



THE UNITED KINGDOM

Geraldine O'Callaghan, Temporary Alternate Governor

We would like to thank the Government of Fiji and the Asian Development Bank for their excellent preparations and hospitality, which have contributed to a successful week.

The UK remains a committed member of and partner to the ADB and is one of ADB's largest non-regional co-financiers. This year we are delighted that the Annual Meetings are being held in Fiji, a country where ADB's expertise and financing has helped to support Fiji's sustained economic expansion. The recently agreed Country Partnership Strategy is a testament to this relationship.

The UK has long recognized the unique challenges of Pacific islands, in particular those of climate change. The UK is a significant contributor to the Pacific via multilateral channels. In order to support its future work, the UK has announced it will open 3 new diplomatic posts in Samoa, Tonga and Vanuatu, and will also increase our capacity in the region with a Trade Adviser and a Development Counsellor. We have worked to secure trade continuity with the region when the UK leaves the EU.

We have longstanding close links and engagement across Asia with many significant bilateral development programmes and shared experience, and we are looking to strengthen our relationships with the countries of South East Asia, engaging actively across the region, working with them to promote regional security, to build prosperity, and to strengthen the links between our people. Our vision is of a genuine deep, comprehensive partnership.

2018 was an important year for the ADB, with the launch of Strategy 2030 setting the direction of travel for the next decade or more. We believe that Strategy 2030 has set the ADB up well to tackle the most pressing challenges of our time, including fragility and climate change, whilst maintaining the core aims of reducing poverty and promoting sustainable growth and regional integration. Asia has an important role to play in tackling climate change and it is critical that ADB has an ambitious and active approach to tackling this challenge.

However, the key to successfully achieving the targets set by Strategy 2030 will be in detailed preparation and implementation of the Operational Plans which are currently being developed. We welcome the early and thorough consultation on these plans, including the Board Deep Dive and public consultations which are currently ongoing.

The ADB must also think about the institutional shifts which will need to take place in order to implement Strategy 2030. The shift to becoming a knowledge Bank will require the Bank to build expertise in new areas, and the welcome commitment to incorporate gender elements in 75% of projects will require a significant shift in the way the ADB operates.

Working as One ADB will be part of this. We strongly welcome the inclusion of non-sovereign operations in Strategy 2030 targets and hope that the development of the Corporate Results Framework will continue to build on these strong foundations.

We would like to see a concise Results Framework which is aligned to the seven pillars of Strategy 2030 and the SDGs and is comparable with those of other MDBs. It must include stretching, yet achievable, targets and greater disaggregation of results – ideally by gender and, where possible, disability, as well as disaggregation of distinct country groups such as FCAS.

Over the next year we would also like to see the ADB make progress on its work in Fragile and Conflict-Affected States. We are pleased that ADB has created a new unit to lead on this work and we hope that it will help ADB to take a more conflict sensitive approach.

The ADB's recent expansion to have staff based permanently in each and every borrowing member state is welcome. This will help the Bank to build knowledge and relationships in country, developing a strong pipeline for projects and effectively monitoring implementation.

Given rising prosperity across much of Asia, the Bank must begin to articulate its thinking about diversification of the terms of its products and instruments to ensure a fair allocation of its resources. Differentiated OCR pricing would be one element of this, but equally important is the future of concessional assistance and the ADF.

The ADF has been a relevant and effective tool to tackle poverty in Asia as evidenced by the recent Mid-Term Review of ADF 12. However, as the region changes, so too must the ADF. ADF 12 introduced the use of windows for priority issues, such as the Disaster Response Facility, which can provide rapid support for countries affected by disaster, including those in the Pacific. We welcome further evidence on the effectiveness of this and other windows of the ADF.

In all its work it is crucial that the ADF does not lose its focus on poverty. Asia has made huge gains in eradicating extreme poverty. But with 915 million people living above \$1.90/day but below \$3.20/day it is important that these gains are consolidated and built upon going forward. The ADF can support this by focusing on the continued mission of poverty eradication whilst continuing to tackle global issues which have the greatest impact on the poor and vulnerable.

In all of its operations and engagements it is important that the ADB continues to seek ways to achieve better value for money. We call for an administrative budget for 2019 that is no larger than 2018, a reformed and robust method for determining staff salaries, and the best use of available financial resources to support development and poverty reduction in the region. We are concerned about increases in the Bank's administrative budget given the continued over-budgeting and low utilization rate. The Bank's pension liabilities continue to be an issue and we once again call for the normal retirement age to be extended to 65 in line with most other international institutions.