

A Path to Prosperity for All: Meeting Regional Challenges with Global Innovation and Country-Based Solutions

I. Introduction

In recent decades, the world has seen Asia and the Pacific emerge as both a global engine for economic growth and a model for effective poverty reduction—all while overcoming a series of financial, natural, and epidemiological crises.

Faced now with severe health, economic, and social challenges caused by the coronavirus disease (COVID-19) pandemic, our region is showing once again the enormous potential of its people to persevere and to innovate in trying times. These crises, however, have also exposed vulnerabilities and structural gaps, which, if not addressed, will close off prospects for a lasting and equitable recovery.

I submit this vision statement with an unwavering belief that our times call upon all of us to act with urgency, boldness, and shared commitment to secure a path to prosperity for all.

As the trusted development partner for Asia and the Pacific for more than 5 decades, the Asian Development Bank (ADB) must meet the rapidly evolving challenges of our region through global innovation and country-based solutions. Faced with the dual challenge to rebuild from the pandemic and to meet the Sustainable Development Goals, my vision for the upcoming term of the President of ADB is for ADB to serve as the premier development institution for Asia and the Pacific as it supports the region on a renewed path toward the prosperous, inclusive, resilient, and sustainable future we envisioned in our Strategy 2030.

Key to achieving this vision is the foundation of support that we have provided to ADB's developing member countries (DMCs) during my current term; the priorities for recovery that I lay out in this statement; and the continued well-being of our staff, who have worked tirelessly to implement our response.

II. Achievements of my first term: laying the foundation for a lasting and equitable recovery

The first 18 months of my tenure were marked by unprecedented challenges for Asia and the Pacific, which ADB met with its unique synergy of finance, knowledge, and partnerships.

1. Our response to COVID-19

Shortly after I took office in January 2020, ADB moved swiftly during the early stages of the pandemic to offer tailored sovereign and nonsovereign support to meet the diverse needs of our DMCs. I made every effort to understand the rapidly evolving situation in our DMCs and to build momentum for an effective ADB response through frequent and direct communication with our governors, heads of state, heads of peer institutions, business community executives, and civil society leaders.

We announced a COVID-19 assistance package totaling \$20 billion in financial resources in April 2020, providing support for emergency response to the immediate health crisis; substantial and quick budget support to our DMCs under our COVID-19 Pandemic Response Option; nonsovereign operations, including a significant expansion in trade and supply chain finance; and an array of tailored knowledge solutions.

In December 2020, as COVID-19 vaccine development progressed, we announced an additional \$9 billion in support to ensure equitable access to safe and effective vaccines through our Asia Pacific Vaccine Access Facility (APVAX).

ADB's timely and much-needed support reached our DMCs across the region, with \$17.4 billion in commitments to date through our COVID-19 assistance package, and \$1,928 million in approvals through the APVAX.

ADB's COVID-19 response was also built on my commitment to fostering global partnerships, allowing us to mobilize an additional \$12.8 billion to date through cofinancing and forging closer partnerships with the World Bank, the Asian Infrastructure Investment Bank, the International Monetary Fund, the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), and

COVID-19 Vaccines Global Access (COVAX), as well as bilateral and civil society partners.

To ensure that ADB had the resources needed for our response—and to maintain ADB’s financial stability—I oversaw a record borrowing program of \$35 billion in 2020. Throughout the pandemic, I engaged actively with our member governments to ensure that our support was tailored to the needs of our DMCs and delivered effectively and in a timely manner.

2. Support for a green, resilient, and inclusive recovery

Our response to the new and urgent needs of the pandemic was met with equal dedication to achieving the goals of our Strategy 2030.

Of the record commitment of \$31.6 billion in 2020, about half has supported the efforts of our DMCs to achieve their long-term development agendas. We raised gender mainstreaming in our operations to new historic highs for the fifth consecutive year, and we are well on track to achieve our target of promoting gender equality in at least 75% of the total number of ADB’s operations by 2030. We committed \$4.3 billion in climate finance in 2020, showing progress during a very challenging year toward our overall target of \$80.0 billion in cumulative climate finance by 2030, and in 2021 we expect to be on track by again committing more than \$6.0 billion. Our private sector support comprised 21% of the total number of ADB’s operations as we continue our efforts to reach our 2024 target of one-third of our total number of operations.

