

INDONESIA

ANGGITO ABIMANYU, Head of Delegation

On behalf of the Indonesian delegation, I would like to express our appreciation to the people and the Government of Spain for their warm welcome and hospitality in this beautiful city of Madrid. I would also like to congratulate Spain for its successful hosting of the 41st Annual Meeting of the Board of Governors of the Asian Development Bank (ADB), and President Kuroda and his staff for their impressive performance over the past year. Indonesia continues to value ADB's ongoing assistance highly.

Indonesia's Governor, Minister Sri Mulyani Indrawati, has asked that I convey her sincere apologies for not being here today, there were some domestic concerns that required her attention.

Indonesia's economy is expected to remain strong over 2008–2009. Economic growth is expected to be in the vicinity of 6.0–6.5%, driven by solid domestic demand. Indonesia's fiscal position is expected to remain sound, despite the challenges arising from an escalating world oil price. The government is committed to maintaining prudent policies, while taking into consideration how international developments are having an impact on the poorest sections of society.

The subprime mortgage crisis, climate change issues, and the sharp rise in food and other commodity prices, especially oil, concern Indonesia. The year ahead will require ADB to monitor regional and global conditions vigilantly, and to respond quickly when the situation demands.

Where appropriate, ADB's efforts in this area should complement the work proposed by the World Bank and the International Monetary Fund (IMF) last month in Washington to deal with both the immediate food crisis in the developing world and the longer-term challenge of ensuring food supplies. Indonesia welcomes the ADB initiatives to provide support for food security and food price stability mechanisms in affected nations.

Indonesia appreciates ADB's work on framing its role and mandate set out in the long-term strategic framework 2008–2020 (Strategy 2020). This well-thought out strategy reflects the collective efforts of ADB's staff, extensive consultations with members, background studies, and a fruitful discussion in Kyoto last year at the 40th Annual Meeting. Indonesia congratulates the President and his staff for their efforts, and will work with ADB to ensure Strategy 2020 is implemented effectively and in a cost-efficient manner.

As noted yesterday in the Strategy 2020 session, Indonesia agrees with the proposal that the Bank should keep as its driving vision “an Asia and Pacific free of poverty”. We support the line of reasoning that ADB should remain focused on its comparative advantages in the areas of infrastructure, environment, regional cooperation and integration, financial sector development, and education. We would like to see a stronger focus on the role of ADB in helping developing member countries (DMCs) to address clear market failures. We would also support an early study of the long-term resource requirements necessary to implement Strategy 2020.

Indonesia would also like to register its support for the President’s staffing initiatives, such as the staff engagement survey and the comprehensive review of the human resources strategy. We support flexible recruitment practices, internally and externally advertised director-general positions, and a review of the operations evaluation department, including resources to implement Strategy 2020. In general, we encourage ADB to push forward with its results-based performance assessments and to review its operations regularly with the goal of applying international best practices. We would wish to see any reform process continuing to maintain a staffing composition (numbers and levels), that reflect both ADB’s membership and lending profile.

Indonesia wishes to see ADB meet its disbursement target in 2009. We welcome the proposed allocation of the net income as well as the waivers for sovereign loans negotiated before 1 October 2007 for all ordinary capital resources (OCR) borrowers that do not have arrears to continue for 2008. We also support strongly the establishment of the Climate Change Fund. Such a fund will be an important platform for mobilizing external resources to address climate change.

In conclusion, on behalf of Indonesia’s Finance Minister and ADB Governor, Dr Sri Mulyani Indrawati, it is my pleasure to invite you to the 42nd Annual Meeting, which will be held in Bali, Indonesia. More than 30 years have passed since the 9th Annual Meeting in Jakarta in 1976, but we will do our best to ensure an event as successful as this year’s series of meetings in Madrid.