean health shows that it is becoming increasingly important for people's well-being that we not only encourage investment that pays off in individual countries. We also need to create incentives for investment that has a regional and planetary significance. This will, inter alia, create and protect much-needed regional and global public goods. Examples of this include—in addition to mitigating climate risks and promoting renewable energy—protection against pandemics and responses to migration movements. We therefore encourage the Bank to explore further how its concessional assistance to DMCs could best be used so that it can incentivise more investment in global and regional goods for the benefit of all people in the Asia-Pacific region.

We recognise that poorer countries need particular attention. The eradication of poverty is becoming increasingly dependent on development progress in crisis-prone regions, where the vast majority of the poor will soon be living. Securing and expanding development progress in crisis-prone regions promises enormous increases in efficiency compared to humanitarian aid. Investing in resilience—for instance by engaging in climate action, empowering communities, tackling pandemics, building public services such as social safety nets, and stabilising financial systems—is far more effective and cost-effective than ad hoc emergency assistance. We explicitly support the use of concessional assistance for prevention within the framework of the next ADF. For the same reason, we attach great importance to the involvement of the Asian Development Bank in the InsuResilience Global Partnership, which seeks to protect poor and particularly vulnerable people against climate damage.

We recognise, however, that there is a role for the Bank in providing quick financing for rebuilding after emergencies. We are therefore in favour of continuing the Disaster Response Facility (DRF) under ADF 13 and expanding the scope of the DRF to include emergencies beyond disasters triggered by natural hazards. We need clear and transparent criteria for such emergencies, and consequently an update of ADB's 2004 Disaster and Emergency Assistance Policy.

If ADB wants to deliver on its objectives, it is critical for the Bank to develop a fundamentally new approach to engaging the private sector. In fact, the vast majority of external financing is now being provided by the private sector. Mobilisation of private capital should however not be an end in itself but a means to direct much-needed finance towards quality infrastructure and other sectors in order to spur sustainable growth and reach the underserved. In this endeavour, private and public parties must work to share risks and rewards equitably, a process which ADB can facilitate as an honest broker. We encourage the Bank to develop clear principles for investing in and working with the private sector—reflecting market structure and regulatory and institutional maturity in line with the G20 work on Principles for Quality Infrastructure Investment, the endorsed Roadmap to Infrastructure as an Asset Class and the Hamburg Principles and Ambitions on Crowding-in Private Finance. Investing in Fragile and Conflict-Affected Situations (FCAS) and frontier markets but also in regional public goods will require the expansion and standardisation of risk-sharing instruments in particular—which is also the aim of our Trust Fund with the ADB, the Asia-Pacific Climate Finance Fund (ACLIFF)—investment in new sectors such as health and agribusiness with smaller ticket sizes, local currency offers, and the creation of the appropriate enabling environments. We will be happy to share our experience in these areas with ADB through our private sector arm, DEG.

In closing, I would like to thank the Government of Fiji and the Bank for the excellent organisation of the Annual Meeting and for the hospitality extended to us.

Thank you very much.



HONG KONG, CHINA
James H. Jr. Lau, Alternate Governor

I would like to thank the Government of Fiji for hosting the 52nd Annual Meeting of the Asian Development Bank (ADB) in Nadi, Fiji, marking the first time a Pacific island member hosting the event. I would also like to thank the management and staff of ADB for the excellent arrangements of the event.

The theme of this year's Annual Meeting, "*Prosperity through Unity*", is most apt and timely. The uncertainties over international trade and economic prospects over the past year have rendered trusts and reliable partnerships all the more important at this juncture. The development of Asia is a daunting task that demands great determination, co-operation and most importantly, *unity*, if we are to achieve *prosperity* for all. Working together as a whole and getting the right infrastructure in the right place at the right time is surely keys to the sustainable growth of Asia.

In this regard, ADB plays a key role, bringing countries together to address Asia's infrastructure needs and to improve social and economic development in the region. We are pleased to note that ADB made a record level of commitments amounting to \$21.6 billion in 2018 to improve the lives of millions, and that it is committed to ensuring the growth in its developing members is inclusive and environmentally sustainable, while achieving regional cooperation and unity.

Tackling the infrastructure needs in the region requires concerted and coordinated efforts. No single entity can do this alone. Governments, multilateral development agencies and the private sector need to collaborate strategically and financially to support infrastructure development. As ADB implements its long-term strategy, "Strategy 2030", we trust the ADB will continue to strengthen its leadership in regional cooperation and partnership with key development stakeholders across the region.

As an international financial centre in the region, Hong Kong, China has an active role to play in supporting and promoting infrastructure investment in Asia. Multilateral development agencies including ADB have been making good use of Hong Kong, China's deep financial markets in raising funds for infrastructure projects. In 2018, ADB issued \$472 million amount of bonds in Hong Kong, China, reaching a record high. The Infrastructure Financing Facilitation Office (IFFO) of the Hong Kong Monetary Authority (HKMA) has also been playing a key facilitating role in infrastructure financing. Its network of partners has now exceeded 90. They include development banks, project developers and operators, financiers, institutional investors and professional services firms from all over the world. Since its launch in 2016, IFFO has organised a series of large-scale conferences, seminars and workshops on infrastructure investment and financing, making the match between those in need of capital and those with capital.

Apart from financing green field projects, we are also looking at how we may better assist projects in brownfield stage. The new capital standards for banks do not make it attractive for them to hold on to these infrastructure loans on a long term basis, even though the projects are operating smoothly and profitably. Yet, there are many other investors, such as insurance companies and pension funds, which are looking for less risky investments that can produce stable long-term cash flow. The Hong Kong Mortgage Corporation Limited, again under HKMA is pursuing the proposition of securitising infrastructure loans to provide banks with opportunity to offload their loans to those long-term investors. That will facilitate additional flow of capital into infrastructure projects.

Leveraging on our status as an international financial centre, Hong Kong, China looks forward to contributing more to ADB's important work in achieving prosperity through unity in the region.



INDIA

Subhash Chandra Garg, Alternate Governor

Chair of the Board of Governors of ADB, His Excellency, Mr Aiyaz Sayed-Khaiyum;
Distinguished Governors,
President Nakao and ADB Board of Directors,
Heads of Delegations,
Ladies and Gentlemen;

I am extremely delighted to be here today in this beautiful city of Nadi. India and Fiji share a deep historical tie which dates back to 1879, and since then, several hundred thousand people of Indian origin have made Fiji their home. I thank the Government of Fiji for extending such a warm hospitality to us and making our stay truly memorable.

Amidst the continued global uncertainty, Asia retains the hope of a bright future. In our view, a more long term structural view needs to be taken rather than responding to short term uncertainties and risks presently seen. It is the emerging market and developing economies where consumption is rising and more investment can and should be made. On the other hand, owing to several factors, advanced economies are seeing stagnant consumption and they have much larger savings pools in pensions, insurance and sovereign wealth funds than their investment requirement are. If we can, with ADB assisting, ensure flow of funds from advanced economies to the emerging market and developing economies, we would succeed in not only keeping global growth sustained high but also make significant dent on poverty and infrastructure services debt.

Asia must continue to be the growth engine of the world aided and helped by the right policy advice and funding support from ADB. This will require careful fine-tuning of both public and private sector financing. Private financing has to be carefully shepherded to the right sectors like manufacturing, services and new digital economy industries with active support of equity financing from ADB and other multilateral agencies. Private investment in more difficult sectors like infrastructure and human capital improvement, however, will not flow unless these projects are sufficiently derisked for private sector with both direct investment as well as provision of guarantees and other structured support. In this respect, we don't think the recommendation of EPG to do away with direct funding by MDBs and replace these by derisking instruments is right. In these areas, MDBs would have to be fully engaged and should enhance their direct support.

Indian economy has witnessed a robust growth of 7.5% on an average in last five years, and has emerged as the fastest growing major economy in the world. This momentum in growth has been combined with our efforts in containing inflation to an average 4.6%, and reducing the fiscal deficit to 3.4% in 2018-19. India has managed to contain the Debt to GDP ratio at 46.5% in year 2017-18. At the same time, public investments, development initiatives and poverty alleviation programs have been further expanded.

India has undertaken several structural reforms in the recent past. We have introduced Goods and Services Tax (GST), which seeks to integrate the diverse federal structure into a common market and to consolidate seventeen different taxes and their cascading effects. It has also led to an increased tax base and added more than 5.5 million businesses. Banking Reforms and Insolvency and Bankruptcy Code (IBC) was our other path breaking initiative, which has ushered in a resolution-friendly mechanism to tackle the stressed assets. Banking sector reforms are

underway with recapitalization and consolidation of smaller public sector banks. These reforms, coupled with a stable and predictable regulatory regime, has enabled India to attract \$239 billion worth Foreign Direct Investment (FDI) during the last 5 years.

India's national priorities are well aligned with the Sustainable Development Goals. Our "Swachh Bharat Mission" has facilitated a massive behavioral change ecosystem, leading to 98% rural sanitation coverage. As many as 545,000 villages have been declared "Open Defecation Free". Last year, India also embarked upon world's largest healthcare programme, Ayushman Bharat, to provide free medical hospitalization coverage to nearly 500 million people. Already close to 1 million patients have benefited through medical treatment which otherwise would have cost them \$428.26 million. Almost 60 million households have been provided with free LPG connections securing the health of women household.

As part of our social protection programmes, we have initiated a structured income support targeted at 120 million poor farmer families. To provide pension coverage to millions of workers in the informal businesses in India, the Government has initiated comprehensive social security coverage for 420 million workers in the unorganised sector to assure them a monthly pension starting at the age of 60 years. To promote financial inclusion, nearly 340 million Jan Dhan bank accounts have been opened in the last five years. Our biometric identification initiative, AADHAAR, has got universal recognition.

Ladies and Gentlemen, last year, we adopted the "Strategy 2030" for ADB, which becomes our guiding philosophy for the next ten years. Even though the Asia and the Pacific region has witnessed a steady growth in the recent past despite global uncertainties, yet pervasive poverty remains a stumbling block in our collective endeavor to achieve the Sustainable Development Goals. The urgency to recognize that economic growth has to be inclusive, sustainable and climate resilient was never greater. Reducing income gaps across the region and minimizing inequalities within countries will be extremely important, and I am happy to note that this has been identified as a key operational priority under the new corporate strategy of ADB. While the strategy to mobilize and allocate relatively cheaper sources of finance among the Developing Member Countries (DMCs) has to be based on parameters acceptable to all, such a strategy must not lose sight of regional spread of poverty.

Asia's demographic dividend represented in its younger population enjoins upon us to create adequate job opportunities for the teeming millions. At the same time, our strategy must evolve to equip our youth with adequate skills in order to enhance their employability and address the concerns arising out of disruptive technologies and their impact on livelihoods.

While ADB should continue helping the member countries harness their growth potential by providing larger financial resources, it must expand its private sector operations across the region. By investing more through equity and infrastructure trusts, ADB can play a meaningful role in development of private sector initiatives.

For the last 52 years, ADB has helped the DMCs in building infrastructure and reducing extreme poverty. It's high time it helped them strengthen their human capital and develop social safety nets. Therefore, we urge the ADB management to expand its social sector engagements in countries like India, while at the same time, continuing with the focus on making cities smart, providing 24x7 water and power supply, enhancing connectivity, and mitigating the risk of climate change. Our regional cooperation initiatives must aim to integrate the countries of the region with the global value chains.

Ladies and Gentlemen, innovation in financing will be the key to success of our long term growth strategy. I commend the Bank for introducing new lending instruments, such as Project Readiness Financing (PRF) facility, which would go a long way in strengthening the institutional capacity of our implementing agencies. While we are fully committed to the environmental and social safeguards, we would expect that policy prescriptions of the Bank are increasingly rooted in the ground realities and do not deter the developmental aspirations of the borrowing countries.

Policy based loans have to be leveraged to usher in financial sector reforms, and bring in greater domestic resource mobilization. Therefore, we must ensure that our program loans are affordable, and act as an incentive for policy and regulatory reforms.

To conclude, ADB has played a pivotal role in helping member countries change their developmental landscape all these years. However, in order to realise the goals of shared prosperity in Asia and the Pacific and meet the Sustainable Development Goals on poverty and hunger by 2030; ADB will require to continue providing affordable financing to its borrowing members, offer lending instruments which are innovative, and expand equity financing to private sector. It must also remain fully engaged in funding of infrastructure and human development projects by funding directly and structuring projects appropriately and guide them as a key knowledge partner in their developmental journey.

THANK YOU.



INDONESIA

Sri Mulyani Indrawati, Governor

Excellency Minister Aiyaz Sayed-Khaiyum, Chair of the Board of Governors;
Excellency, President Takehiko Nakao, Chairperson of the Board of Directors;
Excellency, Governors and Alternate Governors;
Distinguished Delegates, Ladies and Gentlemen,

Let me begin by congratulating the Government and people of Fiji for hosting the fifty-second Annual Meeting of ADB here in Nadi; the first time for the Pacific island states. I also congratulate the Board of Directors, Management and all staff for another year of excellent performance of the Bank. President Nakao's strong leadership is evident in this achievement.

Safeguarding Multilateralism Amid the Global Uncertainties

It seems not so long ago, when all nations collectively agreed upon the Sustainable Development Goals (SDGs) in 2015. Back then, we were optimistic that poverty could be reduced to almost zero in our lifetime and that all people would prosper and partake in the fruits of growth.

Today, a mere four years later, the idea of the world speaking with one voice seems like ancient history. Cooperation is to be replaced by zero-sum unilateralism, and political leaders have become increasingly pre-occupied with myopic, pro-cyclical, and populist policies at home. The foundation of international cooperation and multilateralism continues to be weakened and eroded even more rapidly.

Global growth has not been back to normal since the 2008-2009 crisis. The latest forecast has shown that for 2019 global growth is expected to slowdown. A "no-deal" withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in the People's Republic of China could spark further deterioration in risk sentiments, bringing adverse growth implications which also exacerbated by high levels of public and private debts in many member countries.

This challenge threatens the conducive environment for the global economy to achieve higher growth. Although good fundamentals can be attributed to emerging markets, increasing volatility of the global economy still puts them in a difficult situation and has the potential to jeopardize their future growth.

As global policymakers, we need to build synergy on policies to boost global growth and discuss possible solutions to restore a positive momentum in the global economy. We also put our hope on the multilateral system to take a more significant role in restoring global confidence by correcting the false perception of protectionism disguised as national interest and preventing fragmentation. As developing member economies, it should be our collective priority to keep the spirit of multilateralism alive. ADB, as a leading regional development bank, should also strengthen its commitment to voicing for partnership and international cooperation.

Reforming the Asian Development Bank

To stay relevant with current global environment, ADB needs to recalibrate itself and continue its reforms. ADB's governance needs to be brought up to date, reflecting the complexity of its strategic challenges and the needed shift in its business models.

In transforming into a knowledge bank, ADB should develop partnerships with member countries to more than just about development financings. ADB should approach its operations in a more integrated way, incorporating projects and programs with experience sharings and higher capacity buildings, increasing technical assistances with digital technologies, artificial intelligence, satellite systems, and other advanced technologies of which member countries can gain more optimum benefits.

ADB should have stronger present in private sector operations, especially in frontier economies, start-up companies, and social sector projects, such as in vocational education and healthcare, in addition to projects in renewable energy, urban transport, water, and sewerage. In this regard, ADB may consider the cascading policy approach adopted by the World Bank in which the mobilization of private sector resources is aimed to best suit the member countries' needs and priorities.

ADB's upcoming pricing differentiation policy should be well communicated to all member countries. The policy should not be taken as a partial approach while member countries are facing more complex issues in their development strategies. Many emerging economies have acquired their development wisdom and institutions and ADB has helped to achieve them. Therefore, ADB should focus on providing value addition to development in those countries, both in the areas of knowledge and better financing innovation that are distinguished from other financing sources.

ADB's Support For Reforms in Asia Pacific Countries

ADB should continue to help member countries in their pursuits of structural reforms, to increase productivity, boost competitiveness, create better opportunities for the private sector, and strengthen their work on human capital development. The global risk intensity highlights the need for continued investments on social assistance and insurance programs to protect the most vulnerable groups. This set of policy reforms is a key to avoid middle income trap that several member countries might have to deal with.

Indonesia supports ADB's initiatives to strengthen further its country-focused approach, tackle climate change, increase gender elements, and deliver integrated interventions that combine expertise across a range of sectors and themes and through a mix of public and private sector operations.

ADB should continue to strengthen its disaster resilience programs. Many member countries are vulnerable to various types of disasters. Strategy 2030 has put much greater attentions on dealing with disasters particularly in small island developing states (SIDS) and fragile conflict-affected states (FCAS), including those across different parts of Asia. We believe that it is of high priority that more resources are allocated to support those programs.

ADB should help Pacific member countries in ensuring debt sustainability by improved debt management and quality of spending. The structural factors, including modest long-term economic growth prospects, high vulnerability to natural disasters, and high costs for public services and infrastructure, have placed many Pacific Island countries at high risk of debt distress. Strong project due diligence, investment planning, and improved debt monitoring frameworks are

needed to safeguard against future repayment concerns. ADB needs to strengthen its role in this critical agenda.

While substantial progress has been made in promoting sustainable and inclusive growth, challenges to economic development persist, particularly in the poorest countries, FCAS and SIDS that largely lack repayment capacity. Continued grants supports from ADF remains crucial to promoting social and economic development while preparing all those countries for graduation.

Indonesia's Structural Reform Efforts

Indonesia continues to pursue reforms to increase economic outputs. All these reform efforts are particularly directed toward improving ease of doing business, encouraging investments, closing the infrastructure gap, building connectivity, improving productivity, enhancing mastery of technology, boosting production efficiency, and upgrading the skills of our workforce. We are accelerating competitiveness by increasing the supply side of the economy and working hard to ensure that the quality of growth is maintained. We believe that economic development must be inclusive in boosting prosperity, reducing poverty, addressing inequality, and bridging the income gap. We appreciate ADB's support to Indonesia's development and reform agenda.

Indonesia stands ready to help other developing countries through our South-South and Triangular Cooperation programs. The South-South Cooperation offers the possibility of non-traditional approaches that capture lessons learned. It is more horizontal and it is based on the concept of solidarity.

Indonesia's relationship with ADB and its members is one of shared history, continuous growth, and mutual learning. We reaffirm our commitment to continue this collaboration towards creating much better impacts on the lives of our people.

Thank you.



IRELAND

Paul Ryan, Alternate Governor

Mr. Chairman
Governors
Honourable Board of Directors
Distinguished Ladies and Gentlemen

On behalf of the Government of Ireland, I would like to join others in thanking the Fijian Government for hosting this 52nd Annual Meeting of the Asian Development Bank (ADB). I would also like to commend our hosts, along with the management and staff of the Bank, on the professional organisation of the event and for the warmth of the welcome we have received here in Fiji.

2018 was a milestone year for ADB, with the adoption of Strategy 2030 which sets out our response to the evolving developmental needs and challenges facing the region. We were pleased at the opportunity to engage and assist in shaping the direction and vision of the Strategy. Of course, the merit and quality of any Strategy lies in its implementation. For us, this has two important elements. Firstly, we welcome the inclusion of numerical targets. Secondly, and in order to build on those and other targets still to be elaborated, it is vital that we now develop a comprehensive corporate results framework which will provide the waypoints necessary to navigate the delivery of the Strategy 2030 vision. This is the only tangible way that that we can translate policy ambition into progress on the ground.

Ireland recently launched our new international development policy – ‘A Better World’. The Policy’s development ambitions of gender equality, reducing humanitarian need, strengthening governance and climate action are closely reflected in the priority areas in Strategy 2030. A Better World is underpinned by our committed to contributing to the Sustainable Development Goals and that contribution will be underpinned by the Government of Ireland’s renewed commitment to reaching the international goal of allocating 0.7% of GNI to ODA by 2030. In that regard, the impetus within Strategy 2030 on contributing to the Sustainable Development Agenda, as well as the implementation of the Paris Agreement are very welcome. Indeed, ADB provided a welcome input to our new Policy during the public consultation period and we are grateful for this contribution.

Protecting the most vulnerable and those marginalised in societies is a key goal for Ireland’s international development. Through strategy formulation and policy interventions underpinned by this goal, we seek to protect those who are most at risk while also supporting those furthest behind in terms of progress and prosperity. Putting the furthest behind first is the overriding ambition of our ‘A Better World’ Policy. I am glad to note that this approach also resonates with Operational Priority 1 under Strategy 2030, Addressing Remaining Poverty and Reducing Inequalities. To this end, Ireland strongly supports the approach which President Nakao has elaborated that strengthening ADB’s commitment to diversity and inclusion, where everyone is treated with respect, regardless of gender, nationality, ethnicity, religion, sexual orientation, physical ability, and thinking style, is central to the organisation’s effectiveness.

A critical objective for Ireland is our long-established and ongoing strong support for Small Island Development States and our response to humanitarian crises, especially those in Fragile, Conflict

and Vulnerable Situations. As a small island state, Ireland has long had an affinity with the SIDS. In this regard, I'm delighted to inform you that earlier this week Ireland signed an agreement with the Bank to establish of a Trust Fund targeted at the SIDS members of the Bank, with funding in the region of €12 (around \$13.5 million) over 5 years. The Fund aims to increase the availability of technical assistance (TA) funding for ADB projects and programmes in the SIDS, and at the same time represents a deepening of our engagement with the ADB.

This commitment to SIDS will also be reflected in our engagement with the ADF 13 during the coming months up to the 2020 Annual Meeting. As part of that work, we will advocate targeting of resources towards those who are most vulnerable and those who need it most.

In addition to our commitment to the SIDS, this ambition for ADF13 will specifically focus on regions experiencing Fragile, Conflict and Vulnerable Situations. Unfortunately, these regions are facing a growing range of very challenging issues such as conflict, refugees, climate-related natural disasters, as well as climate change resulting in altered weather patterns with an impact on food, environments and economic development. Given the existing and potential problems facing these situations, they have to be placed centre stage of the ADF13 negotiations.

At this stage, I would like to take the opportunity to express my gratitude to our representation at the Board of Directors, through our Executive Director, and his excellent team. Ireland's representation within the Constituency Office has been very significant in terms of cementing and strengthening our relationship with the Bank. Going forward, we hope to build upon this engagement and look forward to deepening our participation in the years ahead, in conjunction with our Constituency colleagues. On this point, I note that Ireland plans to open an embassy in Manila in the next 18 months as part of the Irish Government's Global Footprint Policy which aims to double out diplomatic and trade representation abroad by 2025. In addition to our Constituency Office involvement, this will help Ireland continue to work closely with the ADB.

Finally, I would like to extend my well wishes to President Nakao in advancing the work of the Bank, specifically in bringing to reality the vision contained in Strategy 2030, and with regard to progressing a successful replenishment of the Asian Development Fund over the coming months to the 2020 Annual Meeting.



ITALY

Pablo Facchinei, Temporary Alternate Governor

Let me start by thanking the Authorities and the people of Fiji for their warm hospitality in this marvellous setting and the Bank for the excellent planning of this event.

I wish to extend my warmest congratulations to Niue for becoming the 68th member state of the ADB.

Over the past twenty years we have witnessed a remarkable growth in Asia and the Pacific and, as ADB shareholder, Italy is proud of the role this institution has been playing.

We are aware of the tremendous challenges of the Region, characterized by an uneven picture: changes occur at a swift pace, pockets of poverty persist, the environment needs to be protected.

We need to be vigilant and more ambitious in order to make growth really inclusive, especially in times of global uncertainty, when a slow-down in growth and a rise in inequality may occur, if we do not act promptly and effectively.

The Bank can make a difference by fostering, at national level, comprehensive policy reforms for sustainable and inclusive growth, and by promoting regional cooperation and integration. We, as international development actors, should ensure that resources are invested in the most effective way, to promote investment in high quality infrastructure and to tackle conditions of marginalization. The ADB can help governments shape welfare-enhancing policies and adopt appropriate redistributive policies to eradicate poverty.

Maintaining growth momentum requires political will and private sector involvement to make the most of current opportunities and mitigate risks. For instance, the increasing use of technology in financial services (fintech) is an opportunity for inclusive growth. The Asia-Pacific region has made significant progress in financial inclusion, but disparities across countries and within countries continue to be high. While some countries are leaders in fintech, on average the Region is lagging behind. Policy reforms are needed to create the appropriate regulatory environment and advance financial inclusion. The involvement of the private sector is essential to improve access to employment, finance and services.

Addressing risks linked to the environment and climate change requires increased financing, as well as coordination among stakeholders for mitigation and resiliency. Quality sustainable infrastructure needs financing and planning by the public and private sector. In addition, the social impact of natural disasters falls predominantly on low-income households and small entrepreneurs working in agriculture who lack the financial capacity to rebuild their livelihoods after extreme weather events. Sustainable infrastructure needs to encompass social and environmental aspects. The ADB is uniquely placed in the Region to foster private sector involvement by devising bankable projects as part of a more focused private sector strategy.

The transition from a low-income to a middle-income Region is a fact. But so are the differences among the Bank's developing member countries. We commend the efforts made last year for approving a comprehensive and balanced corporate strategy aimed at addressing the multifaceted challenges of the Region with a selective and qualitative approach.

We are confident that the operationalization of the Strategy 2030 through the seven operational plans will allow customized responses to be implemented across the variety of beneficiary countries. Fighting poverty and inequality, including in terms of gender, requires country's specific actions.

We have a number of challenges ahead of us in 2019, including a firm stance on price differentiation (stemming from the differentiated approaches), the role of the Bank in UMICs, the shift to a "knowledge Bank", the focus on human capacity development, but also the future of the Asian Development Fund.

The ADF-12 Midterm Review, held last February, was a fruitful exercise. Let me just reiterate, in this respect, that the temporary measures approved during ADF-12 on an exceptional basis should in no way preempt the upcoming consultations for ADF-13.

Regarding the Bank's overall financial outlook, notwithstanding its sound capital base, we should not be complacent, bearing in mind that needs in the Region are constantly on the rise. Budget discipline and capital optimization should continue to be pursued. In addition, aiming at the Bank's financial sustainability, we cannot take for granted that the balance sheet will benefit from measures that are yet to be implemented: i) price differentiation, ii) introduction of reimbursable technical assistance; iii) Exchange Exposure Agreements with other MDBs.