We also created a regional hub to strengthen domestic resource mobilization and international tax cooperation, launched ADB Ventures to strengthen private sector innovation, and issued thematic bonds to promote investments in areas such as gender and education. And we completed a successful \$4 billion replenishment of the Asian Development Fund (ADF 13) in 2020 to ensure that our DMCs most in need will not be left behind.

3. Institutional reforms to support Strategy 2030

We reached several important milestones in the effort to continually improve ADB so that we can deliver our Strategy 2030 with resounding success. We launched the

Knowledge Management Action Plan 2021–2025, which will ensure effective delivery of customized knowledge solutions alongside our financing to our DMCs. We completed the Review of ADB’s Resident Mission Operations to sharpen our focus on delivering client-centric solutions. We also launched the Cultural Transformation Initiative to refresh our corporate values and strengthen collaboration and innovation across the organization.

III. The evolving development agenda for Asia and the Pacific

While many of our DMCs are still grappling with the impacts of the pandemic, we need to recognize that they must also confront three major structural and adaptive changes, each of which requires a truly innovative and cross-cutting approach.

Renewed globalization. Many crises of our time, including COVID-19 and climate change, are global in nature and require global solutions. The pandemic has reshaped globalization, as economies have diversified further. The need to fight continuously against any form of protectionism, and to further promote open regionalism as a complement to the renewed globalization, is even more relevant today.

Accelerated digitization. The pandemic has forced us to embrace digital technologies and highlighted the need to ensure that the people of Asia and the Pacific have equitable access to technology.

Rising inequality and changing demography. The widening gap between Asia’s rich and poor, including the gender gap, will make equitable and sustainable development more elusive, as will changing demographic trends such as aging.

IV. Priorities for the new term

If reelected, I will guide ADB’s support for our DMCs through the following seven priorities to achieve a lasting and equitable recovery through the effective implementation of Strategy 2030 in the new and constantly evolving development landscape.

1. Overcome the pandemic

The first priority is to overcome the pandemic by ensuring swift and equitable access to safe and effective vaccines across all our DMCs, as quickly as possible.

I will lead ADB as it supports our DMCs in accessing the APVAX, and I will ensure that we continue to work closely with partners such as COVAX and WHO. I will also promote long-term vaccine self-reliance in the region by increasing vaccine production capacity through integrated sovereign and nonsovereign approaches.

2. Enhance the ambition to tackle climate change and build climate and disaster resilience

To fulfill the pledge we made in Strategy 2030 to support the Paris Agreement, I will guide ADB toward the full alignment of ADB's sovereign operations with the goals of the Paris Agreement by 1 July 2023, and our nonsovereign operations to 85% by 1 July 2023 and fully by 1 July 2025.

As our region is expected to recover from the pandemic, I will also call for significantly scaled-up investments in adaptation and resilience by doubling our annual average climate adaptation finance (compared with 2015–2018), which will result in cumulative financing of \$9 billion from 2019 to 2024. These important new targets will ensure a better balance between mitigation and adaptation finance.

In addition, I will work to strengthen the resilience of our DMCs to disasters and emergencies, including through enhanced management of residual risk and the implementation of the Revised Disaster and Emergency Assistance Policy.

3. Invest in human capital

I will steer ADB toward addressing the social and economic disparities that have been exacerbated by the pandemic and climate change.

I will ensure that ADB maintains its strong momentum in integrating gender equality into our operations; and I will sharpen our focus on higher quality, transformative, and innovative gender designs. Related to this, I will call for expanded support for universal health care, education, and social protection.

4. Promote lasting and equitable growth through quality infrastructure

I will continue to lead ADB's efforts to deliver quality and green infrastructure across Asia and the Pacific, closing infrastructure gaps in line with the Group of Twenty (G20) quality infrastructure principles.

I also want ADB to help strengthen digital infrastructure, close the digital divide, and support emerging digital economies through policy reform and innovative investments.

5. Enhance financial resilience and fiscal sustainability

I will guide ADB's efforts to help governments mobilize financial resources and increase inbound investments by deepening bond markets, promoting local currency financing, and developing other financial products. As the COVID-19 emergency recedes, I will drive our work to strengthen domestic resource mobilization and debt sustainability by making full use of the regional hub for international tax cooperation, tax policy reform, and targeted investments to strengthen tax administration.

