



BELGIUM

FRANCISCUS GODTS, Head of Delegation

On behalf of the Government of Belgium, let me first join others in thanking the Korean people, the Government, and the authorities of Jeju for their warm hospitality in this beautiful island and for the perfectly organized 37th Annual Meeting of the Board of Governors.

Mr. Chairman, allow us to congratulate the President and his staff for the successful outcome of Asian Development Fund (ADF) IX negotiations. Belgium would also like to take this opportunity to welcome the new Vice-Presidents of whom we hope their work further strengthens the Asian Development Bank's (ADB) capacity. We would also like to acknowledge President Tadao Chino's forward-looking leadership.

Turning now to the economic outlook, the near-term prospects for the region appear to be bright, driven by the strengthening recovery in the global economy and strong export performance in most countries of the region, though the winds might turn back as well. Against this general background, it is important not to waste this window of opportunity to make further progress in the fight against poverty and to further reduce fiscal imbalances.

The years ahead will be challenging. Asia's current strong performance will need to be sustained because it is not immune against downside risks and is still facing important challenges in the area of structural reforms and public debt management. As the region's main provider of external public resources, ADB has an important role to play in addressing these challenges and assisting the region in its endeavors to establish a framework for sustained medium-term growth that will lift millions of people out of poverty.

Poverty elimination is ADB's principal "raison d'être." Economic growth in the People's Republic of China and India has delivered a dramatic reduction in the number of poor in the region, but poverty and human deprivation are still a part of Asia's daily reality, especially in Central Asia, where the number of poor people has been rising, and South Asia, where the number of people surviving on less than one dollar a day has been dropping only slightly. ADB has an important role to play in achieving the Millennium Development Goals (MDGs). By concluding ADF IX at a very high level and with a significant grant component, the donor community has provided the necessary resources to enable ADB to play this role. While the world, and particularly the Asian region as a whole, are quickly moving ahead and changing, it is equally important to start reflecting with all stakeholders on the kind of ADB we all want in the medium and long term.

Central to the eighth replenishment are development effectiveness and results at sector, country, and regional levels. After the Monterrey Conference, it has

become important in the eyes of the world to be able to demonstrate that ADB is an effective and efficient instrument in providing multilateral development assistance to the region. We want to see the results of our contributions. We want Governments and ADB to become accountable. In Belgium's view, the successful conclusion of ADF IX negotiations is not an end in itself but rather a beginning where tangible implementation has to be our ultimate goal.

ADB is currently engaged in an intensive effort to make progress in managing for development results at the corporate level, and we commend ADB for the important steps taken in this direction. Belgium strongly supports ADB's reform agenda agreed to as part of the eighth replenishment of the ADF and considers this agenda as an important signal that ADB is serious about delivering on its commitments.

We would like to underline that development effectiveness is not an issue that can be solely tackled from the perspective of ADB lending. ADB should help national governments to improve their use of resources to implement economic and social programs in order to reduce poverty in the region. Furthermore, for sustainable poverty reduction to be achieved, political will and commitment in the region are needed. It is now up to the region to demonstrate its ownership, ownership of structural reforms, achieving MDGs, and managing for development results. There should be no gap between rhetoric and reality.

Since borrowing member countries have to manage a multiplicity of individual donor projects and initiatives, development effectiveness involves all multilateral and bilateral development agencies. We would therefore like to underline that coordination among the donor community is essential to achieving development effectiveness.

The eighth replenishment provides ADB with three instruments: concessional loans, technical assistance grants, and, for the first time, a substantial volume of ordinary grants. As net financing flows decrease, the added value of technical assistance and ordinary grants becomes more important. ADB's ability to combine concessional financing with grant financing and technical assistance is something that enables it to reposition and enhance its relevance and comparative advantage, or, stated another way, to be more than "just a bank." Under these circumstances, the challenge for ADB is to become more visible.

In conclusion, I want to thank you, Mr. President, and also ADB's staff for their excellent work in trying to address ADB's shortcomings and understand the scope of the corporate reforms needed in order to deliver these results.

Finally, Belgium warmly welcomes Luxembourg and Palau as new members.