

BRUNEI DARUSSALAM

PEHIN DATO ABD RAHMAN IBRAHIM, Governor

I am very privileged to be present here today at this Annual Meeting. On behalf of my delegation, I would like to thank our host country, the Government and the people of Spain, for their cordial reception and excellent arrangements.

The global economic landscape has shifted less favorably since our meeting in Kyoto, Japan, last year. It has been seriously affected by the financial market crisis, which stemmed from the subprime problems in August 2007. The current crisis has developed into the largest financial shock since the Great Depression. It has clouded growth prospects. In fact, the world is bracing for a possible recession. This will undoubtedly have serious repercussions on the ongoing efforts by the Asian Development Bank (ADB) to tackle the issue of poverty, the main challenge facing the region.

With more than 600 million people in the region still living in absolute poverty, we are deeply concerned that the current situation will worsen, with unprecedented spikes in world food prices, in addition to the global economic slowdown. The current development in grain markets is already raising global concerns that it may expose billions of people to hunger and malnutrition. Evidently, many countries are nervous over increasing prospects of social unrest.

It is therefore imperative that concerted and forward-looking efforts are made to curb the situation from getting worse—otherwise we are heading for a catastrophe that will reverse all the valuable efforts we had made in poverty reduction. Poverty holds us back. It stunts economic growth, increases pressures on our education and health services, and stores up problems for the future.

Against this backdrop, we are particularly pleased to note that ADB will embark on its new long-term strategic framework 2008–2020 (Strategy 2020). It is a very comprehensive document and the timing could not be more appropriate. We staunchly support its vision of an Asia and Pacific region free of poverty. A similar aspiration is shared by Brunei Darussalam. Recently His Majesty, the Sultan and Yang Di-Pertuan of Brunei Darussalam, gave a speech categorically urging all the parties concerned to work with full dedication to ensure that Brunei Darussalam achieves zero poverty. Strategy 2020 focuses on three complementary strategic agendas: inclusive growth, environmentally sustainable growth, and regional integration. We sincerely hope that the Strategy 2020 and the valuable lessons learned from the review of the previous long-term strategic framework (2001–2015), will succeed in eradicating poverty, improving the quality of life, and achieving sustained and equitable development by 2020.

Strategy 2020 points to the important ingredients for growth and poverty reduction. A stable macroeconomy with reasonably low levels of inflation, responsible and sustainable levels of public debt, an improving investment climate, higher agriculture productivity, and a fair and transparent global trading system are crucial. However, we strongly believe that investing in people—providing decent education and health care, thus promoting capacity development—is the best way to alleviate poverty.

In this regard, it is encouraging to learn that Strategy 2020 continues to recognize and attach paramount importance to capacity building as a core area of the ADB's operations. Access to education and vocational training is necessary for more inclusive growth. Member countries must make education an explicit objective of national development and poverty reduction strategies. There must be continuous investment in this area.

The reason is very simple. Individual member countries rely fundamentally on their own efforts, especially in implementing reforms needed to improve economic performance. Unfortunately, countries often lack the capacity to implement needed reforms, even with funding. Capacity constraints remain one of the major obstacles to sustainable development in the Asia and Pacific region.

We are particularly pleased that, as clearly indicated in Strategy 2020, ADB is looking seriously at monitoring the progress and results of its development efforts. Development effectiveness is a major issue faced by programs, technical assistance, and development funding. We therefore welcome the special evaluation study on the Asian Development Fund (ADF) VIII and IX operations initiated over 2001–2008 by the Operations Evaluation Department. We also appreciate a similar study on the long-term strategic framework: lessons from implementation (2001-2006). It is hoped that these studies will provide the ADB with the information needed to improve guidelines or reforms, be it in terms of results frameworks, monitoring indicators, a data management system, budgeting, performance-based appraisal or other mechanisms to improve the success rate of its operations. Nonetheless, we acknowledge the efforts that have already been taken by ADB in this area.

Finally, let me congratulate ADB on all the achievements made so far. With the launching of Strategy 2020, we are confident that ADB will remain relevant to all member countries and can withstand the test of time. I would also like to join other governors in wishing President Haruhiko Kuroda and the ADB Management great success in all their efforts in the years ahead.