6. Develop a vibrant private sector and an enabling business climate

I envision an enhanced role for the private sector in my next term, along with increased mobilization of private capital for infrastructure through public-private partnership solutions that combine upstream policy and capacity support with downstream project development. ADB plans to increase long-term cofinancing by 2030, with every \$1 in financing for our private sector operations matched by \$2.50 of long-term cofinancing; and I will ensure that we get there. I will also promote continued development of integrated and innovative solutions combining our sovereign operations, nonsovereign operations, and transaction advisory services.

I will support our work to help DMCs create better business environments through closer integration of ADB's knowledge work and operations. I want to deepen nonsovereign operations in fragile and conflict-affected situations and small island developing states with customized approaches. I will ensure a scaled-up nonsovereign presence in agribusiness, social services, and venture capital. To

respond to the needs of private sector clients, I will strengthen local currency financing, backed by ADB's borrowing in various local currencies.

7. Strengthen regional cooperation and integration

I will make sure that ADB continues to lead on strengthening regional cooperation and integration with the spirit of the open regionalism. ADB will make targeted investments by further deepening existing platforms for collaboration, such as the Greater Mekong Subregion Initiative, Central Asia Regional Economic Cooperation, and South Asia Subregional Economic Cooperation. I will also strengthen regional health security to better prepare the region to prevent, detect, and respond to future health emergencies. These measures will help to provide quality jobs for all, including women and the poor and vulnerable migrant workers.

V. Preparing ADB for the challenges of the next decade

Achieving these objectives will require constant reflection on our business approach—and making changes when they are warranted. In the coming term, I will keep the following principles in mind.

1. Ensuring staff well-being, productivity, and motivation

ADB's strongest asset is its talented, motivated, and dedicated staff, who are driven by a deep sense of shared mission and values. To support them, I will continue to make staff well-being, productivity, and motivation my highest priority.

I will communicate closely and frankly with staff, in both our headquarters and field offices, to make certain that I am fully aware of their situations and can show appreciation for their contributions, while also helping to find better ways to sustain a work–life balance.

I will consider how staff can best use work-from-home arrangements in the new normal, and I will work to enhance productivity by moving ADB steadily forward on our Digital Agenda 2030. The Digital Agenda is the largest information technology capital investment undertaken by ADB, and it has already contributed strongly to staff productivity during the pandemic. I will make sure that our ongoing

organizational resilience initiative also enables our ADB staff to function seamlessly and safely following a major disruptive event.

2. Strengthening ADB’s position as the region’s leading “solutions bank”

With our clients making real progress up the development ladder, it is clear that ADB needs to make full use of its portfolio of products and services by delivering solutions from across the entire bank.

I will implement meaningful changes through an organization review that assesses how ADB can be more solutions-oriented, client-centric, innovative, and agile; and I will champion the values that we create together through our Cultural Transformation Initiative.

It is especially vital for ADB to continue breaking the silos that hinder the development of integrated solutions, particularly through joint sovereign and nonsovereign solutions.

I will also make sure that we continue to introduce tailored approaches to meet the unique needs of fragile and conflict-affected situations, small island developing states, and upper middle-income countries, including differentiated strategies within each category. And we must encourage innovation in our operations—by shifting focus away from lending volumes, and by enhancing our value addition broadly and holistically.

3. Maintaining ADB’s financial sustainability

I am proud that ADB has maintained a strong capital position to date, which is critical to the AAA rating that underpins our operations. To further enhance financial sustainability, ADB has been implementing differentiated pricing since January 2021.

I will lead ADB to implement more efficient capital management measures, including exposure exchanges with peer multilateral development banks and new ways to access capital markets. I will also continue to leverage partnerships and cofinancing from peer multilateral development banks, governments, the private

sector, impact investors, knowledge organizations, and civil society. And I will support continued exploration of diverse approaches to resource mobilization, such as thematic bonds, local currency operations, blended finance, and public-private partnerships.

VI. My passion for ADB

In the next decade, ADB will turn 60. As we did over the past 5 decades, ADB will continue to grow with its clients in Asia and the Pacific.

From my time as a young staff member under ADB President Tarumizu 30 years ago, to my work with colleagues over the past year to respond to the needs of our DMCs during the COVID-19 pandemic, I have witnessed firsthand the truly unique and evolving role our organization plays in our region.

My belief in ADB's endless potential to support Asia and the Pacific through new and difficult challenges is deeply personal—one that has informed the decades of my career. I pledge that this unshakeable belief in our organization and the people of this region will continue to guide my service to ADB, as we confront and overcome some of the most significant crises in our history and achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.

Masatsugu Asakawa

President, Asian Development Bank

1 July 2021