Last but not least, we look forward to the review of the compensation and benefits framework, including the introduction of a specific methodology for salary assessment, capturing the ADB's distinctive character.



JAPAN
Taro Aso, Governor

I. Introduction

Mr. Chairperson of the Board of Governors, Mr. President, Governors, Ladies and Gentlemen:

First of all, I would like to express my sincere gratitude to the Government of Fiji and the people of Nadi for their warm welcome. Last year, direct flights between Japan and Fiji resumed. I hope that this will spur the people of the two countries to visit each other more frequently and further deepen their ties.

Of the 68 members of ADB, Pacific island countries, including this beautiful Fiji, account for about as much as one-fifth. Japan is pleased that this 52nd Annual Meeting of the Board of Governors of ADB marks the first-ever one held in a Pacific island country. Japan would also like to extend its heartfelt welcome to our newest member, Niue, which joined ADB this year. I have no doubt that discussions at this year's annual meeting will contribute to further development of the Pacific island countries.

II. Implementation of Strategy 2030

I would like to congratulate the adoption of Strategy 2030, which lays out ADB's long-term strategic directions for the period until 2030. As ADB is set to implement it going forward, I would like to discuss Japan's expectations to ADB on key policy matters.

Recipient Countries

Over the past five years, the total amount of lending approved by ADB showed strong growth by 33%. However, assistance to upper middle-income countries (UMICs) outpaced the total, increasing by 37%. In order to make effective use of its limited resources, ADB should prioritize assistance to low-income and vulnerable countries, including small island states. As for assistance to UMICs, we call on ADB to implement the following policies under Strategy 2030:

- ADB will focus on areas where it can add the most value by helping countries increase their access to capital markets, strengthening institutions, and developing demonstration projects; and
- The sharing of experiences, best practices, and innovation will be increasingly more important elements of ADB's engagement with UMICs than its lending volume, especially in critical areas such as regional public goods, climate change, urbanization, RCI, and emerging social issues such as aging.

Graduation Policy

For UMICs above the graduation income threshold under the graduation policy (\$6,795 per capita), Strategy 2030 states that "ADB will continue to apply its current graduation policy, while also reviewing the effectiveness of the policy." ADB should hold substantive discussions on a concrete path toward graduation while prioritizing its assistance in areas conducive to graduation, such as strengthening the mobilization of private resources and enhancing organizational

capabilities to deal with environmental issues. The Country Partnership Strategy (CPS) process provides an appropriate opportunity to carry out systematic analyses and assessments to determine the country's readiness for graduation. Japan calls on ADB to do so in CPSs for all relevant countries.

Differentiated Pricing

For its assistance to be more responsive to the needs and circumstances of developing member countries (DMCs), ADB should introduce differentiated pricing according to their income levels and the areas of assistance while maintaining its financial soundness. Japan appreciates that ADB in its Strategy 2030 commits to considering utilization of a range of financing terms to implement differentiated approaches, and urges it to move forward as swiftly as possible, given the fact that the World Bank Group has already taken steps in this regard.

Private Sector

Assistance to the private sector is imperative in promoting sustainable growth in Asia and the Pacific. Japan welcomes Strategy 2030's aim to raising the share of private-sector operations by number to one-third by 2024. Japan also highly appreciates ADB's strengthening of assistance to the private sector in low-income countries, such as Myanmar, Cambodia, and Bhutan.

In addition to enhancing assistance from its own resources, ADB should step up its efforts to mobilize private capital, including from financial institutions. This should be complemented by assistance to facilitate business-friendly reforms in DMCs, including improving investment environment and deregulating financial markets.

Asian Development Fund (ADF)

Although remarkable progress has been made in reducing poverty, the Asia-Pacific region continues to face serious development challenges, such as large population living in extreme poverty. Grant assistance from ADF remains a key instrument to address these challenges, and Japan looks forward to fruitful discussions in upcoming ADF 13 negotiations. Japan calls on ADF 13 to prioritize enhancement of debt management capacity and put increased focus on disaster risk management and health.

Organization and Staffing

Japan is pleased to note that ADB is one of the most efficient organizations among the multilateral development banks (MDBs), as demonstrated by the fact that the ADB's expense per project of similar nature is less than that of any other MDBs. In order to carry out missions under Strategy 2030 in an effective manner while further improving efficiency, ADB should continue to be proactive in necessary organizational restructuring and staffing. Japan welcomes that ADB staff increased by 9% between 2015 and 2018, of which staff involved in operations expanded by 13%, marking major progress in strengthening ADB's capacity.

ADB should also secure "right" staff with necessary professional expertise in the areas where its operations are going to expand, such as infrastructure with high-level technologies and the social sector including health. In addition, it should enhance local presence in order to make assistance more responsive to DMCs' needs. In this respect, Japan welcomes ADB's decision last year to establish country offices in 11 Pacific island countries, which allows ADB to have the strongest presence in the Pacific island countries among MDBs. Japan hopes that ADB will further enhance assistance for those countries going forward.

III. Japan's Development Priorities

Next, let me turn to four development priorities, in which ADB is expected to proactively engage for the further development of the Asia-Pacific region. These constitute the priorities of the G20 under Japan's presidency this year. Japan calls on ADB to take on the deliverables of the G20 and mainstream them in its operations.

Quality Infrastructure Investment

For economic growth of the Asia-Pacific region to be sustainable, substantial infrastructure gap should be closed through expanded investment. Such investment should also pursue quality. "Quality Infrastructure Investment" brings about positive economic spillover effects over the long run, beyond the benefits stemming from the physical infrastructure itself. Specifically, it can lead to job creation, capacity building, transfer of know-how on mutually-agreed terms, and further mobilization of private sector capital, thus helping achieve sustainable growth.

Proper project preparation is crucial in maximizing economic efficiency in view of life-cycle cost while securing project quality. Further, transparent procurement is essential at the project implementation stage. 'Quality' needs to duly cover environment, social, and governance considerations, which include, among others, open access and debt sustainability.

Japan has been actively facilitating quality infrastructure investment. As indicated at the last year's annual meeting, the Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth of the Japan Bank for International Cooperation (JBIC) launched in July. The projects supported by the Facility since its inception now amount to around 9 billion US dollars, including those in the Asia-Pacific region.

ADB has been an important partner of Japan in quality infrastructure investment. Japan is pleased to announce an additional contribution of 15 million US dollars to the ADB's High-Level Technology Fund, a key vehicle to promote quality attributes in ADB's infrastructure projects.

Enhancement of Resilience to Natural Disasters

The Asian Development Outlook 2019 discusses that four in five people affected by natural disasters around the world live in the Asia-Pacific region. Small island countries are particularly vulnerable to natural disasters. Japan, as a country frequently hit by natural disasters, will continue to actively provide assistance that helps build resilience, through its knowledge and experiences. Here in Nadi, Japan is assisting preparatory work for a flood control infrastructure project through the ADB's Japan Fund for Poverty Reduction.

Financial resilience is another key challenge, and insurance plays a significant role in managing disaster risk. Being well-prepared for natural disasters in financial terms would help attract foreign investment. In this regards, Japan welcomes ADB's ongoing assistance for establishment of disaster insurance systems in countries such as the Philippines. Japan has been leading the regional efforts to promote the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), which enables prompt payment of insurance benefits after natural disasters, and will further contribute to increased resilience in the region.

Health

Human capital serves as the base for sustainable economic growth, and Japan focuses on promoting universal health coverage (UHC) in developing countries. We are encouraged by the

remarks by President Nakao at the ADB-JICA conference on UHC in February that ADB is scaling up operations in the areas of health and medical care with particular emphasis on UHC. Japan welcomes the memorandum of understanding between ADB and the WHO in September last year and expects ADB to help address other health-related challenges in Asia, including communicable and non-communicable diseases and aging. Japan will continue to lead international discussions on health, enhancing its cooperation with ADB.

Debt Sustainability

Any financing to close huge infrastructure gap in the Asia-Pacific region should give due consideration to DMCs' debt sustainability, a prerequisite for sound and stable economic growth. However, in recent years, a rapid debt build-up provided by non-traditional lenders has raised grave concerns about debt sustainability of countries in the region, warranting urgent actions. Both borrowing countries and creditors, public and private, should jointly work together to ensure debt sustainability through enhanced debt transparency.

Japan calls on ADB to assist DMCs, in coordination with the IMF and the World Bank, in ensuring debt sustainability through a multi-pronged approach, including enhancing debt transparency, strengthening debt management capability, and bolstering public fiscal management and domestic revenue mobilization.

IV. Conclusion

In the past, ADB was seen as a “home doctor” for DMCs in Asia. This suggested that ADB was always close to its clients and approachable for any treatments and first-aids as a general practitioner, but inclined to resort to other specialized doctors if complicated surgery seemed to be needed. However, in recent years, ADB has changed. It has further strengthened its professional expertise and operational efficiency and implemented many quality projects while remaining close to the region's DMCs. On the energy sector, for example, ADB is giving weight to cutting-edge projects, including in island countries, on geothermal power generation, waste-to-energy and smart grids, which should also be conducive to addressing climate change challenges. These developments are most welcome.

Japan will provide full support for ADB to continue serving as a “highly-skilled doctor close to its clients.” Japan is committed to staying close to ADB, as is ADB to its clients. I will conclude my remarks by hoping that ADB will make further important contributions to the region and steady progress toward its goal.



KAZAKHSTAN

Ruslan Dalenov, Governor

Dear President Nakao,
Dear Mr. Sayed-Khaiym,
Dear Governors, ladies and gentlemen!

Let me first of all express my sincere thanks to the Government of Fiji and ADB for the excellent organization of the 52nd annual meeting of the Board of Governors of the Asian Development Bank (ADB), the theme of which is “Prosperity through unity”.

We highly appreciate the cooperation with ADB and the holding of the annual meeting has become traditional for us and is a fruitful platform for discussing topical issues of economic development and building understanding for solving its global problematic aspects.

The theme of the 52nd annual meeting of the Board of Governors of ADB “Prosperity through unity” is closely linked with the development of the economy of Kazakhstan, which is committed to multi-vector cooperation, choosing liberal approaches to stimulate economic growth.

With the development of globalization processes, the future of the ADB countries is determined by their interaction with each other.

By 2020, it is planned to provide Kazakhstan with air connections with the 10th leading global financial centers (Singapore, New York, Tokyo, Dubai, Frankfurt, Beijing, London, Paris, Shanghai, Seoul).

The International Financial Center Astana was established, which will later become a financial hub for the entire Central Asian region.

Our focus is focused on the transformation of economic development in favor of increasing quality growth through the development of healthy competition, equitable international trade, improving the investment climate, as well as technological modernization and digitalization of economic sectors.

The International Financial Center Astana was established, which will later become a financial hub for the entire Central Asian region.

Our focus is focused on the transformation of economic development in favor of increasing quality growth through the development of healthy competition, equitable international trade, improving the investment climate, as well as technological modernization and digitalization of economic sectors.

It should be noted that the year 2019 marks the 25th anniversary of Kazakhstan’s partnership with the Asian Development Bank.

Within the landmark date, we support the initiatives of the ADB in Kazakhstan on the implementation of 3 main activities: 1) a seminar on the implementation of the ADB Strategy 2030 and its implications for countries with above-average incomes; 2) high level financial innovation forum; 3) Summit on Sustainable Development Goals.

A seminar on the implementation of the ADB Strategy 2030 was successfully held in Nursultan on April 28 of this year. with the participation of interested state bodies.

In connection with the 25th anniversary of the partnership and at the request of the Government, ADB is considering the possibility of the visit of President Nakao to Kazakhstan in November 2019, before his planned participation in the ministerial conference of the Central Asian Regional Economic Cooperation (CAREC) on November 14 in Tashkent.

The government and ADB are considering the possibility of President Nakao signing two sovereign loans (irrigation and transport sectors) and opening, together with the Prime Minister, of a regional Partnership for Sustainable Development summit.

From 2017, the ADB implemented the Country Partnership Strategy until 2021. ADB expects to invest \$3 billion in Kazakhstan by increasing funding for projects in the private sector and in the field of knowledge.

In July 2018, ADB adopted its new Strategy until 2030.

An important step in the development of cooperation between the Bank and the Republic of Kazakhstan was the signing of the Framework Partnership Agreement on the initiative of the Head of State to create a diversified and competitive economy.

To implement the new Partnership Strategy for the country for 2017-2021, joint work is being carried out to sign an additional agreement to it.

We hope that the new directions of these strategies and the new framework agreement will help strengthen the partnership between ADB and the Republic of Kazakhstan.

It is important to note the technical cooperation in the Knowledge and Experience Exchange Program. Kazakhstan is considering the signing of the Supplementary Agreement to the Memorandum on the Program with the extension of the term for implementation of the Program until 2023 and making a contribution of \$ 1 million.

With great interest, we are successfully implementing a joint technical assistance project of the Asian Development Bank and the World Bank in the amount of \$1 million for the modernization of urban infrastructure.

At the same time, today, Kazakhstan has all the opportunities to achieve the SDGs, since the national priorities defined in the “Kazakhstan 2050” strategy and the new “Economic Development Strategy-2025” fully coincide with the SDG indicators.

We are interested in the further implementation of the Central Asian Regional Economic Cooperation Program with ADB and in the expansion of its strategic priorities.

Kazakhstan actively participates in the regional technical assistance project “The Almaty-Bishkek Economic Corridor.

Within the framework of the CAREC Program, a new regional project “Economic corridor“ Shymkent-Tashkent-Khujant ”is being prepared.

Dear Mr. Nakao!
Dear Mr. Sayed-Khaiym!

In order to further consolidate joint actions and expand partnerships, the Government of Kazakhstan is contributing financial contribution as a donor country to the Asian Development Fund, and our contribution amounted to \$8.1 million, of which in 2013, a contribution of \$5.2 million was made and for 2017-2020 at the rate of \$2.9 million.

The donation in the fund allows Kazakhstan to assist the development of Central Asian countries and our partners. We are considering the possibility of another contribution to the PRA in 2021.

I wish you further prosperity.



KYRGYZ REPUBLIC
Baktygul Jeenbaeva, Governor

Honorable Chair of the Board of Governors!
Honorable Governors and Alternate Governors!
Honorable President of the Asian Development Bank!

On behalf of the Ministry of Finance of the Kyrgyz Republic and in my personal capacity, let me express my gratitude to the Government of Fiji and to the Asian Development Bank for warm hospitality and high level of organization of today's event.

The Government of the Kyrgyz Republic attaches special importance to cooperation with the Asian Development Bank and highly appreciates the projects being implemented that make a tangible and positive contribution to development of infrastructure and improvement of quality of living of the population of our country.

In this regard, the Kyrgyz Republic supports the long-term Strategy of the Asian Development Bank to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

Dear ladies and gentlemen,

I would like to briefly highlight important and promising areas of cooperation with the Asian Development Bank.

In particular, the Kyrgyz Republic, on the basis of national development priorities, confirms its readiness for further cooperation in supporting economic growth and economic diversification, improving access to public and social services and using regional cooperation.

To achieve growth in 2018-2022, the Government of the Kyrgyz Republic, together with the Asian Development Bank will continue to implement accelerated infrastructure investments in energy and transport sectors, consistently support economic diversification through budget support, which in turn will provide an opportunity to improve institutional reforms to raising efficiency in the sectors.

For improving access to public and social services, the issue of increasing employability of the labor force by expanding access to work skills development, improving water supply and sanitation in selected cities and towns and introducing pilot projects in rural areas will also be considered jointly with the Asian Development Bank.

In this direction, the Asian Development Bank has expressed its readiness to support agricultural services, resilience to climate change and disaster risk reduction with a focus on water resources. Environmental sustainability will be supported by combating the adverse effects of climate change and enhancing resilience to climate change and natural disasters.

The Asian Development Bank will continue its initiative under the Central Asia Regional Economic Cooperation (CAREC) program, which will enable the Kyrgyz Republic to take advantage of regional initiatives, including the opportunities arising from joining the Eurasian Economic Union (EEU). The Asian Development Bank will provide support for improving governance, increasing

gender equality, and in the form of knowledge products to be used in diversification activities. Projects for private sector development will be explored, including in the agribusiness, energy and telecommunications sectors.

Dear ladies and gentlemen,

The Kyrgyz Republic has significant water resources, the main consumer of which is agriculture - more than 90% of the water is used in the agricultural sector of the economy.

There are about 3000 large and small rivers in the country, of which about 20 percent are used. There are also opportunities for a significant increase of the area of irrigated land.

In this regard, development of irrigation is also a promising area of cooperation with the Asian Development Bank with a large multiplier effect - among other things, it addresses issues of food security, poverty alleviation and migration of rural population.

The high-quality implementation of projects in this direction will have a tangible positive social effect and value.

Another equally important area of cooperation could be providing the population with clean drinking water, which is the key to a healthy nation. We intend to ensure maximum access of the population to drinking water supply services, where we also see the Asian Development Bank as an important partner.

The last direction of cooperation, which I would like to raise in my remarks, is the Taza Ko'om project.

"Taza Ko'om" is a program of digital transformation of the country, adopted by our Government.

The goal of this program is to build an open and transparent state that serves the people; it is people-centered program aiming at improving the life, rights, freedoms, health, education, quality of life, and environment for business.

This is a large-scale national project and the support to it by the Asian Development Bank as our long-standing and reliable partner will be very important and necessary.

In conclusion, let me wish success to the work of the Annual Meeting.

I am sure that our countries have great potential and good prospects.

Thank you for attention.



LAO PEOPLE'S DEMOCRATIC REPUBLIC
Thipphakone Chanthavongsa, Head of Delegation

Mr. Chairman
Fellow Governors
Ladies and Gentlemen

On behalf of the government of the Lao PDR, let me begin by thanking the government of Fiji for the warm welcome and generous hospitality. It gives me and my delegation an enormous pleasure to be here in Nadi on the occasion of the 52nd Annual Meeting of ADB. I also wish to express my appreciation to Mr. Takehiko Nakao as well as the ADB management and staffs for their relentless effort in organizing this Annual Meeting under the theme "Prosperity Through Unity"

Mr. Chairman,

After the slow recovery in the advanced economies as a result of the world financial crisis and sharp adjustments in the world commodity prices, many emerging economies aim to strengthen the growth prospect and make it more inclusive and sustainable. The global economy is in the midst of a decade long slow growth environment characterized by an imminent productivity growth crisis. The looming labor shortage in mature economies and skill deficiencies in emerging markets will add further challenges to global economic prospects. Global growth lacks demand drivers and potential output is likely shrinking while uncertainty is increasing.

Global growth is expected to remain around 3.0 percent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world. While in the regional economic aspect, regional economic growth moderated last year but is expected to maintain a solid pace of expansion this year, underpinned by wage growth, infrastructure spending and foreign investment inflows. However, a prolonged and stronger moderation in the People's Republic of China, intensification of the American-Sino trade spat and financial market volatility pose downside risks to the regional economy. The ASEAN region is expected to grow at 4.8% in 2019 and 2020.

Ladies and gentlemen,

Lao PDR has achieved remarkable economic growth in the recent years, leading to improved living standards and sharply rising per capita income. However, the Lao PDR government has become concerned that growth has been resource-based and does not generate sufficient employment required for inclusive growth. In general statistical data, Lao PDR economic growth expected remaining at 6.5% in both 2019 and 2020. Industrial growth is forecast to edge up slightly to 8.1% in 2019 from 8.0% in 2018, largely because of sustained infrastructure development and an increase in electricity generation. The agriculture sector is expected to expand by 2.5% in 2019 and 2020, and the services sector is expected to grow by 6.7%, thanks to the government's effort this year to attract tourists from the People's Republic of China and neighboring countries. In contrast, risks still remain, including an uncertain global trading environment. Meanwhile, the potential worsening of the country's fragile external payments position is a major domestic risk, as well as the threat of natural disasters. Most clearly evidenced by July 2018 flooding that affected 13 provinces across the northern, central, and southern parts

of the country. This especially affected Attapeu Province through the branched saddle dam of Xe Pien – Xe Nam Noy hydropower dam. Overall, three flooding incidents in the summer of 2018 affected 17 out of 18 provinces, 90 districts and 268,000 people. These events will slowdown and affect dramatically progress towards the both economic growth and National Socio-Economic Development Plan.

In the long-term of the government of the Lao PDR sustainable growth strategy targeting non-resource based industrialization, productive capacity buildings, human resource development, reduced economic vulnerabilities, improve the business environment, and increase agricultural productivity will remain priorities. The strategy further aims to introduce a balanced and inclusive growth pattern that ensures as many Lao citizens as possible participate in and benefit from the gains of development.

Mr. Chairman,

ADB's Strategy 2020 reaffirms both its vision of an Asia and Pacific free of poverty and its mission to help its developing member countries improve their living conditions and quality of life. Furthermore, ADB has embarked on a new corporate strategy, Strategy 2030, to sharpen its corporate directions in order to make tangible development impact in the poorest countries of the Asia-Pacific region. For the Lao PDR and ADB relationship, it has been established long standing and excellent cooperation over 50 years. ADB plays an important role in providing financial and technical assistance and economic policy advice to support the implementation of National Socio-Economic Development Plan that aims to develop and assist the transition of the country for the development programs with the stated goal of reducing poverty. With valuable support provided, the livelihood of the Lao people has been improved.

Since the establishment of relationship, ADB has particularly provided enormous financing support to Lao PDR in active ongoing support to programs. Our ongoing Country Partnership Strategy 2017-2020 with ADB proven to be productive and is aligned with our 8th five-year Socio-Economic Development Plan 2016-2020. The Government will maintain to seek cooperation and support from ADB for accelerating the socio-economic development for the achievement of the SDGs.

For the Lao PDR, a strong and growing ADB is our esteemed wish as ADB has been the largest and a very valuable development partner of the Lao PDR and has helped supporting various sector developments namely energy, transport, education and regional cooperation under GMS Initiatives.

Ladies and Gentleman,

On behalf of the Government of Lao PDR, I would like to express our heartfelt gratitude to the Management and staff of the Asian Development Bank, and fellow member countries for the assistance given to the Lao PDR and extend the Government's continued support to join forces with ADB in realizing substantial development results for Lao PDR. Let me conclude by wishing this Annual Meeting a great success.

Thank you.



LUXEMBOURG

Arsène Jacoby, Alternate Governor

We extend our warm expression of gratitude to the Fijian government and the people of Viti Levu for hosting the Annual Meeting on this beautiful island. Three years ago, Fiji was hit by Cyclone Winston and people have ever since been suffering from its devastating outcome. We express our deepest sympathies to those affected and stand united in Fiji's recovery.

This tragedy shows that climate change is not some distant and abstract threat but happening right now. Fiji and other Pacific islands are already threatened by rising sea levels, flooding, and contamination of freshwater supplies. But not only small island developing states are affected. Throughout Asia and the world, low-income countries are hit hardest by the soaring costs of climate-related disasters. Of the 10 countries worldwide with the highest estimated disaster risk, seven are ADB DMCs. Strategy 2030 targets that by 2030 75% of ADB operations will be supporting climate change mitigation and adaptation. We congratulate ADB for setting this ambitious target.

Mobilizing private and institutional investors is crucial for responding to climate change, maintaining growth and ultimately eradicating poverty. Based on ADB's estimates, Asia and the Pacific will need to invest close to \$2 trillion per year for infrastructure in the upcoming decade. The target of Strategy 2030 of private sector operations reaching one-third of ADB operations in number by 2024 is an important step in attracting more private finance. ADB needs to focus on an innovative and proactive plan on public-private partnership and risk mitigation for investors. All these measures will help to attract funds, stimulate private sector activities, and create a market there, where it is lacking.

Sustainable finance is gaining momentum. Environmental, social and governance factors are becoming an important element for a growing number of investors. However, with sustainable finance being a vague and broad term, there is an increasing risk of "greenwashing" investment opportunities. To limit this risk, clear definitions and global standards are required. Luxembourg, with its financial center being a key player in sustainable finance, is on the forefront of establishing coherent principles. It is the first country to create a legal framework for strict standards in the area of green bonds and actively supports the European Commission in setting out rules for more a sustainable financial system. LuxFlag, the Luxembourgish agency that certifies investment products in terms of sustainability, is internationally recognized and its certifications are regarded as high-quality awards. The Luxembourg Green Exchange lists over 50% of the world's green bonds and is well positioned to become the standard bearer that leads the green and sustainable finance industry of the future. It is set up as a platform where investors can be certain that what they are buying is really a green bond, obliging its issuers to provide full documentation, both before and after issuance. By improving the transparency of environmental, social and governance factors, true sustainable economic growth and reduction of poverty is happening. In this sense we encourage ADB to emphasize in all its operations the sustainability of its outcome.

Financial inclusion continues to be strikingly low in many of our member countries. In Southeast Asia for example, less than 30% of the people have a bank account, and a recent ADB study of four Southeast Asian markets shows that only 18% of adults use a bank account to receive wages or pay utility bills, and only 11% borrow from formal sources. All this leaves a huge gap in banking penetration, with millions of unbanked individuals. ADB's Financial Sector Development Partnership Special Fund is an important instrument for strengthening regional, subregional, and

national financial systems through technical assistance. Policy and regulatory reforms are another critical element for addressing financial inclusion. In this sense, the Alliance for Financial Inclusion, supported by Luxembourg and collaborating with ADB on peer learning and knowledge sharing, is a great example for advancing the development and implementation of financial inclusion policies in developing and emerging economies. We encourage ADB to further deepen its existing partnership with this global player and are delighted about its continuous support of the Financial Sector trust fund.

Digital transformation brought many alternatives during the past decade and can be an important and growing factor for more financial inclusion. This is the reason why an important stake of Luxembourg's official development assistance is channeled through international financial institutions and international stakeholders to strengthen financial technology and digital financial services in developing countries. We believe that combined with our expertise in this fast-evolving area, this allows us to broaden the reach and multiply the effects of our contributions. As such, the Luxembourg House of Financial Technology, collaborating with the public and private sectors, and in general the support of the Luxembourg government for fintech subsectors such as blockchain and microfinance showcase the tremendous value financial technology innovations can bring in finding new ways for more financial inclusion. We encourage ADB to focus even stronger on financial technology and digital infrastructure.

