53rd ANNUAL MEETING
OF THE BOARD OF GOVERNORS
VIRTUAL, 22 May and 17–18 September 2020

SUMMARY
OF PROCEEDINGS
INTRODUCTORY NOTE

The Fifty-Third Annual Meeting of the Board of Governors of the Asian Development Bank was held virtually in two stages. The first stage was on 22 May 2020 and the second stage was from 17 to 18 September 2020.

Resolution no. 398 adopted by the Board of Governors in 2019 provided that the Fifty-Third Annual Meeting would be from 2 to 5 May 2020 in Incheon Metropolitan City, Republic of Korea. In view of the global health situation arising from the coronavirus disease 2019, the Board of Directors approved that the annual meeting be held virtually in two stages. The first stage in the form of a reduced-scale meeting of the Board of Governors (predominantly through their appointed representatives) on 22 May 2020 to ensure that statutory requirements could be met. The second stage, originally planned in Incheon from 18-21 September, was changed to a shorter online meeting from 17 to 18 September 2020, which covered the remaining Annual Meeting agenda and comprised a series of virtual events, including events participated by Governors.

The Government of the Republic of Korea renewed its commitment to hosting an annual meeting by inviting ADB to hold the Fifty-Sixth Annual Meeting in Incheon, Republic of Korea in 2023, which the Board of Governors approved on 18 September 2020 (Resolution no. 407).

This Summary of Proceedings of the 2020 Annual Meeting is presented in accordance with the provisions of Section 9 of the Rules of Procedure of the Board of Governors.

The Governor for the Republic of Korea, the Honorable Hong Nam-Ki, chaired the Meeting. The Governor for Indonesia, the Honorable Sri Mulyani Indrawati, and the Temporary Alternate Governor for Luxembourg, Mr. Yves Weber, served as Vice-Chairs.

The views expressed by ADB members at the Annual Meeting of the Board of Governors are those of the speakers and do not necessarily reflect the views and policies of ADB.

Euguenie Zhukov
The Secretary
Asian Development Bank
STAGE 1

BUSINESS SESSION

FIRST BUSINESS SESSION OF THE
53rd ANNUAL MEETING OF THE BOARD OF GOVERNORS
ASIAN DEVELOPMENT BANK
22 MAY 2020
SCHEDULE OF THE BUSINESS SESSION
22 May 2020, Manila, Philippines

11:00 a.m. - The Chair calls the meeting to order

- Report of the Procedures Committee
  - Approval of the Provisional Schedule of the Business Session
  - Approval of the Provisions Relating to the Conduct of the Meeting
  - Approval of the Agenda for the Meeting:
    2. Adoption of the Allocation of Net Income

- ADB President’s remarks

- Closing Remarks by the Chair of the Board of Governors

11:30 a.m. - The Chair adjourns the meeting (to September in Incheon)
PROVISIONS RELATING TO THE CONDUCT OF THE MEETING
22 May 2020, Manila, Philippines

Admission

1. The business session of the Board of Governors of ADB will be open only to representatives appointed by their respective Governors as Temporary Alternate Governors (normally already residing in Manila), selected ADB staff and Meeting secretariat.

2. Should a meeting of the Procedures Committee be called, the meeting shall be open to Temporary Alternate Governors whose Governors are members of the Committee, and others as may be considered necessary by the Chair of the committee.

(A separate paper on the arrangements for the business session and the Procedures Committee will be circulated to the Board of Directors prior to the Annual Meeting.)

Records

3. No Governors’ statements will be delivered during the session.

4. The Secretary will include the proceedings of the first part of the Annual Meeting in the Summary of Proceedings of the Fifty-Third Annual Meeting, together with the proceedings of the second part of the Annual Meeting, which will be made available to members as soon as possible after the meeting in September in Incheon, Republic of Korea.

Procedures Committee

5. Before the meeting, the committee will consider (via correspondence) and make recommendations to the Board of Governors on the schedule and agenda for the meeting, and the provisions relating to the conduct of the meeting (and any procedural matters). A report of the Procedures Committee will be prepared. Notwithstanding this arrangement, the Procedures Committee members will need to make themselves available to convene during the meeting should the need arise.

Public Information

6. The Chair of the Board of Governors and the President of ADB may communicate to the media such information concerning the proceedings of the meeting as they may deem appropriate.
AGENDA
22 May 2020, Manila, Philippines


2. Allocation of Net Income
REPORT OF THE PROCEDURES COMMITTEE FOR 2019/2020

The Procedures Committee for 2019/2020—consisting of the governors for Australia, Denmark, Indonesia, Japan, the People’s Republic of China, the Philippines, the Republic of Korea, Switzerland, Tajikistan, Thailand, Turkey, and the United States—considered by correspondence and on a no-objection basis the (Draft) Report of the Procedures Committee for 2019/2020 on 2 May 2020.

The committee submits the following report to the Board of Governors:

1. **Agenda for the Meeting**

   The committee recommends approval of the Agenda (BG53-1, Revision 1). Regarding the items on the agenda, the committee reports as follows:

   (i) **Financial Statements, Management's Report on Internal Control over Financial Reporting, and Independent Auditor's Reports.** The committee noted the report of the Board of Directors (BG53-4) and recommends that the draft resolution entitled “Financial Statements, Management's Report on Internal Control over Financial Reporting, and Independent Auditor's Reports” be adopted by the Board of Governors.

   (ii) **Allocation of Net Income.** The committee noted the report of the Board of Directors (BG53-5) and recommends that the draft resolution entitled “Allocation of Net Income” be adopted by the Board of Governors.

2. **Provisional Schedule of the Business Session**

   The committee recommends that the Provisional Schedule of the Business Session (BG53-2, Revision 1) be approved with such changes as the Chair may announce during the course of the meeting.

3. **Provisions Relating to the Conduct of the Meeting**

   The committee recommends that the Provisions Relating to the Conduct of the Meeting (BG53-3, Revision 1) be approved.
FINANCIAL STATEMENTS, MANAGEMENT’S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING, AND INDEPENDENT AUDITOR’S
REPORTS

REPORT OF THE BOARD OF DIRECTORS

In accordance with Article 31 (iii) of the Articles of Agreement and Section 15 of the By-Laws, the audited financial statements of ADB for 2019, including the financial statements for the operations of Special Funds, as contained in the Annual Report for 2019, are submitted for approval, together with the text of a draft Resolution.
(DRAFT) RESOLUTION NO. ______

FINANCIAL STATEMENTS, MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, AND INDEPENDENT AUDITOR’S REPORTS

The Board of Governors


RESOLVES:

That the audited Financial Statements as contained in the Annual Report of ADB for 2019, which include separate financial statements for the operations of Special Funds, are approved.
ALLOCATION OF NET INCOME

REPORT OF THE BOARD OF DIRECTORS

1. The net income of the Asian Development Bank (ADB) for 2019 was $1,554,117,152. In accordance with Article 17 of the Agreement Establishing the Asian Development Bank, the amount of guarantee fees received by ADB must be set aside in the special reserve to meet the liabilities of ADB. In accordance with this requirement, ADB appropriates the guarantee fees earned during the year to the special reserve; this portion of the net income is excluded from the income allocation exercise. In 2019, after appropriating for the guarantee fees of $23,662,921 to the special reserve, the total remaining net income is $1,530,454,231.

2. Additional adjustment is made to this remaining net income amount with respect to the cumulative revaluation adjustments (CRAs) account. The CRA is a separate category of reserve account (equity account) in ADB’s financial statement and reflects the underlying financial transactions and financial risks for income allocation. The CRAs resulting from the fair value of all derivatives (borrowings and asset-related derivatives) and borrowings (includes borrowings that are swapped or are intended to be swapped in the future) would generally reverse at the maturity or unwinding of the instruments and are excluded from the net income amount in deriving the allocable net income. Since it is prudent to consider only the realized gains or losses from equity investments as allocable net income, the CRAs (unrealized gains and losses) related to the equity investments are also excluded from the net income amount in deriving the allocable net income. Accordingly, after due consideration, the Board of Directors recommends to the Board of Governors the adjustment to the net income amount to determine the allocable net income for 2019: $461,177,123, representing adjustments for the net unrealized gains for the year ended 31 December 2019, be added to the CRAs account.

3. After these adjustments, the resulting allocable net income of ADB for 2019 is $1,069,277,108. After due consideration, the Board of Directors recommends that this allocable net income be allocated as follows:
   (a) $615,739,108 to Ordinary Reserve;
   (b) $259,538,000 to the Asian Development Fund;
   (c) $130,000,000 to the Technical Assistance Special Fund;
   (d) $30,000,000 to the Regional Cooperation and Integration Fund;
   (e) $24,000,000 to the Climate Change Fund; and
   (f) $10,000,000 to the Asia Pacific Disaster Response Fund.

4. A draft Governors’ Resolution implementing the allocations described in paras. 2 and 3 above is attached.
(DRAFT) RESOLUTION NO. ____

ALLOCATION OF NET INCOME

The Board of Governors

Having considered the Report of the Board of Directors on the allocation of the net income of ADB's ordinary capital resources for the year ended 31 December 2019

RESOLVES:

That, of the net income of ADB from its ordinary capital resources for the year ended 31 December 2019 amounting to $1,530,454,231 after appropriation of guarantee fees of $23,662,921 to the Special Reserve,

(a) the following adjustment be made to the net income amount to determine the allocable net income: $461,177,123 representing adjustments for the net unrealized gains for the year ended 31 December 2019, be added to the cumulative revaluation adjustments account;

(b) $615,739,108 be allocated to Ordinary Reserve;

(c) $259,538,000 be allocated to the Asian Development Fund;

(d) $130,000,000 be allocated to the Technical Assistance Special Fund;

(e) $30,000,000 be allocated to the Regional Cooperation and Integration Fund;

(f) $24,000,000 be allocated to the Climate Change Fund; and

(g) $10,000,000 to be allocated to the Asia Pacific Disaster Response Fund
RESOLUTION NO. 406:

ALLOCATION OF NET INCOME

The Board of Governors

Having considered the Report of the Board of Directors on the allocation of the net income of ADB's ordinary capital resources for the year ended 31 December 2019

RESOLVES:

That, of the net income of ADB from its ordinary capital resources for the year ended 31 December 2019 amounting to $1,530,454,231 after appropriation of guarantee fees of $23,662,921 to the Special Reserve,

(i) the following adjustment be made to the net income amount to determine the allocable net income: $461,177,123 representing adjustments for the net unrealized gains for the year ended 31 December 2019, be added to the cumulative revaluation adjustments account;

(ii) $615,739,108 be allocated to Ordinary Reserve;

(iii) $259,538,000 be allocated to the Asian Development Fund;

(iv) $130,000,000 be allocated to the Technical Assistance Special Fund;

(v) $30,000,000 be allocated to the Regional Cooperation and Integration Fund;

(vi) $24,000,000 be allocated to the Climate Change Fund; and

(vii) $10,000,000 to be allocated to the Asia Pacific Disaster Response Fund

(Adopted 22 May 2020)
RESOLUTION NO. 405:

FINANCIAL STATEMENTS, MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, AND INDEPENDENT AUDITOR’S REPORTS

The Board of Governors


RESOLVES:

That the audited Financial Statements as contained in the Annual Report of ADB for 2019, which include separate financial statements for the operations of Special Funds, are approved.

(Adopted 22 May 2020)
I. Introduction

Members of the Board of Governors and Alternate Governors, it is a great pleasure to address you as President of the Asian Development Bank for the first time since I took office on January 17 this year.

We are meeting today by video link due to the unprecedented circumstances created by the coronavirus disease (COVID-19) pandemic. I offer my deepest condolences and solidarity to all who have been affected.

I would like to acknowledge the Chair of the Board of Governors, Deputy Prime Minister and Minister of Economy and Finance of the Republic of Korea, Mr. Hong Nam-Ki, who has shown constant support and flexibility as we adjusted our Annual Meeting plans. Deputy Prime Minister, I am deeply grateful to you and staff of your government.

II. ADB’s response in the fight against COVID-19

Let me update you on what ADB has been doing to serve our developing members during these difficult times, and how we can lead the global effort to tackle the challenges facing the region through our decisive action and strong country presence.

Our immediate priority is to provide vital support to our developing member countries as they confront the COVID-19 pandemic and return their economies to a path of sustainable growth. ADB has been providing support for COVID-19 response since early February, to meet urgent needs for medical supplies and to provide working capital to businesses to help sustain supply chains and trade. These immediate responses were followed by our rapid mobilization of budget support.

From the early stages of the pandemic, I have kept direct lines of communication open with our Governors and with heads of state—to ensure that we respond to our members’ needs thoughtfully, quickly, and effectively.
We prepared an initial assistance package of $6.5 billion on March 18. We tripled this on April 13 to $20 billion, providing a comprehensive response that includes emergency countercyclical fiscal support under the COVID-19 Pandemic Response Option, or CPRO. As of today, seven countries have received over $5 billion under the CPRO. We have also provided $79 million in grants and technical assistance to 40 of our developing member countries, and $475 million in financing to the private sector.

Let me stress that we are making every effort to strike a balance between the needs of our developing members and ADB’s long-term financial sustainability—because we must respond meaningfully to the COVID-19 crisis while retaining our capacity to help them recover strongly and achieve the Sustainable Development Goals.

We also have worked intensively with our partners to bring together cofinancing and additional funding for ADB’s pandemic response. As of today, we expect cofinancing to reach at least $5.8 billion. Our coordination with development partners has been extensive—from the country level with the International Monetary Fund and multilateral development bank (MDB) teams; to my own exchanges and meetings with the MDB heads; and through our work with UN agencies including the World Health Organization and UNICEF.

Building on ADB’s extensive knowledge work, we are delivering up-to-date assessments about the pandemic’s economic impact and providing policy advice and other resources to tackle many pressing development challenges. Let me stress that we are already studying carefully what the world will be like after the COVID-19 crisis, so that ADB can effectively help developing member countries re-open their economies and rebuild smartly—by combining our finance, knowledge, and initiatives for regional cooperation and integration.

Ladies and gentlemen, I knew when I took this job in January that it is a big task to lead ADB. The COVID-19 pandemic has not made it any easier. But thanks to the strong support from the Board, and great work by ADB staff, I am really proud of how we have responded.

III. ADB’s operational highlights in 2019

Let me now turn to some key highlights from our operations in the year 2019, which works as a solid foundation for ADB to respond quickly and effectively to the ongoing crisis.

The demand for ADB assistance remained strong last year. We committed $21.6 billion in loans and grants to support our developing member countries. Our nonsovereign operations reached $3 billion for the second year in a row, reflecting our plan to expand ADB’s private sector investments into new sectors and frontier markets.

Our operations strongly supported the thematic areas of Strategy 2030. In 2019, we committed $6.56 billion in climate financing from our own resources—which sets a strong foundation for achieving our target of $80 billion in cumulative climate financing from 2019 to 2030. We are also
on track to achieve our target of promoting gender equality in at least 75% of ADB’s sovereign and nonsovereign operations.

The robust volume and high development impact of our 2019 operations—together with careful risk management, appropriate fundraising, and solid internal administrative budget control—resulted in nearly $1.1 billion in allocable net income, which is our highest on record.

As you approved during this session, about $259 million out of the $1.1 billion net income will be transferred to the Asian Development Fund, or ADF. This will enable ADB in this last year of the ADF 12 replenishment cycle to help the poor and most vulnerable countries combat COVID-19 and ensure a strong economic recovery.

I would also like to highlight the upcoming replenishment of grant resources for ADF operations covering 2021 to 2024. The next phase of ADF—ADF 13—will be the first to implement ADB’s Strategy 2030 during its full cycle. We appreciate your strong support this year to ensure a successful ADF 13 replenishment, to be concluded in September.

