



**BELGIUM\***

**DIDIER REYNDERS, Governor**

Let me first thank the authorities of the People's Republic of China and of the city of Shanghai for hosting this meeting in a place that is one of the best symbols of the dynamism of the region and express my satisfaction of having Afghanistan among us around this table. Allow me also to take this opportunity to warmly welcome Portugal on board.

2001 has been a difficult year for the international community as a whole. The global economic slowdown, the terrorist attack of September 11, and the military intervention in Afghanistan have compromised the recovery under way after the financial crisis in several parts of the region.

In such a context, one has therefore to underline the strong performance of East Asia whose resilience is remarkable, and to express wishes for a recovery in the industrial countries as strong as some predict. Indeed, the financial crisis and the following turbulences have had an adverse impact on poverty reduction in the region where progress had been most impressive during the previous decades. Needless to say that since the international community adopted the objective of reducing poverty by half by 2015, its eyes are still anxiously directed toward Asia, home of 800 million poor, hoping that it will very shortly resume its recent performance. The region, its dynamism, and its attractiveness for private investment remain the international community's best assets to get as close as possible to this goal.

The Asian Development Bank (ADB) remains an essential instrument in the development of the region. Despite the overall past performance, several parts of it don't enjoy yet the success of their neighbors and cannot rely on the private sector for the fulfilling of their needs on a similar scale. Furthermore, ADB is not only a provider of financial resources, but also a provider of advice to help prioritize the issues and select adequate policies to implement. In this respect, the recent reorganization, the first of that importance since ADB has been established, represents a major improvement as well as a major challenge. It is a major improvement because the world is changing fast and so does the development thinking.

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\* Statement delivered in French. Translation supplied by the delegation.

The new approach to development, requested nowadays by the international community from all international financial institutions can be summarized as consisting of encouraging the member countries to adopt a set of policies that should enable them to provide the majority of their citizens with access to the goods and services fulfilling their basic human needs on a sustainable basis. The basic priorities arising from this approach being identical whatever the country is and each country being at a different stage of development, the solutions to the problems of each country must be context sensitive. The reorganization has been designed for the purpose of providing assistance specific to each country. But it is also quite a challenge.

There is indeed much risk in reshaping an institution and changing a formula that have so far demonstrated success as shown by any kind of statistics. It would therefore be easy to blame ADB should anything go wrong in implementing the new approach. Belgium recognizes those risks and is therefore ready to be patient and supportive.

Another challenge ahead is the implementation of development effectiveness. Its assessment is a laudable and necessary step forward, but its implementation may be very tricky, and the real outcome may take quite some time to materialize. Due to the number of players involved—both donors and borrowers—the long-awaited coordination, the so-called “partnership for development,” becomes one of the keys to success. It will be more than ever crucial to be serious about cooperation and task sharing.

Assessing the development impact in a particular area or sector requires a long-term involvement in that field of activity to draw meaningful lessons and introduce improvements in future operations. One cannot expect an executing agency with limited capacity to continuously undertake new ambitious reforms. Similarly, one cannot expect effectiveness to materialize in a country where progress is uneven in interrelated fields taken care of by different agencies. Donors should interpret the findings of the first assessment cautiously and not “throw the baby out with the water of its bath.”

In the context of further strengthening development effectiveness for the benefits of all stakeholders, Belgium fully supports the initiative of the Board of Directors and Management to undertake a timely and in-depth review of ADB’s inspection policy. We look forward to its quick and efficient implementation.

Last but not least, the reconstruction of Afghanistan is one of the major challenges ahead. The Tokyo Summit in January was its starting point. We welcome ADB’s intention to focus on its traditional fields of expertise and encourage it to continue playing a leading role in the whole process.

Finally, I am very pleased to announce that Belgium has paid the first tranche of its contribution to the Asian Development Fund. This is consistent with the commitment of the Government of Belgium to reach the UN 0.7 objective by 2010. It’s also my utmost pleasure to congratulate our executive director, Patrick Thomas, for the excellent job achieved during his three-year term, performed at the service of our constituency.