We firmly believe that ADB has the ability to contribute to achieve these ambitious goals. Mr. Chairman, Mr. President, Distinguished Governors, let us work together to eradicate poverty and to support sustainable development in Asia and the Pacific. Thank you for your attention.



MALAYSIA

Amiruddin Hamzah, Head of Delegation

Mr. Chairman,
The Honourable, Mr. Takehiko Nakao, President of the ADB,
Distinguished Governors,
Ladies and Gentlemen.

A very good afternoon.

It is indeed a great honour and pleasure to represent the Government of Malaysia at this 52nd Annual Meeting of the Board of Governors and I would like to join my fellow Governors in expressing our appreciation to the Government of Fiji for hosting the Annual Meeting in this beautiful city of Nadi. I also wish to express my heartfelt gratitude to His Excellency Mr. Takehiko Nakao as well as the ADB management and staff for their relentless effort in organising this Annual Meeting under the theme “**Prosperity through Unity**”. I would also like to take this opportunity to extend a warm welcome to our newest member, Niue to the Annual Meeting.

As we meet today here in Nadi, growth momentum in the global economy continues to slow down, with a forecast of 3.5% in 2019 and 3.6% in 2020. Risks to global growth tilted to the downside with rising protectionist trade policies contributing to instability, leading to adverse economic outcomes. Global institutions that have underpinned decades of prosperity are increasingly threatened by hawkish national interests and crippling inflexibility in adapting to the evolving global environment. The world risks drifting apart when we most need to unite to confront generational challenges including climate change, widening inequality, rapid urbanisation, basic infrastructure shortfalls and social welfare inadequacy. The effects of technological advancement also require careful consideration to balance the rapidly expanded opportunities against risks from ethical implications and technological vulnerabilities.

With these challenges in mind, I am pleased to note that the ADB has heeded the call to focus more on climate change and gender equality for member countries in its latest Strategy 2030. Key objectives as outlined in this Strategy represent realistic and achievable initiatives promoting sustainable, balanced and inclusive growth for member countries. Malaysia believes that the ADB Strategy 2030 will provide the impetus for the ADB to meet the many pressing challenges in the future.

Ladies and gentlemen,

I would like to take this opportunity to commend the ADB for its continued efforts to enhance its responsiveness to the changing development needs of members. The pressing needs and growing complexities of the development architecture compel the ADB to reposition itself around members' concerns and to help the international community, particularly in the Asia and the Pacific, in creating best practice policies tailored to country-specific conditions. Moreover, the ADB and other MDBs should collaborate in defining their collective response to emerging challenges such as financing gaps and growing environmental pressures. Concerted collaboration is pertinent to ensure close coordination and a clearer distribution of roles.

By leveraging the transfer of technology from developed economies to developing member countries, technological advancement and invention have the potential to enhance economic growth and reduce poverty. To this end, the ADB should play a more instrumental role in formulating facilitating policies and providing effective support to developing economies in harnessing innovation for growth and jobs. Therefore, it is crucial for the ADB's role to extend beyond its traditional approach, especially in formulating innovative financing instruments that balance technological, development and climate change mitigation objectives.

Prosperity through Unity

Ladies and gentlemen,

The world was deeply saddened by the atrocities that affected Christchurch, New Zealand and Colombo, Sri Lanka recently. Malaysia, alongside other member countries around the table, offers our deepest condolences and shares our grief with New Zealand and Sri Lanka. Indeed, terrorism has no face and knows no boundaries.

The aftermath of tragedies – be they man made or natural disasters – encourages people of all races, religions, gender and age to unite together in support of victims and the affected community. Empathy and compassion under these circumstances display no dividing lines but a common human spirit. The challenge for all of us as member countries advancing regional and global cooperation is to instil this same spirit into efforts to address global challenges and potential threats before their harm is felt. This applies particularly to efforts to tackle climate change, whose devastating consequences are increasingly evident in tragedies such as the recent floods affecting Mozambique. It is also pertinent to promoting equal and inclusive societies in which nobody is left behind. The theme for this year's meeting could not be more appropriate or timely.

According to the World Economic Forum's Global Risk 2019 Report, environmental risks continue to dominate the results of the annual Global Risks Perception Survey (GRPS); accounting for three out of the top five risks by likelihood and four by impact. Extreme weather topped the list of challenges, while failing to progress climate change mitigation and adaptation is an increasingly distressing concern.

Malaysia understands the difficult trade-offs first hand – balancing a growing population and resulting energy demand with managing a natural environment under stress. In this context, adopting green growth has become a pressing need for Malaysia. It requires a firm commitment to a model that views resilient, low-carbon, resource-efficient and socially inclusive development as an upfront investment that will yield future gains for future generations. A good example of this would be the Malaysia-ADB projects that we have in the pipeline, such as the Green City Action Plan (GCAP) with two initiatives namely the road lighting project of which to replace current street lights with LEDs; and green urban transport system which includes public transport improvement and parking management. We are happy to inform that the project was laudable and now many countries are seeking for ADB's advice to emulate such success.

Ladies and gentlemen,

In many parts of the world, women still face significant multiple barriers and gender-based discrimination to participating in the economy. According to the United Nations, the labour force participation of both women and men has decreased over the last two decades, but women's labour force participation continues to be less than men's worldwide. While men's global labour participation slowed down between 1995 and 2015 from 79.9% to 76.1%, statistics showed that women's participation declined even further from 52.4% to 49.6%. Such decline may be

contributed by several barriers to women's economic empowerment, for instance, lack of access to property, assets and financial services, insufficient social protection as well as risks of digital divide.

In Malaysia, we have many initiatives promoting women empowerment such as the Women Entrepreneur Financing Programme which equips women entrepreneurs with the knowledge and skill-sets to enhance their strategic business skills in key functional areas including financial management, marketing, leadership as well as technology. As access to financing is more restrictive on women, governments should consider relaxing them which will help close the gender gap in borrowing rates. Moreover, it is also pertinent to ensuring digital education is accessible to all for a more comprehensive approach in closing the digital divide. Additionally, governments may explore on care services investment as a way of reducing care burdens which facilitates women's labour force participation.

Ladies and gentlemen,

In conclusion, Malaysia would like to reiterate our commitment and support to ADB in its quest to promote development and reduce poverty in the region while encouraging sustainable, prosperous, balanced and inclusive growth for all member countries. Malaysia remains a willing partner to the ADB in its endeavors and I would like to take this opportunity to commend Mr. Takehiko Nakao, the President of ADB, Directors, management and staff of ADB for another year of commendable achievements.



MALDIVES

Ibrahim Ameer, Governor

Bismillahi-Rahmaani-Raheem

Mr. Chairman, the President of ADB, Governors, Alternate Governors, Your Excellencies, distinguished Ladies and Gentlemen.

Let me take this opportunity to convey heartfelt condolences and best wishes from the people of Maldives towards the people of Sri Lanka. It was indeed a shock to hear the terrorist attack of last month. We mourn the death and destruction. Our prayers are with the people of Sri Lanka.

Ladies and gentlemen;

At the outset, I bring to you the best wishes of the people and the Government of the Maldives. On behalf of my delegation I would like to thank you Mr. Chairman and the people of Fiji for hosting the ADB's 52nd Annual Meeting in this exemplary city of Fiji. We are heartened by your warm hospitality, impressed by the thoughtful arrangements and feel indebted for this opportunity to be here in this beautiful city of Nadi, Fiji.

It is a pleasure for me to be here at my first meeting representing the newly elected government headed by His Excellency President Ibrahim Mohamed Solih.

Ladies and gentlemen;

The people of the Maldives have elected a new government, headed by His Excellency President Ibrahim Mohamed Solih. And it was only recently that we completed a successful Parliamentary election.

Indeed, after a time of great difficulty, we find ourselves privileged to enjoy the present political stability. We are deeply grateful that the Maldivians achieved this in a largely peaceful manner, at a time in which many violent political battles are being fought across the world.

Your Excellency, Ladies and Gentlemen

For the next five years, the Government has formulated and will implement concrete plans and policies to promote economic growth and increase the net national income. We intend to follow business-friendly strategies to enhance the ease of access to competitive markets. The Maldives is currently going through a period of progressive economic, social and political transformation, and the government intends to deliver on its pledges to foster economic development through a more efficient system

Maldives economic growth is closely linked with the sustenance of the people. The government is working on ways to increase the sustenance of the people, by determining a minimum wage which would allow the citizens to lead signified lives with an increase in living standard.

The Government strives to actualize substantial and sustainable economic development. The Government aims to raise the country's foreign currency reserves to \$1 billion by the end of this presidential term. The country received MVR21.7 billion as income during 2018. While the

government expenditure was at MVR 25.5 billion, the budget deficit was at MVR3.5 million by the end of the year. While 1.4 million tourists arrived in the Maldives during the previous year, this year, the aim is to attract 1.5 million tourists to the country.

Your Excellency, Ladies and Gentlemen,

37 per cent of the Maldivian population consists of youth. The Government will do all that is possible to brighten their futures. We will focus on providing equal opportunities for quality education and employment. At the same time, the Government will attach high importance to provide protection and support to people with special needs and disabilities.

Being a dispersed small state, the Government faces many challenges in providing necessary services and meeting people's expectations. Also, as we move towards becoming a high-income economy, our infrastructure development needs are increasing, and with it the financing needs for these development efforts. It is the government's duty to be prudent in its fiscal, economic and monetary policies, and to sustainably meet the expectations of the people. We believe that the challenges faced by the government in doing so can be overcome through the promotion of foreign investment and private sector led-growth.

Ladies and gentlemen;

As the Government remains committed to its key pledges of political stability and economic transformation, it is vital that these weaknesses inherent in the system are overcome. Primarily, our institutions require strengthening in governance and human resources development in order to overcome their weaknesses. Whilst we urge ADB to further its support in this regard, we deeply appreciate the cooperation extended by ADB in this area thus far.

Before I conclude, let me extend my appreciation for ADB for organizing this event so efficiently every year. I truly believe this platform benefits us tremendously as it provides an excellent opportunity for us to network and learn valuable lessons from our peers. It is with great confidence, that I see even more fruitful partnerships between ADB and Maldives going forward.

Thank you.



MONGOLIA

Khurelbaatar Chimed, Governor

Your Excellencies, Mr. Chairman, President Nakao, Esteemed Governors, Ladies and Gentlemen,

It is with great pleasure to participate in the Fifty-Second Annual Meeting of the Board of Governors of the Asian Development Bank held here in the beautiful tropical city of Nadi. I would like to take this opportunity to extend my sincere gratitude to the Government of Republic of Fiji and the people of Fiji for the warm welcome and hospitality.

First of all, on behalf of the Government of Mongolia, I would like to congratulate the Asian Development Bank for successfully introducing the Strategy 2030 and for the outstanding operational performance in 2018. The Government commends Asian Development Bank's efforts to improve its operations through close dialogues, introduction of digital technologies into its operations, and proactive and practical approaches to develop products and services that addresses the pressing issues of its member countries.

We believe the Strategy 2030 provides more focus for the Bank to address the changing needs of its developing member countries, especially those countries that are the most vulnerable.

As global and regional economies are slowing down since 2018, uncertainties and vulnerabilities still remain for the emerging markets. Volatility of the commodity market continues to present a serious challenge for natural resource dependent countries in terms of maintaining macroeconomic stability and implementing the Government's development strategies. To overcome these, countries like Mongolia has taken major policy actions and adjustments including budget restructuring to enhance and promote quality spending, reforms to enhance the effectiveness and sustainability of social welfare, and establish favorable investment climate.

Although development financing remains to be the most important modality for meeting the sustainable development needs of developing countries, we must exploit private sector financing in parallel due to the financing needs to implement the Sustainable Development Goals. The need for infrastructure development and affordable energy remain to be a major challenge in the emerging and developing economies.

Thus, as one of the main objectives of the Asian Development Bank Strategy 2030 is pursuing development through private sector operation and reaching thirds of its operations by 2024, we urge the Asian Development Bank private sector operations to expand its operations in its member countries and partake on sovereign operations to be more exposed to their markets.

Also, the Government of Mongolia commends Asian Development Bank's proactive approach in expanding its lending capacity and diversifying its financing sources. We request the Bank to continue its efforts on diversification of future financing sources for development expenditure, complementing public revenues with private funds through public and private partnership modality, and climate financing.

With that said, I would like to express my gratitude to the Asian Development Bank for the close partnership, understanding and leadership in the development partner community in supporting the Government led policy reforms with greater flexibility and providing timely support under the

International Monetary Fund's Extended Fund Facility. As a result of our close cooperation, there is strong economic growth with fiscal accounts at primary surplus, decreased debt level, and strong external demand. This is the highest growth in the past four years. In 2019, GDP growth is expected to reach 8 percent and budget surplus to be 1 percent of GDP in 2019. Moreover, longer-term economic prospects are promising given its large natural resources.

Without a doubt, our most important success and value of our cooperation with Asian Development Bank lies in the policy level consultations and close cooperation in introducing systematic reforms, and implementing portfolio addressing the most critical socio-economic issues in Mongolia.

I believe as we, the developing member countries, take on the many challenges ahead of us, Asian Development Bank will continue to play an integral role and take the necessary measures to support us in the most efficient and effective manner it sees fit.

In conclusion, please allow me to express my gratitude once again to the Government of the Republic of Fiji for the hospitality. As always, we remain thankful to the Asian Development Bank for the continued support for the development of Mongolia and look forward to a strong, efficient and fruitful cooperation in the following years.

Thank you.



MYANMAR
Soe Win, Governor

Mr. Chairman, Mr. President, Fellow Governors, Distinguished Guests, Ladies and Gentlemen,

It is my honor to represent the Government of the Republic of the Union of Myanmar in this 2019 ADB Annual Meeting. Taking this opportunity, I would like to extend our sincerely thanks to ADB and the Government of Fiji for the warm hospitality and excellent arrangement.

Macroeconomic of Myanmar

At the 52nd Annual Meeting with the theme, “Prosperity through Unity”, let me brief about Macroeconomic of Myanmar. For 2018-2019 Fiscal Year starting from 1st October 2018 to 31st September 2019, it is estimated that economic growth will be 7.6%, Deficit to GDP ratio and inflation rate average will be 4.50% and 4.81% respectively.

Our targets for economic growth in main sectors are 2.9% in Agriculture, 9.4% in Industry, and 8.8% in Services. We expect to cultivate rain crops more and, produce meat and fish to surplus domestic consumption and be exported as well as created as value added products to meet our target growth in Agriculture. For industrial sector, we expect the inflow of foreign investments will be boosted, and to provide financial access to Small and Medium Enterprises for the development of Industrial Zones. In services sector, it is expected that the domestic transportation network can generate the smooth flow of goods and services to market places, and payment systems can gain people’s trust more to meet our target growth rate.

Doing Business in Myanmar

To facilitate foreign and domestic investments, one-stop services are being operated and online registration for your companies is available right now. Foreign investors are being granted license to expend their investments in the new sectors: operate retails and wholesales services as well as insurance services in Myanmar.

To focus on the development of investments and better relationship with development partners, Ministry of Investment and Foreign Economic Relations has been newly organized in August, 2019. The Ministry is closely working with relevant ministries – Ministry of Commerce, Ministry of Planning and Finance to create digital friendly environment for investors.

What the Government doing

The Government has introduced Project Bank to monitor and evaluate development projects, it can assist to make Myanmar Sustainable Development Plan (MSDP) more effective, and Government plans for Project development and implementation predictable and transparent. By observing MSDP and Project Bank, local and foreign investors can access the projects which they wish to invest or support assistance.

Being harmonize with operational priorities of ADB New Strategy 2030 Vision, MSDP will assist us in the process of our country development with momentum and strategically.

Regarding the technology advancement, the computerized system in our government services has been initiated by implementing the Core Banking System to operate interbank deals. To implement Data ID Card System, Digital Government Strategy, and e-Government System by practicing ICT is one of the 12 points of Myanmar Economic Policy.

Moreover, e-Government System being initiated by ADB is now on the way to provide public services electronically and necessary information of government system.

ADB Role in Myanmar Development Process

Since 2012 when ADB resumed its normal operations in Myanmar, ADB takes crucial role in the development process of Myanmar. ADB has participated in rural infrastructure development, rural socio-economic development, transport and energy sectors particularly in electric power generation and distribution, irrigation, urban development, trade and investment climate, promoting Public-Private-Partnership, regional connectivity, capacity building and skills development in various sectors. ADB has also assisted in public debt management and bond market development, etc .

Acknowledging the kind assistance of ADB to Ministry of Planning and Finance and Myanmar, we highly appreciate ADB for its continuous support in achieving sustainable and inclusive growth with the theme of connectivity in line with its Country Partnership Strategy (CPS).

Looking forwards to continue strong and faithful partnership between Myanmar and the ADB in years to come.

Thank you.



NEPAL

Yuba Raj Khatiwada, Governor

*President Mr. Takehiko Nakao,
Fellow Governors,
Ladies and Gentlemen.*

It is indeed a great honor and privilege for me and my delegation to participate in this 52nd Annual Meeting of the Board of Governors of the Asian Development Bank in this beautiful country Fiji. I take this opportunity to commend the Government of Fiji, the Fijian people and the Asian Development Bank for the excellent logistic arrangement and warm hospitality extended to us.

We are attending this meeting at a critical juncture when the world economy is at the cross roads of progression. It is good to note that the global economy is growing at a satisfactory rate of about 3 per cent for the immediate years. However, it is worrying to note that the medium term outlook reveals significant weaknesses for the sustainability and quality of the current global economic growth. The escalating trade protectionism, bilateral trade tensions and disputes, sanctions, financial stress and volatility, geopolitical tensions along with the intensity of climate change effects, persistently high levels of inequality, and resistance to further reforms and liberalization are restraining the higher trajectory of the global economic growth.

It is satisfying to observe that the world has averted the cyclical path of financial crises that have been occurring once in a decade notably since 1987. I firmly believe that the global policies and actions are successful in averting such recurring crisis and effective to escort Asia and the Pacific region to a sustainable growth trajectory. In this regard, I applaud ADB vision under Strategy 2030 of having a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while continuing its determination to eradicate extreme poverty from the region.

The world has observed that more than one billion people have been lifted out of extreme poverty during the last two and half decades, due mainly to the fast-growing economies of East and South Asia contributing to this outcome. However, not all the countries in the region have been equally successful to reduce poverty. Sustaining the encouraging development outcomes requires that the low income countries like ours are protected against global and regional economic shocks, natural disasters, and the impact of environmental degradation. Besides, for small economies like ours, it is necessary that macro and sectoral economic policies are designed to minimize the impacts of such shocks. Strong regional development cooperation would help in addressing such shocks in countries like Nepal.

Trade protection measures adopted by some large economies have adversely impacted regional ties and global partnership for achieving common development goals. This new trend has influenced trade structure, capital flows, exchange rate, and commodity prices in many countries. The revolution in information technology and rapid progress in automation following technological advancement has been squeezing labor market opportunities.

Rising inequality within and among nations has been posing a global threat to peace and sustainable development. As such, high or even growing inequality has undermined the speed of poverty reduction in several countries. This calls for reorientation of our macro and sectoral policies along with rebalancing the roles of the state and the market. I urge the ADB to work together with the developing member countries towards this direction, and play a proactive role

to develop credible policies which foster equality and efficiency without undermining social justice and fair distribution of resources and opportunities so that every citizen in the region benefits from the development outcome.

Mr. President,

I feel happy to share that the promulgation of the democratic and progressive constitution in 2015 has led Nepal towards an era of inclusive and representative democracy in a federal set up. The end of protracted political transition, attainment of political stability, elected governments at all the three levels of the state, and commitments of our government to rapidly deliver development services to the people has fostered a sense of high optimism towards the present day government. Accordingly, the elected governments at all the levels are committed for eradicating extreme poverty, ending illiteracy, improving living standards of people, and driving economic development through the institutionalization of the federal system.

Political transformation that Nepal has witnessed must be translated into social and economic transformation which offers a solid ground for modern and developed Nepal. In this regard, our immediate goal is to graduate from the Least Developed Country status; and the medium term goal is to become a middle-income country and achieve SDGs by 2030. To realize this, we need to attain a double-digit growth over the next several years. Domestic resources alone are not sufficient to meet this requirement. This is where we would like to urge you to come and assist us in meeting our huge public investment needs.

Nepal has now emerged as one one of the fastest growing countries in Asia with its GDP growing by more than 7 per cent on average during the last 3 years. We are mindful that high growth requires more investment and such investment requires transparent and responsive governance and rule of law. With elected representatives at all three tiers of our federal set up, governance attributes are improving. There is already a healthy competition among the provinces and local governments on incentivizing investment and getting more of it. The private sector is geared up to carry on more investment in manufacturing, services and infrastructure.

While achieving high economic growth, we have been able to contain inflation at around 5 per cent, maintain fiscal balance, and secure financial stability. However, the external sector remains at stress due mainly to rising imports of capital goods to support the high economic growth. Besides, the risks associated with disasters, climate change, and global shocks are posing threat to sustainable development and achieve our vision of Prosperous Nepal: Happy Nepali.

As we have managed to reduce absolute poverty by more than one percentage point every year during the last two decades or so, we want to accelerate the pace of such poverty reduction to end it within a decade. Then, there is higher challenge to tackle hard core poverty and hard to reach people. Significant progress has been observed towards achieving the SDGs through implementation of credible policies and programs in partnership of all the actors of development of the state.

Mr. President,

Nepal's goal of graduating from LDC status in near future, meeting the fundamental civil rights of the citizens as protected in the constitution, and achieving the SDGs calls for synchronizing our development programs with these goals. The country needs to invest at least 50 per cent of GDP annually to meet the SDGs alone during the entire period till 2030, and this translates to public sector financing gap of more than 10 percent of GDP on average for the SDG period. Such gap exists to implement the SDGs even after accounting for highest efforts to mobilize all the existing

sources of public and private finance. This is where I see a greater role that ADB can play for meeting the SDGs financing gap. Achievement of the SDGs being our shared responsibility, I urge all the development partners to upscale their support, including through ODA, to countries like ours which are lagging behind in the development ladder.

Beyond traditional ODA financing, we have urged domestic and international private sector to invest in Nepal and partner with the government for development through mutually agreed win-win solutions. Just one month back, Nepal convened an International Investment Summit with a view to mobilize more domestic and external financing for investment in several areas including agriculture, tourism, manufacturing, services, energy and infrastructure. There was overwhelming response from the investors in terms of participation and expression of interest to invest in a number of projects offered for investment. I take this opportunity to express my sincere thanks to ADB, particularly Vice President Mr. Shixin Chen, who participated in the summit and reaffirmed commitments and support to Nepal's development efforts.

We are the late starter in developing modern infrastructures specially in railways, speedways and tunnel ways. Here we see the big role of ADB not only in leveraging project financing but also transferring appropriate technology. We need strong cooperation in project design and provisioning of most concessional financing for project preparation.

Let me note that ADB has provided assistance, among others, in energy, transport, water and urban infrastructure services, agriculture and irrigation, and education sectors of Nepal. It has provided a record high commitment of \$592 million through five projects in 2018. The ADB is currently preparing a new Country Partnership Strategy covering the five-year period of 2020 to 2024 for Nepal. We expect scaled up commitment during this period as well.

Mr. President,

I acknowledge that with a view to translating the dream of prosperous, inclusive, resilient, and sustainable Asia and the Pacific, ADB has been working very sincerely and effectively. It has also been able to addressing ever increasing demand of public and private sector financing. I would like to congratulate President Nakao for the excellent leadership and ADB team for tireless efforts to realize the outstanding achievements.

Finally, I am extremely thankful to ADB for its longstanding support to Nepal's development endeavors. Government of Nepal and its people are very much confident of getting substantial support from ADB to take our country to the path of prosperity at the backdrop of long term vision "Prosperous Nepal Happy Nepali".

I thank you all.



NETHERLANDS

Frans van der Straaten, Temporary Alternate Governor

Chairman Sayed-Khaiyum, President Nakao, distinguished Governors and Delegates, Ladies and Gentlemen,

On behalf of the Government of the Netherlands, I would like to express my deep appreciation to the Government of Fiji for hosting us this year, and for their warm hospitality.

For fifty-three years, the Asian Development Bank has improved millions of lives and contributed to the sustainable socio-economic development of Asia and the Pacific. Over recent years, the regional developmental progress has been impressive. Absolute poverty numbers in the region have decreased significantly, and many ADB member countries have graduated to middle- and upper middle-income status.

Still, many challenges remain. Nearly half of the world's poorest people live in Asia, and the disaster proneness of the region, both natural and manmade, jeopardizes the sometimes fragile progress. That is why the Netherlands remains committed to the Asian Development Bank as one of its key development partners in fostering sustainable, green and inclusive economic growth throughout the region.

In my statement, I would like to address three important topics for the Netherlands.

1. Differentiated approaches according to income level and development stage

In line with the economic development of the region, we aspire a gradual transformation of the Bank towards a role beyond the one of the traditional financier. Given the different stages of development of countries in Asia and the Pacific, one step in this transformation-process lies in differentiated approaches for different country groups. In this context, we welcome the discussions on price differentiation to increase the envelope for the poorest, most vulnerable countries while remaining the trusted partner of choice for the richer ones. Accordingly, we encourage the ADB to step up efforts on this issue and follow suit with discussions on price differentiation in other IFIs such as the World Bank Group. Furthermore, we believe that the ADB's role in the richer countries should increasingly focus on knowledge sharing, technical advice and capacity development. In the long term, the main asset of the ADB for the region lies in the role of knowledge provider, fueled by decades of regional developmental experience. Close attention to the strategic and transparent allocation of funds for Technical Assistance should go hand in hand with this, whilst ensuring a cross-departmental flow of knowledge throughout the Bank. This also allows for a flexible and speedy response by the Bank to emerging new priorities in the region. In this regard, we believe that cross-departmental learning and incentives for staff to share knowledge should be further encouraged. It is also important to further enhance the Bank's role in more sophisticated and innovative projects in areas such as integrated water resource management and flood protection.