IV. Closing

Let me end my remarks by thanking you once again for the unwavering support you have given to ADB and its developing members. Your approval today of the financial statements and allocation of net income ensures that we have the tools and financial stability to address the enormous challenges that now affect the lives and economies of millions of people across our region.

I very much look forward to meeting you, face to face, in Incheon in September—when, we hope, conditions will allow for our hosts and participants to take up the full Annual Meeting agenda safely and productively. Let us continue our discussions then as we work together to overcome this pandemic and achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.
Fellow Governors, official representatives, and ladies and gentlemen,

Today, we are facing the unprecedented challenge of the COVID-19 outbreak. As we need unprecedented cooperation, the International Community is working together to navigate its way through this difficult period.

In particular, we welcome and support the ADB playing a leading role in fighting COVID-19, including the recent announcement of a twenty billion dollar package to address the needs of developing member countries.

In the spirit of solidarity and cooperation, Korea is doing its part in the Asia Pacific region’s response to the COVID-19 pandemic as the chair country for the 2020 ADB Annual Meeting. Alongside the International Community, we are sharing our experiences with successful ICT-based quarantines and fiscal and monetary policies to mitigate the socio-economic spillover effects. Korea is also moving rapidly to provide testing kits and technological assistance by leveraging our Trust Fund.

Our choices and efforts today will determine whether we can overcome the current healthcare and economic crises and return to a normal economic path in the post-COVID-19 era.

With this in mind, I would like to stress three points that the ADB should focus on.

First, enhancing knowledge sharing among ADB members on COVID-19 responses. We have to share experiences with successful healthcare and quarantine measures and best practices in social and economic policies. It is also crucial that we make a joint effort to build and implement exit strategies to prevent a second wave of infections. While thorough quarantines should be maintained, it is important to seek a balance between quarantines and economic considerations by ensuring necessary movement and economic activities.

Second, expanding support for low-income countries and vulnerable people. The conventional social safety net has shown its limitations for assisting low-income and vulnerable groups, who are exposed to greater risks during this unforeseen crisis. We will work on strengthening the social safety net, particularly for those who have remained outside the
employment insurance system. I would like to encourage the ADB to implement measures to help countries overcome the crisis and regain their economic resilience. In this way, those in need can endure the current ‘valley of the crisis’ and get back on their feet.

Third, turning this crisis into an opportunity for innovation. It is expected that the way we work and live will greatly change and the features of global value chains will differ in the post-coronavirus period. There are mixed views: a positive outlook that the pace of innovation will accelerate, alongside concerns that productivity will decline due to de-globalization.

We should not only deal with the imminent pandemic, but also focus our attention on innovation for adapting to the shifting needs of the post-crisis world. It is essential that we innovate our healthcare and medical systems to leave no one behind. Efforts should also be made to promote non-contact and digital-based innovation.

These three areas are aligned with the 3Is – the theme of this year’s Annual Meeting – Integration, Inclusiveness, and Innovation.

We will have the second part of this year’s Annual Meeting in Incheon this September on a full scale. While fighting against COVID-19, the Korean government is making every effort to prepare for the upcoming Annual Meeting in September. Instituting intensive quarantine and prevention systems, Korea will provide a venue for discussing our crisis response, future vision, and the role of the ADB, centered on the 3Is.

Despite the difficult situation, I hope that you and the Governors come to Incheon in September and that we have fruitful discussions at the Annual Meeting.

I wish you good health and prosperity.

Thank you.
# LIST OF ADB MEMBER DELEGATES, ADB BOARD OF DIRECTORS, MANAGEMENT

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<tr>
<th>Country Details</th>
<th>Temporary Alternate Governor</th>
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<tr>
<td>Afghanistan; Bhutan; Turkmenistan</td>
<td>Bayrammuhammet Garayev</td>
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<td>Armenia; Cook Islands; Fiji; Indonesia; Kyrgyz Republic; New Zealand; Niue; Samoa; Tonga</td>
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<td>Australia; Azerbaijan; Cambodia; Georgia; Kiribati; Micronesia, Federated States of; Nauru; Palau; Solomon Islands; Tuvalu</td>
<td>Anthony McDonald</td>
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<td>Austria; Germany</td>
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<td>Bangladesh</td>
<td>Asad Alam Siam</td>
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<td>Brunei Darussalam</td>
<td>Johariah Wahab</td>
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<td>Jason Chung</td>
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<td>Bui Quang Trung</td>
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STAGE 2
BUSINESS SESSION
SCHEDULE OF THE SECOND BUSINESS SESSION
18 September 2020

2:00 p.m. - The Chair calls the meeting to order
- Report of the Procedures Committee
- Approval of the Provisional Schedule of the Business Session
- Approval of the Provisions Relating to the Conduct of the Meeting
- Approval of the Agenda for the Meeting:
  1. Notation of the Annual Report for 2019
  2. Notation of the Budget for 2020
  4. Approval of the Composition of the Procedures Committee for 2020/2021
  5. Approval of the Chair and Vice-Chairs of the Board of Governors for 2020/2021
  6. Approval of the Place and Date of the Fifty-Sixth Annual Meeting
- Remarks by ADB President
- Remarks by the Chair of the Board of Governors
- Remarks by the Chair-Elect (2020/2021 Chair of the Board of Governors)

2:45 p.m. - Closing
PROVISIONS RELATING TO THE CONDUCT OF THE MEETING
18 September 2020

A separate document on the Arrangements for the Business Session will be circulated to the Board of Directors prior to the Annual Meeting.

Admission

1. The Business Session of the Board of Governors will be open to all registered Annual Meeting participants. Registration will be online prior to the event.

Records

2. There is no provision for delivery of Governors’ statements during the Business Session. Governors may provide written statements to the ADB Secretary before 18 September 2020 which will be made available to members after the meeting through the ADB website [https://www.adb.org/annual-meeting/2020/main]. Governors are requested to submit their remarks in English (the official language of ADB) for inclusion in the proceedings. A summary of the proceedings of the Annual Meeting will also be uploaded on the ADB website once available.

Procedures Committee

3. Before the meeting, the Procedures Committee will consider (via correspondence) and make recommendations to the Board of Governors on the schedule and agenda for the meeting, and the provisions relating to the conduct of the meeting (and any procedural matters). A report of the Procedures Committee will be prepared. Notwithstanding this arrangement, the Procedures Committee members or their authorized representatives will need to make themselves available to convene during the meeting should the need arise. Should a meeting of the Procedures Committee be called, the meeting will be online and will be open to Temporary Alternate Governors whose Governors are members of the Committee, and others as may be considered necessary by the Chair of the committee.

Public Information

4. The Chair of the Board of Governors and the ADB President may communicate to the media such information concerning the proceedings of the meeting as they may deem appropriate.
AGENDA
18 September 2020

1. Annual Report for 2019
2. Budget for 2020
4. Composition of the Procedures Committee for 2020/2021
5. Chair and Vice-Chairs of the Board of Governors for 2020/2021
6. Place and Date of the Fifty-Sixth Annual Meeting
REPORT OF THE PROCEDURES COMMITTEE FOR 2019/2020

The Procedures Committee for 2019/2020—consisting of the governors for Australia, Denmark, Indonesia, Japan, the People's Republic of China, the Philippines, the Republic of Korea, Switzerland, Tajikistan, Thailand, Turkey, and the United States—considered by correspondence and approved on a no-objection basis the (Draft) Report of the Procedures Committee for 2019/2020 on 27 August 2020.

The committee submits the following report to the Board of Governors for its consideration during the second part of the 2020 Annual Meeting of the Board of Governors of the Asian Development Bank:

1. Agenda for the Meeting

The committee recommends approval of the Agenda (BG53-6). Regarding the items on the agenda, the committee reports as follows:

(i) **Annual Report for 2019.** The committee recommends that the Board of Governors take note of the Annual Report.

(ii) **Budget for 2020.** The committee recommends that the Board of Governors take note of the report of the Board of Directors on the ADB and ADB Institute budgets for 2020 (BG53-9).

(iii) **Status of the Financial Resources of the Asian Development Bank.** The committee recommends that the Board of Governors take note of the report of the Board of Directors (BG53-10).

(iv) **Composition of the Procedures Committee for 2020/2021.** The committee recommends that a Procedures Committee be constituted consisting of the governors for Brunei Darussalam, Georgia (Chair), Germany, Japan, Kyrgyz Republic, Pakistan, the People's Republic of China, Spain, Sweden, Turkmenistan, the United States, and Uzbekistan. The committee should be available for consultations at the discretion of the chair regarding the schedule of meeting, provisions relating to conduct of meeting, the agenda for the meeting, and any procedural matters, by correspondence, and if
necessary, by convening immediately before or during the Fifty-Fourth Annual Meeting. The committee further proposes that the Governor for Georgia be appointed Chair of the Procedures Committee.

(v) **Chair and Vice-Chairs of the Board of Governors for 2020/2021.** The committee also proposes that the Governor for Georgia be elected Chair and the Governors for Netherlands and Samoa be elected Vice-Chairs of the Board of Governors for 2020/2021.

(vi) **Place and Date of the Fifty-Sixth Annual Meeting.** The committee noted the report of the Board of Directors (BG53-11) and recommends that the draft resolution entitled “Place and Date of the Fifty-Sixth Annual Meeting” be adopted by the Board of Governors.

2. **Provisional Schedule of the Business Session**

   The committee recommends that the Provisional Schedule of the Business Session (BG53-7) be approved with such changes as the Chair may announce during the course of the meeting.

3. **Provisions Relating to the Conduct of the Meeting**

   The committee recommends that the Provisions Relating to the Conduct of the Meeting (BG53-8) be approved.
BUDGET FOR 2020

REPORT OF THE BOARD OF DIRECTORS

I. ASIAN DEVELOPMENT BANK

1. A report on the 2019 budget of the Asian Development Bank (ADB) was submitted to the Board of Governors at the 52nd Annual Meeting in May 2019.¹

2. Actual net 2019 internal administrative expenses (IAE) totaled $690.5 million including budget carryover of $12.1 million, representing a utilization rate of 100% of the net IAE budget (Appendix 1).

3. On 13 December 2019, the Board of Directors approved the net IAE budget of $726.7 million for 2020 (Appendix 1). The 2020 net IAE budget consists of $710.7 million for ADB, $14.2 million for the Independent Evaluation Department (Appendix 2), and $1.8 million for the Compliance Review Panel and the Office of the Compliance Review Panel (Appendix 3).

4. The ongoing impact of coronavirus disease (COVID-19) on ADB’s 2020 budget requirements and actual budget utilization rates across the different cost categories are being closely monitored. Whilst the situation remains fluid, it is expected that available resources should be sufficient to meet the costs of revised departmental workplans. Unexpected COVID-19 related costs include staff consultants, communication, equipment, maintenance and support, and facilities and security at the headquarters and field offices. These costs will be funded through a combination of savings from such items as departmental business travel budget, use of budget carry-over, and contingency.

5. The 2020 budget of ADB is aligned with Strategy 2030 and supports the strategic and institutional priorities of the Work Program and Budget Framework, 2020–2022. The 2020 work program commitments comprise $18.2 billion and 130 projects for sovereign operations (from $17.6 billion and 120 projects estimated for 2019), $3.4 billion and 37 projects for nonsovereign operations (from $3.2 billion and 32 projects estimated for 2019), and $422.0 million and 237 projects for technical assistance (from $395.0 million and 270 projects estimated for 2019).

6. Strategy 2030 is driving incremental budgetary resources and departments are reorienting the use of existing resources in line with the priorities of the strategy and emerging COVID-19 needs. Through systematic monitoring of efficiency gains, ADB will make better use of available resources, while budgeting remains prudent.

7. The main cost drivers of the 2020 budget growth are (i) an increase in staff to support the seven operational priorities of Strategy 2030; (ii) information technology requirements, including implementation of information technology reforms, which results in additional recurring administrative costs and depreciation; and (iii) support to resident missions.

8. Appendix 4 (reference A–H) provides a comparison of the original 2020 work program at the time of the budget approval, with the actual results for 2019. In addition to the IAE budget, the 2020 budget includes $25.5 million for annual capital expenditure to fund the cyclical capital expenditure requirements of headquarters and field offices for 2020.

II. ASIAN DEVELOPMENT BANK INSTITUTE

9. The actual expenses of the Asian Development Bank Institute for 2019 totaled $13.1 million, representing a utilization rate of 74% of the budget of $17.8 million (Appendix 5). The utilization consisted of $4.9 million for program expenses and $8.3 million for IAE.

10. On 13 December 2019, ADB’s Board of Directors approved the 2020 budget of $17.6 million for the Asian Development Bank Institute, comprising $5.9 million for program expenses and $11.7 million for IAE.

11. The program expense budget of $5.9 million consists of $3.1 million for the research program and $2.9 million for capacity building and training. The IAE budget of $11.7 million includes a general contingency of $2.0 million (Appendix 6).
### ASIAN DEVELOPMENT BANK: INTERNAL ADMINISTRATIVE EXPENSES

#### COMPARISON OF 2020 BUDGET WITH 2019 BUDGET AND ACTUAL RESULTS

($’000)

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>After Transfers</th>
<th>Actual</th>
<th>2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Board of Governors</td>
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<td>2,993</td>
<td>2,993</td>
<td>2,359</td>
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<td>17,800</td>
<td>16,333</td>
<td>17,098</td>
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<td>13,437</td>
<td>13,415</td>
<td>14,218</td>
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<tr>
<td>D. Accountability Mechanism</td>
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<td>2,917</td>
<td>2,177</td>
<td>3,003</td>
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<td>Compliance Review Panel and Office of the</td>
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<td>1,799</td>
<td>1,220</td>
<td>1,847</td>
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<td>957</td>
<td>1,156</td>
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<td>E. Operational Expenses</td>
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<td>516,608</td>
<td>514,271</td>
<td>538,611</td>
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<td>Salaries</td>
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<td>276,911</td>
<td>276,911</td>
<td>286,808</td>
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<td>Benefits</td>
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<td>158,591</td>
<td>158,591</td>
<td>164,478</td>
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<td>65,092</td>
<td>64,579</td>
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<td>9,018</td>
<td>8,610</td>
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<td>6,595</td>
<td>6,595</td>
<td>6,025</td>
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<td>29,341</td>
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<td>36,432</td>
<td>35,547</td>
<td>34,325</td>
<td>36,870</td>
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<td>Representation</td>
<td>605</td>
<td>505</td>
<td>499</td>
<td>636</td>
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<td>F. Administrative Expenses</td>
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<td>139,298</td>
<td>138,438</td>
<td>153,833</td>
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<td>Library and subscription</td>
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<td>6,278</td>
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<td>Office supplies</td>
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<td>1,056</td>
<td>1,442</td>
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<td>Equipment, maintenance, and support</td>
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<td>26,888</td>
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<td>889</td>
<td>850</td>
<td>938</td>
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<td>Total Regular Programs</td>
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<td>693,053</td>
<td>687,627</td>
<td>729,122</td>
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<td>G. General Contingency</td>
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<td>6,734</td>
<td>...</td>
<td>7,291</td>
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<td>Gross IAE</td>
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<td>699,787</td>
<td>687,627</td>
<td>736,413</td>
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<td>H. Fee Reimbursements c</td>
<td>(9,299)</td>
<td>(9,299)</td>
<td>(9,280)</td>
<td>(9,695)</td>
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<tr>
<td>I. Net IAE</td>
<td>690,488</td>
<td>690,488</td>
<td>678,346</td>
<td>726,718$^3$</td>
</tr>
<tr>
<td>J. Carryover of IAE Budget</td>
<td>...</td>
<td>...</td>
<td>12,142$^a$</td>
<td>...</td>
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<tr>
<td>K. Net IAE after Carryover</td>
<td>690,488</td>
<td>690,488</td>
<td>690,488</td>
<td>726,718</td>
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#### Memo Item

<table>
<thead>
<tr>
<th>2019 Estimate</th>
<th>2020 Estimate</th>
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<tr>
<td>Gross IAE</td>
<td>699,787</td>
</tr>
<tr>
<td>Accounting Adjustments</td>
<td>44 (4,956)</td>
</tr>
<tr>
<td>Accrual for SRP</td>
<td>(4,847)</td>
</tr>
<tr>
<td>Accrual for GMIP/PRGMIP</td>
<td>(2,178)</td>
</tr>
<tr>
<td>Loan origination cost $^b$</td>
<td>(37,931)</td>
</tr>
<tr>
<td>Other adjustments $^d$</td>
<td>6,232</td>
</tr>
<tr>
<td>Overall Administrative Expenses</td>
<td>654,831</td>
</tr>
</tbody>
</table>

… = not available or not calculated, () = negative, ADB = Asian Development Bank, DC Plan = Defined Contribution plan, IAE = internal administrative expenses, GMIP = Group Medical Insurance Plan, PRGMIP = Post-Retirement Group Medical Insurance Plan, SRP = Staff Retirement Plan.

