

AUSTRALIA

NICK SHERRY, Head of Delegation

On behalf of the Government of Australia, let me thank the Government of Spain for hosting this 41st Annual Meeting of the Asian Development Bank (ADB).

It is a pleasure for me to be here at my first meeting representing the new Australian Labor Government headed by Prime Minister Kevin Rudd. The Prime Minister has established an early priority of reinvigorating our relations particularly in the Asian region. In this case that means multilateral engagement, of which ADB is an important element.

Long-Term Strategic Framework

I would like to congratulate President Kuroda and his staff on the recent launch of ADB's long-term strategic framework (Strategy 2020) and successful negotiations on ADF funding. Australia has maintained its burden share and will continue to be the third largest donor to the ADF.

The new Government in Australia is embarking on its own process of planning between now and the year 2020, a time that will be upon us faster than many think. We appreciate the extensive consultation ADB has undertaken and consider it represents the overwhelming majority of stakeholder views.

ADB is an important regional partner for Australia. ADB will continue to play an important role in promoting development in Asia and the Pacific region.

Australia supports ADB in maintaining its poverty reduction mandate, promoting sustainable inclusive economic growth, and fostering open regional cooperation in the Asia and Pacific region.

We also support ADB's focus on providing assistance in the areas it is good at. ADB has built a strong reputation in delivering quality infrastructure projects and we support ADB continuing to provide substantial assistance in this area.

A continued emphasis on developing financial markets and removing barriers to private sector activity is also important.

Trade

Food security is currently a major issue facing many of ADB's member countries.

A key means to address food security as a result of higher food prices will be through a successful conclusion of the World Trade Organization (WTO) Doha round.

More generally, trade liberalization is integral to sustaining poverty reduction. A successful conclusion of the Doha round is crucial. Both developed and developing countries need to demonstrate the necessary political will and flexibility to conclude the Doha round in 2008. We encourage all ADB members to do what is needed to ensure that this opportunity is not lost.

We support the constructive role ADB can and should continue to play in terms of assisting its members to fully capture the benefits from participation in a liberalized multilateral trading system.

Climate Change

Australia is committed to a global solution on climate change and the first action of the Rudd Government was to sign the Kyoto Protocol. Asia will have a crucial role in this solution—around a quarter of carbon dioxide emissions are currently sourced from Asia and this is expected to increase to about a third of world emissions by 2030.

Australia therefore endorses ADB's increased focus on climate change activities, which, combined with other donor efforts, will help developing countries combat climate change.

The Pacific region

Along with Asia, the Pacific is a key development priority for Australia. Australia will be forming a number of partnerships with Pacific countries, but we cannot do this alone. We will increasingly engage with other donors and multilateral institutions, including ADB, to work with us in the Pacific and beyond. We will do so with a joint vision of fighting poverty.

Effective implementation

Achieving an agreed vision and strategy among a number of stakeholders is a monumental step. However, it is only the first. Plans and visions amount to little if they are not effectively implemented.

That is why Australia will give the ADB President our full support and the space when needed to effectively implement ADB's strategy.

An efficient organization

Ongoing internal reforms will be essential for ADB to be in the best shape to implement its strategy.

I commend ADB for developing a results-based reporting system. However, like many other donors, including Australia, we note that this reporting system is still in its infancy.

It will require sustained effort to embed it within the organization and no doubt will need to be refined over time. We expect ADB to strive for, and even set, best international practice.

We also endorse the reforms ADB has already announced in the areas of human resources management. The staff and member countries will look to the ADB President to champion these reforms and ensure their effective implementation.

There are some further challenges and reforms we will continue to ask ADB to pursue. Adopting a universal procurement policy will lead to more effective development outcomes—and it means that we can stretch our aid dollar further.

Likewise, the ability of the Operations Evaluation Department to identify systematic strengths and weaknesses of ADB will be essential for ongoing performance improvements.

Adequate resourcing

With a confirmed mandate and updated strategy we agree it is timely for ADB to review the resources it requires to implement this strategy.

We expect these funds will be used effectively to help the poorest of the region overcome entrenched poverty.

In endorsing Strategy 2020, Australia recognized the need for a discussion about appropriate resourcing for ADB. We appreciate that without a further injection of capital ADB will need to reconsider its planned level of operations.

However, ADB needs to be careful. While quantity of assistance is important it goes hand in hand with the quality of assistance.

That is why, before considering a contribution to a general capital increase, Australia will need to be confident ADB's that existing capital is being used as effectively as possible.

We will also carefully examine ADB's capacity to deliver a substantially increased lending volume.

Ultimately, we expect ADB's results reporting system to credibly demonstrate that ADB is providing effective and targeted assistance to reduce poverty in our region.

ADB has made great progress. Yet, many challenges still lie ahead. We look forward to working in partnership with ADB to address these challenges.