2. Ambitious climate targets and effective implementation

We very much welcome the ADB's ambitious climate change policy, as set forth in Strategy 2030. Indeed, scaling up climate-related operations to 75% of the total commitments by 2030 is a laudable target. The same goes for a cumulative 2019-30 commitment of USD 80 billion from ADB's own resources for climate finance. Further to the purely financial commitments, we believe

the ADB has a major role to play in supporting countries to raise their climate ambitions and become early adopters of emerging global innovations in low carbon climate resilient development pathways. This means active engagement of the ADB in policy dialogue and development of the necessary enabling environment for climate investment.

A clear articulation of how to achieve these ambitions is key. We look forward to a robust operational plan for this crucial pillar of ADB's strategy 2030, clearly stipulating ADB's niche and laying out a targeted and innovative approach beyond the financial numbers. An update of the energy strategy would logically feed into this process.

An integral part of the operational plan should be ADB's support to the DMCs' Nationally Determined Contributions and action plans, aligning investments with the objectives of the Paris Agreement. Together with Costa Rica, the Netherlands co-chairs the NDC Partnership. This partnership aims to build capacity and mobilize the necessary resources for countries to scale up climate action, reducing emissions and become climate resilient. In this capacity, we strongly encourage the ADB to demonstrate climate leadership in the region.

3. Strengthening the gender focus and SEAH

Investing in development and growth means investing in women and girls. We commend the ADB for the attention it is giving to this important topic and call on the Bank to put gender equality also institutionally on top of the agenda. This aligns with a continuing priority of the Netherlands: addressing sexual exploitation, abuse and sexual harassment (SEAH) in the development sector. I would like to underscore the importance of effective policies to prevent, mitigate and report gender-based violence throughout all the work of the Bank, both internally and in operations at all levels and stages of the project cycle. A key aspect of providing a safe (working) environment for all is a transparent system for reporting and investigating allegations and clear communication on these issues, including to shareholders. The occurrence of SEAH, and more importantly the lack of proper follow-up on allegations, bears a significant risk for the reputation of the development and humanitarian sector. The Netherlands therefore has a zero-tolerance policy for non-action, and requires all development partners, including the ADB, to give adequate follow-up to all allegations.

In conclusion, I would like to thank President Nakao, ADB management and staff for their continuing efforts to help achieving the SDGs and contributing to the Paris agreement, making sure to "leave no one behind". The Bank should continue to strengthen its comparative advantages, adapting strategies and interventions to emerging challenges, to remain the trusted partner of choice for development. The elaboration of the seven operational plans under Strategy 2030 provides us with an excellent opportunity to do just that, and we look forward to continuing our long-standing partnership on our joint commitment to the sustainable development of Asia and the Pacific.

Thank you.



NEW ZEALAND

Shane Jones, Head of Delegation

Tēnā koutou Honourable Governors and President Nakao. We thank the people and Government of Fiji for their warm hospitality. We congratulate Fiji in being the first Pacific Island nation to host an ADB Annual Meeting. We also appreciate the work by the ADB's President, Board of Directors, management and staff to make 2018 another successful year for the Bank.

This past year has been notable for the admittance of ADB's first new member for over a decade. We warmly welcome our friends Niue in becoming ADB's newest member.

Progress in 2018

We applaud the ADB's effectiveness in committing nearly \$36 billion of operations in 2018, an increase of over twelve and a half per cent over 2017. This delivers well on the Bank's commitment to meeting the needs of its developing member countries.

We are pleased with the attention the Bank is paying to its smallest and most vulnerable developing member countries, as required by the ADB Charter. The ADB's Strategy 2030 emphasises a commitment to take a differentiated approach to meet the needs of its clients, including Small Island Developing States as a distinct group. We fully endorse this approach and look forward to seeing the impact on operations.

We welcome the ADB's current operations in the Pacific, for which over 2.8 billion dollars of projects are currently underway or planned. Pacific Island countries face a complex and growing array of challenges, including climate change and natural disasters, isolation, economic and environmental fragility and pressing human development issues. The ADB can play a significant role mitigating these challenges and helping countries seize opportunities from trade and new technology.

ADB Challenges 2019

Toward the end of this year donors will begin to negotiate the next replenishment of the Asian Development Fund (ADF). Positioning for these negotiations began during the mid-term review of the current replenishment, ADF12, at the end February. At this time some questioned the continuation of the Fund. We think the answer is clear. ADF continues to have an important role.

We acknowledge that the Asia and Pacific region has been notably successful in striving for development. Nonetheless, the region still faces extreme fragility and conflict, such as in Afghanistan, and the challenges of smallness, isolation and natural disasters, such as in the Pacific. It is all too easy for the reality of these challenges to tip countries back into poverty, and the Fund is an essential to ensuring that this does not happen.

We are pleased that for the further discussions by donors earlier this week the ADB advanced these arguments in detail and also undertook to ensure that the most fragile, most vulnerable and the smallest countries would benefit from a renewed focus in the forthcoming negotiations. We will hold management to this undertaking.

On the Bank's governance and people, we welcome the progress towards greater diversity at management levels. But it is also important that the ADB Board moves towards greater diversity

to improve its effectiveness. Fellow Governors might like to consider support for greater diversity on the Board in the upcoming election of Directors. We request that the Board to report on ways to encourage its own greater Board at our next meeting.

Partnership

New Zealand highly values its partnership with the ADB. Since the Bank was founded in 1966 New Zealand has been an active member, investing in and supporting its work.

New Zealand has instigated a reset in its approach in the Pacific and intends to strengthen its commitment to the Pacific in the coming years. We are intensifying our focus on strengthening economic governance and the management of debt, and public financial management. We look forward to working closely with the ADB in the Pacific on these issues.

Until we meet again in the coastal city of Incheon, the Republic of Korea next year, safe travels - Haere pai atu, hoki pai mai.

Kia ora, Mr. Chairman.



NORDIC MEMBER COUNTRIES

Inger Buxton, Temporary Alternate Governor for Sweden

(On behalf of Governors from Denmark, Finland, Norway, and Sweden)

Chairman Sayed-Khaiyum, President Nakao, Distinguished Governors, Ladies and Gentlemen,

On behalf of the four Nordic countries – Denmark, Finland, Norway, and Sweden – let me express our sincere appreciation to the Republic of Fiji and the town of Nadi for hosting the Asian Development Bank's 52nd Annual Meeting. We would also like to thank ADB management and staff for the excellent preparations for this event.

The major global commitments – as laid out in the 2030 Agenda, the Paris Agreement and the Addis Ababa Action Agenda – will depend on the success of the Asia-Pacific region. We are therefore pleased to see that ADB's new Strategy 2030 is well-grounded in these global commitments.

Going forward, we would like to highlight three important aspects from the strategy that should be integrated through-out the work of ADB in order to make a sustainable contribution to our joint commitments, namely; i) tackling climate change, building climate and disaster resilience, ii) strengthening private sector operations and iii) accelerating progress in gender equality.

The first of these aspects is ADB's work on **tackling climate change and building climate and disaster resilience**. Being here in a country that has experienced the full and dramatic economic, social and environmental consequences of climate change clearly shows the importance of transition to fossil free societies. Fiji and other SIDS are at the very frontline of climate change, but it is evident that we are all in the same canoe in the fight against climate change.

We commend the ambitious target set out in Strategy 2030 that at least 75% of the Bank's operations will support climate change mitigation and adaptation by 2030, and we welcome ADB's commitment to reach \$80 billion in climate finance from its own resources during the period 2019–2030.

We believe that ADB can and should play a leadership role in tackling climate change. ADB should strive to become the greenest of the development banks. As Asia's total emissions of greenhouse gases continues to grow, ADB's operations need to increase its focus on supporting low-carbon transition in all sectors, and to establish ambitious targets to reduce gross and net emissions. In this regard, we look forward to ADB's first report on the institution's overall carbon footprint.

Moreover, we believe it is key that ADB continues to promote clean energy, and that investments in and support to fossil energy are phased out. A time bound plan for this should be presented. Moving away from non-renewable energy sources goes hand-in-hand with an update of the 2009 Energy Policy.

Second, we continue to stress the importance of **expanding private sector operations**. We appreciate the bold target that private sector operations will reach one-third of ADB operations in number by 2024. Increased private sector engagement, including in challenging environments and frontier markets, will play a crucial role in forwarding this region's development and in securing

financing for the SDGs. Enhancing collaboration with other MDBs and DFIs is vital to strengthen mobilization of private capital.

At the same time, it is crucial that ADB's private sector projects can demonstrate clear development impact, and we would encourage a strong emphasis to be put on this important matter in project selection. As the Bank continues to expand the private sector portfolio and invest in more complex and riskier deals, it is important that ADB remains vigilant and undertakes necessary measures to contain and mitigate this risk.

ADB can play an important role in de-risking projects which will allow the crowding in of private capital, and the Bank has an important role in de-risking the business environments by creating better conditions for the private sector through policy based lending.

Last, but not least, we underline the importance of **accelerating progress in gender equality** and narrowing the gender gap. We welcome ADB's ambition to promote gender equality in 75% of its projects by 2030. We congratulate ADB on earning the second level of certification for workplace gender equality from the Economic Dividends for Gender Equality (EDGE), thus becoming the first IFI to achieve this recognition.

These are clearly steps in the right direction. However, the struggle to reach gender equality and empower women and girls is still far from over, and we underline the importance of continued efforts in this critical area. An important step in this regard would be to improve the gender balance within ADB. Great strides have been made to address the organizational gender inequalities, but more needs to be done. We expect the ADB to hire, promote and retain more international staff and continue to make itself a more attractive workplace for women.

But it is not only the Bank that should translate words into action. As Governors, we have a key role in promoting gender diversity at the Board of Directors. At present, there is *one* female Board member out of 24. Study after study shows that a more diverse Board enhances the quality of decision making, and it is clear that we collectively must do better and recognize the importance of gender diversity when considering candidates for the Board.

President Nakao, fellow governors. The right ambitions and the right words are clearly in place. Now the critical time starts as it is time to move from words to deeds, and ensure that the implementation of the Strategy has a solid and sustainable development impact. An impact that supports gender equity, fights climate change and is super charged by the private sector. You can trust that the Nordic countries will remain an honest and critical friend and supporter in this endeavor.

On behalf of Denmark, Finland, Norway, and Sweden I can assure you of our steadfast commitment to the ADB as we work together towards a prosperous, inclusive, resilient, and sustainable Asia and Pacific.

Chairman Sayed-Khaiyum, Mr President, fellow Governors. *Vinaka vaka levu* for your time and attention.



PACIFIC DEVELOPING MEMBER COUNTRIES

Brenson S. Wase, Governor for the Republic of Marshall Islands

(On behalf of Governors from Cook Islands, Federated States of Micronesia, Kiribati, Republic of Marshall Islands, Nauru, Niue, Papua New Guinea, Republic of Palau, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu)

President Takehiko Nakao
Fellow Governors
Ladies and Gentlemen

Bula, Iokwe, and welcome. On behalf of my fellow Governors from the 15 Pacific Developing Member Countries, I extend to you and your delegations our warmest greetings.

We congratulate Fiji for hosting this 52nd ADB Annual Meeting, the first ever in our Pacific region. We welcome this opportunity to showcase our unique development landscape and to share our warm Pacific hospitality.

This is the first time since ADB's establishment in 1966 that these meetings are being held in a Pacific island developing member country. It is an opportunity for the Pacific as a whole to highlight to Ministers from around the world the unique challenges faced by the region, as well as the successes that have been achieved.

We welcome and thank the President and management team for their unwavering support for our island nations and region.

We also take this opportunity to recognize and welcome ADB's newest member, Niue. Niue joined ADB in March of this year, bringing the total number of member countries to 68, with the number of Pacific Governors now increasing to 15.

Mr. President, Pacific countries strongly support your planned announcement of an ADB Action Plan for Healthy Oceans and Sustainable Blue Economies at these Annual Meetings. We welcome ADB's intention globally to commit \$5 billion in new financing over 5 years to: (i) promote blue economy opportunities, (ii) reduce marine pollution, (iii) protect and restore key marine ecosystems; and (iv) for greening ports and marine infrastructure.

The Pacific islands are custodians of the world's largest ocean and are making major efforts to reduce pollution through actions such as banning plastic bags, strengthening recycling programs, establishing marine protected areas, and requiring more sustainable use and better returns from our tuna fishery, the world's last great tuna resource. The Pacific calls on all countries globally to reduce marine pollution, help us sustainably manage our marine resources, and improve ocean health.

Small island states need help from the global community to strengthen our resilience to growing climate and disaster risks. While we can all see first hand here in Fiji the natural beauty of the Pacific, small island states are also the most vulnerable in the world to natural disasters and climate change. We are already seeing the effects of more frequent and severe weather events and conditions are likely to worsen. Cyclone Pam in Vanuatu in 2015 and Cyclone Winston in Fiji

in 2016 were the two strongest cyclones on record in the southern hemisphere. The drought in Marshall Islands in 2016 was the worst ever experienced.

For communities in atoll countries like Kiribati, Maldives, Marshall Islands, and Tuvalu – with a maximum height of 2-3 meters – sea level rise as a result of climate change is a direct threat to our very survival. And for all small island countries, the impact of climate change on our oceans and fisheries will affect our way of life.

We appreciate our strengthening partnership with ADB to respond to climate change, and accelerate adaptation and disaster risk reduction efforts. Mr. President, we acknowledge ADB's commitment in Strategy 2030 to increase new climate financing to \$80 billion between 2019 and 2030. Consistent with this, we appreciate ADB's commitment to at least double climate change financing for the Pacific to \$500 million between 2017 and 2020, as part of the institutions growing engagement with the region.

Innovative ADB instruments, such as the contingent disaster financing mechanisms now in place for Cook Islands, Samoa, Tonga, and Tuvalu, allowed ADB to respond to Tonga within four days of Cyclone Gita in 2018. We look forward to this facility being extended to other Pacific countries in 2019.

ADB has been a leader in mobilizing over \$130 million in financing for five Pacific countries from the Green Climate Fund (GCF) since 2015. As well as helping Fiji access the first GCF grant for the Pacific, ADB has helped more Pacific countries mobilize more GCF resources than any other partner. We hope that ADB can become an even more significant partner – including by helping the 5 Pacific countries¹ that have not yet been able to access GCF resources to do so.

Pacific DMCs recognize the important role of blended finance globally and would encourage ADB to consider appropriate blended finance options for the small and vulnerable Pacific economies. The ADB can assist Pacific countries in effectively mobilizing and managing resources for their long-term development and debt sustainability.

Pacific Leaders and Finance Ministers note several “home grown” regional initiatives to build resilience, which will be critically discussed further at the Pacific Islands Forum Economic Ministers Meeting next week. These include:

- establishing a Pacific Resilience Facility to build preparedness to climate change and disasters,
- encouraging greater investments by Pacific provident and sovereign wealth funds in commercially viable infrastructure projects in the region; and
- Pacific Island Countries' Climate Change Insurance Facility, which complements regional resilience and insurance facilities.

The core focus of the meeting next week will be on the viability and fit for purpose of these facilities for the Pacific DMCs. These initiatives, once critically assessed and supported by the PDMCs, will require support from development partners, including ADB.

¹ Federated States of Micronesia, Niue, Palau, Papua New Guinea, and Timor-Leste.

In addition to our extreme vulnerability to disasters and climate change, Pacific island small states face significant structural constraints to development as a result of our small size, distance from markets, and high cost of service delivery for dispersed populations.

Despite these and other challenges, development in the Pacific continues. Our people are living longer, healthier, and more productive lives compared to when each country joined ADB.

External support from partners such as ADB, however, remains critical. ADB estimates that infrastructure needs alone across the Pacific small island states are likely to exceed \$3 billion per year. At over 9% of GDP, this is the highest for any region. In addition, delivering critical social services such as health and education will carry significant additional costs. These needs cannot be met from domestic resources alone.

We recognize and thank ADB for its growing engagement with the Pacific:

- We appreciate Strategy 2030's focus on client differentiation and recognition of the specific needs of small island developing states.
- ADB's portfolio of Pacific investments continues to grow. From the first \$2.4 million loan to Samoa in 1969 for Faleolo airport, ADB's Pacific portfolio now stands at a record \$2.8 billion. We hope that ADB will be able to maintain momentum and increase the portfolio to \$4 billion by the end of 2020.
- The increase in ADF base allocations to \$13 million per annum for 2019 and 2020, as agreed by ADB shareholders in late 2018, has especially helped smaller and more vulnerable Pacific countries.
- To pre-emptively address debt distress for highly vulnerable SIDS, ADB now provides 100% grants for 7 countries and 50% grants for a further 2.
- To strengthen coordination, ADB agreed in 2018 to expand its staff presence to 14 Pacific countries by 2020. This will be critical to ensure dialogue and coordination with governments and stakeholders.

Working closely together, Pacific countries and ADB have achieved real results:

- ICT cables to Palau, Samoa, and Tonga have reduced internet costs by almost two thirds,
- ADB has worked with Pacific countries to expand water supply for over 400,000 people.
- ADB has been the largest source of financing for renewable energy in the Pacific, financing 62 MW of new generation in the region – about 7% of total installed capacity – in the past decade and connecting over 10,000 households to power.

Pacific Ministers hope that ADB will continue to scale up and innovate in order to maintain its traditional leadership role among the MDBs in the Pacific.

First, consistent with Strategy 2030, and recognizing the extreme vulnerability and needs of small island states, we consider it critical that ADB further increase ADF grant and concessional financing from current levels for the smallest and most vulnerable members.

We are committed to supporting ADB management in its engagement with shareholders in the ADF13 replenishment discussions, and would like to see ADB match the World Bank's grant and concessional resources to the Pacific DMCs.

Second, we hope that ADB may be able to recognize the vulnerability of even relatively better off small island states to climate change, disasters, and exogenous economic shocks.

In just the past 5 years, we have seen two disasters that have caused damage and losses in Pacific countries of between one third and two thirds of GDP. These shocks can set our economies back years.

We strongly encourage ADB to consider options to extend more concessional resources for highly vulnerable small states current eligible only for OCR lending. This might be considered through some combination of:

- (i) differential OCR pricing;
- (ii) country reclassification, as the World Bank has recently announced for Fiji and special consideration should be given to extremely vulnerable Pacific non-World Bank Pacific members, or;
- (iii) extending concessional resources to build ex-ante climate resilience in vulnerable countries or after a major shock or disaster, similar to the way ADB agreed last year to provide grant funding to help Bangladesh respond to the Rohingya crisis.

Further to these issues, Mr. President, we would like to finish with two important emerging issues of the region:

1. the Pacific member countries wish to strongly express their concerns on the EU's unilateral and non-transparent black-listing of a number of Pacific countries. This undermines development aspirations of vulnerable and small Pacific DMCs. This rating also derails our sovereign effort to meet international requirements set by the OECD; and
2. We encourage the ADB to continue to work collaboratively with Pacific DMCs and development partners amicably resolve issues of de-risking and withdrawal of correspondence banking relationships.

Mr. President,

Let me conclude by thanking you for continuous and earnest support over the years and we firmly believe that ADB and its' Governors will appreciate the efforts of small Pacific island countries to build resilience.

We hope that this year's annual meetings will translate into a commitment by shareholders to support ADB to maintain its traditional leadership role in the Pacific by further scaling up concessional resources and considering options to ADB to continue recognizing the needs of small island states consistent with Strategy 2030.

Thank you very much, Kommooltata, Vinaka vakalevu.



PAKISTAN

Ishrat Husain, Temporary Alternate Governor

Excellencies

The Chairman of the Board of Governors of ADB,
President of the Asian Development Bank,
Fellow Governors and Alternate Governors,
Ladies and Gentlemen,

Assalam-u-Alaikum,

I feel greatly privileged to attend the 52nd Annual Meeting of the Board of Governors of ADB. Let me, on behalf of the Government of Pakistan, extend my profound gratitude to the ADB and the Republic of the Fiji Islands for this event in this magnificent City.

Mr. Chairman,

I would also like to commend ADB for selecting an important theme for this year's Annual meeting i.e. "Prosperity through Unity". We all know that in a rapidly evolving world, where economies can reap immense benefits of global growth rebalancing through ever greater integration and shared prosperities amongst the developing world, we need to continuously enhance our partnerships in Asia and the Pacific. Excellencies, please allow me to rephrase the theme as "Shared Responsibilities, Shared Prosperities"

Asian societies are undergoing rapid change in their economic, social and cultural spheres. These rapid and often multiple transformations put Asian societies under tremendous pressures to respond to the challenges of regionalization and globalization. To improve the current situation Mr. Chairman, faster growth with enhanced integration within the region through capital flows, trade & investment and people-to-people contact is imperative. The development challenges will have to be transformed into opportunities by economic cooperation, technological progress and research to compete in competitive and sophisticated markets.

The role of ADB becomes ever important to move ahead and to help member countries reform their governance structures, remove structural disparities through growth and development in an equitable and sustainable manner. This also necessitates that the ADB management must reflect on contemporary global economic realities and adopt accordingly, if it has to remain as effective in the future as it has proved in recent times.

Mr. Chairman,

Pakistani nation re-affirmed its commitment to democratic tradition last year. The new governments at national and sub-national levels that took office in August, 2018 after the general elections have generated hope and optimization in the country. They are concentrating upon economic and social progress to strengthen the economy and enhance its inclusiveness.

The new government has adopted strategies to overcome the country's macroeconomic challenges. The incumbent government is now in its first year and has embarked upon reforms agenda in economic and financial sector which includes: (i) Restructuring of Public Sector Enterprises (ii) Power Sector Reforms (iii) Debt Management (iv) Fiscal austerity to reduce fiscal

deficit (v) Tight monetary policy to check inflation (vi) Building foreign exchange reserves to stabilize the exchange rate (vii) Promoting exports (viii) Incentivizing home remittances (ix) Promoting growth and raising domestic revenues (x) Rationalizing subsidy regime to reduce pressure on the budget and (xi) Tax administration and policy reform to mobilize domestic resources.

Mr. Chairman,

It is the government's strong political commitment and resolve to accelerate the pace of reforms in Pakistan. We expect at the same time that the international development community will step up its support to the new government in undertaking much needed investments in infrastructure, energy and social development sectors. Such investments, underwritten by bold country-owned economic and governance reforms, will bring sustained growth and prosperity to the country. Pakistan, in this regard, has always considered ADB as a frontline development partner that is both trustworthy and dependable.

Mr. Chairman,

Seventeen goals. One Hundred and sixty nine indicators. A population of over seven billion people. One deadline. That in summary are the Sustainable Development Goals (SDGs). The SDGs cover a broad range of sustainable development issues, including ending poverty and hunger, improving health and education, making cities more sustainable, combating climate change, and protecting oceans and forests. They are a step forward, if development is to be inclusive and just. Financing these goals is a major issue for developing countries like Pakistan. Lack of coordination, disjunction between different departments and lack of capacity at state institutions are serious impediments in advancing the SDGs.

But Pakistan has accorded the highest priority to achieving the goals which will enable Pakistan to join the league of upper middle class countries by 2030. As far as the social safety is concerned, we have allocated US\$ 900 million during the year 2019 for cash grants to 5.7 million families. We are proud that in addition to this through social Health Protection initiative 6 million families living below the poverty line, each family will be provided indoor health care services worth up to US\$ 5,180. Launching of the Ehsaas programme recently marks strong commitment of the present government to invest in development of human capital.

Mr. Chairman,

Keeping in view the current economic challenges, it is essential that development institutions like ADB should not only provide project financing but also support the member countries through enhanced technical assistance and policy-based lending for their reform initiatives to ensure sustainable growth. The increase in financial flows would help member countries to pursue economic recovery and to retain the required level of spending on social sectors. Additionally, the ADB ought to play a role of catalyst in promoting private sector investment flows amongst the member countries besides fostering connectivity and regional trade and reducing vulnerabilities to natural hazards.

We appreciate ADB's efforts in generously supporting Pakistan in our efforts to put the economy on a high growth trajectory by bringing about necessary structural changes for a sustained and inclusive growth. I would like to place on record the Government of Pakistan's deep appreciation of ADB's support to Pakistan in energy, transport, agriculture and urban sectors and particularly, in alleviating poverty through provision of financing for social protection development programme.

Mr. Chairman,

I conclude by re-affirming our resolve to further strengthen the close cooperation with ADB and fellow member countries. Our joint efforts can go a long way in bringing about prosperity and peace in Asia and the Pacific. We greatly value our close economic relations with ADB and hope that in future we will witness further consolidation of these relations and reinforcement of the Bank's support for important policy reforms in Pakistan.



PEOPLE'S REPUBLIC OF CHINA
Liu Kun, Governor

Over the past 50 years, ADB has made great contribution to poverty reduction and development in Asia and the Pacific. Last year, ADB formulated Strategy 2030, which sets out its medium and long-term development roadmap and operational priorities and enables ADB to better fulfill its mission and serve for the prosperity of Asia and the Pacific. On this occasion, I would like to express my appreciation and gratitude to the efforts made by President Nakao, the management, and the executive board of directors.

The development practice and historical experience in Asia and the Pacific have shown that the development and prosperity of regional economy depend on cooperation and mutual support of all parties. The theme of this year's meeting, "Prosperity through Unity", which reflects the world's development trend, responds to the call for building a community with a shared future for mankind and aligns with the global governance view of "consultation and contribution for shared benefits". As an important MDB in the region, ADB is a significant platform for all parties to cooperate, build consensus, mobilize resources, and tackle challenges. Going forward, I expect ADB to play a greater role in the following 3 aspects:

First, ADB should uphold multilateralism and foster an enabling development environment for the prosperity of the Asia and Pacific. At present, one of the major risks that threatens the endeavor of international development is the scepticism about multilateralism and departure from the spirit of cooperation. We would like ADB to act as a multilateral platform to coordinate and spur all parties to strengthen international development cooperation and jointly foster an enabling development environment for the prosperity of the Asia and the Pacific. We encourage ADB to formulate differentiated assistance strategy according to the specific development situation of developing members. Meanwhile, ADB should seek for the common interests of all parties, expedite the reform of global and regional economic governance, as well as promote the liberalization and facilitation of trade and investment, and help accelerate the process of regional integration.