Note: Numbers may not sum precisely because of rounding.

$^a$ Transfers were made between budget items without exceeding the original amount of each category to meet changing requirements within the same budget category. Transfers were also made from general contingency to the Board of Governors.

$^b$ This amount includes contributions to SRP and DC Plan, but excludes contributions for the Board of Directors, Independent Evaluation, and Accountability Mechanism. The budgets for SRP and DC Plan for these offices are included in their respective budget categories.

$^c$ This amount reflects the estimated total expenses apportioned during the year for administering external funds, excluding Japan funds, for which the costs are charged to the funds.

$^d$ Net IAE for 2020 consists of $710.7 million for ADB, $14.2 million for the Independent Evaluation Department, and $1.8 million for the Compliance Review Panel and Office of the Compliance Review Panel.

$^e$ The purpose of budget carryover is to ensure funding for urgent, unplanned special initiatives, delayed projects, and the unfinished program of prior year’s activities without distorting the funding for the current year’s regular work program and without placing pressure on the general contingency. ADB carried over $13.4 million to 2019 — 2.0% of the 2018 net IAE budget. Actual expenses incurred against the 2018 carryover totaled $0.2 million. The unused 2018 budget carryover lapsed at the end of 2019. For 2020, $12.1 million (about 1.8% of the 2019 net IAE) was carried over from unused 2019 budget.

$^f$ Refers to gross IAE before adjusting for fee reimbursements.

$^g$ Accounting standards require that a portion of the loan origination costs be deferred and amortized over the life of the loan.

$^h$ Refers to adjustments net of accrued resettlement and repatriation allowances and severance payments, costs for the Afghanistan Guest House and Country Director Residence and Public Information Center, sponsor funded staffing program, other miscellaneous items, expenses of the Japan Special Fund, and utilization of the 2018 budget carry-over.

### ASIAN DEVELOPMENT BANK: INDEPENDENT EVALUATION DEPARTMENT
### COMPARISON OF 2020 BUDGET WITH 2019 BUDGET AND ACTUAL RESULTS

($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>After Transfers</th>
<th>Actual</th>
<th>2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>6,561</td>
<td>6,600</td>
<td>6,600</td>
<td>6,955</td>
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<td>3,641</td>
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<td>2,236</td>
<td>2,217</td>
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<tr>
<td>Business travel</td>
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<td>864</td>
<td>864</td>
<td>834</td>
</tr>
<tr>
<td>Representation</td>
<td>10</td>
<td>10</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>215</td>
<td>86</td>
<td>86</td>
<td>220</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,437</strong></td>
<td><strong>13,437</strong></td>
<td><strong>13,415</strong></td>
<td><strong>14,218</strong></td>
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</table>

Note: Numbers may not sum precisely because of rounding.
## ASIAN DEVELOPMENT BANK:
### COMPLIANCE REVIEW PANEL AND OFFICE OF THE COMPLIANCE REVIEW PANEL
### COMPARISON OF 2020 BUDGET WITH 2019 BUDGET AND ACTUAL RESULTS

($’000)

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>After Transfers</th>
<th>Actual</th>
<th>2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compliance Review Panel</strong></td>
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<td>940</td>
<td>604</td>
<td>1,048</td>
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<tr>
<td>Salaries</td>
<td>323</td>
<td>323</td>
<td>287</td>
<td>294</td>
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<tr>
<td>Benefits</td>
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<td>111</td>
<td>145</td>
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<tr>
<td>Relocation</td>
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<td>Business travel</td>
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<td>60</td>
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<td>40</td>
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<td>340</td>
<td>158</td>
<td>320</td>
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<tr>
<td><strong>Office of the Compliance Review Panel</strong></td>
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<td>940</td>
<td>604</td>
<td>1,048</td>
</tr>
<tr>
<td>Salaries</td>
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<td>299</td>
<td>299</td>
<td>300</td>
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<td>Benefits</td>
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<td>240</td>
<td>134</td>
<td>370</td>
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<tr>
<td>Relocation</td>
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<td>92</td>
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<td>46</td>
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<td>210</td>
<td>102</td>
<td>225</td>
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<td>Business travel</td>
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<td>70</td>
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<tr>
<td>Representation</td>
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<td>1</td>
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<td>1</td>
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<tr>
<td>Administrative expenses</td>
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<td>20</td>
<td>19</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,799</td>
<td>1,799</td>
<td>1,220</td>
<td>1,847</td>
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Note: Numbers may not sum precisely because of rounding.

### ASIAN DEVELOPMENT BANK:
COMPARISON OF 2020 PROGRAM WITH ACTUAL RESULTS IN 2019

#### A. Projected Commitments in Asian Development Fund and Ordinary Capital Resources

<table>
<thead>
<tr>
<th>Key Outputs</th>
<th>2019 Actual</th>
<th>2020 Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount ($ million)</td>
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<td>21,609</td>
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<tr>
<td>No. of committed projects</td>
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<td>167</td>
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<tr>
<td>Private sector operations</td>
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<td></td>
</tr>
<tr>
<td>Amount ($ million)</td>
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<td>3,400</td>
</tr>
<tr>
<td>No. of committed projects</td>
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<td>37</td>
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<tr>
<td>Sovereign operations *a</td>
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</tr>
<tr>
<td>Amount ($ million)</td>
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<td>No. of committed projects</td>
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<td>1. Investment projects</td>
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<td>97</td>
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<td>2. Policy-based lending</td>
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<td>Amount ($ million)</td>
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<td>No. of committed projects</td>
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<td>3. Results-based lending</td>
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<td>Amount ($ million)</td>
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<tr>
<td>4. Sector development programs</td>
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<td>Amount ($ million)</td>
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<tr>
<td>5. Project readiness financing</td>
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<td>Amount ($ million)</td>
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<td>No. of committed projects</td>
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<td>5</td>
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#### B. Multitranche Financing Facilities

<table>
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<th>2019 Actual</th>
<th>2020 Program</th>
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<tr>
<td>Amount ($ million)</td>
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<td>No. of committed facilities</td>
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<td>2. Periodic financing requests</td>
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<td>Amount ($ million)</td>
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<tr>
<td>No. of committed projects</td>
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#### C. Portfolio Management

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<th>2020</th>
</tr>
</thead>
<tbody>
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<td>Ongoing projects at year-end (no.)</td>
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<td>959</td>
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<td>Regional departments</td>
<td>675</td>
<td>726</td>
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<td>Private Sector Operations Department</td>
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<td>Disbursements ($ million)</td>
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<td>16,054</td>
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<tr>
<td>Project completion reports (no.)</td>
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<td>107</td>
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#### D. Project Cofinancing *c*

<table>
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<th>Key Outputs</th>
<th>2019 Actual</th>
<th>2020 Program</th>
</tr>
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<tr>
<td>Sovereign cofinancing ($ million) *d</td>
<td>4,668</td>
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</tr>
<tr>
<td>Nonsovereign cofinancing ($ million) *e</td>
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<td>7,200</td>
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#### E. Technical Assistance Operations *f*

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<thead>
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<th>2020</th>
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</thead>
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<tr>
<td>New commitments ($ million)</td>
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<td>422</td>
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<tr>
<td>No. of new committed TA projects *g</td>
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<td>237</td>
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<tr>
<td>Transaction TA *h</td>
<td>101</td>
<td>111</td>
</tr>
<tr>
<td>Knowledge and support TA *i</td>
<td>137</td>
<td>126</td>
</tr>
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<td>Portfolio (no.)</td>
<td>883</td>
<td>873</td>
</tr>
<tr>
<td>TA completion reports (no.)</td>
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<td>197</td>
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### Key Outputs

#### F. Transaction Advisory Services (no.)

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<th>2020 Program</th>
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<td>1. New mandates</td>
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</tr>
<tr>
<td>2. Mandates under implementation</td>
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<td>32</td>
</tr>
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</table>

#### G. Knowledge Products (no.)

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>2020 Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regional departments</td>
<td>149</td>
<td>98</td>
</tr>
<tr>
<td>2. Specialized knowledge departments</td>
<td>127</td>
<td>111</td>
</tr>
<tr>
<td>3. Other departments</td>
<td>47</td>
<td>44</td>
</tr>
</tbody>
</table>

#### H. Country and Regional Strategies and Operations

**Business Plans (no.)**

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>2020 Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Country partnership and regional cooperation strategies</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>2. Country and regional operation business plans</td>
<td>39&lt;sup&gt;k&lt;/sup&gt;</td>
<td>40</td>
</tr>
</tbody>
</table>

#### I. Borrowings ($ million)

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>2020 Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Borrowings&lt;sup&gt;l&lt;/sup&gt;</td>
<td>24,297</td>
<td>40,000&lt;sup&gt;m&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

#### J. Resources

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>2020 Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Staff positions (no)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International staff</td>
<td>1,167</td>
<td>1,214</td>
</tr>
<tr>
<td>National and administrative staff</td>
<td>2,155</td>
<td>2,242</td>
</tr>
<tr>
<td>National staff</td>
<td>902</td>
<td>948</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>1,253</td>
<td>1,294</td>
</tr>
<tr>
<td>2. Internal administrative expense ($ million)</td>
<td>690</td>
<td>727</td>
</tr>
</tbody>
</table>

#### K. Income ($ million)

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>2020 Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. OCR</td>
<td>1,093</td>
<td>478&lt;sup&gt;n&lt;/sup&gt;</td>
</tr>
<tr>
<td>2. ADF&lt;sup&gt;o&lt;/sup&gt;</td>
<td>2</td>
<td>(23)&lt;sup&gt;p&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

---

**no. = number, TA = technical assistance.**

- <sup>a</sup> Includes periodic financing requests but not multitranche financing facilities.
- <sup>b</sup> Exclude a contingent disaster financing facility to the Cook Islands, wherein ADB would only provide financing following a natural hazard event that occurs during the facility availability period leads to the declaration of a state of disaster in the country; or at the end of the facility availability period if all conditions for exercise of the deferred disbursement option have been met.
- <sup>c</sup> Excluding technical assistance cofinancing.
- <sup>d</sup> Refers to new definition of mobilization of high value-added cofinancing i.e., third party financing necessary to deliver the outcome of the ADB project. This includes (i) all ADB-administered cofinancing, fully or partially; and (ii) not administered cofinancing where ADB and the financing partner have joint or harmonized procurements arrangements and/or where ADB significantly participated (led) in the design of the project or program.
- <sup>e</sup> Refers to cofinancing for private sector operations, including those from official sources.
- <sup>f</sup> Include cofinanced TA projects.
- <sup>g</sup> Exclude supplementary TA.
- <sup>h</sup> Transaction TA prepares, enhances readiness, develops capacity, and/or provides policy advice for a specific project; helps deliver outputs or mitigate the project risks under a specific project through capacity development and/or policy advice; or develops a public–private partnership project under transaction advisory services.
- <sup>i</sup> Knowledge and support TA is not directly linked to projects financed by the Asian Development Bank (ADB). Examples include capacity development, policy advice, and research and development. The outputs of the knowledge and support TA (i) are often fed into the preparation of government policies and strategies, and ADB’s policies, strategies, and plans; or (ii) may lead to a transaction TA to prepare a specific ensuing project. The decline in the number of new committed TA projects does not imply a reduction in knowledge products and services, as not all knowledge products and services are TA-funded.
- <sup>j</sup> Using new typology introduced in December 2018, this appendix reports the following knowledge products and services of ADB: (i) flagship studies and events, (ii) signature products and events, (iii) special reports, (iv) technical studies, (v) working papers, (vi) policy briefs, and (vii) op-eds.
- <sup>k</sup> Approval of the Country Operations Business Plan for Turkmenistan is moved to 2020.
- <sup>l</sup> This is the borrowing after swap proceeds amount.
- <sup>o</sup> ADF income represents reported net income before (i) net realized gains and/or losses, (ii) net unrealized gains and/or losses, and (iii) grants expenses.
- <sup>p</sup> Asian Development Bank estimates.

## ASIAN DEVELOPMENT BANK INSTITUTE:
### COMPARISON OF 2020 BUDGET WITH 2019 BUDGET AND ACTUAL RESULTS

($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>2019 Actual</th>
<th>2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Program Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>3,222</td>
<td>2,652</td>
<td>3,061</td>
</tr>
<tr>
<td>Capacity building and training</td>
<td>2,916</td>
<td>2,228</td>
<td>2,858</td>
</tr>
<tr>
<td><strong>B. Internal Administrative Expenses</strong></td>
<td>11,616</td>
<td>8,264</td>
<td>11,688</td>
</tr>
<tr>
<td>Advisory council</td>
<td>100</td>
<td>77</td>
<td>100</td>
</tr>
<tr>
<td>Staff costs</td>
<td>6,228</td>
<td>4,238</td>
<td>5,418</td>
</tr>
<tr>
<td>Business travel</td>
<td>630</td>
<td>387</td>
<td>500</td>
</tr>
<tr>
<td>Representation</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Office occupancy</td>
<td>3,000</td>
<td>2,790</td>
<td>2,800</td>
</tr>
<tr>
<td>Depreciation</td>
<td>35</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Office equipment</td>
<td>886</td>
<td>607</td>
<td>600</td>
</tr>
<tr>
<td>Contractual services</td>
<td>50</td>
<td>83</td>
<td>100</td>
</tr>
<tr>
<td>Library</td>
<td>30</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Communications</td>
<td>60</td>
<td>39</td>
<td>50</td>
</tr>
<tr>
<td>Office supplies</td>
<td>19</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Fire insurance</td>
<td>5</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Bank charge</td>
<td>20</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>General contingency</td>
<td>550</td>
<td>0</td>
<td>2,040</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>17,754</td>
<td>13,144</td>
<td>17,607</td>
</tr>
</tbody>
</table>

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank Institute
### ASIAN DEVELOPMENT BANK INSTITUTE:
### 2020 BUDGET DISTRIBUTION OF EXPENSES BY PROGRAM
### ($’000)

<table>
<thead>
<tr>
<th>Item</th>
<th>Research</th>
<th>Capacity Building and Training</th>
<th>Administration, Management, and Coordination</th>
<th>Total Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Program Expenses</td>
<td>3,061</td>
<td>2,858</td>
<td>0</td>
<td>5,919</td>
</tr>
<tr>
<td>B.</td>
<td>Program-Related Internal Administrative Expenses</td>
<td>1,936</td>
<td>1,995</td>
<td>2,090</td>
<td>6,021</td>
</tr>
<tr>
<td></td>
<td>Staff cost</td>
<td>1,761</td>
<td>1,815</td>
<td>1,842</td>
<td>5,418</td>
</tr>
<tr>
<td></td>
<td>Business travel, representation, and advisory council</td>
<td>175</td>
<td>180</td>
<td>248</td>
<td>603</td>
</tr>
<tr>
<td>C.</td>
<td>Subtotal (A+B)</td>
<td>4,997</td>
<td>4,853</td>
<td>2,090</td>
<td>11,940</td>
</tr>
<tr>
<td>D.</td>
<td>Administrative Expenses</td>
<td></td>
<td></td>
<td></td>
<td>3,627</td>
</tr>
<tr>
<td>E.</td>
<td>Total Administrative Expenses before General Contingency (B+D)</td>
<td></td>
<td></td>
<td></td>
<td>9,648</td>
</tr>
<tr>
<td>F.</td>
<td>General Contingency</td>
<td></td>
<td></td>
<td></td>
<td>2,040</td>
</tr>
<tr>
<td>G.</td>
<td>Total Administrative Expenses after General Contingency (E+F)</td>
<td></td>
<td></td>
<td></td>
<td>11,688</td>
</tr>
<tr>
<td>H.</td>
<td>Total Expenses (A+G)</td>
<td></td>
<td></td>
<td></td>
<td>17,607</td>
</tr>
</tbody>
</table>
STATUS OF THE FINANCIAL RESOURCES OF THE ASIAN DEVELOPMENT BANK

REPORT OF THE BOARD OF DIRECTORS

I. BACKGROUND AND STATUS OF THE CAPITAL POSITION

On 29 April 2009, the Board of Governors adopted the fifth general capital increase (GCI V) of the ADB.1 GCI V was concluded in January 2012 with the total value of paid-in shares from GCI V estimated at $3.4 billion.2 As of 31 December 2019, ADB had received 100% of contributions, of which 61.1% were paid in cash, 25.2% in promissory notes with fixed encashment schedules, and 13.7% in on-demand promissory notes.

