

LUXEMBOURG

JEAN-LOUIS SCHILTZ, Governor

The Asian Development Bank (ADB) is at a crucial juncture in its history. In 42 years, the Asian continent has changed dramatically and so has this institution. This change has been accelerated in recent years by unprecedented growth in the region. Like all of us, ADB has been trying to grapple with the fast pace of events. Strategy 2020, ADB's new long-term strategic framework, sets the right tone. It is a first step on a long road toward the organization's transformation. The scope for ADB to emerge as a completely new institution is given, but the road remains to be defined.

Now we have to build this road, define its slope, the number of curves and lanes, the construction material, the amount of workers needed and, of course, the price. We need to engage in a meaningful dialogue on all of these issues and explore options together. There will be no right and wrong, there will be a lot of room for maneuvering in the positive sense. We need to put our heads together to see how to best move forward.

Infrastructure needs in the region are substantial, in particular when it comes to building up energy supplies. ADB has a role to play in that context. ADB's reputation and skills go far beyond its financial resources. We strongly encourage ADB to develop its catalytic role as a broker and facilitator. This means that the institution more than ever needs to consolidate its knowledge basis, develop its guarantee and risk mitigation products, and work on creating attractive and safe investment environments.

This is of particular importance in the area of clean energy. Asia's share of global greenhouse gas emissions from energy consumption will increase from the current 29% to 42% in 2030. We are trying to do our part in Europe and have been setting binding targets for emission reductions. Looking at the global picture, it becomes very clear: Asia is one of the keys. Without increased and urgent action in Asia, it will not be possible to prevent dangerous climate change at a global scale.

We need to take action now. ADB is well placed to become a leader in promoting the clean energy agenda, making energy efficiency and renewable resources the center of its work in the energy sector. As a key player in the region, ADB needs to set the stage and cannot afford to be seen as halfhearted on an issue of such importance for all of us and, even more so, for our children.

This leads me to a dimension which seems a little tucked away in ADB's new strategy, the millions of poor. At the end of the day, it is they who matter. Our job is to improve their lives. In this context, we have been following with a keen interest the discussions on safeguards policies.

While we need to be pragmatic about their application and focus on implementation, we cannot afford to dilute their essence if we want to maintain the high standard of ADB's work. We also need to look more openly at the gender dimension in our projects. Women are key to sustainable development and we would like ADB to put a greater emphasis on gender issues.

Last week we successfully concluded negotiations for the ninth replenishment of the Asian Development Fund (ADF X), the biggest ever in ADB's history. This is an instrument whose strategic importance we must not undervalue in a region where growth paths differ widely. As has been mentioned by many, rising food prices are complicating the road to development. We encourage ADB to coordinate with other players in this area.

Let me conclude by addressing some vital institutional issues.

An ambitious agenda like the one of Strategy 2020 calls for a very strong and solid institution. ADB has implemented wide-ranging reforms. It has become more responsive and more focused on development results. We welcome these developments, but much more needs to be done. In particular, on corporate governance, we feel that the institution is dragging its feet. We urge Management to work with the Board of Directors to set up the structures which will make ADB a model in its class. There is certainly room in this context for ADB to make more out of the outstanding professional skills of the people working for it.

In all these important and challenging endeavors ahead, let me assure you of Luxembourg's fullest support. Finally let me express my warmest thanks to the Spanish authorities for their gracious hospitality.

Thank you.