Second, ADB should implement Strategy 2030 to lay a solid development foundation for the prosperity of Asia and the Pacific. Strategy 2030 sets out the goal of "achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific", and lays out 7 operational priorities for the purposes of helping Asia-Pacific member countries achieve inclusive and sustainable economic growth. We expect ADB, in light of the development agenda of the 21st century, to develop innovative thinking on development and work on solutions to address the issue of insufficient, imbalanced and unequal development within a country or a region. We encourage ADB to scale up the operation size of lending and knowledge cooperation, while ramping up co-financing and leveraging more private capital. Besides, we also encourage ADB to continue to strengthen the cooperation with its member countries, including the upper middle-income member countries, and properly deal with the graduation policy and differentiated pricing affair. We welcome ADB to support regional cooperation as it has always been doing, and strengthen the synergy between regional cooperation programs, such as GMS and CAREC, and initiatives like "Belt and Road", so as to promote the benefits of connectivity. We would like to see ADB provide more global and regional public goods on addressing climate change, disaster control and public health.

Third, ADB should promote innovative development to help sustain the driver of prosperity of Asia and the Pacific. Innovation is the engine of development. Technology revolution and industry transformation have reshaped the global economic landscape. New technologies have become the primary force in speeding up the economic and social development. We encourage ADB to innovate operational models and lending products, as well as help its members make use of frontier technologies, such as big data and artificial intelligence. We would like ADB to enhance the innovativeness, demonstration effect and additionality of its projects, and facilitate diffusion of innovative technologies to its developing members. We support ADB's efforts to push forward human capital development, job creation and economic transformation. By such means, the broad masses of workers could share development opportunities from new technologies.

At the Second Belt and Road Forum for International cooperation a few days ago, President Xi Jinping pointed out that we need to be guided by the principle of extensive consultation, joint contribution and shared benefits, act in the spirit of multilateralism, pursue cooperation through consultation, and keep all parties motivated. The People's Republic of China (PRC) will take a series of major reform and opening-up measures, expand market access for foreign investment in more areas, intensify efforts to enhance international cooperation in intellectual property protection, and increase the import of goods and services on an even larger scale. Besides, the PRC will also engage more effectively in international macroeconomic policy coordination and work harder to ensure the implementation of opening-up related policies.

The PRC stands ready to work with all parties to support the development cause of Asia and the Pacific as what we have been doing. We will continuously deepen the all-round cooperation with ADB and make contribution to the inclusive and sustainable development of the Asia-Pacific region and the world.



PHILIPPINES

Benjamin E. Diokno, Alternate Governor

I am honored to represent the Philippines in this important annual meeting. Last year, the Philippines hosted the Asian Development Bank (ADB) 51st Annual Meeting in Manila, which was fruitful and productive. We look forward to another successful meeting in the beautiful island country of Fiji.

Once again we thank the ADB for its unrelenting efforts to help alleviate poverty, promote sustainable development, and foster growth across the Asia-Pacific region. Through innovative programs and extensive knowledge sharing, the ADB has been a vital partner in areas of shared concern such as infrastructure modernization, building institutions for peace and stability, nurturing our human capital, and developing public sector capacities.

The Philippines has benefitted immensely from cooperation with the ADB's programs. This year—sooner than we expected—the country will “graduate” into the ranks of upper middle-income economies. While this will result in small changes in the terms of bank financing, we expect to sustain the solidarity that has characterized this community for decades.

Needless to say that the Philippines is one of the fastest growing economies in the region. Our comprehensive efforts to reform our bureaucracy, reconfigure our policies, and invest in the future help ensure our transition from a consumption- to an investment-led economy. Within the next few years, we expect to achieve a truly inclusive economy that ultimately redounds to the benefit of our people. In this aspiration, we will continue to rely on the collaborative programs we have begun with the ADB.

During the 50th Annual Meeting held in Yokohama, Secretary Carlos Dominguez III of the Department of Finance urged the ADB to assume the role of the premier multilateral financial institution in Asia and the Pacific. Rightly so as the ADB not only has the competent staff, but also the wealth of experience in doing development work in this part of the world as well as the institutional flexibility to undertake innovative programs to fully assume that role.

Today, I reiterate that call for the ADB to harmonize its efforts and explore the many complementarities with other multilateral institutions such as the World Bank and the Asian Infrastructure Investment Bank to achieve a more efficient and more effective delivery of services. As we move deeper into the Asian Century, improved coordination will enable stronger performance among our emerging economies.

More than this, we urge that knowledge generation and management be expanded to cover other facets of development. One that is not only focused on economics, finance, and infrastructure—but in related aspects such as poverty reduction, gender, governance and institutions, climate change and environment, conflict and fragility, health, and education.

Over the last few decades, we saw the remarkable rise of many economies in this dynamic region. In order to bring the benefits of progress to entire continent, better coordination among the institutions that deliver development financing is key. As technology increasingly drives growth everywhere, we need to constantly reinvent our programs and rethink our understanding of the necessary human capital to make progress both achievable and sustainable, ensuring that no one in the region is left behind.

In this aspiration, the ADB is undoubtedly one of the region's vital catalysts of change. As such, let's work together for stronger collaboration, an enhanced policy, and improved program implementation to ensure Asia's meaningful growth that supports a strong economy and ultimately promotes a high quality of life for its people.



PORTUGAL

Rosa Caetano, Head of Delegation

Mr. President,
Mr. Chairman,
Dear Governors,
Ladies and gentlemen,

It is a great pleasure for me to attend the first Annual Meeting of the Asian Development Bank Board of Governors in a Pacific country. I would like to express my gratitude to the city of Nadi and to the Government of Fiji for the warm welcome and hospitality.

As you may be aware, 2018 was a notable year for the Portuguese economy. Allow me to share a few positive aspects with you: (i) the GDP growth rate of 2.1%, above euro area average for the second consecutive year; (ii) the rise of employment by 2.3% and the fall in the unemployment rate to 6.7% in the last quarter of 2018 (and most recently – in February 2019 - to 6.3%), the lowest since 2002; (iii) supported by an increase in investment and exports, at 4.4% and 3.7%, respectively; (iv) the overall general government deficit of 0,45% of GDP, the lowest ever in democracy; (v) a reduction of 3.3 p.p. in public debt (also in % of GDP), following the positive trend observed in 2017, which represented the largest reduction in 20 years, with 4.4 p.p.; and (vi) the conclusion of the process of the debt rating upgrade to investment grade levels by all rating agencies.

These favorable developments in our economy allowed us also to deepen our engagement with ADB, which we perceive as a strategic partner and a catalyst for international economic cooperation in Asia. The proof of our commitment with ADB is given by the subscription, in December 2018, of the shares of ADB's Fifth General Capital Increase. With the recovery of our fiscal and macroeconomic situation, we look forward to ways to strengthen our collaboration with ADB.

2018 was also a prosperous year for the ADB. Annual commitments reached a record US\$ 35.8 billion, a 13% increase when compared to 2017 but an even more significant increase of 41% when compared to 2016. We see these numbers as a very positive development, both in terms of the value-added perceived by development partners in the region of ADB's intervention and in terms of narrowing down the existing financing gap for infrastructure in Asia and the Pacific, fighting poverty and adapting and mitigating to the impact of climate change.

However, we believe that the growth of ADB operations needs to be sustainable. This sustainability comes in our view from two very important areas. First, underpinning ADB's balance sheet with the needed organic capital growth of ADB equity through reserves. Second, putting the emphasis on the quality of operations and not in the quantity. In this regard, we call on the Bank to increase the support and the financing allocated to quality at entry, project readiness, project design, operations and maintenance, project asset management, and, most importantly, capacity building, particularly in the poorest countries of the region.

On a related topic, we congratulate ADB for the efficiency gains observed in the procurement process. We note that processing time for procurement contracts for sovereign operations decreased by 27% in 2018, as a result of the new procurement guidelines approved in 2017. We request Management to further outpost and strategically place procurement specialists and

project management specialists in the resident missions to further improve procurement efficiency and provide hands-on support.

Ladies and gentlemen,

The flagship development in ADB in 2018 was the approval of Strategy 2030. Two of the key pillars of the Strategy are, first, differentiated approaches, and, second, innovation. We are confident that the Bank will find the right way forward to combine finance with innovative solutions to better respond to the region's diverse and specific challenges and needs. This is of paramount importance in a very dynamic region, where many countries have reached or are in the right path to reach a middle-income country status. Quality in projects comes hand in hand with innovation, high-level technology and value for money. We call on the Bank to make full use of the great potential of European stakeholders to contribute with their technology and knowledge to innovatively underpin the implementation of Strategy 2030.

Another key pillar of the strategy is tackling the effects of climate change. ADB committed to ensure that 75% of the number of its operations will support climate change mitigation and adaptation by 2030. We strongly support this agenda. In fact, the Climate Change Performance Index ranks Portugal as the world's first country in terms of national policies to counter the effects of climate change in 2018. Its effects are particularly significant in the region of the Pacific, where we are having for the first time ADB's annual meeting. The region is highly vulnerable to natural disasters and to the effects of climate change in rising sea levels. We are therefore concerned with the increase in CO₂ and the decrease of the relative weight of renewable energies in the Asia and the Pacific region in 2018, as concluded by ADB's Corporate Results Framework.

Finally, we note that ADB is lagging significantly behind its peers in terms of female representation at the Board of Directors. This causes also problems of credibility with staff in promoting the agenda of gender diversity in the Bank. I would therefore like to take this opportunity to make a call for Governors to pay attention to the need to increase gender diversity in ADB Board of Directors when making a decision about the candidates to be appointed for both the positions of Executive Director and Alternate Executive Director, without sacrificing the merit of the candidate selected. Against this backdrop, and in order to promote a gender balance in the Bank the six capitals sharing Suite 9 of the Board formally committed to do so under the new revised rotation scheme signed at the margins of this Annual Meeting.

Thank you for your attention.



SINGAPORE

Indranee Rajah, Governor Ad Interim

I thank the Government of the Republic of Fiji for hosting the 52nd Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) and President Takehiko Nakao for the excellent arrangements.

The theme of this year's meeting – "Prosperity through Unity" – is timely. By 2030, Asia is expected to have more than 50% of the world's population, with an estimated increase of 500 million people from 2015^a. The rate of urbanisation in Asia is expected to rise to above 50% in 2030, from 40% in 2010^b. Asia is also expected to account for 35% of global GDP by 2030, up from 20% in 2010^c. This underscores the need to promote growth that is strong, sustainable and inclusive.

In the past 50 years, the ADB has contributed substantially and meaningfully to development in Asia and the Pacific. Looking forward, I am confident that the ADB will continue to play a catalytic role, not just in supporting the region's financing needs, but also as a key knowledge partner. In this regard, I express my continued support for the ADB's *Strategy 2030 Vision* for a Prosperous, Inclusive, Resilient and Sustainable Asia and the Pacific.

I further commend the ADB for recognising the importance of the private sector as a partner in achieving the Sustainable Development Goals for the region. I welcome the ADB's target for its private sector operations to reach one-third of its overall lending by 2024.

Infrastructure will be a critical economic and social enabler to harness the opportunities of Asia's growth. Project bankability continues to be a key issue in attracting long-term sustainable private capital into the region. The ADB's aim to promote commercial sustainability in projects through high standards of corporate governance, integrity, transparency and social and environmental safeguards is therefore important. The ADB can set and promote good practices throughout project lifecycles for its members, especially during the critical stages of project preparation and structuring.

Environmental sustainability is another challenge. The effects of climate change can be felt all over the world and many parts of Southeast Asia and the Pacific, with long coast lines and low lying habitats, are particularly vulnerable. Developing environmentally sustainable infrastructure is important as a way to future-proof our cities and homes. I commend the ADB's target of doubling its annual climate financing and scaling up innovative financing to support affected member countries in building disaster resilience.

Given the region's huge development challenges, we need a better way to connect the operations of development partners. The report of the G20 Eminent Persons' Group on Global Financial Governance (EPG) offers good insight on building effective country platforms to maximise the contributions of all development partners as a system. Country platforms can ensure coherent and complementary operations by all partners through proper division of labour and better

^a UN, 2015 "Population 2030 Demographic Challenges and Opportunities for Sustainable Development Planning"

^b The Diplomat, Dec 2017 "Asia to Stay World's Fastest-Growing Region Through 2030"

^c Bloomberg, Jan 2019 "These Could Be the World's Biggest Economies by 2030"

leverage on areas of expertise. To this end, ADB is well-positioned to play a key role in encouraging the adoption of core standards via these platforms, such as on transparency and anti-corruption, as well as environmental, social and governance standards. Frontier markets, with complex problems and large projects that are too big for single actors, stand to benefit disproportionately.

Singapore stands ready to support the ADB's important agenda in our role as an infrastructure hub for Asia. Our deep infrastructure ecosystem is complemented with strong governance and robust legal frameworks. We have also established Infrastructure Asia as a platform to connect local and international stakeholders across the value chain, encourage information exchange, facilitate infrastructure investments and enable infrastructure players in the region to tap these opportunities. Singapore remains committed to working with the ADB as a key partner for the region, to close the infrastructure gap and promote prosperity for our people.



SPAIN

José López Thomas de Carranza, Temporary Alternate Governor

Mister Chairman of the Board of Governors, President Nakao, Honorable Governors, Distinguished guests,

We have witnessed an impressive development success story in Asia and the Pacific over the past few decades. Its remarkable rate of growth and its economic transformation have astonished the world and a very relevant result is that the quality of life of people in the region has improved tremendously. This is reflected in the dramatic reduction in the population living in “extreme poverty”, down from 58% in 1990 to 7% in 2015. Yet, there is no room for complacency when it comes to the issue of targeting the eradication of poverty and fostering economic and social progress. In fact, economic growth has been uneven across the region and unequally distributed within countries. Almost 30% of ADB developing member countries are still hit by high levels of inequality. Therefore, combatting remaining poverty and reducing inequalities remains central to the achievement of the Sustainable Development Goals.

In addition, in today’s interconnected world, unfinished development agendas are not confined to individual countries but straddle national borders. The most immediate consequence is that prosperity cannot be reached by any single country acting alone, but through regional cooperation and integration. Addressing global challenges and providing regional public goods is hence of utmost importance to the attainment of an inclusive and sustainable growth model that embraces the population of all countries, leaving no one behind.

ADB is uniquely placed to stand at the heart of this ambition. With Strategy 2030, which clearly identifies the pressing challenges that Asia and the Pacific are facing, the Bank now has the crucial opportunity to translate this into concrete plans and measures, with the potential to make this ambition a reality.

But the vision set out in the Strategy 2030 will not be accomplished without tackling Climate Change and enhancing environmental sustainability. Despite progress achieved over past years, 40% of global CO₂ emissions come from ADB developing member countries. Therefore, while we recognize the remarkable results achieved by the Bank on climate change adaptation and mitigation, the increasing needs in this area will require us to step up our joint efforts. With this goal in mind we encourage the Bank to continue helping its borrowing members to build their own capacity systems through technical assistance and by scaling up operations that promote the use of renewable energy sources instead of fossil fuels. We look forward to seeing all these priorities reflected in the new energy policy under preparation.

Moreover, the growth of megacities and the increasing complexity of urban development are posing a tremendous challenge to improving the quality of life of Asian people. ADB must contribute, in line with Strategy 2030, to making cities more livable by adopting a holistic approach to promote smart cities and by addressing a number of cross-cutting issues, such as the fostering of sustainable infrastructures, gender equality and urban mobility.

Yet, real economic and social progress in Asia and the Pacific will not take place without private sector playing the leading role. In this regard, we welcome the ambitious agenda that ADB has adopted to strengthen private sector in the region and encourage the Bank to make all necessary efforts to reinforce its capacity, diversify its portfolio and articulate a clear and coherent roadmap.

As established in Strategy 2030, promoting gender equality in the region remains at the core of the mission and values of the Bank. By setting a gender balance target in the Board of Directors and fostering equality at ED position, while ensuring the merit-based selection process, ADB would lead this long-awaited transformation from “within”.

And when dealing with the poorest countries, the ADF has proved to be a major actor in the arduous task of eradicating poverty. Fortunately, the picture has changed over the past few years and now it is time to think outside the box and reflect on how best to use our resources to tackle more efficiently the emerging and pressing challenges that poor countries are facing.

Mr. President, Colleagues,

I would like to congratulate the Bank for over 50 years of service to the region and for its decisive contribution to the economic and social transformation of Asia and the Pacific. We need ADB to stand at the forefront of efforts to bring progress and development to the region, paving the way to a brighter future; a future of prosperity, sustainability and inclusiveness. Spain recognizes and strongly supports the unique role the Bank can play in this matter and, therefore, we are pleased that the Council of Ministers has recently approved a new contribution to the Spanish Cooperation Fund for Technical Assistance.

Finally, on behalf of Spain let me express my sincere gratitude to the Government of Fiji for the warm welcome and for all the efforts devoted to make this Annual Meeting a success.

Thank you.



SRI LANKA

Mangala Samaraweera, Governor

Hon. Aiyaz Sayed-Khaiyum, Chairman of the ADB Board of Governors,
Hon. Takehiko Nakao, President of the ADB,
Distinguished Governors,
Ladies and Gentlemen,

I thank you for giving me the floor at this respectable gathering today, that celebrates 52 years of partnership with Asia and the Pacific region by the Asian Development Bank. As a founding member, Sri Lanka has been working very closely with ADB for over half a century to achieve sustainable development through the various development tools provided by the Asian Development Bank to its member countries.

In the sixth decade of Bank's journey we are amidst the challenges faced by member countries in Asia and Pacific due to the major shifts in the region. We have, therefore faced the requirement of reviewing the role of ADB to address problems faced by the region. I believe that the new Vision of ADB- "Vision 2030" will certainly be formulated to cater to these needs and achieve a prosperous, inclusive, resilient and sustainable Asia and the Pacific.

This year's meeting theme "Prosperity through Unity" is timely chosen. In fact, Mr. Chairman, unity is very much essential among our members to control terrorism also. Global rate of terrorism has sky rocketed and very recently innocent people of my country had to face the repercussions of rapidly growing terrorism activities. Therefore, we should get together to combat terrorism and to ensure prosperity in a peaceful environment.

Mr. Chairman,

Sri Lanka has achieved economic stabilization despite the various challenges faced by the country. Our Government believes in growth led by private enterprises. We expect more private sector operations of ADB in Sri Lanka in view of enhancing private sector participation in our economic activities.

During the last 51 years, Sri Lanka has received over US \$ 9.5 billion for financing development projects of the country. We receive these financial assistance as project and policy based loans, grants and technical assistance since 1968. Sri Lanka's ADB portfolio has shown the best performance in the region from 2013 to 2017 and it remains very active. Our interactions span mainly from the Transport Sector, Energy to Agriculture, Natural Resources and Rural Development. I believe that the partnership between Sri Lanka will continue to grow in the coming years very strongly.

As a founding Member and a strong partner, let me Mr. Chairman, reiterate Sri Lanka's steadfast commitment to a long-lasting engagement with ADB in time to come for the immense benefit of our own countrymen and millions of others in the Asian Pacific region. I thank you until we meet again in the Republic of Korea next year.



SWITZERLAND

Raymund Furrer, Governor

Mr. Chairman,
Mr. President,
Honorable Governors,
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of Switzerland, I would like to extend my gratitude to the Fijian Government and the authorities of Nadi for their excellent arrangements and their warm hospitality.

2018 was a landmark year for the ADB with the adoption of the *Strategy 2030*. Switzerland welcomes the interactive process that prevailed throughout its elaboration and enabled an ambitious roadmap. This corporate strategy paves the way for the Bank to be a catalyzing agent for public and private partners to achieve an Asia and a Pacific free of poverty.

Ten years after the 2008 financial crisis, the world is more multipolar and decentralized, but at the same time more interconnected. Uncertainty is spreading: growth is slowing, its benefits are unevenly shared across regions and people, and risks are rising. It also applies to Asia, a region that has lived five decades of impressive economic and social transition. The latter must however be sustained, in a smart and future-proof way. We need a more inclusive, more sustainability-centered and more effective approach.

Time of implementation

For the ADB, the focus is now on the implementation of the *Strategy 2030*. In this sense, we strongly advocate for the Bank to be selective in its actions. Leadership entails the responsibility to focus on core competencies and to ensure coordination to fill gaps and harness win-win. This includes coordination with other MDBs, the UN, the private sector and civil society. Impact oriented, high quality engagements are also essential to remain a leading development partner and a “SDGs-achieving institution”.

It is our collective responsibility to ensure the welfare of present and future generations. This requires a sound long-term approach, particularly for tackling climate change, disaster risks and environmental degradation. Switzerland welcomes ADB’s ambition. However, we ask the Bank to put a stronger emphasis on renewable energies and to reduce fossil fuels-related projects in the Bank’s portfolio. A revised energy policy should allow the Bank to position itself at the forefront in promoting sustainable development.

Switzerland is a strong advocate for ADB’s ambition to mobilize the private sector as an engine for inclusive and sustainable growth. However, we are concerned by the recent performance of non-sovereign operations. A private sector strategy is essential to guide ADB’s orientation. We strongly encourage a more diversified and granular approach towards concrete development impact, while ensuring additionality and high standards. We also support engagement in countries afflicted by fragility, conflict and violence. To be successful, it will be necessary for the ADB to adapt its operating model taking into account the multidimensional aspects of fragility and to establish reliable partnerships.

Debt accumulation beyond sustainable levels is a threat to development outcomes. As financial conditions tighten, the wind could shift with real impact on people. Debt transparency is crucial to ensure long-term sustainability. More emphasis should be placed on making transparent the debt-implications of public-private partnerships, state-owned enterprises, guarantees and other contingent liabilities, including for large infrastructure projects financed under bilateral deals. Increasing debt management capacity is ever more important. Quality of investment projects is as relevant as quantity. In addition, it is vital to strengthen domestic resource mobilization to generate greater resources for public investment and spending, while enhancing overall governance.

Ensuring relevance in a new era

The fast economic expansion of the Asia and Pacific region, and notably the growing number of countries reaching middle-income status, calls for a reflection on ADB's relevance and role. We encourage a more agile framework with adjusted value proposals, including systematic knowledge sharing and partnerships between the ADB, governments, the private sector, academia and the civil society. We also wish to underline the continuing need for a balanced portfolio approach through which the institution stays engaged with all types of clients to maintain the healthy risk profile of the Bank's balance sheet.

Upper middle-income countries have a key role to play to foster inclusive and sustainable growth across the region. Indeed, poverty alleviation remains an unfinished business and their contribution to the provision of regional and global public goods will be crucial. However, the Bank must continuously adjust its instruments and modalities to remain state-of-the art and tailor-made to the needs of its clients. In this sense, further price differentiation allows a better adjustment of ADB's products to the financial capacities of member countries, strengthening the whole institution.

The Asian Development Fund has to remain focused. Grants must remain the ultimate funding modality and be used to help the poorest, most vulnerable and fragile countries. The risk of moral hazard has to be addressed via more stringent requirements regarding public debt management. We encourage a simplified resource allocation system with a predominantly country-based component and more streamlined set-asides, providing incentives to investments in public goods with positive externalities, and call for harmony across the system to ensure consistency and predictability.

Switzerland attaches great emphasis to the ADB as a regional learning institution of excellence. For this, evaluations, notably performed by the Independent Evaluation Department, accountability mechanisms, high-quality knowledge products as well as Management's open adoption of recommendations, are very important to strengthen development effectiveness of ADB operations.

The ADB represents an efficient, innovative and trustworthy development partner. Switzerland remains therefore committed to continue this collaboration based on mutual trust, open dialogue and determination to succeed.

Switzerland would like to thank President Nakao, ADB Management, staff and the Board for their firm engagement to continue building a better Bank for the benefit of the people of the Asia and Pacific region.



TAIPEI, CHINA^a
Jain-Rong Su, Governor

Mr. Chairman of the Board of Governors, President Nakao, Fellow Governors, Distinguished Guests, Ladies and Gentlemen,

On behalf of the delegation of Taipei, China, I would like to thank the Government of Fiji for hosting the 52nd Asian Development Bank (ADB) Annual Meeting. I would also like to extend our sincere appreciation to the President, management, and staff of the ADB for your excellent work in making this event happen.

We are grateful to gather here in Fiji, reviewing and celebrating the ADB's progress over the last 51 years. This also marks the first time that a Pacific island country has hosted the annual event of the Bank. We are pleased to note that Fiji has been benefiting from the support of the ADB and enjoyed sustained economic growth for many years. Strides have been made toward promoting inclusive economic growth and poverty reduction through investments in infrastructure, which have demonstrated that the ADB is well-positioned to play a pivotal role in supporting its developing member countries to tackle challenges and explore strategies.

As Asia develops, we commend the ADB for its effort in carrying out Strategy 2030, which actively seeks to respond to the region's changing needs and achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. Having said that, we also welcome the ADB to showcase its ambition and action toward climate change, disaster resilience, gender equality, and making cities more livable.

The theme of this year's Annual Meeting is "Prosperity through Unity." This makes an apt representation about the ADB's continued leadership in forging strong collaboration and partnership with its member countries, while maintaining an emphasis on regional cooperation and integration in successfully gathering all efforts to foster sustainable, green, gender-responsive, and inclusive economic growth throughout the region.

Given the scale of the challenges, I would like to make reference to how we stand ready to contribute as a knowledge partner, as well as to highlight our efforts in ensuring the development of our policies are in harmony with the goals of the ADB.

Recognizing that Taipei, China as an island is highly vulnerable to hazards from the impacts of climate change, we have introduced the Disaster Prevention and Protection Act and the Greenhouse Gas Reduction and Management Act. The aim is to control and reduce our greenhouse gas emissions, with the expectation to be on track to reduce greenhouse gas emission levels to under 50% of our 2005 emissions before the year 2050.

Regarding gender equality, we are unanimous with the ADB in strengthening women's economic participation and its ensuing benefit to promoting economic growth.

In the "Women, Business and the Law 2019" report by the World Bank, we ranked first in Asia with a score of 91.25. Our efforts stretch back over a decade, and it is encouraging to see that the percentage of female entrepreneurs today has risen to over 36%. In 2016, we jointly launched

^a Changed by Meeting Secretariat.

the Asia-Pacific Economic Cooperation Women and the Economy Subfund with Australia and the U.S. This represents the best example of how we have been supportive of gender equality and women's independence at the international level.

