

**GS-01 Rev.2**

## **NEW ZEALAND**

JOHN WHITEHEAD, Alternate Governor and Head of Delegation

Let me begin by extending New Zealand's appreciation to our hosts the Government of Spain, to the President of the Asian Development Bank (ADB) and his staff and to the people of Madrid for their hospitality and the excellent arrangements for this meeting. Our thoughts are also with the people of Myanmar at this time.

New Zealand congratulates ADB on the development and recent approval by the Board of Directors of the long-term strategic framework 2008–2020 (Strategy 2020). It will provide the foundation for ADB's work to reduce poverty and to improve the quality of life of people living in Asia and the Pacific. New Zealand continues to value its association with the region, both as a member of ADB and through more direct relationships with its developed and developing country members.

Despite the economic gains realized during the period of the last strategic framework, it is important to acknowledge that significant numbers of people in Asia and the Pacific still experience poverty and lack the opportunity to realize their full potential. Thus it is appropriate that ADB should focus on inclusive growth, in an environmentally sustainable manner, for the foreseeable future. Such a focus, I believe, will make an important contribution to the attainment of the Millennium Development Goals, many of which are still at risk in 2008.

In developing Strategy 2020, the ADB embarked on an extensive process of analysis and consultation. New Zealand appreciated ADB's willingness to listen to the concerns of a wide range of stakeholders, including civil society. We particularly appreciate the strengthening of gender language in the strategy and the commitment by ADB to continue mainstreaming gender, in recognition that this will contribute to inclusive growth. The robust design process has resulted in a strategy that will ensure that ADB is heading in the right direction, is focusing its resources appropriately, and ultimately that it targets priority development needs of countries in the region. However, we do remark that, given the importance of the strategic framework as a guiding document for the ADB, it may have been more appropriate for the strategy to be approved by Governors, rather than the Board of Directors.

Although much effort has been expended in the development of Strategy 2020, and also, I note, in negotiating an ambitious replenishment for the Asian Development Fund (ADF), in many ways the hard work is only now beginning. It is, after all, the implementation of programs and projects that will deliver the results, and the ongoing monitoring of progress that will tell us if we have achieved what we set out to do. In this regard, the ambitious agenda ADB has set for itself requires that we consider its organizational capacity. The international aid environment is becoming increasingly complex and at the same time ADB must manage additional ADF

resources and take steps to improve monitoring and evaluation. Therefore, ADB must assess its capacity requirements and develop an appropriate plan of action.

New Zealand urges ADB to continue the internal reforms, announced by President Kuroda, which will improve human resource policy and practice, enhance operational processes, and embed a culture of managing for development results within ADB. I am also encouraged to learn that a process is in place to ensure that the independence of the Operations Evaluation Department is strengthened. Institutional reforms such as these will provide a critical operational platform to bring to fruition the goals of Strategy 2020.

As the implementation of both Strategy 2020 and ADF X gets underway, it will be important for ADB to consider the resource implications. New Zealand looks forward to a clear and realistic articulation of these in the work program and budget framework for 2009-2011.

While recognizing the many and varied needs of developing member countries, New Zealand has been, and continues to be, strongly supportive of ADB's efforts to be selective and to carefully prioritize the sectors in which it engages. I am heartened to see that ADB's comparative advantage is being used as a means to determine priorities. New Zealand acknowledges ADB's technical expertise, particularly in infrastructure and education, in addition to the useful role it plays in regional policy dialogue. Further expansion of regional cooperation initiatives in the Pacific and support for financial sector and environmental issues are also areas where I believe ADB can play an important role. I believe that efforts by ADB in these areas will also serve to address current food security issues.

Partnerships will be a key mechanism for achieving success in future ADB endeavors. As strong supporters of the Paris agenda, both New Zealand and ADB are striving to improve harmonization among donors and alignment with our developing country partners. I would, therefore, encourage ADB to engage meaningfully and coordinate more proactively with civil society, UN agencies and regional organizations in the design, implementation and monitoring of development activities in the region.

New Zealand strongly supports efforts by ADB to take a flexible approach to engagement with weakly performing countries, many of which are based in our own Pacific region. A continued focus on alignment with partner systems and processes will be highly beneficial and will reduce transaction costs for national governments. I encourage ADB to hear Pacific voices in relation to climate change and to work cooperatively with them, and other relevant partners, in order to respond to their concerns.

In approving Strategy 2020, I note that Directors stipulated that this was subject to considering and approving the results framework which is under development. I would like to stress the importance that New Zealand places on this monitoring tool. We have been pleased to assist ADB at a technical level to enable progress on the framework to be made in advance of ADF X and annual meetings.

Future reporting under the agency-wide results framework will be the primary mechanism for New Zealand to monitor the effectiveness and efficiency of ADB's investments and internal reforms, as well as its development programming. For this reason, we encourage management to ensure that the Board of Directors is fully satisfied with the document which is submitted to them later this year. New Zealand looks forward to receiving the first development effectiveness review in a few months time and to future annual reviews which we expect will report comprehensively on ADB's efforts to reduce poverty.