In April 2015, the Board of Governors approved the proposal to combine Asian Development Fund lending operations with the ordinary capital resources balance sheet.3 This combination became effective on 1 January 2017 and has substantially increased ADB’s equity base.4

In October 2018, the Board of Governors approved the application for membership of Niue and its subscription to capital stock.5 Niue signed the instrument of acceptance on 29 January 2019 and contributed $0.1 million in paid-in shares on 28 February 2019. Niue’s membership became effective on 11 March 2019. As of 31 December 2019, ADB’s total subscribed capital was $147.1 billion. Table 1 shows ADB’s capital position as of 31 December 2019.

In December 2019, the Board of Directors approved the new loss provisioning policy based on updates of accounting standard. The updates introduced the concept of current expected credit loss, effective 1 January 2020.6 The impact of the current expected credit loss concept is estimated to be modest. As of 31 December 2019, the reduction in equity from the increase in allowance for credit losses is estimated at around $474.2 million, representing 0.9% of total

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2 Based on the historical United States dollar–special drawing right exchange rate of $1.20635 = SDR1.00.
equity. Subject to the approval of the Board of Governors, this potential initial adjustment will be recorded on 1 January 2020 in the balance sheet, without impacting ADB’s net income.

Table 1: Capital Position of the Asian Development Bank as of 31 December 2019

<table>
<thead>
<tr>
<th>Capital Subscription(a) (A)</th>
<th>Paid-In Capital(b) (B)</th>
<th>Reserves(c) (C)</th>
<th>Total Paid-In Capital and Reserves (D = B + C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>147,120</td>
<td>7,175</td>
<td>44,743</td>
<td>51,918</td>
</tr>
</tbody>
</table>

\(a\) The figure includes callable capital and paid-in capital.

\(b\) The figure excludes all promissory notes (on-demand and with fixed encashment schedule).

\(c\) The sum of the balances in ordinary reserve, special reserve, loan loss reserve, surplus, cumulative revaluation adjustments account, net income after appropriation, accumulated other comprehensive loss, and the net notional amounts required to maintain value of currency holdings. In December 2019, the Board of Directors approved an adoption of a new accounting standard, the Current Expected Credit Loss, effective 1 January 2020. The estimated impact of introducing the Current Expected Credit Loss on the Asian Development Bank’s equity as of 31 December 2019 is $474 million. The adjustment will be reflected in the balance sheet on 1 January 2020 subject to an approval by the Board of Governors.


II. STATUS OF LENDING CAPACITY

ADB’s total lending capacity is limited by two financial constraints: (i) the lending limitation in the Agreement Establishing the Asian Development Bank (the Charter) and lending limitation policy and (ii) the capital adequacy framework.

Table 2 shows the lending headroom as of 31 December 2019, based on ADB’s total lending authority. The utilization of the lending authority was 60.50% as of 31 December 2019.

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7 ADB. 2020. Discontinuation of the Loan Loss Reserve and Adjustment to Ordinary Reserve. Manila. The paper will be considered by the ADB’s Board of Directors on a no-objection basis on 2 April 2020.

8 ADB. 1966. Agreement Establishing the Asian Development Bank. Manila. Article 12.1 of the Charter provides that “the total amount outstanding of loans, equity investments and guarantees made by the Bank in its ordinary operations shall not at any time exceed the total amount of its unimpaired subscribed capital, reserves and surplus included in its ordinary capital resources, exclusive of the special reserve provided for by Article 17 of this Agreement and other reserves not available for ordinary operations.”

9 ADB. 2008. Review of the Asian Development Bank’s Lending Limitation. Manila; and ADB. 2015. Review of the Asian Development Bank’s Equity Investment Limitation. Manila. ADB’s lending limitation policy limits its total amount of disbursed loans, disbursed equity investments and related prudential buffer, and the maximum amount that can be demanded from ADB under its guarantee portfolio to no more than the sum of ADB’s unimpaired subscribed capital and reserves (including surplus but excluding special reserve).

10 ADB. 2019. Review of the Asian Development Bank’s Capital Adequacy Framework. Manila, which approved (i) the capital adequacy framework, (ii) the discontinuation of the use of minimum equity-to-loan ratio for financial planning, and (iii) the discontinuation of the borrowing limitation policy.
Table 2: Lending Headroom as of 31 December 2019
($ billion)

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Lending authority</td>
<td>192.55</td>
</tr>
<tr>
<td>B. Outstanding loans, callable guarantees, and equity investments committed(^a)</td>
<td>116.49</td>
</tr>
<tr>
<td>C. Lending Headroom (A – B)</td>
<td>76.06</td>
</tr>
<tr>
<td>D. Utilization of lending authority (B/A)</td>
<td>60.50%</td>
</tr>
</tbody>
</table>

Note: Lending authority is the sum of the Asian Development Bank’s unimpaired subscribed capital and reserves (including surplus but excluding special reserve).
\(^a\) Includes debt securities. Outstanding loans are net of allowance for loan losses.

ADB’s capital adequacy framework is used to assess the adequacy of ADB’s capital position and its risk-bearing capacity. Based on this framework, capital adequacy is monitored using a capital utilization ratio (CUR), which is calculated as the total economic capital used for material risks that ADB faces (numerator) over the total available capital or useable equity (denominator): the higher the ratio, the lower the remaining deployable capital or excess risk-bearing capacity. As of 31 December 2019, the CUR was 62.11%. Table 3 shows the components of the CUR.

Table 3: Capital Utilization Ratio as of 31 December 2019
($ million)

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total Economic Capital Used</td>
<td>32,292</td>
</tr>
<tr>
<td>B. Useable Equity(^a)</td>
<td>51,994</td>
</tr>
<tr>
<td>C. Capital Utilization Ratio (A/B)</td>
<td>62.11%</td>
</tr>
</tbody>
</table>


The Board of Directors will continue to carefully monitor ADB’s financial resources to ensure that ADB remains a relevant and responsive institution in Asia and the Pacific, and that its resources are managed in the most effective and efficient manner.
OFFICERS OF THE BOARD OF GOVERNORS AND PROCEDURES COMMITTEE

FOR 2019/2020 AND 2020/2021

2019/2020

BOARD OF GOVERNORS

Chair: Republic of Korea
Vice-Chairs: Indonesia
Luxembourg

PROCEDURES COMMITTEE, 2019/2020 (INCHEON)

Australia, Denmark, Indonesia, Japan, the People's Republic of China, the
Philippines, the Republic of Korea, Switzerland, Tajikistan, Thailand, Turkey, and
the United States

2020/2021

BOARD OF GOVERNORS

Chair: Georgia
Vice-Chairs: Netherlands
Samoa

PROCEDURES COMMITTEE, 2020/2021 (TBILISI)

Brunei Darussalam, Georgia, Germany, Japan, Kyrgyz Republic, Pakistan, the People's
Republic of China, Spain, Sweden, Turkmenistan, the United States, and Uzbekistan
RESOLUTION NO. 407

PLACE AND DATE OF FIFTY-SIXTH ANNUAL MEETING

THE BOARD OF GOVERNORS RESOLVES THAT:

The Fifty-Sixth Annual Meeting of the Board of Governors (2023) be held from 2 to 5 May 2023 in Incheon, Republic of Korea.

(Adopted 18 September 2020)
Introduction
Greetings, members of the Board of Governors.

When we last gathered together for our brief Annual Meeting Business Session in May, I described how ADB has been leading the response and recovery of Asia and the Pacific. ADB is continuing this effort through our coronavirus disease (COVID-19) pandemic response and wider operations. I am pleased to report to you today on the progress we have made.

My update acknowledges the new challenges we have faced in recent months. Those uncertainties have affected this Business Session, as we were not able to meet in person as we had hoped.

I want to extend my appreciation to the Deputy Prime Minister for the Republic of Korea and Chair of the ADB Board of Governors for his constant support and flexibility in arranging these meetings. I look forward to the same strong partnership in planning for the Annual Meetings in 2023, and I am grateful for his offer to host us in Incheon. I also wish to thank the Governor for Georgia and Minister of Finance for joining us today and for supporting our preparations for the 2021 Annual Meetings.

Governors, the candid discussions we are having together during these challenging times have allowed ADB to adjust its operations to meet the changing needs of our developing members. Our agenda for today is abbreviated, but I plan to review your written statements carefully and will always keep my door open to continue our dialogue.

I. ADB’s support for trusted development solutions in times of uncertainty
Let me move on now to the main message I wish to convey as we near the end of these meetings. My message is this: rest assured that ADB will continue to earn your trust as a steadfast partner during the uncertain times we still face in our region as we build for a strong and lasting recovery.

My unshakable confidence in this commitment comes not only from my current tenure as ADB President but also from all my experience prior to taking office. I was closely involved in efforts to address challenges such as the financial crises of 1997 and 2008 that deeply affected our region.
I served as chair of the G20 meeting in 2019, which produced tangible results on high-quality infrastructure principles, universal health care, and aging; and as a chairperson of the OECD Fiscal Affairs Committee, which addressed base erosion and profit shifting.

These past efforts of governments and development partners demonstrated how critical it is to produce global and regional public goods and to foster international cooperation in times of crisis. This important work has also proven to be an investment in our collective ability to confront future crises.

ADB’s support to our developing members builds on those efforts. And while the health, economic, and social impacts of the COVID-19 pandemic have been truly painful for many people, we have the resources to deal with the challenges that we now face in Asia and the Pacific.

II. ADB’s operations during the pandemic
Let me share with you some of the ways ADB has been addressing the impacts on our region while supporting its recovery.

Demand for assistance from the $20 billion COVID-19 response package that ADB announced in April has been strong. So far, ADB has committed about $11.2 billion in COVID-19 related financial and technical assistance.

Our support includes grant and technical assistance to help governments meet urgent needs for medical and personal protective equipment. ADB introduced a new financing modality— the COVID-19 Pandemic Response Option, or CPRO—to provide assistance with governments’ countercyclical expenditure programs, and we have already committed about $8.2 billion to support 19 of our developing members.

In addition, ADB has committed $1.7 billion to the private sector through our COVID-19 response in order to rejuvenate trade and supply chains, and to provide enhanced microfinance and guarantees for liquidity-starved businesses, including those run by female entrepreneurs.

Working closely with development partners, we have also mobilized an additional $7.2 billion in cofinancing.

It is also important to note that our financial interventions have been bolstered by a number of knowledge activities—such as reports, blogs, webinars, and widely attended online symposiums.

Your supportive actions, and ADB’s dedicated staff, have made it possible to quickly respond to the needs of our developing members during a time of unprecedented economic and logistical disruption.

Let me also inform you with deep appreciation that we concluded the Asian Development Fund (ADF 13) negotiations on Wednesday, with agreement from donors on a total replenishment of more than $4 billion. This represents a 7% increase from ADF 12. These resources will contribute
indispensably in our work to mitigate the impact of the pandemic and build for recovery in low-income countries including Fragile and Conflict Affected Situations, or FCAS; and Small Island Development States, or SIDS.

III. Working with our members for a sustainable, resilient, and inclusive recovery

Our work toward a sustainable, resilient, and inclusive recovery stands on a foundation of mutual trust formed over decades of cooperation with you, our members. Building on these relationships, we will continue to strengthen ADB’s support, particularly in the following six areas.

First, to help our developing members seize the opportunities that renewed globalization can offer in a post-pandemic new normal, ADB will further promote regional cooperation and integration.

While there are some who suggest that recent border closures and travel restrictions are signs that globalization has ground irreversibly to a halt, I believe that globalization will return, but it will take a different shape.

To prepare wisely for this, ADB will help our developing members secure more diversified value and supply chains. We will also promote regional public goods for better collective prevention of disease outbreaks; adaptation and mitigation of climate change impacts; and enhancement of the regional financial safety net.

Second, we have to be mindful that the COVID-19 pandemic has contributed to an increase in both income inequality and absolute poverty.

To address these very unfortunate trends, we will strengthen investments in health, education, and social protection, so that safety and opportunities are assured for all members of society—including women, girls, and marginalized populations. Our investments will also help to build the human capital that economies need to thrive in the long term.

Third, we will accelerate our efforts to tackle climate change, so that we can achieve the goals we established in our Strategy 2030: to reach $80 billion in cumulative climate investments and 75% of the total number of our committed operations by 2030.

Fourth, ADB will invest in information technology and data for health; education; financing for micro, small, and medium enterprises (MSME); and remote work—while also addressing both the digital divide and cyber security.

Because of the enormous potential digital technologies offer, ADB will continue to focus on enhancing our understanding of emerging opportunities and risks. We will do this with an eye toward deepening our practical experience in applying digital solutions.

Fifth, we will help our members strengthen domestic resource mobilization through international tax cooperation. This is a crucial, cross-cutting priority for ADB—because all of the key areas I
identified so far require governments to improve their capacity to mobilize financial resources while managing debt sustainability.

And last, ADB will play a role in supporting the efforts of our developing members to secure access to safe and effective vaccines, and to formulate strategies for equitable delivery. To accomplish this, we will continue to strengthen our collaboration with the World Health Organization; the World Bank; Gavi, the Vaccine Alliance; vaccine experts; and pharmaceutical companies.

**Closing**
Let me conclude by emphasizing two more things.

The first is that ADB’s commitment to diversity and inclusion is more important than ever, because it equips us with the range of skills and perspectives needed to truly address the hardships that many are facing during these difficult times—especially poor and vulnerable populations, and women and underrepresented groups. To further this commitment, I welcome the recent establishment of the Working Group on Gender Diversity at the ADB Board, and I encourage our members to give strong consideration to women candidates for seats on our Board of Directors.

The second is that ADB’s Strategy 2030 continues to serve as our roadmap for the uncertain times ahead. Combined with strong coordination from development partners, our COVID-19 response package; ADF 13 replenishment; and other lending, equity, grant, and knowledge operations will all work together to help our developing members emerge from the current crisis—and, in time, settle safely into a new normal that is even more prosperous, inclusive, resilient, and sustainable than before.