It is also worth noting that Taipei,China has launched the Forward-Looking Infrastructure Development Program in the second half of 2017. As one of the program's priorities, our strengths in IT and digital technologies are focused on providing a sound basis for greater success in promoting smart cities and further enriching the quality of life and create more livable cities. Hence, with our proven experiences and ability, Taipei,China is confident to share experiences and develop innovative solutions for smart city projects through partnership with our fellow members.

Last but not least, taking this opportunity, I would like to reiterate that Taipei,China is a founding member of the ADB, and we have fully carried out our membership responsibilities. We therefore are strongly against the unilateral change imposed on our membership designation; going forward, we will continue to urge the ADB to acknowledge this fact to ensure that this issue is properly addressed. I will not limit my clarification and would further call on all members to treat each other with respect and equal opportunities in terms of hosting meetings and events of the ADB member.

To conclude, I reaffirm Taipei,China's steadfast commitment to continue collaboration with the ADB and the Asia Pacific region, as together we address remaining development challenges, and enable an open, burgeoning, and resilient regional economy.

Thank you for your kind attention.



TAJIKISTAN
Davlatali Said, Governor

Dear Mr. Chairman, Governors, Mr. President, Ladies and Gentlemen,

I am delighted to have the privilege of addressing the 52nd Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) in this beautiful city of Nadi. I would like to extend my gratitude to the Government of the Republic of Fiji for the warm hospitality and thank ADB management and staff for the wonderful organization of this event.

We consider this meeting as an important step in enhancing mutually beneficial cooperation and development, establishing closer relations both between Tajikistan and ADB, and countries in the region.

In this regard, ADB's efforts to promote regional cooperation and integration, address poverty and reduce inequalities, promote rural development and ensure food security are very important and timely.

Dear Ladies and Gentlemen,

Let me briefly acquaint you with the current situation in the economy of the Republic of Tajikistan and promising areas of its development.

Despite the persisting external threats and risks, macroeconomic stability is ensured in the country, steady economic growth continues, which contributes to poverty reduction.

In 2018, the economy grew at 7.3%, which is due to the progressive development of the sectors of the real sector, as well as the services sector.

Industrial production last year grew by 11.8%, investment in fixed assets increased by 7.8%, agricultural products - by 4.0%, trade volume - by 15.4%. The inflation rate was 5.4%.

The intensification of regional trade and economic cooperation contributed to the fact that the volume of the country's foreign trade turnover in 2018 increased by 6.3%, including with the CIS countries - by 12.5%.

Today, Tajikistan is implementing the National Development Strategy up to 2030, the main strategic objectives and priorities of which are linked to the objectives laid down in the ADB Strategy 2030.

The key objective of the National Development Strategy is the formation of a fundamentally new model of economic development based on the industrialization of the country, the accelerated development of the energy and communication infrastructure, the intensification of investment activities and the stimulation of private sector development. Therefore, it is very important for us to create clear, comfortable and predictable working conditions for domestic and foreign investors.

Big attention in the strategy is paid to the continuation of the phased implementation of reforms in various sectors of the national economy. And in this direction, Tajikistan is working closely with ADB and other development partners.

Overall, the National Development Strategy acts as a program of systemic actions for all government bodies and a platform for interaction with the private sector and civil society.

The consistent implementation of the goals and objectives laid down in the adopted strategic documents will help consolidate sustainable economic growth, create new jobs and increase the level of well-being of the people of Tajikistan.

As already noted, energy and transport are key priorities in the development of Tajikistan. We intend to use the huge hydropower potential of the country not only for its development, but also in the interests of the countries of Central and South Asia.

Based on this, in order to increase electricity production and expand transmission networks in recent years, we have implemented several investment projects in cooperation with ADB and other international partners, and the development of new ones continues.

The implementation of investment projects in the energy sector will ensure the energy security of the country, increase its export opportunities to other countries in the region, as well as contribute to the accelerated development of industries and industrialization.

The implementation of communication infrastructure projects will help to use the country's transit potential, create a sustainable regional and national road network, expand regional trade and economic cooperation, and improve access to international markets.

In order to realize its potential and competitive advantages, Tajikistan stands for close mutually beneficial trade and economic cooperation with all countries of the Central Asian region, which in the new conditions of growing global challenges and risks is becoming an important and necessary reality.

Due to the mild climate, beautiful nature, high mountains and peaks, healing water springs, as well as a unique historical and cultural heritage, Tajikistan has good opportunities for the development of tourism. In recent years, the government has paid special attention to the development of this industry and, in confirmation of this, I would like to note that the country has declared 2019-2021 as "Years of rural development, tourism and folk crafts."

Tourism development can be an important area for regional cooperation. Using common cultural and historical roots, we could create a single tourist space between our countries to promote cultural, educational and other types of tourism.

Dear Ladies and Gentlemen,

The Asian Development Bank has been and continues to be one of the main development partners of Tajikistan and supports development initiatives undertaken by the government. We hope that within the framework of the current ADB Partnership Strategy with Tajikistan for 2016-2020, ADB will continue to play an important role in the implementation of our development priorities.

The ADB Strategy 2030, approved in July 2018, confirms ADB's vision of creating a prosperous, inclusive, resilient, and sustainable Asia-Pacific region and its mission of helping developing member countries to improve living conditions and quality of life. And in this direction a lot remains to be done.

We, as members of the Asian Development Bank, have high expectations from ADB in responding to specific situations in our countries. We view ADB as a reliable partner that can provide financial support in solving a variety of problems in various areas in developing countries. In the coming decade, Asian countries should focus on making their economies more resilient to economic shocks, social tensions and natural disasters.

ADB is participating in the development of regional energy policy and projects on regional energy trade, in the rehabilitation of regional transport corridors and the development of trade under the Central Asian Regional Economic Cooperation (CAREC) Program, which is the basis for the development of the region.

The countries of the region should also actively engage the private sector in the development of the national economy by creating a favorable business environment and improving the investment climate.

We hope to benefit from this mutually beneficial process by strengthening regional cooperation and creating a strategic partnership for the future.

Only through cooperation and integration our region can take full advantage of all available opportunities and achieve sustainable growth for all.

As a regional bank, ADB should play a vital role in realizing these objectives and make a constructive contribution to the economic development of its developing member countries.

Dear Ladies and Gentlemen,

In conclusion, I would like to assure ADB of the great commitment of the Government of Tajikistan in achieving inclusive economic growth and increasing the level of well-being of the population. We also hope that ADB will continue to remain an active and reliable partner in realizing our vision of the future economic development of the Republic of Tajikistan.

Thank you for your attention.



THAILAND

Apisak Tantivorawong, Governor

Chairman of the Board of Governors,
President of the ADB,
Fellow Governors,
Distinguished guests,
Ladies and gentlemen,

On behalf of the Government of Thailand, I would like to extend my gratitude to the Government of the Republic of Fiji for hosting this 52nd Annual Meeting of the Asian Development Bank (ADB). I also would like to express my appreciation to the president, management and staff of the ADB for the excellent arrangements of the event.

ADB remains to be the institution that has a significant and strong financial and technical support to eradicate poverty in the Asia and Pacific region. The ADB's role in promoting sustainable social and economic development has been innovative and responsive to the development challenges arising among the member countries in the event of rapid changes in global economic uncertainties.

Having said that, 2018 was a notable year for the ADB's operation. The ADB estimated ASEAN's infrastructure needs from 2016 to 2030 at US\$ 184 billion per annum which is a significant opportunity that requires more than an effort from a single country to close the infrastructure gap. In light of the above mentioned, Thailand finds that the theme for this year's annual meeting 'prosperity through unity', most appropriate.

It may be true that a single country can achieve prosperity but sustainable prosperity cannot be achieved sustainably without unity. As ASEAN chair in 2019, Thailand delighted to see that the ADB's theme this year is grounded on this principle as it resonates the theme of the ASEAN Finance Minister's meeting 'Advancing partnership for sustainability' where both themes highlight the need for greater interconnection to set the goals in the same direction among member countries and communities.

On fostering unity, one of the key priorities under Thailand's ASEAN chairmanship is to promote connectivity by facilitating trade and investment as well as payment service connectivity. Thailand and ASEAN take pride in our commitments to ensure sustainable growth while uniting on the emphasis of regional cooperation and integration. Aligning with the ADB's focus on the role of private sector as the catalyst for development, Thailand as a chair of ASEAN will continue facilitate more efficient and prevailing financial infrastructure system to facilitate convenient transactions for individuals, businesses and governments which would gradually lead to a more inclusive regional development in the future.

On the aspect of creating prosperity, ASEAN seeks to collaborate with the ADB through its expertise and knowledge support to strengthen major infrastructure investment in innovative and technologically advanced sector. The advanced steps in such sector for Thailand as well as ASEAN would surely require assistance and knowledge support from the ADB to bring benefit to the regional economy and our people.

On the prospect of Thailand's progress, Thailand has continued to operate its policy to ensure a sustainable and inclusive growth within the country using the advanced data analytics system with the low-income earner registration project to uplift living standards for the recipients of the welfare allocation scheme. This data has later been utilized to identify eligibility for Thai people to attend job training program. Currently, over 1.1 million from 4.1 million people registered has achieved higher income and out of poverty.

The year 2018 was also a remarkable year for Thailand's economy, in the fourth quarter our economy expanded by 3.7%, accelerated from 3.2% in the previous quarter. As a result, the Thai economy expanded by 4.1% which is marked as the fastest expansion in 6 years. Regarding economic stability, Thailand has low unemployment and inflation rate. This results the projections for Thailand's economy to have an estimated growth by 4.0% in 2019.

Ladies and Gentlemen, we have seen a significant impact that the ADB made in supporting the development of countries in Asia and Pacific. Despite the different stages of development of countries in the region, ADB has been extending valuable financial and knowledge support for the region throughout its development journey. ADB has contributed significantly, not only through its funding, but also through the knowledge support to the region since the human capital development cannot be taken for granted. Therefore, the unite continuation on incorporating and disseminating knowledge that the ADB has provided, is another important step to enhance sustainable prosperity. Thailand looks forward to strengthening a collaboration with the ADB and the member countries to foster continuous growth and make a positive impact on the lives of people in our region.



TURKEY

Osman S. Gundogdu, Temporary Alternate Governor

Mr. Chairman, Mr. President, Distinguished Governors,

It is my pleasure to participate in the 52nd Annual Meeting of the Asian Development Bank in Fiji. I would like to extend my sincere appreciation to the Government of Fiji and ADB for the excellent organization.

Asia continues to be at the forefront of the global economy, accounting for more than 60 percent of world growth, and is projected to grow at 5.7 percent in 2019 and 5.6 percent in 2020. Yet, there are risks that the Asian and global growth forecast are tilted to the downside, reflecting increased financial market volatility, rising trade tensions, and slowing momentum in the People's Republic of China. In addition to these short and medium-term risks, Asia faces important challenges to its long-term growth prospects such as slowdown in trade, slowing productivity growth and transition to an increasingly digitalized future.

It is very important at these times that ADB stays as a trusted and relevant partner supporting structural and systemic reforms, as well as a source of predictable and substantial long-term financing for its low-income and lower middle-income member countries. In this regard, as the main development partner in the Asia and the Pacific, we support ADB's decentralization efforts and encourage to strengthen its field presence in the region for both timely and effective project implementation through Resident Missions and Regional Hubs which will allow closer dialogue with other development partners in accordance with Strategy 2030's target of "delivering through a stronger, better, and faster ADB."

In particular, we encourage ADB to increase its focus on strengthening governance and institutional capacity, and fostering regional development and integration in the region. We also welcome ADB's commitment to increase its involvement in the education sector, especially digital literacy, technical and vocational education and training. We share the view that measures to improve education may permit digitalization to become a more important engine of growth in our member countries.

To this end, I believe that Strategy 2030 will guide ADB in the next decade through realistic and relevant approaches regarding the challenges of the region. We thank Management for its transparent and consultative approach in the finalization of the Strategy. The seven operational priorities identified in the Strategy are well in-line with the region's development needs. Now, we are looking forward to identification and setting of targets and results for the seven operational priorities, as well as development of the new Corporate Results Framework.

We also support Strategy 2030's differentiated approaches to groups of countries. Given the diversity of ADB's member countries, it would not be appropriate to pursue a "one size fits all" approach. Currently some member countries are greatly lagging in development outcomes while some are very close to the graduation threshold. Hence, we are glad that ADB is going to consider this diversity while offering opportunities to its member countries.

We appreciate that while operations increased in 2018, the budget increase remained relatively low, and therefore supported organic capital growth which further strengthened ADB's lending

capacity for lower income countries. We expect this to continue and further improve in the coming years, with efficient implementation of the Strategy 2030 and differentiated pricing.

Finally, yet importantly, as the performance of completed sovereign operations as well as private sector and country programs continue to improve, the region should have good prospects for staying at the forefront over the coming decade and beyond.

I would like to thank Mr. President and his team for a successful year in 2018. I strongly believe that ADB will continue to be a vital development partner in the region.

Thank you.



Turkmenistan

Rahimberdi Jepbarov, Temporary Alternate Governor

I thank the Government of Fiji for hosting the warm welcome and hospitality 52th Asian Development Bank (ADB) Annual Meeting and it is my pleasure to be here today, representing Turkmenistan.

Speaking about Turkmenistan, it would be noted that its economy continued to develop. Taking into account new approaches and a modern vision of the development path, the new program on the socio-economic development of the country for 2019-2025, adopted at the beginning of the year, includes a number of strategic directions:

- activation of work on reduction of state property through privatization and their transformation into joint-stock companies
- modernization of enterprises through the introduction of a digital system
- making changes to the marketing strategy of the state
- reduced government spending and increased opportunities to attract private sector capital and foreign partners
- social orientation of economic strategy

Also, the concept of the Development of the Digital Economy was adopted in Turkmenistan for 2019-2025, aimed at:

- growth of business and investment activity
- the introduction of advanced technologies in the manufacturing sector and the services sector (including banking services)
- creating new jobs

The updated State Program to support small and medium enterprises for the period up to 2024 is aimed at:

- ensuring high rates of socio-economic development of the country
- intensification of business activities in various sectors of the national economy
- increasing the range and volume of goods produced and services rendered by small and medium enterprises
- increase competitiveness in world markets

The adopted policy documents provide for investments in innovative industries that contribute to the diversification and industrialization of the economy, the expansion of export opportunities for domestic producers.

It should be noted that the last year annual GDP growth has been 6.2 percent, the annual volume of investments directed to the economy of Turkmenistan is about 35–40% of GDP. This is about 17 billion US dollars, of which the share of foreign investment accounts for up to 15%.

Continuing cooperation with ADB last year, a Country Partnership Strategy was adopted to provide credit lines and technical assistance. In 15 November 2018 the loan agreement for 500 million US Dollars for the purposes of financing the National Power Grid Strengthening Project was also signed and currently is being implemented.

In order to achieve the development goals laid down in the program documents of the Government of Turkmenistan, substantial investments and a trusting partnership are necessary. Therefore, Turkmenistan, which pursues the “open door” policy, welcomes and invites interested parties for mutually beneficial cooperation.

Thank you for attention!



UNITED KINGDOM

Geraldine O'Callaghan, Temporary Alternate Governor

We would like to thank the Government of Fiji and the Asian Development Bank for their excellent preparations and hospitality, which have contributed to a successful week.

The UK remains a committed member of and partner to the ADB and is one of ADB's largest non-regional co-financiers. This year we are delighted that the Annual Meetings are being held in Fiji, a country where ADB's expertise and financing has helped to support Fiji's sustained economic expansion. The recently agreed Country Partnership Strategy is a testament to this relationship.

The UK has long recognized the unique challenges of Pacific islands, in particular those of climate change. The UK is a significant contributor to the Pacific via multilateral channels. In order to support its future work, the UK has announced it will open 3 new diplomatic posts in Samoa, Tonga and Vanuatu, and will also increase our capacity in the region with a Trade Adviser and a Development Counsellor. We have worked to secure trade continuity with the region when the UK leaves the EU.

We have longstanding close links and engagement across Asia with many significant bilateral development programmes and shared experience, and we are looking to strengthen our relationships with the countries of South East Asia, engaging actively across the region, working with them to promote regional security, to build prosperity, and to strengthen the links between our people. Our vision is of a genuine deep, comprehensive partnership.

2018 was an important year for the ADB, with the launch of Strategy 2030 setting the direction of travel for the next decade or more. We believe that Strategy 2030 has set the ADB up well to tackle the most pressing challenges of our time, including fragility and climate change, whilst maintaining the core aims of reducing poverty and promoting sustainable growth and regional integration. Asia has an important role to play in tackling climate change and it is critical that ADB has an ambitious and active approach to tackling this challenge.

However, the key to successfully achieving the targets set by Strategy 2030 will be in detailed preparation and implementation of the Operational Plans which are currently being developed. We welcome the early and thorough consultation on these plans, including the Board Deep Dive and public consultations which are currently ongoing.

The ADB must also think about the institutional shifts which will need to take place in order to implement Strategy 2030. The shift to becoming a knowledge Bank will require the Bank to build expertise in new areas, and the welcome commitment to incorporate gender elements in 75% of projects will require a significant shift in the way the ADB operates.

Working as One ADB will be part of this. We strongly welcome the inclusion of non-sovereign operations in Strategy 2030 targets and hope that the development of the Corporate Results Framework will continue to build on these strong foundations.

We would like to see a concise Results Framework which is aligned to the seven pillars of Strategy 2030 and the SDGs and is comparable with those of other MDBs. It must include stretching, yet achievable, targets and greater disaggregation of results – ideally by gender and, where possible, disability, as well as disaggregation of distinct country groups such as FCAS.

Over the next year we would also like to see the ADB make progress on its work in Fragile and Conflict-Affected States. We are pleased that ADB has created a new unit to lead on this work and we hope that it will help ADB to take a more conflict sensitive approach.

The ADB's recent expansion to have staff based permanently in each and every borrowing member state is welcome. This will help the Bank to build knowledge and relationships in country, developing a strong pipeline for projects and effectively monitoring implementation.

Given rising prosperity across much of Asia, the Bank must begin to articulate its thinking about diversification of the terms of its products and instruments to ensure a fair allocation of its resources. Differentiated OCR pricing would be one element of this, but equally important is the future of concessional assistance and the ADF.

The ADF has been a relevant and effective tool to tackle poverty in Asia as evidenced by the recent Mid-Term Review of ADF 12. However, as the region changes, so too must the ADF. ADF 12 introduced the use of windows for priority issues, such as the Disaster Response Facility, which can provide rapid support for countries affected by disaster, including those in the Pacific. We welcome further evidence on the effectiveness of this and other windows of the ADF.

In all its work it is crucial that the ADF does not lose its focus on poverty. Asia has made huge gains in eradicating extreme poverty. But with 915 million people living above \$1.90/day but below \$3.20/day it is important that these gains are consolidated and built upon going forward. The ADF can support this by focusing on the continued mission of poverty eradication whilst continuing to tackle global issues which have the greatest impact on the poor and vulnerable.

In all of its operations and engagements it is important that the ADB continues to seek ways to achieve better value for money. We call for an administrative budget for 2019 that is no larger than 2018, a reformed and robust method for determining staff salaries, and the best use of available financial resources to support development and poverty reduction in the region. We are concerned about increases in the Bank's administrative budget given the continued over-budgeting and low utilization rate. The Bank's pension liabilities continue to be an issue and we once again call for the normal retirement age to be extended to 65 in line with most other international institutions.



UNITED STATES

Mathew Haarsager, Temporary Alternate Governor

On behalf of our Governor, Treasury Secretary Steven T. Mnuchin, I am pleased to represent the United States of America at the 52nd Annual Meeting of the Asian Development Bank (ADB). We would like to thank ADB for its warm reception, and we thank the beautiful island nation of Fiji for its generous hospitality in hosting these meetings.

It is fitting that the first gathering of ADB Governors after the adoption of Strategy 2030 is in the Pacific—the first ADB Annual Meeting hosted by a Pacific member. Strategy 2030 reaffirms ADB's poverty reduction mission while orienting ADB towards important future development challenges of the region, including: (1) supporting basic needs and services to the poorest and most vulnerable; and (2) building countries' resilience, particularly through sustainable infrastructure. These challenges are front and center here in Fiji and in the rest of the Pacific. The United States stands fully committed to supporting the region through the ADB, as the premier multilateral development bank in this region, as well as through our robust bilateral programs. Our policy priorities for the ADB reflect the needs of these countries.

Asia currently accounts for 60 percent of global growth, and its past strong growth has lifted hundreds of millions of people out of poverty over the last few decades. However, the region now faces important challenges, including population ageing and declining productivity growth. Governments will need to accelerate structural reforms to sustain growth over the medium term. These reforms include: business climate reforms to support private entrepreneurship and dynamism; stronger anti-corruption efforts and better enforcement of the rule of law; and high quality investments in infrastructure connectivity and human capital. These reforms will need to be supported by prudent macroeconomic and financial sector policies, including measures to strengthen debt sustainability and transparency, reduce excessive leverage, and ensure more effective resource allocation through bankruptcy reform.

Differentiated Pricing and Graduation

To adapt to the shifts in the region's economic and development landscape and better reflect the values of a development institution oriented to the poorest, the ADB must move forward on the commitments in Strategy 2030 on introducing differentiated pricing for non-concessional lending and effectively applying its graduation policy for countries with greater access to other sources of development finance. ADB's non-concessional pricing has historically been low, and now is an appropriate time to adjust ADB's pricing to better correspond to the institution's global and regional peers, foster financial sustainability, reinforce the graduation policy, and boost resources for the poorest countries.

Asian Development Fund

The Asian Development Fund (ADF) remains a vital tool for supporting ADB's poverty-reduction mission. ADF's principal function should be to provide high-quality grant assistance to the poorest countries in the region that lack repayment capacity and have limited access to other sources of development finance. The importance of this is increasingly apparent as challenges to debt sustainability mount. We commend the strong performance of ADB under the ADF-12 replenishment and look forward to examining how to enhance ADB's contributions to growth and

development in the poorest Developing Member Countries (DMCs) when ADF-13 replenishment negotiations begin later this year.

Debt Management and Debt Transparency

DMCs must be vigilant about the risks to growth and financial stability from elevated debt levels, particularly when that debt is denominated in foreign currency. Governments should foster strong economic fundamentals that will support robust growth and reduce the real burden of debt, while also carefully considering the purpose and financial structure of future borrowing. Additionally, the international community needs to strengthen standards around reporting and transparency of debt obligations. We call on the ADB, in close cooperation with the World Bank, International Monetary Fund, and other International Financial Institutions, to expand its engagement with DMCs to strengthen institutional capacity for assessing, managing, and transparently reporting debt-related risks and improve public financial management.

Technical Assistance and Capacity Building

To support public financial management, debt and infrastructure planning, and other forms of governance support, we urge ADB to develop a clear strategy for delivery of technical assistance and capacity building programming in the region. ADB's Development Effectiveness Review this year again points to reasons for poor sustainability of certain ADB projects, including inadequate capacity of implementing agencies and weaknesses in institutions and governance. Institutional capacity building must play a greater role in ADB's country strategies and should not be limited to the scope of a particular investment project. ADB's ambition to become a leading knowledge-delivery institution is simply not possible without a much stronger institutional commitment in this area.

Disaster Risk and Response

ADB's borrowers are some of the most disaster-prone countries in the world. Building on the positive results from the ADF's work on disaster risk resilience, we call on the ADB to craft a comprehensive policy and an innovative suite of tools to support disaster resilience and country capacity to assess and manage disaster risk, from infrastructure risk mitigation and insurance to crisis response and post-disaster stabilization.

Budget and Human Resources

Strong institutions not only focus on improving the quality of their services, they also constantly endeavor to improve internal efficiency. Through our role on the budget committee, the United States has strongly advocated for steps to strengthen the budget department and the budget process. ADB must build on recent progress and continue to modernize its budgeting for capital expenditures and implement a sound cost accounting system. We see significant room to improve budget coherency throughout the institution, including ensuring that major organizational changes and initiatives are reflected in what the budget committee reviews and approves. ADB must strive to limit growth in the administrative budget.

We will continue to be steadfast advocates for refining ADB's human resources practices. ADB's staff are its most precious asset, and ADB must continue to enhance its performance management system to better reward and distinguish high performers. The comprehensive review of ADB's salary and benefits methodology this year is a prime opportunity to develop a compensation framework that allows ADB to attract and retain qualified staff but also appropriately reflects its development mandate and status as a public-sector institution. The new framework

should curb excessive salary growth and strengthen the linkage between performance and salary increases. Furthermore, it should benchmark against total compensation; more closely reflect ADB's hiring markets, especially for International Staff; and increase the use of variable, merit-based pay to reward top performers and allow for more flexibility when recruiting for hard-to-fill positions.

Enhancing Quality

Effective delivery on ADB's ambitious development objectives also requires continued efforts to boost the quality of its operations. These efforts must include moving forward with the review of environmental and social safeguards policies and ensuring strong staffing for safeguards. Policy dialogue is critical to advancing the priorities discussed above, and this depends on staff in the field being incentivized and equipped to undertake frank discussions on reforms. We welcome efforts to shift procurement policies in favor of value-for-money. Finally, we encourage the ADB to collaborate with other partners, including through the use of country platforms, to boost efficiency in meeting our shared goals for promoting growth and development in Asia and the Pacific.



UZBEKISTAN
Elyor Ganiev, Governor

Honorable Chairman,
Fellow Governors,
President Nakao,
Ladies and Gentlemen,

First of all, I would like to thank the Government of Fiji for the excellent arrangements of the 52nd Annual Meeting of the ADB Board of Governors. I would also like to extend my appreciation to ADB management and staff for their hard work to prepare for this event.

ADB's main developments in 2018. We welcome new Strategy 2030, which reflects development priorities of Developing Member Countries. We fully share Strategy 2030 seven operational priorities and endorse their implementation. It is this approach that will allow ADB to remain a leading multilateral development partner in the Asia-Pacific region for many years ahead.

Under the Strategy 2030 ADB will pay special attention to fragile and conflict-affected states. In our region, this is Afghanistan. We stand ready to expand cooperation with ADB in this area. Construction of the key infrastructure in Afghanistan such as railways, highways, transmission lines and gas pipelines shall be the basis for its long-term sustainable development.

