



NEW ZEALAND

Shane Jones, Head of Delegation

Tēnā koutou Honourable Governors and President Nakao. We thank the people and Government of Fiji for their warm hospitality. We congratulate Fiji in being the first Pacific Island nation to host an ADB Annual Meeting. We also appreciate the work by the ADB's President, Board of Directors, management and staff to make 2018 another successful year for the Bank.

This past year has been notable for the admittance of ADB's first new member for over a decade. We warmly welcome our friends Niue in becoming ADB's newest member.

Progress in 2018

We applaud the ADB's effectiveness in committing nearly \$36 billion of operations in 2018, an increase of over twelve and a half per cent over 2017. This delivers well on the Bank's commitment to meeting the needs of its developing member countries.

We are pleased with the attention the Bank is paying to its smallest and most vulnerable developing member countries, as required by the ADB Charter. The ADB's Strategy 2030 emphasises a commitment to take a differentiated approach to meet the needs of its clients, including Small Island Developing States as a distinct group. We fully endorse this approach and look forward to seeing the impact on operations.

We welcome the ADB's current operations in the Pacific, for which over 2.8 billion dollars of projects are currently underway or planned. Pacific Island countries face a complex and growing array of challenges, including climate change and natural disasters, isolation, economic and environmental fragility and pressing human development issues. The ADB can play a significant role mitigating these challenges and helping countries seize opportunities from trade and new technology.

ADB Challenges 2019

Toward the end of this year donors will begin to negotiate the next replenishment of the Asian Development Fund (ADF). Positioning for these negotiations began during the mid-term review of the current replenishment, ADF12, at the end February. At this time some questioned the continuation of the Fund. We think the answer is clear. ADF continues to have an important role.

We acknowledge that the Asia and Pacific region has been notably successful in striving for development. Nonetheless, the region still faces extreme fragility and conflict, such as in Afghanistan, and the challenges of smallness, isolation and natural disasters, such as in the Pacific. It is all too easy for the reality of these challenges to tip countries back into poverty, and the Fund is an essential to ensuring that this does not happen.

We are pleased that for the further discussions by donors earlier this week the ADB advanced these arguments in detail and also undertook to ensure that the most fragile, most vulnerable

and the smallest countries would benefit from a renewed focus in the forthcoming negotiations. We will hold management to this undertaking.

On the Bank's governance and people, we welcome the progress towards greater diversity at management levels. But it is also important that the ADB Board moves towards greater diversity to improve its effectiveness. Fellow Governors might like to consider support for greater diversity on the Board in the upcoming election of Directors. We request that the Board to report on ways to encourage its own greater Board at our next meeting.

Partnership

New Zealand highly values its partnership with the ADB. Since the Bank was founded in 1966 New Zealand has been an active member, investing in and supporting its work.

New Zealand has instigated a reset in its approach in the Pacific and intends to strengthen its commitment to the Pacific in the coming years. We are intensifying our focus on strengthening economic governance and the management of debt, and public financial management. We look forward to working closely with the ADB in the Pacific on these issues.

Until we meet again in the coastal city of Incheon, the Republic of Korea next year, safe travels
- Haere pai atu, hoki pai mai.

Kia ora, Mr. Chairman.