Thank you, Governors, for making all of this possible. I stand proudly with you knowing that our shared commitments and enduring friendship will soon lead our region to new levels of growth, trust, and collective well-being in the years and decades ahead.

I wish you, and all the people you represent here today, good health and a strong recovery as we continue our journey together.
Distinguished fellow Governors, Representatives of Members,

President Asakawa, ladies and gentlemen,

Contrary to our hopes, COVID-19 is still with us.

I would like to sincerely thank President Asakawa and the ADB staff for your active role in fighting COVID-19 in the Asia-Pacific region.

We are currently in the middle of three unprecedented crises – a pandemic, an economic downturn, and changes in economic and social structures.

Since none of these crises can be solved by one individual member, we all need to stand in solidarity.

I will now highlight three priorities.

First, improving our ability to counter public health crises and building resilience.

COVID-19 has not abated, and a second wave may also break out. Some even warn about a ‘twindemic’ risk. This will overload medical systems and devastate the economies and societies of our region.

Boosting economic growth depends on effective quarantines. It is crucial to meet the pressing healthcare and economic needs of Developing Member Countries (DMCs) in a timely manner. We will share the lessons learned and focus on building public health capacity in DMCs. Policies to encourage social distancing will be another primary point.

Measures to build resilience against future pandemics are imperative. We will need to adopt innovative systems such as the Medical Supply Stockpile. This facility can stock necessary equipment and medications when supply is stable and provide them to DMCs in the early stage of a pandemic.
Second, promoting inclusiveness through prompt and efficient fiscal policy.

Extreme restrictions have had dire consequences, including employment shocks and severe economic recessions. Under these circumstances, the role of public finance is critical for safeguarding jobs, supporting demand, and protecting vulnerable groups. At the same time, fiscal policies must be effective for ensuring the delivery of stimulus packages.

In this context, we support the overarching role that the ADB plays in financial support, capacity building, and the adjustment of expenditure priorities. In conjunction with these efforts, I believe that the ADB must also consider debt vulnerability that constrains fiscal space.

In particular, financial and policy support will be significant for DMCs in Fragile and Conflict-Affected Situations (FCAS) and Small Island Developing States (SIDS), since these crises are particularly painful for them.

Third, transitioning to a digital and green economy.

COVID-19 is accelerating the pace of switching to a digital economy. On top of that, the recognition of the need to address climate change is speeding up the pace of the shift to a green economy.

We will spare no effort to create jobs and jumpstart the economy even as we continue to focus on the urgent issues of healthcare and economic repression.

To this end, the ADB will serve as a knowledge disseminator. We expect the ADB to facilitate such transitions by building capacity, designing tailored projects and enhancing educational infrastructure, while taking the situations of each member into account.

I look forward to meeting all of you in Georgia in person once we prevail over the current pandemic and economic crisis. I am also grateful to everyone for supporting Korea as we prepare to host the 56th ADB Annual Meeting in 2023.

Finally, I would like to extend my deepest sympathy to everyone who has suffered from health problems and economic difficulties. Let me conclude by wishing you all good health and safety.

Thank you.
Esteemed President Masatsugu Asakawa  
Honorable Chairman and Governors  
Distinguished Guests  
Ladies and Gentlemen  
Dear ADB Team

I am honored to be here today. I am grateful to ADB team for organizing the Annual Meeting in these difficult circumstances. We are living in unprecedented reality and I would like to thank organizers for timely coping with the challenge and giving us opportunity to meet, though virtually. Such virtual summits still give us opportunity to discuss very important aspects of cooperation.

Despite that, we all know how different it should have been. We all have had very high expectation from annual meeting in Incheon and I am sure the meeting in Korea was to be an absolute success. Let me express my appreciation to Korean authorities for all preparatory works that were done on a highest level. We hope that Incheon will have another chance to surprise all of us and to host Annual Meeting in coming years.

We are living in very difficult environment. Pandemic changed everything, created dire environment, when people suffer, economies are severely hit effecting living standards of everyone around the world. The New Coronavirus revealed how fragile our everyday life is.

ADB was on the frontline of fighting Pandemic and dealing with its consequences and continues to be so. ADB has established a comprehensive $20 billion package to member countries to help counter the severe macroeconomic and health impacts caused by Covid-19.

Despite there are hopes about vaccine coming and mankind will be able with joint actions to defeat pandemic, the consequences on the economy is going to be long-lasting.

Post-Covid economies will not be the same as the one during pre-Covid times. Challenges will be long lasting. To tackle them, coordinated and inclusive working strategy is needed today for both: to deal with emergency needs and to strengthen the grounds for economic recovery.
Fellow Governors,
We in ADB need decisive actions!

- First, we need to continue and even boost the focus on **economic and structural reforms**. These reforms that aim to strengthen the fundamentals of our economies and facilitate resilience to shocks.
- Let me emphasize ADB’s role in Private Sector development. We should strengthen private sector role as an engine for economic recovery. And the role of ADB will be crucial here. Revising risk-appetite and thus promoting private sector is the issue that we will need to discuss in coming period.
- Another direction is **Human Capital**. Top Four highest ranking countries in Human Capital Index (HCI) ranking are the countries of the region. Although we have sizable amount of countries, like Georgia, lagging behind. In assisting the countries in reforming their healthcare and education systems ADB has distinguished experience and huge potential which should be our long-term continuous focus.
- We need to maintain the policies on promoting regional **cooperation and integration**. The future of our world is in building bridges and in holding together. Georgia is a very big promoter of free trade policies and will continue to be so. It is very important to help the countries investing in cross border connectivity. Higher Integrity, more openness and less barriers are the bases we should build our future on.

We are sure that the Bank will be a top institution in driving forward the common agenda of efficient economic recovery in post Covid period.

Fellow Governors, Ladies and Gentlemen,

Let me remind you that next annual meeting is planned to be in Georgia. I think you all understand the challenges that will be facing hosting of this event. However, we are dedicated and strongly committed to hold outstanding and memorable Annual Meeting in Tbilisi.

Thank you!
GOVERNORS’ STATEMENTS
I would like to take this opportunity to thank the ADB for their excellent work navigating the unique logistical challenges of the Fifty-Third Annual Meeting due to COVID19. I would also like to thank everyone involved in ensuring the success of the meetings in a virtual format.

The ADB is very important in supporting a prosperous, inclusive, resilient and sustainable Asia and the Pacific. The value of the ADB’s work is evident in providing early and rapid support to the region in response to COVID-19. In particular, Australia commends the ADB’s US$20 billion assistance package which delivered significant and timely support to the region.

While many ADB members have had success in stabilising the health impacts of COVID-19, the economic, social and development consequences are likely to be large and long lasting. We are alert to the impact of the pandemic on the development trajectory of countries in the region. The region has lost ground in relation to poverty alleviation and some economies face enormous challenges with respect to lost revenues. Going forward there are countries that will face an increased debt burden.

Australia encourages the Bank to continue to explore avenues to help the region counter these impacts. We want the Bank to stand ready to provide further support if recovery stalls or in the event of continued or further waves of COVID-19.

In the absence of a safe, effective and affordable vaccine many countries will face challenges in opening up their economies and progressing their development goals. It is therefore essential that when a vaccine is successfully developed it is widely available and equitably distributed. We wish to encourage the ADB to help developing member countries (DMCs) access proven vaccines to protect against COVID-19, and to provide assistance with effective vaccine delivery.

The Asian Development Fund (ADF) is an important source of grant financing for the poorest and most vulnerable DMCs. Australia is pleased to have been the ADB’s largest project and technical assistance grant co-financing partner in 2019 and made the second highest contribution to the latest replenishment (ADF13) during the Annual Meeting.

Australia is pleased that fellow members have likewise provided generous support to ADF13, especially when members have spent significant fiscal resources to counter the impacts of COVID-19 domestically. We particularly appreciate the recognition of the unique vulnerabilities of Small Island Developing States in the ADF13 financing framework, through the economic
vulnerability premium, and the measures to improve debt transparency and management among ADF-eligible countries.

Australia would like to highlight three points on ADB operations and approaches.

First, it is self-evident that infrastructure can play an important role in the economic recovery. We wish to encourage the ADB to work with DMCs to identify infrastructure investments that will have the greatest impact on supporting recovery. All infrastructure investments are not equal when it comes to stimulating economic activity and creating jobs. There is a substantial body of work on this, including that undertaken for the Infrastructure Working Group of the G20.

Second, we would like to urge the ADB to ensure effective and transparent implementation of the 2017 procurement framework, which emphasises value for money and quality over the cheapest price. We believe the procurement reforms are an important opportunity for the ADB to build domestic capacity and increase opportunities for small and medium-sized enterprises in the borrowing country. This is especially the case in the Pacific where the private sector faces challenges related to small market size and there can be challenges in job creation.

Third, Australia supports the Bank’s values of gender equality and women’s economic empowerment for meeting the region’s aspirations of inclusive and sustainable development, and recognises the need for parallel efforts to enhance gender diversity on the Board of Directors. Australia welcomes the recent decision of the Board of Directors to form a working group to develop and promote initiatives to improve gender diversity at the Board of Directors, and looks forward to receiving regular reports on the progress of these initiatives.

To close, thank you again to the ADB and fellow member countries for providing significant support to our important region during COVID-19. Australia is confident that the ADB can continue to play a positive and influential role in the development of the Asia and the Pacific region.
Mr. Chairman, Mr. President, Distinguished Governors, Ladies and Gentlemen,

It is my great pleasure to address the 53rd Annual Meeting of the Asian Development Bank. I would like to thank Management and the staff of the Asian Development Bank for facilitating the virtual format of this meeting under these very challenging and unprecedented circumstances. I would also like to extend my sincere gratitude to the Government of the Republic of Korea, who had to face difficult decisions and who offered to host the meeting again in 2023.

First let me congratulate you, President Asakawa, and your whole team in ADB for the very swift, robust and coordinated response of this institution in this unprecedented crisis.

Austria is convinced that multilateral institutions are of key essence especially under these circumstances. International cooperation is and will be one of the determining factors of our common and global fight against this pandemic and the global economic downturn caused by it.

Austria strongly believes that the Asian Development Bank as longstanding partner of developing member countries in the region, is a crucial source not only for funding but for innovative solutions and knowledge. Innovative and smart approaches in urbanisation, sanitation, transport but as well as e-schooling or e-health care delivery are as important as funding and more needed than ever.

We commend the way this institution acted in a coordinated and hands on manner with its peers to mitigate the effects of the economic downturn which is affecting the poor and vulnerable most. The swift reaction will hopefully foster a successful recovery in the near future and limit the negative economic, social and health-related effects in the region.

We all experienced how interconnected global value chains have become and the very damaging effects their disruption has on all our job markets. Functioning international trade relations and robust global value chains are therefore of key importance to all of us. This holds true even more for challenges such as climate change and migratory flows caused by poverty, insecurity and natural disaster. Austria therefore highly appreciates the Asian Development Bank’s ambitious goals for private sector development and climate change set in the Strategy 2030.

With regards to the support for the private sector, we recognize the importance to accommodate short term support for private sector enterprises to withstand the current pandemic crisis
situation. However, we call on the Asian Development Bank to deliver first and foremost on sustainable and qualitative results. In the spirit of “Rebuilding Better” we now have the chance to invest in a green recovery, economic growth that is socially inclusive, jobs with decent working conditions and the empowerment of women.

Second, climate change and environmental degradation is without doubt one of the most pressing global long term issues of our time. Austria is convinced that the Asian Development Bank should take a leading role. With its expertise it is well placed to support regional governments in fulfilling their contributions to the Paris Agreement and to become the leading knowledge institution in the area of climate change mitigation and adaptation measures. It is obvious and evidence based that there is no alternative for sustainable development cooperation than to consider all aspects of climate change and disaster risks in every single operation. This holds especially true when building resilient infrastructure.

Let me touch on another issue. Already in the years before the COVID-19 pandemic, the international community became concerned about rising public debt levels and heightened risks in many developing and emerging economies. With governments’ necessary and enormous interventions to fight the spread of COVID-19, this situation aggravated. Austria therefore commends the Asian Development Bank in its approach to collaborate closely with the other multilateral development banks and the International Monetary Fund to step up its efforts in supporting its clients to achieve robust fiscal policies and prudent levels of public debt. Improving the capacity for adequate domestic resource mobilisation has become even more crucial in order to limit the long-term negative effects of this crisis. Prudent public spending and sophisticated debt management skills are needed to address future shocks and to ensure access to sustainable health services and much needed social safety nets for all citizens.

Thank you.
Mr. Chairman, Honorable Governors, President of ADB, Distinguished Delegates, Excellencies, Ladies and Gentlemen

It is a great pleasure and honor for me to participate in this august event, 53rd Annual Meeting of the Board of Governors of the Asian Development Bank.

First of all, I would like to convey my sincere appreciation and thanks to the Government of the People’s Republic of Korea and the ADB for arranging this 53rd Annual Meeting virtually in the midst of COVID-19 situation.

I also take the opportunity to express my heartiest felicitations to Masatsugu Asakawa, President of ADB for his dynamic and strong leadership to respond quickly announcing US$ 20 billion package to address the challenges of COVID-19 and mitigate the economic and health crisis of developing member countries (DMCs).

On behalf of Bangladesh, I acknowledge with deep appreciation to ADB’s quick response for providing expenditure support of US$ 500 million and health emergency support of US$ 100 million and grant of 6 million for procurement of emergency health supplies and equipments. ADB’s support contributes to achieving health and economic resilience through meeting needs of health, creating employment, promoting small and medium-sized enterprises, helping migrant workers, workers worst-hit by COVID-19 and expanding social safety net to improve the livelihood of the vulnerable groups. We request ADB to increase concessional resources to the affected DMCs to overcome COVID-19 and achieve economic recovery. We are also committed to work together and also in a coordinated way to tackle challenges of COVID-19.

Excellencies and distinguished delegates,

Kindly allow me to touch upon the development situation of Bangladesh. The year 2020 is very important for us as we are celebrating the birth centenary of Bangabandhu Sheikh Mujibur Rahman, Father of the Nation, who cherished the dream of Sonar Bangla, of achieving a developed and prosperous nation. Under the dynamic and prudent leadership of our honorable Prime Minister Sheikh Hasina, Bangladesh has made significant progress in the socio-economic sector particularly in health, education, life expectancy, reduction of child and maternal mortality, women empowerment and reducing poverty. The GDP is growing at a sustained rate and the country is on track to achieve the SDGs by 2030. In FY2018-19 Bangladesh achieved 8.15% GDP growth. The country demonstrates impressive improvement in socio-economic
indicators like poverty rate reduced to 20.5% and extreme poverty rate to 10.5%, with a per capita income of US$ 2064 and life expectancy of 72.4 years. Bangladesh is now acclaimed as a role model of development for many countries across the globe.

The government has already taken pragmatic measures to realize its vision2041 to achieve High Income Country (HIC) by 2041. But the present global pandemic COVID-19 has severely impacted on health and economy. In order to tackle COVID-19 the government has taken a series of proactive measures like, supporting frontline workers, strengthening healthcare facilities, undertaking testing, providing medical equipment and supply and also providing stimulus package of US$ 13.08 billion to achieve full economic resilience. The government of Bangladesh recognizes with due appreciation the support of development partners including ADB to implement stimulus package.