The implementation of the Strategy 2030 goes hand-in-hand with a steady growth in ADB's performance indicators. We welcome the fact that over the past 4 years, ADB has achieved an impressive 1.5 times growth in new commitments (21.6 bln. in 2018) as well as mobilized cofinancing from partner financial institutions. I would also like to highlight the record growth in the private sector operations of the bank.

In this regard, on behalf of the Government of Uzbekistan I would like to thank President Nakao for his active actions to expand ADB operations and strengthen its financial performance. We support all his initiatives.

Fellow Governors,

Let me briefly update you on the economic development of Uzbekistan and the ongoing reforms.

Uzbekistan continues dynamic implementation of the economic reforms initiated by the President of the Republic of Uzbekistan Mr. Mirziyoyev in 5-year Actions Strategy.

To date, the liberalization of the foreign exchange market has been successfully implemented. A large-scale tax reform is being carried out. We are actively engaging in regional cooperation and eliminating barriers to foreign trade, which has already boosted trade volumes with neighboring countries. There is a new environment of cooperation and mutual trust, which makes it possible to consider our region as unified rapidly growing market.

In January 2019, Uzbekistan received a sovereign credit rating from international rating agencies, improved its ranking in OECD credit rating system from 6 to 5, and upgraded by 12 points in the economic freedom index (ranking 140).

The government has started a major structural transformation and reform of state-owned enterprises. The restructuring of the power and air transport sectors has been carried out, and the implementation of large-scale PPP projects has begun.

The ongoing reforms are already yielding results. Last year economic growth exceeded 5 percent, industry growth was more than 10 percent, investments rose by 19 percent and amounted to 26 percent of GDP. This year, we expect an even higher economic growth of 5.4 percent.

The ongoing ADB support in energy sector reform, public finance reform, the development of public-private partnerships, the implementation of the urbanization program, and many other areas, plays a central role in maintaining economic growth and implementing structural reforms.

Within our new Country Partnership Strategy (CSP) for 2019-2023 we are looking forward to further expansion of the scope and volumes of our cooperation, including non-sovereign operations.

Ladies and Gentlemen,

Regional cooperation and integration is one of the main priorities of the Strategy 2030.

I would like to focus on the Central Asian Economic Cooperation (CAREC) program as an example of successful regional cooperation. Over the past 18 years, the CAREC program has proven its relevance and effectiveness for countries in the region as well as multilateral donor partners.

Considering that Uzbekistan is the CAREC chair this year, I would like to put forward initiatives aimed at expanding the scope and direction of the program.

First of all, this is expanding operations and number of projects in major CAREC activity areas (enhancing transport and economic corridors, partnership in trade, energy sector). As an example we can mention perspective regional railway projects (the People's Republic of China-Kyrgyzstan-Uzbekistan and Uzbekistan-Afghanistan-Pakistan-India).

In our opinion, it is also time to add to the existing CAREC activities (expanding transport and economic corridors, cooperation in trade and power sector) new areas reflected in the CAREC Strategy 2030, such as climate change adaption (Aral Sea problem), regional tourism cooperation, private sector development, information and communication technologies, etc.

With the support of ADB and the participating countries, we should develop a detailed "action plan" and specific project proposals to discuss at the CAREC Ministerial Meeting in Tashkent scheduled for November this year.

Thank you for attention.



VIET NAM

Nguyen Thi Hong, Alternate Governor

Mr. Chairman, President Takehiko Nakao, Distinguished Governors, Ladies and gentlemen!

It is my great honor today to deliver the speech at the 52st Annual Meeting of the Board of Governors of the Asian Development Bank. First of all, I would like to express my high appreciation to the Government and People of the Republic of Fiji for the warm welcome and hospitality in the beautiful Denarau island. I would also like to sincerely thank ADB and the Secretariat for the excellent arrangements for the Annual Meeting.

With the theme "Prosperity in Unity" I am confident that the events will be an opportunity for delegates to exchange, discuss and offer solutions that help the economies become more connected and inclusive for the prosperity of the people.

Governors, Ladies and Gentlemen,

Global context and domestic economic developments

The global economy in the year 2018 experienced slowing pace and unpredictable elements, remaining strong at 3.8 percent in the first half of the year, but dropped to 3.2 percent in the second half of the year. Across emerging market economies, activities moderated as worsening global financial market sentiment combined with country-specific elements. The People's Republic of China witnessed slower momentum over the year. In advanced economies, the euro zone slowed down more than expected; Japan endured weakening activity; with the exception of the US remaining robust. It is forecasted by the IMF that the world economy moderate from 3.6 percent in 2018 to 3.3 percent in 2019, and then to return to 3.6 percent in 2020.

For Viet Nam, in 2018, amid global economic growth slowdown and uncertainties, the economy made remarkable achievements and improvement. GDP increased by 7.08% compared to 2017, the highest in the last 11 years. The economic growth quality, investment and business environment improved; newly established businesses increased sharply; continued efforts in promoting structure reforms including bank restructuring and SOEs reform; low inflation and a stable VND/USD exchange rate maintained; foreign exchange reserves increased, stock market grew considerably.

Despite the challenges from global and domestic context, the economy continues to achieve positive results in the first quarter of 2019. GDP is estimated to increase by 6.79% compared to the same period of 2018. Export growth and trade surplus are sustained. Currency and foreign exchange market, lending interest rates are stable. Given the positive developments of the economy in the past, Standard & Poor's has recently upgraded the country's sovereign credit rating to BB from BB-, with stable and outlook.

In the coming time, Viet Nam will continue to pursue the objectives of macroeconomic stability, economic restructuring, promote economic links through bilateral and multilateral free trade agreements to attract and facilitate foreign investors to participate in domestic economic activities, further improve the business investment environment, promote private sector development as an important driver of the economy.

ADB and Viet Nam's partnership

The Government highly appreciate ADB's Strategy 2030, which was approved by its Board of Directors in July last year. The strategy envisions Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific. It guides ADB to adopt a country-focused approach, promote innovative technology, and provide integrated solutions. We believe that the new strategy is important for ADB to sustain and improve its relevance in the context of rapidly changing development landscape in the region and beyond. The Strategy 2030 is crucial and in line with Viet Nam's socio-economic development and the joint country program that promotes private sector participation, large-scale infrastructure, administrative reforms, knowledge and innovation, and regional integration.

We welcome a number of new products and modalities in the Strategy 2030 such as guarantees, private support, PPP, etc.. These initiatives will expand financing options for member countries, especially those recently graduated from ADF as Viet Nam. As the products and modalities are new, it is recommended that the Bank should promote dissemination and consultation activities with member countries.

We also supports ADB's 3 new financing options tailored to group C countries including OCR loans for large infrastructure projects; combination of OCR and grants; and mix of OCR and private finance. Viet Nam has just graduated from ADF, to help the Government gradually adapt to less concessional borrowing, grants combined with OCR are preferred to make OCR terms and conditions affordable.

ADB is a very important partner for Viet Nam. The cumulative lending, grant, and technical assistance commitments extended to Viet Nam has exceeded \$16 billion to date. In 2018, Viet Nam was the 8th largest country in terms of ADB operations comprising 4% of ADB's total lending and grant commitments.

We hope that the Bank will continue maintain close cooperation with Viet Nam government and contribute to the effective and successful implementation of Viet Nam's socio-development policies.

Thank you very much.



NIUE

Dion Taufitu, Special Envoy of Premier

President of the Asian Development Bank, Your Excellency Takehiko Nakao
Honorable Governors of the Asian Development Bank
Ladies and Gentlemen

I am here today representing the Premier Honorable Sir Toke Tufukia Talagi, KNZM as his Special Envoy.

He is unable to be here so he has appointed me as his special envoy to convey Niue's statement with respect to this historical and momentous occasion.

I congratulate Fiji's Honorable Prime Minister for hosting this 52nd ADB Annual Meeting. This is a major achievement and we join our Pacific colleagues in recognizing you and Fiji.

Our membership in ADB is different because we have done it ourselves. There were countries and friends who advised and supported us, but this was the first time we have created an opportunity of this kind by ourselves without New Zealand's direct assistance.

Our expectations are to work with the ADB secretariat to provide technical and other expertise to assist us. This will help us refine and provide some key solutions to ensure we achieve our goals in a more timely manner.

The question of any loans will be determined by these reports though we are keen initially to borrow funds to provide much-needed capital for our development bank for onlending to the private sector. We will start small and borrow more as required.

If there is a need for us to borrow for some major projects, we will decide this with the expertise ADB has as well as the presentation of a business plan, which will indicate the long-term business viability of this investment.

Honorable members, as your latest and newest member, I again thank you all.

This is a historical milestone for the people of Niue.
I again convey my Premier's best wishes to you all.
Kia fakamonuina mai he Atua a tautolu oti.



REPUBLIC OF KOREA
Nam-ki Hong, Governor

First of all, I would like to express my deepest gratitude to the government and the people of Fiji for hosting this year's Annual Meeting. In the past decade, the Asia-Pacific region has achieved the most dynamic economic growth.

However, this year's economic landscape in the Asia-Pacific region is not the same as the last decade. The world economy is losing growth momentum due to weakening multilateralism and mounting uncertainties.

Now is the time for the Asia-Pacific region to play a more active role as the driver of global economic growth through further cooperation and policy coordination. We must tackle the challenges of poverty, inequality, infrastructure gap and climate change to achieve prosperous, inclusive, resilient and sustainable development.

I believe the ADB will play a pivotal role in this process.

Ladies and Gentlemen,
Taking this opportunity, I would like to highlight four directions for ADB's future operation.

First, Strengthening Regional Integration

Recently, concerns have been raised on what is called "Slowbalization," which refers to a slowdown of globalization. It is crucial that we take a joint action to boost cross-border trade and investment for regional integration.

In this context, I find the theme of this year's Annual Meeting, "Prosperity Through Unity", very timely and relevant. The Republic of Korea is also pushing forward the New Southern Policy and the New Northern Policy to further cooperate with Asian countries. I believe these efforts will greatly contribute to stronger regional integration.

Second, Innovative Knowledge Sharing

With the advent of the Fourth Industrial Revolution, innovative technologies are bringing about fundamental changes to the economy. We should further enhance knowledge-sharing, so that all can enjoy the opportunities and benefit from innovation. In this respect, we strongly support ADB's focus on its role as a knowledge institution.

Third, Customized Approach

Through the country-specific approach, the ADB has to ensure that it provides well-tailored support to the most needed regions and countries, and no region or country is left behind from receiving support.

Fourth, Resilience of Economy

The downward risks are growing due to rising uncertainties in the global economy. In response, each country has to be mindful of maintaining debt sustainability, building fiscal space as well as securing growth potential. I ask the ADB to take the lead in cooperation with other international financial institutions in this regard.

Fellow governors, Ladies and Gentlemen,

I hope this year's Annual Meeting in Fiji ends in big success, and would like to remind you that the next Meeting will be held in Incheon, the Republic of Korea. I look forward to meeting you all next year.

Thank you.



FIJI
2019
52nd ADB ANNUAL MEETING
1-5 MAY



President's Closing Address
Business Session
52nd ADB Annual Meeting, Nadi, Fiji
4 May 2019

Thank you very much, Chairman Aiyaz Sayed-Khaiyum, Attorney-General and Minister for Economy, Civil Service and Communications of Fiji.

I would like to summarize this discussion.

I will speak broadly on six points: (1) regional economies, (2) Strategy 2030 and operations, (3) private sector operations, (4) concessional support, (5) differentiated pricing and graduation policy, and (6) organizational issues.

1. Regional Economies

The regional economy has been steady and some countries are even accelerating, supported by consumption and investment. Countries' economies are also promoted by innovation and technological development in the region.

There are uncertainties, including trade tensions, and we should be vigilant. If trade tensions escalate, they could seriously undermine consumer and investor confidence and weaken growth in the region.

We should continue to pursue strong macroeconomic and structural policies and maintain open trade and investment regimes.

In this annual meeting, we also discussed sustainable tourism as a driver of growth. Tourism is becoming an important contributor to gross domestic product (GDP) and jobs. About 350 million international tourists arrived in Asia and Pacific countries last year, and this number has more than doubled since 2005. An increasing number of Asian people are enjoying tourism. To make tourism sustainable, we must protect the environment, cultural heritage, and communities through appropriate policies and regulations.

We discussed the importance of multilateralism. I believe national interests and multilateralism go hand in hand because we need international cooperation and collective action for the interests of people in nation states and the world. Multilateral frameworks, including multilateral development banks (MDBs) such as ADB, can make important contributions to the international community.

There was a discussion about the threat of terrorism, and we should collectively address this issue.

2. Strategy 2030 and Operations

Governors commended ADB on its achievements last year, including commitments and disbursements, private sector operations, and climate finance.

There was very broad and strong support for Strategy 2030. We are working on operational plans for seven priority areas, and action plans for private sector operations and knowledge management. We will continue to be guided by your ideas for finalizing them.

Governors emphasized the importance of the unfinished poverty reduction agenda. In that context, support for micro-, small-, and medium-sized enterprises and financial inclusion were discussed.

Social sectors are important and universal health coverage is one of the important issues that will be discussed in this year's G20.

Gender equality is one of our seven operational priorities. Governors appreciated the target that at least 75% of the number of ADB's committed operations will promote gender equality by 2030. The target is for both sovereign and nonsovereign operations. We will encourage private companies to include gender elements.

There was a discussion about infrastructure, especially quality and lifecycle considerations. In that context, debt sustainability should also be considered.

Tackling climate change is another priority. At least 75% of the number of ADB's committed operations will be supporting climate actions by 2030. And, there was a discussion that the Pacific island countries and small island developing states are especially vulnerable, and require strong adaptation efforts in addition to mitigation.

Regarding the 2009 energy policy, because there have been many developments since then, such as the Paris Agreement and Sustainable Development Goals, we will review the energy policy, informed by the Independent Evaluation Department's evaluation.

During this annual meeting, we launched the Action Plan for Healthy Oceans and Sustainable Blue Economies. Our oceans are in danger due to (i) increasing water temperatures, (ii) untreated wastewater and plastic pollution, and (iii) unsustainable fishing practices.

Governors stressed the need to pay greater attention to ocean health for the future of the planet, as well as lives and livelihoods of the people. Under the action plan, we will increase ADB investment and technical assistance to \$5 billion by 2024.

There was discussion about the importance of disaster risk management and prevention. ADB's quick and substantial supports after cyclones and earthquakes were appreciated by Pacific island countries and Indonesia.

Governors discussed the importance of regional cooperation and integration. ADB will cooperate with regional initiatives by countries.

Governors discussed that advanced technologies, innovation, and new ideas should be incorporated in our projects and programs.

Governors stressed that knowledge work is crucial. We are expanding this work using a One ADB approach, led by the Sustainable Development and Climate Change Department, sector and thematic groups, the Economic Research and Regional Cooperation Department, and the Department of Communications.

Governors underscored the importance of our corporate results framework. We should continue to monitor Strategy 2030 outcomes through a strong corporate results framework and evaluation.

3. Private Sector Operations

Governors appreciated Strategy 2030's target that one-third of our operations by number by 2024 will be private sector operations.

There was a discussion on the importance of expanding to frontier economies and social sectors such as health and education.

In that context, the need to more closely look at risk and pricing, and the real impact on development, was mentioned. ADB is expanding staff resources for private sector operations and risk management, and will increase outpostting to resident missions. We will also be opening an office in Singapore by the end of the year.

There was a discussion on the value of equity investment in addition to loan operations. Governors also supported the greater use of credit enhancement instruments.

In 2018, ADB secured commercial cofinancing (including short-term cofinancing) of \$7.2 billion on top of \$3.1 billion from our private sector operations. We should continue to expand it to achieve the Strategy 2030 target of every \$1 financing from ADB for private sector operations being matched by \$2.5 of long-term cofinancing.

Governors encouraged ADB to help make projects bankable, and highlighted the catalytic role of ADB. Our Office of Public–Private Partnership is undertaking more transaction advisory services and is effectively using the Asia Pacific Project Preparation Facility.

4. Concessional Support

Governors expressed their continued strong support for ADB's grant operations through the Asian Development Fund (ADF) and other concessional assistance.

Fragile and conflict-affected situations like Afghanistan should continue to be supported. There was appreciation for ADB's quick response in providing a \$100 million grant for the displaced people in Bangladesh.

The strategic direction of ADF 13 (covering 2021–2024) should be considered as the number of grant-eligible countries will be decreasing in the future. We should also consider the use and scale of thematic set asides or thematic pools in the context of the ADF 13 replenishment discussion.

Governors discussed the need for income transfer from ordinary capital resources (OCR) to ADF. In the paper we provided for the ADF Donors Meeting in Fiji, we already included the increasing number of net income transfers from OCR for ADF 13 based on the numbers in the Board paper regarding the merger of the OCR balance sheet and ADF lending operations. I hope that we will see strong donor contributions to ADF 13 to continue substantial grant operations.

In that context, there was a very strong encouraging statement from Azerbaijan that they will start making contributions to ADF as a donor.

I hope that we also realize substantial support from traditional developed country donors for ADF as well as graduated developing members—Brunei Darussalam; Hong Kong, China; Republic of

Korea; Singapore; and Taipei, China—and regular OCR countries—India, Indonesia, Kazakhstan, Malaysia, People’s Republic of China, and Thailand.

5. Differentiated Pricing and Graduation Policy

Governors discussed the need for differentiated pricing among our regular OCR loans reflecting the evolution of country situations.

Governors discussed the application of the graduation policy. This should be done in consultation with countries based on the three criteria of (i) per capita national income, (ii) availability of commercial capital flows on reasonable terms, and (iii) strength of key economic and social institutions, and in the context of country partnership strategies.

There was a discussion that the graduation policy and differentiated pricing should be applied properly and fairly. Continued engagement with upper-middle income countries (UMICs) was emphasized, focusing on such areas as climate change, the environment, and other regional public goods as mentioned in Strategy 2030.

6. ADB Organizational Issues

About ADB itself, we need a stronger staff base for implementing Strategy 2030. We will continue to recruit fresh talent. To develop and deploy our staff more effectively, we will promote staff mobility between departments, introduce flexible work arrangements, and continue to strengthen training for managers and staff.

There is a need for staff diversity, including gender. The percentage of women International Staff has increased to 36%, approaching the target of 40%. There was appreciation for the establishment of the Respectful Workplace Unit, and a discussion that we should continue to prevent harassment and misconduct, including sexual harassment.

There was discussion that the gender balance on the Board of Directors should also be improved with the cooperation of the Governors.

The continued efforts for efficiency in the administrative budget was mentioned. Governors noted that there will be a review of compensation and benefits. This should be based on the idea of attracting good talent, and in line with the mission of ADB to pursue poverty reduction.

I mentioned the ongoing review of governance at ADB based on the G20 Eminent Persons Group report. As part of ADB’s governance reform, we are reviewing the functional relationship between our Board of Directors and Management. The aim is to enhance our effectiveness by reorienting the Board’s focus to strategic priorities and adopting a practical risk-based approach that delegates greater responsibility to ADB Management.

There was a discussion that ADB’s financial sustainability should continue to be pursued. That is one of the areas that I pay attention to the most.

As encouraged by the G20 Eminent Persons Group, we need to have close coordination among MDBs and the International Monetary Fund. MDBs already collaborate with each other at various levels. MDB leaders meet at least three times a year. In addition, ADB staff from almost all departments have regular meetings with other MDB peers. Country platform is a possible instrument to enhance coordination. It should be based on the ownership of a country and focus

on debt sustainability. We should involve bilateral financiers in addition to MDBs and target private sector mobilization.

7. Closing

Before closing, I would like to welcome Niue again as ADB's 15th Pacific island member country and also our 68th member.

I would like to express again my appreciation to the government and people of Fiji; His Excellency Josaia Voreqe Bainimarama, the Prime Minister of the Republic of Fiji; and the Honorable Minister Aiyaz Sayed-Khaiyum, Attorney-General and Minister for Economy, Civil Service and Communications of Fiji, and Chair of the Board of Governors, for hosting this annual meeting. This is held for the first time in a Pacific developing member country. I believe all participants agree that this annual meeting has been very well organized, surrounded by the beautiful ocean and helped by perfect weather. Participants also enjoyed the culture and traditions of Fiji.

And I would like to appreciate the warm hospitality and hard work of the government staff, including the police and security personnel, hotel staff, and many volunteers. I would also like to thank the staff of ADB.

Finally, I thank the Republic of Korea for hosting the annual meeting next year. Fiji set a high bar, and I trust that the annual meeting next year will be another splendid event.

Thank you very much again. Have a safe trip home.

LISTS OF ADB MEMBER DELEGATES, OBSERVERS, ADB BOARD OF DIRECTORS, MANAGEMENT, AND SENIOR STAFF



REPRESENTATION OF MEMBERS
(Governors, Alternate Governors, Temporary Alternate Governors)

ADB Member Represented	First Name	Last Name	Registration Category
Afghanistan	Mohd. Humayon	Qayoumi	Governor
Armenia	Armen	Hayrapetyan	Alternate Governor
Australia	Peter	Depta	Temporary Alternate Governor
	Chris	Legg	Temporary Alternate Governor
Austria	Elisabeth	Gruber	Temporary Alternate Governor
Azerbaijan	Samir	Sharifov	Governor
	Azer	Mursagulov	Temporary Alternate Governor
Bangladesh	Md. Ashadul	Islam	Temporary Alternate Governor
Belgium	Ronald	De Swert	Temporary Alternate Governor
	Stefany	Knoll	Temporary Alternate Governor
Bhutan	Lyonpo Namgay	Tshering	Governor
	Lekzang	Dorji	Temporary Alternate Governor
	Penjore	Penjore	Temporary Alternate Governor
Brunei Darussalam	Dato Dr Mohd Amin Abdullah		Governor
	Liew May Fa'Ezah	Ahmad Ariffin	Temporary Alternate Governor
Cambodia	Vongsey	Vissoth	Alternate Governor
	Vanndy	Hem	Temporary Alternate Governor
Canada	Mario	Bot	Temporary Alternate Governor
	Andrew	Clark	Temporary Alternate Governor
	Calvin	Piggott	Temporary Alternate Governor
Cook Islands	Mark	Brown	Governor
	Garth	Henderson	Alternate Governor
	Taina	Iro	Temporary Alternate Governor
Denmark	Jesper	Thomsen	Temporary Alternate Governor
Federated States of Micronesia	Sihna N.	Lawrence	Governor
	Beulah	Daunakamakama	Temporary Alternate Governor
	Senny L	Phillip	Temporary Alternate Governor
	Robert A	Solomon	Temporary Alternate Governor
Fiji	Aiyaz	Sayed-Khaiyum	Governor
	Ariff	Ali	Alternate Governor

ADB Member Represented	First Name	Last Name	Registration Category
	Makereta	Konrote	Temporary Alternate Governor
	Tevita	Kuruvakadua	Temporary Alternate Governor
	Esala	Masitabua	Temporary Alternate Governor
	Pradeep	Patel	Temporary Alternate Governor
Finland	Jukka-Pekka	Kaihilahti	Temporary Alternate Governor
	Sami	Leino	Temporary Alternate Governor
	Max	Von Bonsdorff	Temporary Alternate Governor
France	Christophe	Morchoine	Temporary Alternate Governor
	Sophie	Wieviorka	Temporary Alternate Governor
Georgia	Ivane	Matchavariani	Governor
	Nikoloz	Gagua	Temporary Alternate Governor
Germany	Norbert	Barthle	Governor
	Sigrid	Schenk-Dornbusch	Temporary Alternate Governor
	Dominik Michael	Ziller	Temporary Alternate Governor
Hong Kong, China	James Henry Jr.	Lau	Alternate Governor
	Siu Hei	Mo	Temporary Alternate Governor
	Yee Man	Tse	Temporary Alternate Governor
India	Subhash Chandra	Garg	Alternate Governor
	Sameer Kumar	Khare	Temporary Alternate Governor
Indonesia	Sri Mulyani	Indrawati	Governor
	Bambang Permedi Sumantri	Brodjonegoro	Alternate Governor
	Irfa	Ampri	Temporary Alternate Governor
	Andin	Hadiyanto	Temporary Alternate Governor
	Suahasil	Nazara	Temporary Alternate Governor
Ireland	Ciarán	Cannon	Governor ad interim
	Paul	Ryan	Alternate Governor
	Patrick	Mulhall	Temporary Alternate Governor
Italy	Gelsomina	Vigliotti	Alternate Governor
	Pablo	Facchinei	Temporary Alternate Governor
Japan	Taro	Aso	Governor
	Haruhiko	Kuroda	Alternate Governor
	Masatsugu	Asakawa	Temporary Alternate Governor
	Takeshi	Kurihara	Temporary Alternate Governor
	Toshio	Oya	Temporary Alternate Governor
Kazakhstan	Nurym	Ayazbayev	Temporary Alternate Governor
	Nurlan	Shokbarbayev	Temporary Alternate Governor

ADB Member Represented	First Name	Last Name	Registration Category
	Madi	Takiyev	Temporary Alternate Governor
Kiribati	Dr Teuea	Toatu	Governor
	Benjamin	Tokataake	Alternate Governor
Kyrgyz Republic	Baktygul	Jeenbaeva	Governor
Lao People's Democratic Republic	Vatthana	Dalalay	Alternate Governor
	Thipphakone	Chanthavongsa	Temporary Alternate Governor
Luxembourg	Arsène	Jacoby	Alternate Governor
	Georges	Heinen	Temporary Alternate Governor
	Yves	Weber	Temporary Alternate Governor
Malaysia	Amiruddin	Hamzah	Governor ad interim
	Malahayati	Abdullah	Temporary Alternate Governor
	Azah Hanim	Ahmad	Temporary Alternate Governor
	Norhaslinda	Mohd Sibi	Temporary Alternate Governor
Maldives	Ibrahim	Ameer	Governor
	Maryam	Abdul Nasir	Alternate Governor
Marshall Islands	Brenson	Wase	Governor
	Maybelline	Andon-Bing	Alternate Governor
	Benjamin Matthew	Graham	Temporary Alternate Governor
Mongolia	Khurelbaatar	Chimed	Governor
	Lkhagvasuren	Byadran	Temporary Alternate Governor
	Erdenetuya	Darinchuluun	Temporary Alternate Governor
Myanmar	Soe	Min	Temporary Alternate Governor
	Si Si	Pyone	Temporary Alternate Governor
Nauru	Ranin	Akua	Temporary Alternate Governor
	Novena	Itsimaera	Temporary Alternate Governor
Nepal	Yuba Raj	Khatiwada	Governor
	Homkanta	Bhandari	Temporary Alternate Governor
	Khim Bahadur	Kunwar	Temporary Alternate Governor
	Shreekrishna	Nepal	Temporary Alternate Governor
Netherlands	Frans	Van Der Straaten	Temporary Alternate Governor
New Zealand	Gabriel	Makhlouf	Alternate Governor
	Shane	Jones	Temporary Alternate Governor
	Thomas	Parry	Temporary Alternate Governor
	Peter	Shackleton	Temporary Alternate Governor
Niue	Wayne	Mccaughan	Alternate Governor
	Poitogia	Kapaga	Temporary Alternate Governor