Excellencies,

I would like to put forward some expectations to ADB for achieving global development goals. First, given the severe nature of challenges of COVID-19, ADB may allocate concessional resources to the affected DMCs preferably in the form of budget support which is fungible in nature and suitable to address emergency crisis. Bangladesh is a country of 160 million people and for a country like Bangladesh belonging to DMC group B, ADB may increase the threshold of COVID Pandemic Response Option (CPR0) from US$500 million to US$ 1 billion. Second, to address prolonged nature of COVID-19 challenges ADB can actively consider a second round of CIPRO to the affected DMCs. Third, ADB may come forward with innovative and affordable financing models, for example, impact financing, equity financing, green bonds to help DMCs strengthen their social and economic infrastructure. Fourth, appropriate technology transfer can be encouraged to tap the opportunities of blue economy/ocean economy. Fifth, private sector engagement can be enhanced through provision of equity. More affordable and innovative instruments may be developed for attracting private sector participation.

We hope that together we can combat COVID-19 impacts and be able to achieve a transformational development for our future generation.

Mr. Chairman, thank you very much for giving me an opportunity to share my thoughts at this important event.
Your Excellency Chairman of the Board of Governors,
Fellow Governors,
President of The Asian Development Bank (ADB),
Distinguished Guests.

Foremost, on behalf of the Government of Belgium, let me convey our sincerest gratitude and appreciation to governments and international institutions – of which ADB is part – in fighting together the COVID-19 pandemic, an unexpected global health crisis with devastating economic impact.

While nations around the world are struggling to contain the pandemic and its economic impact, this virus is causing a human tragedy and killing more than 800,000 people as of September 6, 2020.

Belgium greatly appreciates the rapid response of ADB and its partners in these past months to address this global health crisis. Belgium welcomes ADB’s response to COVID-19 against a background of highly complex, fragile and difficult environments, which require the Bank’s “One ADB” approach. I would also like to thank the ADB President – Masatsugu Asakawa – and his team for the excellent work done so far. Once again, we welcome President Masa and recognize his leadership in these challenging months of his first year in ADB. Belgium would also like to express its appreciation to the Bank’s staff who continue their hard work to fight poverty in the region against an unusual background, which fully justifies the support of Belgium to the Bank over the years.

The impact of the virus on societies and economies is extremely severe. The global manufacturing sector has suffered an unprecedented contraction. More than ever, it is essential for countries and international institutions among which the ADB to collaborate closely to fight this crisis and its devastating consequences, to maintain global financial stability and to ensure sustainable development.

Special attention must go to preserving debt sustainability, in a time where massive resources are needed. Without taking aggressive policy actions, the COVID-19 pandemic could lead to an extended debt crisis for many developing countries, where debt risks were already at a high level prior to the pandemic. A debt crisis would dramatically set back sustainable development in developing countries already hit hard by the recession. At this point, it seems unavoidable that the most vulnerable countries will need further debt relief to avoid widespread defaults and to
facilitate investments to speed up the recovery and keep on track with the SDGs. A debt service moratorium will not suffice for many highly indebted countries. The Debt Service Suspension Initiative for the poorest countries and other actions by IFIs to provide short term liquidity support must be followed by more comprehensive action by the international community, involving all categories of creditors.

The impact of the crisis on the economy and social progress of most recipient countries should trigger an in-depth reassessment of the resources required to keep the SDGs on track and of our ambitions should we be unable to provide those resources. Domestic resource mobilization, international tax cooperation, sound public finance, effective public procurement and expenditure, and the fight against illicit financial flows and corruption remain of major importance for developing countries to achieve the even more challenging SDGs nowadays and in the future. It is important that ADB continues cooperation with all international instances to achieve results in this field.

In the wake of this global pandemic, Belgium would like to point out the importance of ADB to remain focused on its operational priorities lined out in Strategy 2030 to achieve an Asia and Pacific region free of poverty. One should not lose sight of the remaining numerous challenges and risks to be addressed in the region. Before the pandemic, the Asia and Pacific region still was home to 264 million people living in extreme poverty and an additional 836 million living in poverty, many of which are at risk of being pushed into extreme poverty through the economic downturn triggered by this external shock. In addition, the region still faces several development challenges, notably rising inequality, rapid urbanization, huge demographic shifts, growing environmental pressures and large infrastructure deficits.

Belgium would like to emphasize that the region is also among the most vulnerable to natural disasters and to the impacts of climate change which threatens development and prosperity. Climate change brings along more severe storms, rising sea levels, and changing weather patterns impacting people, and economies. All nations and institutions must unite in taking decisive action to address this threat. Therefore, it is critical that ADB supports its member countries to prioritize strengthening their disaster resilience. ADB also needs to further align its portfolio with the long-term goals of the Paris Agreement. In this regard, we wish to remind, once again, the urgent need for a comprehensive review of the outdated Bank’s Energy Policy to ensure the ability of the ADB to meet the Global Agenda on Climate Change.

Finally, growing inequality in the region is another challenge one cannot ignore. Through its operations, ADB must ensure that economic growth works for everyone and that no one is left behind. The Bank, and in particular ADF should keep its focus on the poorest and most vulnerable countries and people, especially women and girls. Gender equality and women’s empowerment, in particular in Central Asia, are fundamental cornerstones of sustainable and equitable development. Women constitute half of our populations. To leave this rich source of talent underused is bad policy. The Bank should focus more on their inclusion in the financial system. The number of women in the region having access to their own bank account is markedly inferior to that of men and this makes them even more vulnerable. Access to technology is a key
instrument to fill this gap, which needs to be reduced to achieve gender equality, one of the 17 SDGs clearly in need of more attention. Belgium encourages ADB to use digital technology and innovative solutions through its operations to achieve greater sustainable and inclusive development in the Asia and Pacific region.

Mister President, Honorable Governors, thank you for your attention.
Mr. Chairman, Mr. President, Fellow Governors, Ladies and Gentlemen.

Essentially, I would like to convey the greetings from His Majesty the King, the Royal Government and the people of Bhutan. This year, the 53rd Annual Meeting is being convened virtually amidst the COVID-19 pandemic and it is indeed a great honor for me to address this distinguished forum. I would like to express my sincere appreciation to President Asakawa and ADB team for this Annual Meeting despite the challenges posed by the pandemic.

The COVID-19 pandemic has caused a global health crisis and economic downturn. The challenges we face and the choices we must make will determine the future.

While the global economy grew at 2.9 percent in 2019, the growth prospect in 2020 is bleak as the global economic conditions have deteriorated due to the COVID-19 pandemic and its containment measures.

Likewise, with the detection of the first COVID-19 positive case in March 2020 in Bhutan, the utmost priority of the Government has been to prevent the spread of the virus by enforcing effective containment measures. Further, with community transmissions confirmed in our primary land trade gate, the nation was forced to enforce a 21 days lockdown from August 11, 2020.

Considering these developments, the economic growth for 2020 is expected to decline further to negative 2.1 percent from its initial estimates of 0.97 percent as Government’s capital spending is constrained, private capital activities are at stand still, trade is affected, production is almost zero, and even agriculture activities are not at their potential levels. The Consumer Price Index inflation has increased from 3.3 percent in March to 4.5 percent in June largely on account of rise in food prices.

The economic disruptions due to the pandemic had a major impact on the labor market. The increasing overseas returnees, displacement of employees and growing numbers of new entrants in the job market has aggravated the unemployment situation. The overall unemployment rate is anticipated at 12 percent in 2020, which is a fourfold rise from 2.7 percent in 2019.

Fiscal deficit is expected to remain elevated at 7.5 percent of GDP as COVID related expenditure increases while domestic revenue position deteriorates.
On the external sector, the total trade volume declined by 20 percent in the first half of 2020 as both non-hydro exports and imports decreased. However, with hydro exports increasing substantially due to Mangdechhu Hydro Power exports and slower growth forecast for imports, improvement in trade balance and current account balance is anticipated.

The issuance of long-term Government bonds in September 2020 for financing the fiscal deficit will provide new opportunity of investment for the bank and also for monetary policy operation through the Royal Monetary Authority’s participation in the secondary market transactions.

The priority areas for ADB’s support are energy, finance, transport, private sector and urban development, which have brought tangible results and improved livelihoods of our people. ADB continues to be one of Bhutan’s largest multilateral development partners. ADB’s favorable lending policy in conjunction with budgetary support has helped improve the fiscal position and provide flexibility to respond to the changing priorities of the Royal Government of Bhutan.

I would like to compliment President for his dynamic leadership and guiding ADB in these unprecedented times right after assuming office. I would also like to express appreciation to President and the ADB team, for recognizing the urgency of the global coronavirus pandemic and announcing the assistance package for all developing member countries. To this end, Bhutan has benefited tremendously through the USD20 million COVID-19 Active Response and Expenditure Support Program. In addition, the USD100, 000 and USD2 million grants have helped Bhutan enhance its preparedness and responding to the pandemic.

In conclusion, I would like to once again express my appreciation and gratitude to President Asakawa and ADB management for the continued support extended to the Royal Government and the people of Bhutan. We would like to wish success to President Asakawa in carrying forward the reforms initiatives successfully.

I express hope for the current state of the world to improve and that we can all return to our normal lives.

I thank the Chairman and the distinguish delegates for this opportunity.

Stay safe and healthy.

Thank you and Trashi Delek.
Your Excellencies
Chairman of the Board of Governors,
President of the Asian Development Bank (ADB),
Fellow Governors,

On behalf of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, we would like to convey our sincerest gratitude and appreciation to ADB for the excellent arrangements for the Board of Governors virtual meetings.

We wish to also congratulate President Masatsugu Asakawa, for his appointment as the President of the ADB earlier this year. Under his able leadership, Brunei Darussalam is confident that the Bank will continue its role as a reliable partner of countries and international organisations in pursuing areas of common interests.

This collaboration is even more important now as the world goes through unprecedented difficult time following the outbreak of COVID-19 which has caused devastation to the global economy and communities at large. We appreciate the ADB’s swift action in mobilising resources, among others, through its comprehensive US$20 Billion package response, that support developing member countries affected by the pandemic to address their immediate needs.

Like many countries, Brunei Darussalam has implemented a whole of nation approach to contain the virus and lessen its impacts on our people and local businesses. So far, an economic stimulus package amounting to B$ 450 Million has been carried out, which puts emphasis on supporting micro, small and medium enterprises, job security for the locals and the population’s well-being. As the infection curve has flattened, Brunei Darussalam entered the last phase of its de-escalation measures on 24 July 2020, whereby most restrictions were relaxed, with some health and safety precautionary measures still in place.

We are nonetheless cognisant of the lingering threats of COVID-19 and that much needs to be done to mitigate the impacts of the pandemic and to prevent further scarring to the world economy and population. Therefore, in moving forward, countries are pushed in coming up with comprehensive and strategic approaches towards recovery, whilst considering what is deemed as the “new normal” in our daily lives, be it from business, human or social perspectives.

This is where ADB can play an important role through its efforts in supporting countries' projects, providing advisory services and knowledge sharing. In particular, Brunei Darussalam sees the need for ADB to implement more technical assistance and capacity building programmes, at the
sub-regional and regional levels, among others, to enhance infrastructures including in ICT and health; boost agriculture and food security; and strengthen global supply chains. These are some of the important sectors that will revitalise our economy, boost productivity, and improve our overall regional outlook.

Related to this, and consistent with the Bank’s vision to promote inclusiveness, Brunei Darussalam appreciates ADB’s initiatives in supporting member countries based on their specific domestic needs and circumstances. We nonetheless recognise that each country’s pursuit of economic developments post COVID-19 will be continuous and challenging journey. In this regard, we encourage the ADB to review its relevant policies and come up with means that will enable all members to maximise their bilateral engagements with the Bank.

To end, Brunei Darussalam reaffirms our commitment to working closely with ADB and member countries in navigating our way through these uncertain times towards a prosperous, inclusive, resilient and sustainable Asia and the Pacific, as envisioned in ADB Strategy 2030.

Thank you, Your Excellencies Chairman of the Board of Governors, President of the Asian Development Bank (ADB), and Fellow Governors.
CAMBODIA
Vongsey Vissoth, Alternate Governor

Mr. Chairman
President Asakawa
Fellow Governors
Ladies and Gentlemen

I am honoured and pleased to represent the Government of Cambodia at this 53rd Annual Meeting of the Board of Governors of the Asian Development Bank which is being conducted virtually due to the COVID-19 pandemic. While this platform may not offer a more robust and engaging opportunity to exchange views about emerging global and regional development challenges, it is a chance to experience a precursor to a new norm in conducting business through the use of technology. I sincerely thank the President, his management team and staff for making excellent arrangements for this virtual meeting.

Ladies and Gentlemen

Let me first congratulate President Asakawa on his appointment as the President of the Asian Development Bank and welcome him to his first Annual Meeting. We all look forward to his leadership in steering the Bank and navigating its operations through the challenging time ahead as a result of the COVID-19 pandemic.

The Asia and Pacific region has made great stride in reducing poverty, improved quality of life and achieved impressive economic growth over the last decade. The number of people living in extreme poverty in the region has reduced from 1.5 billion to 264 million since 1990. However, the economic expansion in the region has moderated to 5.2% in 2019 compared to the average 6.6% over the last decade due to sluggish global growth, trade tensions, severe impacts of disasters and weakening domestic investments. The region now faces more daunting challenges as a result of the COVID-19 pandemic which threatens to severely reverse economic, social, and development gains and the progress in poverty reduction in Asia and the Pacific with a large number of economies slipping into recession.

ADB is well placed with its strong capital base and staff capacity to respond to the COVID-19 crisis and must be commended for its timely $20 billion response package to assist governments and businesses to tackle the severe health emergency, address the needs of the sick, soften the macroeconomic impacts, and set forth a path to strong recovery. More importantly, we note the tailor-made and streamlined business processes and the flexible lending terms and conditions put in place by the Bank to bring greater flexibility and speedy delivery of the assistance package.
Cambodia is one of the recipients of the COVID-19 Active Response and Expenditure Program with the Bank providing a concessional loan of $250 million to support our social protection programs, address our health emergency and revive the small and medium enterprises. The Government of Cambodia and the Cambodian people are grateful to the Bank for quickly coming to the aid of Cambodia in time of this most urgent need.

Going beyond COVID-19 crisis, while country capacity to respond to health pandemic remains vital, we need to continue to invest in sustainable infrastructure at an accelerated pace to support economic growth and reduce poverty. It is now more important than ever for us to identify and realize new growth engines in a complex global context and give greater emphasis to the quality of growth which will require harnessing technological innovation and fostering new industries. We all look forward to working closely in partnership with the ADB and other development partners to build a prosperous, inclusive, resilient, more integrated and sustainable Asia and the Pacific. I would also like to congratulate the Bank and the donors on the successful completion of the negotiations on the replenishment of ADF 13 and the TASF 7. The generous contributions by the donors demonstrate their continued commitment to providing much needed grants to the concessional assistance countries. Despite their respective economic difficulty, it is truly inspiring to witness the solidarity, the resolute support, and unfettered commitment to development and poverty reduction. Cambodia greatly appreciates that it will have access to grant assistance from the thematic pool under ADF 13.

Ladies and Gentlemen

The on-going COVID-19 pandemic has imparted severe negative impacts on the Cambodian people and the economy. The government has undertaken a number of swift interventions and measures to mitigate the crisis, to name a few, by extending tax exemptions, exemptions of contributions to employment and health insurance schemes while ensuring the benefits, providing credit relief, injecting additional liquidity into the economy, providing wage subsidy for garment and tourism workers, and extending loans to SMEs to restore economic growth. Budget for healthcare and frontline services has been increased and greater resources directed for pandemic preparedness and rapid response.

In total, the government has, so far, committed $1,164 million from the national budget to support COVID-19 fiscal response package in 2020 until the COVID-19 pandemic subsides.

As a result of the COVID-19 crisis and accompanying global slowdown, the forecast for our 2020 growth has been revised from 6.5% to the range of -1.9% to -5.8%. The revenues are estimated to decline by 30.9%, and 2020 fiscal balance is estimated to worsen from -5.9% of GDP to -12.8% with the current account deficit widening to -17.6% of GDP in 2020, resulting in an estimated loss of up to $7.3 billion during 2020–2021. To ensure budget stability, the government has reduced nonessential recurrent and capital expenditures in 2020 by $918 million to $7.3 billion.
Cambodia has very strong, trusted and constructive partnership with ADB and other multilateral and bilateral partners who have made significant contribution to our journey in transforming Cambodia’s economy from lower income to lower-middle income country. We will continue to need their strong support with concessional funds to aid Cambodia in the road to recovery to pre-COVID-19 level of economic growth.

In conclusion, Cambodia greatly appreciates the ADB’s responsiveness and capability to help us mitigate the negative impacts of COVID-19 pandemic. We look forward to its continued support as the government strives to steer the economy to a quick and sustained recovery to the pre-COVID-19 growth trajectory.
President Asakawa and Honourable Governors.

It is my pleasure to attend this 53rd Annual Meeting of the Board of Governors of the Asian Development Bank (ADB).

The fact that we are holding the 53rd Annual Meeting of the Board of Governors on a virtual platform serves as a stark reminder of the current global health and economic crisis and its impacts.

The impacts of COVID-19 on the global economy in the past six to seven months have caused much anxiety about long-term growth prospects. The reliance on mutual trust and the strengthening of partnerships have become all the more important at this time. The extent of Asian Development Bank’s support portfolio to its members through the provision of COVID-19 Emergency Supplies, Technical Assistance (TA) support, Asia Pacific Disaster Response Fund (APDRF), Contingent Disaster Financing (CDF) and the COVID-19 Pandemic Response Option (CPRO) in dealing with urgent economic, financial and public health pressures is both welcomed and much appreciated.

We are very appreciative of the notable support from the Private Sector Development Initiative (PSDI) for our work prior and post emergence of COVID-19 in the Manatua Submarine Cable project, domestic shipping sector and preparations for the Cook Islands Economic Response Plan (ERP).

As the COVID-19 pandemic has become more globally widespread and severe, countries such as ours are particularly vulnerable. Our recent graduation from Official Development Assistance (ODA) presents a major challenge restricting access to concessionary finance and grants. While we are classified as developed it is highly likely that we will not be classified as high income country by the end of this pandemic. The reality is that our economy ceased to exist with the closure of our border and the death of global tourism. Not only are we a Small Island Developing State (SIDS), we are also a micro-state with a population of less than 15,000. As Small Island Micro-States our challenges are exacerbated by the fact that we are not able to mount strong fiscal responses on our own. Neither are we able to raise needed funds in financial markets at affordable rates.

The Cook Islands is particularly vulnerable to the impacts of COVID-19 due to the high reliance on tourism, with an estimated 65 per cent of economic activity driven by the tourism sector.
Tourism arrivals ceased with little warning, drawing a halt to an economic activity equivalent to approximately NZD$370 million in 2019. The Government estimates that without Government economic stimulus, real GDP would decrease to approximately NZD$287 million in 2020/21, from the previous estimate of NZD$556 million, almost halving the size of the economy.

The severe impact of COVID-19 on the economy is expected to have lasting implications for the development of the Cook Islands and could effectively eradicate progress of the last 12 years. The Government believes that the recovery from a shock of this magnitude will be protracted, and that it will take at least 3 years for economic activity to reach levels previously seen, more so to reach the previous growth trajectory. To respond to this threat, the Government has provided stimulus of NZD$137 million. This may not sound significant to many other member countries, but for the Cook Islands this is equivalent to approximately 32 per cent of GDP in 2020, one of the most significant support packages the world has seen.

The support being provided by ADB and its expansion into the COVID-19 Pandemic Response Option (CPRO) is greatly appreciated and signals the ability to shift into new areas of support. We trust that the ADB continue to provide innovative solutions to the economic crisis faced by Small Island Micro-States by recognizing our extreme vulnerabilities. The Cook Islands, as with many countries, has outstanding debt to repay, the provision of a debt standstill up to a cap would provide the Government with the ability to reprioritize current debt repayment towards the more pressing need for economic stimulus. We encourage the ADB to thoroughly investigate its ability to provide support to member countries through this mechanism.

The goal of the new ADB Pacific Approach 2021 – 2025 of Supporting a Resilient Pacific will not be realized if innovative solutions to address the current pandemic are not put in place. The COVID-19 pandemic is additional to our existing vulnerabilities as Small Islands Micro-States to climate change, natural disasters and exogenous economic shocks. We would like to urge ADB to consider options to extend more concessional resources for these highly vulnerable Small Islands Micro-States.

Mr President, we trust that the ADB will continue to support its DMCs through the current crisis and continue to offer innovative solutions to address the challenges they face. I urge us all to use this meeting productively to intensify our collaboration and positively impact the lives of the many.

Thank you.
Mr. Chairman of the Board of Governors,
President Asakawa,
Honorable Governors,

1. First, let me thank you for hosting virtually this 53rd Annual Meeting of the Asian Development Bank (ADB) in very challenging circumstances. While we regret not being able to attend and meet our fellow Governors physically, we want to congratulate ADB’s management and staff for their excellent work in ensuring that this meeting takes places in a smooth manner, though virtually.

2. The context of this meeting is unique: the world has been hard hit by the COVID-19 pandemic, which has inflicted immense damages in all our countries. Asia has certainly not been spared. Faced with this challenge, we first want to commend ADB staff and management for quickly devising a response plan to adapt Bank’s processes and working conditions, while ensuring that projects still meet the highest standards. We backed ADB’s swift and ambitious response to the COVID-19 outbreak, which played a decisive role in lessening the pain endured by Asian economies. In this regard, we strongly appreciate that ADB closely coordinated with other IFIs including the IMF to create synergies and make the best value for the money in response to the crisis. We encourage the Bank to maintain this crucial coordination in the future. The ADB’s response plan was necessary to help Asia’s economies overcome the initial economic shock caused by the pandemic, but it is also temporary and exceptional in nature. While the pandemic may still affect our lives for the years to come, it is nevertheless now essential for ADB to focus back on its main areas of expertise and to leverage them to ensure a sustainable and inclusive recovery in Asia.

3. First of all, ADB has a crucial role to play in ensuring a green recovery in the region following the COVID-19 pandemic. The current crisis should not be a reason to postpone progress towards the ambitious targets set by Strategy 2030. In this regard, we were happy to see that in 2019, the first year of implementation of the Strategy, climate-related financing reached 57% of total yearly commitments, overshooting the target set for that year. We need to continue on this path. Against this backdrop, the upcoming review of ADB’s Energy Policy is a key milestone. This review is the opportunity for ADB to set demanding standards in terms of energy finance which have the potential to become a model for other institutions of the region, as they also seek to become greener. This is a unique opportunity for ADB to formally align with Paris Agreement goals. Phasing out fossil fuel energies, first of all coal, will be our priority. We also welcome the review of the safeguard policy, which will be undertaken this year, as an occasion to both streamline and set up high standards, which will be equally important to set ADB
on a more sustainable and inclusive path in changing development context in Asia and the Pacific.

4. Second, the Asian Development Fund (ADF) has a role to play in supporting the recovery of Asia’s poorest and most fragile countries after the pandemic. It remains a very effective grant instrument to help Asian countries still facing situations of extreme poverty. France’s contribution to ADF13 replenishment on the 16th of September reflects our view that ADF’s mission is still a major one today. However, given the rapid economic development and the constant decrease in the number of grant-eligible countries, we also want to continue the collective reflection on the future of the fund as a dedicated grant instrument, in view of future replenishments. As we mentioned in our statement last year, it should be possible in the medium term to gradually substitute transfers from ADB’s net income for donors’ contribution as the main source of funding for ADF, as the size of the fund grows smaller and in the spirit of the merger approved in 2016. The decrease in the donors’ contributions agreed for ADF13 replenishment is a first step in that direction.

5. Third, advancing quickly on gender equality issues will be essential to make Asia’s recovery inclusive. The ambitious numerical targets that were set in Strategy 2030 should continue to guide ADB’s commitments, as they have in 2019. Change usually starts from within: thus, the gradual improvement in gender balance among ADB staff is a welcome trend. In this regard, we commend the recent decision of creating a working group to improve gender diversity at the Board of Directors.

6. Fourth, enhancing the ability of the ADB to mobilize private co-financing will be necessary for the Bank is to have enough financial firepower to address the pressing issues caused by the pandemic and ensure a swift recovery in Asia. Public institutions cannot keep pace with the economic growth of the region and fill financing gaps by themselves. ADB must be able to play a catalyst role in crowding-in private capital from commercial banks and investors, as well as developing local financial markets. In that regard, we were pleased to see the adoption of an Operational Plan for private sector operations in January 2020, which will be key in achieving the goals set in Strategy 2030. The broadening of the scope of private sector operations, both geographically and in terms of sector, as well as the promotion of local currency funding are two particularly welcome ambitions.

7. Last, ADB operates within a global financial system, whose importance has been highlighted by the severity of the COVID-19 crisis. At a time when the public finance of many countries will be put under acute strain, paying close attention to debt sustainability becomes even more critical than before. Debt sustainability requires promoting sound public finance management in Developing Member Countries but also financing economically viable projects, where expected returns can provide for debt servicing. In this context, the improvement of the debt sustainability framework of the ADF during the last replenishment is a valuable change. As stated by the Group of Twenty, a strong coordination between Multilateral Development Banks
and the IMF, as well as with the Paris Club, must also be maintained to preserve global financial stability.

8. On a final note, we were very pleased to see the approval of differentiated loan pricing for higher income countries, which will become effective in 2021. This reform will allow ADB to channel more resources towards the poorer and more fragile countries, while increasing the fairness of its loan conditions. We welcome the work of Management on this subject.

Overall, France is confident in ADB’s capacity, both financial and technical, to tackle the challenge that the global pandemic represents in Asia. The goals set in Strategy 2030 are ambitious and worthy and France is fully committed to support ADB in achieving them by building on its partnership with the Bank, as a shareholder, as a donor and as a development partner.

Thank you.
GEORGIA
Ivane Matchavariani, Governor

Esteemed President Masatsugu Asakawa
Honorable Chairman and Governors
Distinguished Guests
Ladies and Gentlemen
Dear ADB Team

I am honored to be here today. I am grateful to ADB team for organizing the Annual Meeting in these difficult circumstances. We are living in unprecedented reality and I would like to thank organizers for timely coping with the challenge and giving us opportunity to meet, though virtually. Such virtual summits still give us opportunity to discuss very important aspects of cooperation.

Despite that, we all know how different it should have been. We all have had very high expectation from annual meeting in Incheon and I am sure the meeting in Korea was to be an absolute success. Let me express my appreciation to Korean authorities for all preparatory works that were done on a highest level. We hope that Incheon will have another chance to surprise all of us and to host Annual Meeting in coming years.

We are living in very difficult environment. Pandemic changed everything, created dire environment, when people suffer, economies are severely hit effecting living standards of everyone around the world. The New Coronavirus revealed how fragile our everyday life is.

ADB was on the frontline of fighting Pandemic and dealing with its consequences and continues to be so. ADB has established a comprehensive $20 billion package to member countries to help counter the severe macroeconomic and health impacts caused by Covid-19.

Despite there are hopes about vaccine coming and mankind will be able with joint actions to defeat pandemic, the consequences on the economy is going to be long-lasting.

Post-Covid economies will not be the same as the one during pre-Covid times. Challenges will be long lasting. To tackle them, coordinated and inclusive working strategy is needed today for both: to deal with emergency needs and to strengthen the grounds for economic recovery.
Fellow Governors,
We in ADB need decisive actions!

- First, we need to continue and even boost the focus on **economic and structural reforms**. These reforms that aim to strengthen the fundamentals of our economies and facilitate resilience to shocks.
- Let me emphasize ADB’s role in **Private Sector** development. We should strengthen private sector role as an engine for economic recovery. And the role of ADB will be crucial here. Revising risk-appetite and thus promoting private sector is the issue that we will need to discuss in coming period.
- Another direction is **Human Capital**. Top Four highest ranking countries in Human Capital Index (HCI) ranking are the countries of the region. Although we have sizable amount of countries, like Georgia, lagging behind. In assisting the countries in reforming their healthcare and education systems ADB has distinguished experience and huge potential which should be our long-term continuous focus.
- We need to maintain the policies on promoting regional **cooperation and integration**. The future of our world is in building bridges and in holding together. Georgia is a very big promoter of free trade policies and will continue to be so. It is very important to help the countries investing in cross border connectivity. Higher Integrity, more openness and less barriers are the bases we should build our future on.

We are sure that the Bank will be a top institution in driving forward the common agenda of efficient economic recovery in post Covid period.

Fellow Governors, Ladies and Gentlemen,

Let me remind you that next annual meeting is planned to be in Georgia. I think you all understand the challenges that will be facing hosting of this event. However, we are dedicated and strongly committed to hold outstanding and memorable Annual Meeting in Tbilisi.

Thank you!
GERMANY
Norbert Barthle, Governor

Distinguished Chairman of the Board of Governors,
President Asakawa,
Honorable Governors,
Distinguished guests,

The Annual Meetings of the Asian Development Bank have always provided an excellent opportunity for an in-depth exchange on important development and financial policy topics. The mix of participants—political decision-makers, development practitioners, scientists and civil society representatives—has always facilitated this. I find it absolutely understandable that a new format had to be used for the 53rd Annual Meeting because of the COVID-19 pandemic. Yet I find it very regrettable that this is limiting our exchange to a minimum—at a time of enormous global challenges.

Today I would like to focus on three points: first, how to deal with the challenges arising from the COVID-19 pandemic; second, what we expect from multilateral banks with regard to the implementation of the Paris Agreement; and third, the completion of the replenishment negotiations for ADF 13.

At the last Annual Meeting, I had made a point of focusing on multilateral cooperation and asking to what extent international organizations are fit for purpose when it comes to finding answers to global challenges. These questions are still as pertinent as last year. In fact, they have become more urgent. The COVID-19 pandemic is showing us again that national answers alone are not enough. In addition to strong national systems and policies we need international cooperation, multilateral institutions and regulatory frameworks in order to master the crisis. Germany has always considered global health an important priority. We continue to regard SDG3 as a binding goal, which we pursue together with our partner countries and international organizations. In that endeavor, we rely on a holistic One Health approach with a focus on preventive action.

I would like to use this opportunity to expressly thank the Asian Development Bank again. It has responded to the pandemic quickly and with determination, setting up a large program which we greatly support. I would like to especially applaud the ADB staff for making this impressive package possible—through their committed efforts, creativity and hard and professional work, mostly from home instead of their normal working environment. One element I would like to highlight is the programs that are geared toward facilitating countercyclical fiscal policies where responses to exogenous shocks are needed. In view of the many different socioeconomic and fiscal challenges posed by the pandemic, this is a field where the Bank can add value—far beyond
the health sector in the strict sense. And I expressly welcome the fact that the Bank’s Independent Evaluation Department recently launched a real-time evaluation to assess the effectiveness of the support programs. In this connection, I would like to underline that we regard this evaluation as one element through which the Bank is demonstrating accountability to its shareholders with regard to its COVID response, and providing answers to fundamental questions. The first of these questions is how the additional funding is allocated. Are the support criteria used systematically or is funding allocated on a first-come, first-served basis? Where the Bank can choose from many options, does it choose the one that promises to be most effective? What are the trade-offs involved in choosing specific instruments? What impact will the provision of what is typically quick-disbursing funding have on portfolio quality? How are the rating and the debt situation of borrowing countries changing? What is the situation with regard to the Bank’s lending capacity? We, the ADB shareholders, have helped to make the Bank’s crisis response possible by approving a number of temporary fast-track business processes. This has been an advance vote of confidence. We have fiduciary responsibility for public resources, so we will review for what period and in what form such activities are still appropriate and necessary.