ADB Member Represented	First Name	Last Name	Registration Category
	Dalton	Tagelagi	Temporary Alternate Governor
	Peleni	Talagi	Temporary Alternate Governor
	Dion	Taufitu	Temporary Alternate Governor
Norway	Harriet V	Solheim	Temporary Alternate Governor
	Paul	Tharaldsen	Temporary Alternate Governor
Pakistan	Ishrat	Husain	Governor ad interim
	Noor	Ahmed	Alternate Governor
	Shahid	Mahmood	Temporary Alternate Governor
	Amjad	Mahmood	Temporary Alternate Governor
	M. Saeed Ahmed	Chaudhry	Temporary Alternate Governor
Palau	Elbuchel	Sadang	Governor
	Casmir E.	Remengesau	Alternate Governor
Papua Guinea	New Loi Martin	Bakani	Temporary Alternate Governor
	Damien	Horiambe	Temporary Alternate Governor
People's Republic of China	Kun	Liu	Governor
	Jiayi	Zou	Alternate Governor
	Zichong	Ao	Temporary Alternate Governor
	Jian	Liu	Temporary Alternate Governor
	Weihua	Liu	Temporary Alternate Governor
	Yixin	Yao	Temporary Alternate Governor
	Wencai	Zhang	Temporary Alternate Governor
Philippines	Benjamin	Diokno	Alternate Governor
	Chuchi	Fonacier	Temporary Alternate Governor
	Mark Dennis	Joven	Temporary Alternate Governor
	Bernadette	Romulo Puyat	Temporary Alternate Governor
	Maria Edita	Tan	Temporary Alternate Governor
Portugal	Rosa Maria	Fernandes Lourenço Caetano	Temporary Alternate Governor
Republic of Korea	Nam-Ki	Hong	Governor
	Ju Yeol	Lee	Alternate Governor
	Hoe Joeng	Kim	Temporary Alternate Governor
	Sangdai	Ryoo	Temporary Alternate Governor
Samoa	Sili Epa	Tuioti	Governor
	Oscar	Malielegaoi	Alternate Governor
	Atalina	Enari	Temporary Alternate Governor
	Mulipola Leiataua	Laki	Temporary Alternate Governor
	Benjamin	Pereira	Temporary Alternate Governor

ADB Member Represented	First Name	Last Name	Registration Category
Singapore	Indranee	Thurai Rajah	Governor ad interim
	Lina	Chua	Temporary Alternate Governor
	Edmund	Ng	Temporary Alternate Governor
	Ping Yi	Yee	Temporary Alternate Governor
Solomon Islands	Mckinnie	Dentana	Alternate Governor
	Denton	Rarawa	Temporary Alternate Governor
Spain	José	Lopez Thomas De Carranza	Temporary Alternate Governor
Sri Lanka	Mangala	Samaraweera	Governor
	Samantha	Samaratunga	Alternate Governor
	Priyanka	Atapattu	Temporary Alternate Governor
Sweden	Inger	Buxton	Temporary Alternate Governor
	Björn	Jönsson	Temporary Alternate Governor
Switzerland	Raymund	Furrer	Governor
	Joël	Farronato	Temporary Alternate Governor
	Markus	Dürst	Temporary Alternate Governor
Taipei,China	Jain-Rong	Su	Governor
	Jessica	Lee	Temporary Alternate Governor
Tajikistan	Davlatali	Said	Governor
	Sharafjon	Sheraliev	Temporary Alternate Governor
	Sharafjon	Sheraliev	Temporary Alternate Governor
Thailand	Apisak	Tantivorawong	Governor
	Poomsak	Aranyakasemsuk	Temporary Alternate Governor
	Sukmeena	Bhasavanich	Temporary Alternate Governor
	Boonchai	Charassangsomboon	Temporary Alternate Governor
	Nadhavudh	Dhamasiri	Temporary Alternate Governor
	Pisit	Puapan	Temporary Alternate Governor
	Chularat	Suteethorn	Temporary Alternate Governor
	Pattama	Teanravisitsagool	Temporary Alternate Governor
Timor-Leste	Sara	Lobo Brites	Governor
	Jose	Dos Reis Francisco Abel	Temporary Alternate Governor
	Arlindo	Da Cruz Monteiro	Temporary Alternate Governor
Tonga	Pohiva	Tuionetoa	Governor
	Pilimilose Balwyn	Faotusia	Alternate Governor
	Ilisapesi Tauakitangata Seli	Baker	Temporary Alternate Governor
	Lesieli Tufui	Faletau	Temporary Alternate Governor

ADB Member Represented	First Name	Last Name	Registration Category
	Sione	Kioa	Temporary Alternate Governor
Turkey	Osman	Gundogdu	Temporary Alternate Governor
	Hasan	Talakaci	Temporary Alternate Governor
Turkmenistan	Rahimberdi	Jepbarov	Temporary Alternate Governor
Tuvalu	Maatia	Toafa	Governor
	Talavai	Iona	Alternate Governor
United Kingdom	Chris	Hindley	Temporary Alternate Governor
	Geraldine	O'Callaghan	Temporary Alternate Governor
United States	Marina	Best	Temporary Alternate Governor
	Seth	Bleiweis	Temporary Alternate Governor
	Mathew	Haarsager	Temporary Alternate Governor
	Colin	Huerter	Temporary Alternate Governor
	Robert	Kaproth	Temporary Alternate Governor
	Celine	Sensenev	Temporary Alternate Governor
Uzbekistan	Elyor	Ganiev	Governor
	Ravshan	Gulyamov	Alternate Governor
	Otabek	Imamov	Temporary Alternate Governor
Vanuatu	Gaetan	Pikioune	Governor
	Letlet	August	Alternate Governor
Viet Nam	Hong	Nguyen Thi	Alternate Governor
	Hanh	Hoang Thi Phuong	Temporary Alternate Governor

**OTHER MEMBERS OF THE GOVERNORS' DELEGATIONS
(Advisers)**

ADB Member Represented	First Name	Last Name	Registration Category
Australia	Luke	Brown	Adviser
	Greg	Caisley	Adviser
	Leigh	Cunnington	Adviser
	John	Feakes	Adviser
	Pablo	Kang	Adviser
	Glenn	Kilimann	Adviser
	John	Larkin	Adviser
	Meredith	Pammenter-Legg	Adviser
	Michael	Rees	Adviser
	Gregory	Wilcock	Adviser
Azerbaijan	Amin	Muradov	Adviser
Bangladesh	Tahleel Dilawar	Moon	Adviser
	Farida	Nasreen	Adviser
	Md. Khalilur	Rahman	Adviser
	Parimal	Sarker	Adviser
	Md. Shahriar Kader	Siddiky	Adviser
	Md. Mohin	Uddin	Adviser
Bhutan	Anok Kumar	Rai	Adviser
	Sonam	Tobgay	Adviser
	Phuntsho	Wangmo	Adviser
Brunei Darussalam	Yusof	Abdul Rahman	Adviser
	Jason Lih	Cheng Kok	Adviser
	Mardini	Eddie	Adviser
	Mohammad Haziq	Mohd Sahrip	Adviser
	Md Irwan	Rashid	Adviser
	Nor Azemah	Sahamd	Adviser
	Rina Hayane	Sumardi	Adviser
Cambodia	Sopanhavorn	Chan	Adviser
	Sopheap	Chan	Adviser
	Samrith	Chhuon	Adviser
	Touch	Eng	Adviser

ADB Member Represented	First Name	Last Name	Registration Category
	Leakhena	Kean	Adviser
	Vouthy	Khou	Adviser
	Sovannarith	Kith	Adviser
	Sokheng	Lay	Adviser
	Chanthana	Neav	Adviser
	Wattanak	Non	Adviser
	Natinkumar	Patel	Adviser
	Phalla	Phan	Adviser
	Phiyorin	Tep	Adviser
	Rithymony	Uy	Adviser
	Suvychet	Vong	Adviser
	Buddhiseth	Vongsey	Adviser
	Sokthearith	Yi	Adviser
Canada	Monika	Surma	Adviser
	Corry	Van Gaal	Adviser
Federated States of Micronesia	Frankey	Halbert	Adviser
Fiji	Kamal	Gounder	Adviser
	Shiri	Gounder	Adviser
	Ajith	Kodagoda	Adviser
	Jaoji	Koroi	Adviser
	Nilesh	Prakash	Adviser
	Pankaj	Singh	Adviser
	Isoa	Talemaibua	Adviser
	Petaia	Tuimanu	Adviser
	Caroline	Waqabaca	Adviser
	Tony	Whitton	Adviser
	Tracey	Wong	Adviser
	Tracy	Wong	Adviser
	Bhatti	Zanuba	Adviser
France	Patrick	Pillon	Adviser
	Sujiro	Seam	Adviser
Georgia	Ani	Badridze	Adviser
	Tamar	Bazerashvili	Adviser
Germany	Christine	Dr. Heimbürger	Adviser
	Cornelia	Gröhl	Adviser
	Kirsten	Hungermann	Adviser

ADB Member Represented	First Name	Last Name	Registration Category
	Ulrike	Lassmann	Adviser
	Anja	Niemann	Adviser
	Stephan	Opitz	Adviser
	Irina	Scheffmann	Adviser
	Ramona	Walther	Adviser
	Wera	Hack	Adviser
Hong Kong, China	Wing Sing Vincent	Lee	Adviser
	Wing Fung	Lo	Adviser
	Chui Ling	Or	Adviser
India	Rishikesh	Singh	Adviser
Indonesia	Mohammad Syarif	Alatas	Adviser
	Rhifa	Ayudhia	Adviser
	Miko	Bayuaji	Adviser
	Safri	Burhanuddin	Adviser
	Rm Benyamin Scott	Carnadi	Adviser
	Dalyono	Dalyono	Adviser
	Rahutomo Anugrah	Dewanto	Adviser
	Roby	Fadillah	Adviser
	Emmanuel Agust	Hartono	Adviser
	Nani	Hendiarti	Adviser
	Irfan	Hendrayadi	Adviser
	Setyo Budi	Hernowo	Adviser
	Gellwynn	Jusuf	Adviser
	Dewi	Kania	Adviser
	Heru Rizal	Luthan	Adviser
	Rien Ayu	Maharani	Adviser
	Andree Brierly	Maramis	Adviser
	Eko Nugroho	Mardi Saputro	Adviser
	Retno	Maruti	Adviser
	Mochamad Saleh	Nugrahadi	Adviser
	Theresia	Nusantara	Adviser
	Evan	Oktavianus	Adviser
	Nugraha	Purniawan	Adviser
	Purwana	Purwana	Adviser
	Priyanto	Rohmattullah	Adviser
	Arifin	Rudiyanto	Adviser
	Nufransa Wira	Sakti	Adviser

ADB Member Represented	First Name	Last Name	Registration Category
	Wempi	Saputra	Adviser
	Scenaider C.H.	Siahaan	Adviser
	Parulian George Andreas	Silalahi	Adviser
	Siliwanti	Siliwanti	Adviser
	Kennedy	Simanjuntak	Adviser
	Slamet	Soedarsono	Adviser
	Bondan Anggrita	Sukadarma	Adviser
	Tonny	Sumartono	Adviser
	Hendrawan Tri	Susilo	Adviser
	Yetti	Susilowati	Adviser
	Pinkan Ovanita	Tulung	Adviser
	Wisnu	Utomo	Adviser
	Dody Budi	Waluyo	Adviser
	Ratih	Wulandari	Adviser
	Sri	Yanti	Adviser
	Doddy	Zulverdi	Adviser
Ireland	John	Gilroy	Adviser
	Anne	Griffin	Adviser
	Nigel	Hutson	Adviser
	Breandán	Ó Caollaí	Adviser
	Peter	Ryan	Adviser
Japan	Masaru	Abe	Adviser
	Tatae	Akiyama	Adviser
	Yuki	Araki	Adviser
	Marlene	Davui Moe	Adviser
	Toshinori	Doi	Adviser
	Tomoyuki	Fukumoto	Adviser
	Tsuguyoshi	Hada	Adviser
	Kaoru	Ikeda	Adviser
	Shunji	Ikuta	Adviser
	Hideaki	Imamura	Adviser
	Takaku	Imamura	Adviser
	Mitsutoshi	Kajikawa	Adviser
	Koichi	Kimura	Adviser
	Takayo	Maruyama	Adviser
	Kazuhiro	Mukai	Adviser
	Motoharu	Nakashima	Adviser

ADB Member Represented	First Name	Last Name	Registration Category
	Ali	Niffas Mohshin	Adviser
	Keisuke	Niwa	Adviser
	Chikako	Ohashi	Adviser
	Hirotarō	Ohira	Adviser
	Asuka	Okasaka	Adviser
	Masahiro	Omura	Adviser
	Saurara	Peni	Adviser
	Hideto	Sakashita	Adviser
	Teiichiro	Seki	Adviser
	Kota	Shimoda	Adviser
	Naoto	Shimoda	Adviser
	Ikuko	Shirota	Adviser
	Miki	Takeuchi	Adviser
	Masashi	Tanabe	Adviser
	Takeharu	Tominaga	Adviser
	Yusuke	Ueno	Adviser
	Takehiro	Wakimoto	Adviser
	Naoto	Watanabe	Adviser
	Hiroshi	Yamanaka	Adviser
Kiribati	Raatu	Aretaake	Adviser
	Teneke	Barenaba	Adviser
Lao People's Democratic Republic	Danivanh	Detphommathet	Adviser
	Seng Aloun	Inmyxai	Adviser
	Sompasong	Phommasane	Adviser
	Vanida	Savaddy	Adviser
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	Mohamed Farhan	Mohamed Ainuddin	Adviser
	Wee Haw	Sim	Adviser
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	Riza	Perez	Adviser
Myanmar	Cho Nwe	Aung	Adviser
	Tin	Moe Moe	Adviser
Nauru	Damon	Adeang	Adviser
	Tuki	Aubiat	Adviser
	Andy	Cain	Adviser
	Shonadeen	Dowabobo	Adviser
	Russ	Kun	Adviser

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	Karen	Murray	Adviser
	Jonathan	Rowe	Adviser
	Hugo	Van Dyke	Adviser
	Constantijn	Vandersyp	Adviser
Papua New Guinea	Mathew	Rabui	Adviser
People's Republic of China	Song	Chen	Adviser
	Yulu	Chen	Adviser
	Xin	Gao	Adviser
	Wenlong	Gu	Adviser
	Mingyuan	Han	Adviser
	Shihao	Han	Adviser
	Xiao	Hu	Adviser
	Xue	Hu	Adviser
	Hongxia	Li	Adviser
	Hui	Lin	Adviser
	Fang	Liu	Adviser
	Yan	Liu	Adviser
	Ying	Liu	Adviser
	Wenxing	Pan	Adviser
	Zhong	Ruan	Adviser
	Zhe	Sun	Adviser
	Ling	Wang	Adviser
	Zengqun	Wang	Adviser
	Lin	Wang	Adviser
	Ying	Wang	Adviser
	Wei	Wu	Adviser
	Mengli	Wu	Adviser
	Jinxin	Zhang	Adviser
Ju	Zhang	Adviser	
Qi	Zhang	Adviser	
Xu	Zhang	Adviser	
Yan	Zhang	Adviser	
Zhengxin	Zhang	Adviser	
Philippines	Fe Lea	Ajesta	Adviser
	Arturo Jr	Boncato	Adviser
	Maria Rosario Lourdes	Em	Adviser

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	Hannah Lyn	Go	Adviser
	Rosabel	Guerrero	Adviser
	Herman	Jumilla	Adviser
	Joan	Kabigting	Adviser
	Felipe	Medalla	Adviser
	Amenah	Pangandaman	Adviser
	Howard Lance	Uyking	Adviser
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	Yoona	Bae	Adviser
	Jun Hyuk	Chang	Adviser
	Haewon	Chang	Adviser
	Shinhee	Cho	Adviser
	Bongseok	Choi	Adviser
	Jieon	Choi	Adviser
	Mun Seong	Choi	Adviser
	Tae-Young	Choi	Adviser
	Hyunhwa	Choi	Adviser
	Chang	Huh	Adviser
	Hyeonyeong	Ju	Adviser
	Gilchae	Jung	Adviser
	Il Dong	Jung	Adviser
	Wonkyo	Jung	Adviser
	Boosung	Kang	Adviser
	Junheui	Kang	Adviser
	Dong-Ick	Kim	Adviser
	Hyun Kee	Kim	Adviser
	Hyungheon	Kim	Adviser
	Joohyeon	Kim	Adviser
	Junhan	Kim	Adviser
	Mk	Kim	Adviser
	Si Dong	Kim	Adviser
	Taeho	Kim	Adviser
	Taeho	Kim	Adviser
	Wansup	Kim	Adviser
	Yeantae	Kim	Adviser
	Yoon Kyung	Kim	Adviser

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	Seon Jung	Kim	Adviser
	Yoon Hye	Kim	Adviser
	Na-Yeon	Ko	Adviser
	Jaok	Ku	Adviser
	Donghwee	Kwon	Adviser
	Kangone	Lee	Adviser
	Myung Jin	Lee	Adviser
	Sang Seob	Lee	Adviser
	Jeong-A	Lee	Adviser
	Jeongman	Lee	Adviser
	Misuk	Lee	Adviser
	Donghyun	Lim	Adviser
	Kyounghwan	Moon	Adviser
	Gitaek	Oh	Adviser
	Heungsik	Park	Adviser
	Hyun-Woo	Park	Adviser
	Ji Woong	Park	Adviser
	Joongmin	Park	Adviser
	Young Chool	Park	Adviser
	Dahee	Park	Adviser
	Minryeong	Seo	Adviser
	Minho	Son	Adviser
	Youngkwan	Song	Adviser
	Joo Hyun	Woo	Adviser
	Euna	Yoo	Adviser
	Jin	Yoon	Adviser
	Taesik	Yoon	Adviser
Samoa	Samuel	Ieremia	Adviser
	Karras Harre	Lui	Adviser
	Jammie	Saena	Adviser
	Margaret	Tafunai	Adviser
	Lae	Tui Siliva	Adviser
Singapore	Yan Kai	Chew	Adviser
	Tuan Fong	Chua	Adviser
	Luz	Foo	Adviser
	Jacqueline	Loh	Adviser

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	Terence	Tang	Adviser
	Ying Qi	Tok	Adviser
	Daniel	Wang	Adviser
	Denise	Wong	Adviser
Solomon Islands	Rictor	Luaboe	Adviser
	Ethel	Tebengi Frances	Adviser
Sri Lanka	Sagara	Abeyrathna	Adviser
	Sameera	Hettiarachchige	Adviser
	Lakshmi	Jeganathan	Adviser
	Sanjaya	Mudalige	Adviser
	Priyantha	Rathnayake	Adviser
	Manopriya	Tittawella	Adviser
	Udeni	Udugahapattuwa	Adviser
Taipei,China	Lun Chia	Chang	Adviser
	Julia Chao-Yu	Cheng	Adviser
	Yuanhan	Chi	Adviser
	Yawen	Hou	Adviser
	Chiachi	Hsiao	Adviser
	Yin So	Hsu	Adviser
	Philip Chih-Chien	Hu	Adviser
	Meichun	Huang	Adviser
	Renming	Lee	Adviser
	Tai-Chang	Lee	Adviser
	Jye-Cherng	Lyu	Adviser
	Shing-Shiang	Ou	Adviser
	Lih Jiun	Shyy	Adviser
	Yu-Peng	Tseng	Adviser
	Hsun-Hui	Tseng	Adviser
	Chia-Ching	Wang	Adviser
	Kuei-Hua	Wu	Adviser
	Pinhsuan	Wu	Adviser
	Chien-Hung	Yang	Adviser
	Hsi-Chieh	Yang	Adviser
Thailand	Chidabha	Chitsamphandhvej	Adviser
	Pariwat	Kanithasen	Adviser
	Pannapa	Poolmark	Adviser

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	Jittapa	Prachuabmoh	Adviser
	Dariwan	Prempoomwate	Adviser
	Sansucha	Ratanadirek	Adviser
	Thanabaht	Ruksujarit	Adviser
	Kunlavee	Sabhavas	Adviser
	Daranee	Saeju	Adviser
	Veerathai	Santiprabhob	Adviser
	Benyapa	Sukeenu	Adviser
	Mathee	Supapongse	Adviser
	Benjarat	Tanongsakmontri	Adviser
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	Jindarat	Viriyataveekul	Adviser
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	Inthu-On	Whangprasert	Adviser
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	Sione Kitefakalau	Nailasikau Halatuituia	Adviser
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	Niuatui	Niuatui	Adviser
	Penielu	Teo	Adviser
	Siose Penitala	Teo	Adviser
	Pulafagu	Toafa	Adviser
	Manraoi	Vaaia	Adviser
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	Sean Edward	Callahan	Adviser
	Diane	Farrell	Adviser
	Gregory	Harris	Adviser
	John	Kanawati	Adviser
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	Janet	Kilian	Adviser
	Keith	Kirkham	Adviser
	Brian	Levis	Adviser

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	Michael	Hililan	Adviser
	Jack	Maite	Adviser
	Nigel	Malosu	Adviser
	Alfred	Maoh	Adviser
	Michel	Motoutorua	Adviser
	Mosese	Nakabea	Adviser
	Gloria	Siri	Adviser
	Cinderella	Tapo	Adviser
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	Tu	Doan Manh	Adviser
	Hung Cuong	Duong	Adviser
	Hai	Hoang	Adviser
	Nguyen	Ngoc Hong	Adviser
	Giang	Nguyen Huong	Adviser
	Quynh	Nguyen Thi Tu	Adviser
	Hiep	Nguyen	Adviser
	Lan Anh	Nguyen	Adviser
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	Beomhee	Han
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	Qiyang	Pang
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	Tetsuya	Utamura
	Lan Huong	Vu
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	Bayaraa	Sanjaasuren
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	Corrado	Pampaloni
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	Angela	Marcarino
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Global Environmental Facility	Claus Pram	Astrup
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International Finance Corporation	Philippe	Ahoua
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	Harmen Jan	Groesbeek
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	Couro Kane	Janus
	Hiroshi	Jinno
	Peceli Masibaka	Kuilamu
	Nale	Merewai
	Vivek	Pathak
	Thi Thuy Huong	Phan
	Glaiza	Simpson
	Nena	Stoiljkovic
	Yuan	Xu
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	Mitsuhiro	Furusawa
	Leni	Hunter
	Chikahisa	Sumi
International Organization for Migration	Pär	Liljert
International Fund for Agricultural Development	Tawfiq	El-Zabri
	Ronald	Hartman
	Sakiusa	Tubuna
Islamic Financial Services Board	Bello	Lawal Danbatta
Israel	Ofer	Peleg
Japan Bank for International Cooperation	Kenichi	Aso
	Seigo	Baba
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	Rina	Kurumisawa
	Sarojini	Lal
	Ryutaro	Murotani
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	Ken	Odajima
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	Ken	Okumura
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	Nila	Prasad
	Masanosuke	Sakaki
	Asesela	Tagicaki
	Shinya	Tamio
Kuwait Fund for Arab Economic Development	Fawaz	Aladasani
	Marwan	Alghanem
	Ibrahim	Alkulaib
	Saleh	Alonaizi
New Development Bank	Ningqian	Zhang
	Xian	Zhu
Nordic Investment Bank	Soren	Mortensen
OPEC Fund for International Development	Ahdi	A Y A Al-Hunaif
	Al Shaimaa	Al-Sheiby
	Anajulia	Taylhardat Cordero
Pacific Islands Forum Secretariat	Nikola-Maria	Komailevuka
	Raymond	Prasad
	Cristelle	Pratt
	Dame Meg	Taylor
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SAARC Development Fund	Sunil	Motiwal
South Asian Association for Regional Cooperation	Chanchal Chand	Sarkar
	Subash Chand	Sharma
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	Gerard	Antioch
	Mai	Bo
	Lilia	Burunciuc
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	Victoria	Kwakwa
	Lasse	Melgaard
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	Mona	Sur
	Luke	Vueta
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Nianshan Zhang	Deputy Director General, CWRD
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Edimon Ginting	Deputy Director General, ERCD
James Patrick Lynch	Deputy Director General, PARD
Ashraf Mohammed	Deputy Director General, PPFD
Christopher Thieme	Deputy Director General, PSOD
Diwesh Sharan	Deputy Director General, SARD
F. Cleo Kawawaki	Deputy Director General, SERD
Leah Gutierrez	Deputy Director General, SPD
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Muhammad Ehsan Khan	Senior Advisor, CWRD
Nessim Ahmad	Senior Advisor, SDCC
Chiara Bronchi	Chief Thematic Officer, SDCC
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Jackie Surtani	Director, PSIF2
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Jacob Sorensen	Director, SDPF

Bruce Kevin Dunn	Director, SDSS
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Xinning Jia	Director, SPOP
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Arjun Goswami	Chief of Regional Cooperation and Integration Thematic Group
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Wendy Walker	Chief of Social Development Thematic Group
Manoj Sharma	Chief of Urban Sector Group
Steven Beck	Advisor (Trade and Supply Chain Finance), PSFI
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Robert Jauncey	Advisor, PAOD