The importance of international cooperation can be demonstrated on an exemplary basis as we fight the pandemic, but this is not the only area where it can be demonstrated. There are essential challenges such as addressing climate change, preserving peace and security and giving shape to international economic relations that require a multilateral framework, too. Based on its mandate, the Bank is helping, with its Strategy 2030, to make headway on poverty reduction, support developing member countries’ development efforts and address regional challenges, and advance the implementation of internationally adopted agendas, above all the 2030 Agenda for Sustainable Development with its Sustainable Development Goals and the Paris Agreement. Germany therefore regards ADB as an indispensable partner for broadening and strengthening a global community of responsibility.

This brings me to my second point, the implementation of the Paris Agreement. In my view, this is closely related to addressing the impact of the COVID-19 pandemic. The way in which we respond to this crisis will determine our development trajectory for a long time to come. Thus, we now have to take the right decisions to pave the way for implementing the Paris Agreement. I know how hard that is. In Germany, too, we have to ask ourselves to what extent necessary support measures will delay, or foster, structural change that is just as necessary. We are therefore calling on the multilateral development banks to develop a Paris-aligned COVID-19 recovery response. It is an encouraging sign for me that President Asakawa has repeatedly voiced his commitment to a green recovery. Please rest assured that you can count on my full support in this regard.

In addition, we believe that the Bank needs to adopt a clear roadmap and timetable for how, and by what time, it will achieve Paris alignment in its operations. The upcoming revision of the Energy Policy provides an opportunity to actively advance a conducive environment for decarbonizing the energy sector in ADB member countries. The Bank has to act as a pioneer in this field, working with the other multilateral development banks to achieve the goals of the Paris Agreement. Finally,
we believe that ADB, together with its fellow institutions, also has a responsibility to give strong support to the contributions that borrowing countries are making toward achieving the goals of the Paris Agreement. This applies to their efforts under the UNFCCC process to develop and implement their nationally determined contributions and, above all, to make them more ambitious. And it applies to the development of long-term adaptation and resilience strategies.

In conclusion, I would like to underline that as ADF donors, we have managed, during a difficult period, to bring the ADF 13 replenishment negotiations to a good conclusion, both politically and financially. In my view, we have achieved a consistent overall outcome, which provides a sound financial basis for the next four years through the base scenario. In strategic terms, we support that ADF 13 is putting a focus on the two cross-cutting issues of quality infrastructure and governance. In addition to that, we considered it important to give special emphasis to—

- climate change and stronger resilience to natural disasters,
- the Bank’s response and role with regard to fragile and conflict-affected situations, and
- support for regional cooperation and integration including regional public goods and regional health security, a topic that has now become very important.
- Not least, ADF 13 also addresses support for private sector development in challenging markets. As you know, Germany regards the role of the private sector for sustainable development and for benefits for vulnerable groups as a key issue, not only for the work of the ADF but for the Bank’s operations in general.

In the replenishment negotiations, we also called for putting the question of the Fund’s future role on the agenda, which will become important in the medium term. This question of course arises because Asia is on a growth path of unprecedented proportions. ADB and the ADF have contributed to that. If this development continues, the only countries that will remain ADF recipients in the medium term will likely be Afghanistan and the ten small island developing states (SIDS) unless the ADF eligibility criteria are changed or refined. At the same time, we can see clearly that in many countries growth is not translating into sustainable and inclusive development and that regional goods such as protection from infectious diseases require new forms of cooperation. In view of this, we need to give thought to the long-term role of the ADF and to well-founded justifications for the need for grants in the region. We will therefore actively support the process that has been agreed for the ADF to assess the need for further grants.

Thank you very much for your attention. I wish us a successful conference.
I would like to thank the management and staff of Asian Development Bank (“ADB”) for holding the second stage of the 53rd Annual Meeting of ADB virtually amidst the challenges brought about by the COVID-19 pandemic.

With the outbreak of COVID-19 and the ensuing health and economic crisis, we must all work together with unwavering determination and commitment to address the challenges. The Asia Pacific region, in particular, has been hard hit with loss of many lives and livelihoods. We are encouraged to note that ADB, as a leading multilateral development bank for the region, has responded swiftly and provided timely support and financial assistance by deploying US$20 billion to help its developing members to counter the severe impacts caused by COVID-19 and address the urgent needs of the vulnerable. We are also encouraged to see that ADB has been leveraging its knowledge to provide policy advice and to promote regional cooperation and knowledge sharing amongst its members to fight the pandemic. In this regard, Hong Kong, China has worked closely with ADB to conduct multiple webinars to share our experience in using technology to contain the pandemic with other ADB members.

Notwithstanding the ongoing challenges, we are pleased to note that ADB has been making remarkable progress in implementing its long-term strategy, Strategy 2030, to eradicate extreme poverty and achieve a prosperous, inclusive, resilient and sustainable Asia and Pacific. ADB has continued to play a key role in bringing members together to address Asia’s needs and to improve social and economic development in the region. In 2019 alone, ADB achieved a record level of commitment amounting to US$20.8 billion. ADB has also make good use of Hong Kong, China’s financial markets to issue over US$366 million of bonds, including green bonds, in the past year. The Infrastructure Financing Facilitation Office under the Hong Kong Monetary Authority has been bringing together key stakeholders, including ADB, in facilitating the financing of bankable infrastructure projects.

As the leading international financial centre in the region, Hong Kong, China is best positioned, and always stands ready, to support and contribute to the work of ADB. We look forward to more collective actions amongst ADB members on crisis response, safe reopening, inclusive recovery and future resilience. Together, we can build a healthier and more prosperous Asia.
1. On behalf of the Government of India, I congratulate ADB for organizing this virtual Business Session of the 53rd ADB Annual Meeting amidst an unprecedented pandemic. The painstaking efforts taken by ADB in terms of logistics and coordination towards holding this Meeting in this rather challenging situation is commendable. Please accept my deepest appreciation!

2. Like many countries in the Asia and Pacific region, India started the year 2020 with a confidence associated with a strong economic growth trajectory. Sound macro-economic management, visionary developmental policies and strong macro fundamentals have already been supporting the country’s developmental goals and its inclusive growth agenda. However, as the Covid-19 pandemic unfolded bringing in huge challenges to the health system, and as the preventive measures to contain the spread of the virus introduced obstacles to normal economic activity, the growth programme in countries across the globe including India have had to take a pause. A health crisis cascaded into an economic crisis from which no country remained unaffected. India is no exception, as the ‘Global’ common challenges shared by all nations in an inter-connected world, would bear testimony.

India’s response measures to the health and economic impact of the Covid-19 outbreak

3. To strengthen the healthcare system of India in responding to the pandemic in its early stages, the Government allocated US$2 billion for health infrastructure, protection and containment measures, medical supplies, testing and quarantine facilities, and capacity building. Preventive measures including a nationwide lockdown was complied with by the people willingly. But as a natural consequence, economic activity was adversely affected. This brought in hardships to many people, especially the poor, vulnerable and the disadvantaged. To alleviate their distress, the Government announced a further scheme of social support measures worth US$23 billion. The measures included free health insurance to health workers; cash transfers, free food and gas distribution; and social security measures for affected workers. To help firms cope with the sudden loss of economic opportunity, the Government provided relief in statutory and regulatory compliance matters pertaining to income tax, GST, customs, financial services and corporate affairs.

4. In May 2020, the Government announced a series of measures under the Atma Nirbhar Bharat (Self-Reliant India) initiative to support Indian Economy’s fight against the impact of Covid-19 pandemic. These included:
   a) Measures for relief and credit support related to businesses, especially micro, small, and medium-sized enterprises;
b) Short-term and long-term measures for supporting the poor, including migrants, farmers, tiny businesses and street vendors;

c) Measures to strengthen agriculture infrastructure logistics, capacity building, governance and administrative reforms for agriculture, fisheries and food processing sectors;

d) New horizons of growth; structural reforms across eight sectors (coal, mineral, defence, civil aviation, power, social infrastructure, space and atomic energy) paving way for *Aatma Nirbhar Bharat* (Self-Reliant India); and

e) Government reforms and enablers like increased allocation for the existing rural employment guarantee scheme; increased investments in public health and other health reforms to prepare India for future pandemics; technology driven education with equity post-Covid; further enhancement of Ease of Doing Business, and Public Sector Enterprise Policy for a New, Self-Reliant India.

5. As our country has gradually started unlocking, the evolving economic situation is being continuously monitored and evaluated. All possible fiscal, monetary and administrative steps are being taken by the Government to cope and emerge out of the situation, and to enable the economy back to operating at its fullest potential.

**India and the ADB in the fight against Covid-19**

6. It is commendable that within a short span of time from the advent of the Covid-19 outbreak, ADB geared up its entire administrative machinery, channelized financial resources and extended support to its Developing Member Countries (DMCs), which has reportedly reached more than US$9.6 billion.

7. On behalf of India, I thank the ADB President for the timely and valuable support to India through a US$1.5 billion counter-cyclical facility and a US$3 million from the Asia Pacific Disaster Relief Fund, besides the Regional Technical Assistance for health sector. The ADB loan helped extend budget support to the Government of India for the increased public spending in boosting our health infrastructure and contributing to the social support measures.

**ADB Institutional Issues**

8. Keeping in view the need for a ‘Global Development’ approach and the long-term perspective of addressing remaining poverty, ADB should expand its quantum and size of lending. The need of the hour is to also increase private sector operations with a view to leverage the limited ADB funds, thereby stimulating a development multiplier, including employment generation. India has the absorptive capacity to receive about US$4 billion a year from sovereign operations, and about US$1.5 billion annually from the private sector financing window. Further, as ADB’s India operations are increasing, the level of representation of Indian nationals at mid- and senior management/ staff levels should be commensurate to help convey the perspective of Indian challenges adequately.
9. ADB needs to work on strengthening its capital base to expand its lending outreach, both sovereign and non-sovereign, to target the Strategy 2030 goals in a scenario of increasing global challenges. In this context, India would like to add a cautionary note regarding the large amount of transfers out of Ordinary Capital Resources (OCR) net income to various Special Funds. With a view to strengthen the capital base of its general pool, the management may rather encourage the developed member countries and other potential donors to contribute to the cause that the Special Funds seek to achieve. We would do well to keep in mind that the OCR pool also finances the Concessional Loans (COL), and so, lowering the risk bearing capacity of OCR will hurt the interests of some Group A countries and all Group B countries who access COL resources. ADB may also consider more innovative ways towards increasing its net income. To better deal with the current challenges, ADB may like to consider initiating discussion on the next general capital increase.

India’s engagement with ADB in the sub-region

10. India plays an active role in the South Asia Sub-regional Economic Cooperation (SASEC) initiative. SASEC has gained considerable traction with total investments so far amounting to US$13 billion in 59 projects, of which ADB financing is US$7.5 billion. To take SASEC’s operations to the levels achieved in similar regional cooperation initiatives, institutional strengthening is called for. We appreciate the close engagement of ADB with SASEC member countries to take this process forward. In this context, establishing a regular SASEC Finance Ministers Meeting as an apex guidance and oversight body would be a welcome step. India would be happy to host the first meeting of this platform in 2021. For coordinated planning and implementation facilitation of SASEC Operational Plan and for serving as a knowledge centre, the SASEC Secretariat being envisaged in the sub-region would be a step in the right direction. We invite ADB to set up the SASEC Secretariat in India, apart from a Private Sector Operations Branch Office in Mumbai for more committed operational activities in the private sector.

Expectations from ADB

11. The Covid-19 pandemic has adversely impacted almost every country, more so the Asia and Pacific countries. It is in this context that the need for strengthening the bond of cooperation and mutual understanding among members assumes significance. One of ADB’s core strengths has been its political neutrality – a factor that appeals to both donors and borrowers. ADB has a proven record of consensus decision-making and a history of effective project implementation and successful development outcomes. As India and many of the Asia and Pacific countries continue to deal with issues of equity and sustainability and take measures for better provisioning of public goods and services to counter potential disasters such as future pandemics; for more spending on public health and infrastructure, and for better targeting, the importance of ADB as a preferred development and knowledge partner of the DMCs cannot be overemphasized. Post Covid-19, we believe that regional value chain and cooperation will be key to the Asia and Pacific region’s economic growth recovery, consolidation and resilience. India envisages ADB to be a key facilitator for its member countries to strengthen regional cooperation and integration.
12. In conclusion, I take this opportunity to assure India’s continued support to ADB and all member countries and hope that in unison, we can work towards achieving a Prosperous, Inclusive, Resilient and Sustainable Asia and the Pacific.

Jai Hind!
Let me begin by congratulating President Asakawa for his strong leadership in navigating ADB during this turbulence. We believe ADB has been and will remain relevant and responsive to member countries that struggle to recover from the COVID-19 pandemic. I would also like to compliment the Board of Directors, the Bank’s management and all staff for another year of excellent performance in maintaining ADB’s strong presence in member countries as well as maintaining its active role in the global development.

**Strengthening ADB’s responses to COVID-19 pandemic**

This year, the COVID-19 pandemic dashed hopes of policy makers around the world for a strong economic rebound from downside pressures in 2019. Before the pandemic started, numerous analyses still predicted that 2020 would be the year of a global economic recovery. The IMF even estimated that the world would grow 3.3%, higher than the 2019 growth of 2.9%. The COVID-19 outbreak has drastically shifted the direction of the global economy and turned it into a recession.

The COVID-19 pandemic adversely impacted Indonesian economy starting from the second quarter of 2020. The economy experienced a contraction by 5.32% (yoy) in Q2/2020 period from a positive growth of 2.97% (yoy) in Q1/2020. This contraction followed closely the global economic slowdown stemming from the COVID-19 pandemic, due to large-scale social restrictions in effort to break up the chain of virus transmission. The downward pressures created by stringent health measures have put the whole domestic economy on hold, so has the government. While the government could not keep up with the implementation of the national economic programs, due to the containment measures, we cannot stop but help people who lost their job and income.

On 23 April 2020, ADB approved a $1.5 billion financing package to help the Indonesian Government in managing the adverse impact of the COVID-19 pandemic on public health, livelihoods, and the economy. We thank ADB for its timely support and response. In fact, that was the first financing package that ADB approved to member countries in response to COVID-19. We appreciate the speed of the ADB’s response and its close and active engagement with the government during this unprecedented crisis.
While financing plays a very important contribution in tackling this COVID-19 pandemic, I believe that ADB can and should play more a catalytic role in orchestrating information flows among countries on this COVID pandemic crisis management. There are communication gaps and ADB can help to bridge the gaps. ADB should also increase its interventions in private sector investments. During this COVID-19 crisis, most countries in our region have relied on government’s interventions to keep the economy going. Real sector should be the main driver in the economic recovery. In that regard, how ADB can act much more quickly and flexibly in approaching potential private sector clients and improving the capacity of the existing clients.

**Reinforcing ADB’s Assistasnces to Member Countries**

Indonesia fully supports ADB’s commitment to help member countries in the Asia and Pacific region to pursue a prosperous, inclusive, resilient, and sustainable development path. For this noble objective, I believe ADB needs to expand its financial and technical capacity. This can be built through a more proactive and innovative collaboration with its members, including upper-middle income countries (UMIC). Drawing resources needed from member countries and beyond and from both public and private sectors in ways that are less burdensome to struggling member countries should be at the center stage of ADB’s resource building strategy.

For countries like Indonesia, being UMIC is about a success story of development. However, it is not a privilege, rather it is a liability to our people. How we as the government ensure that all the development achievements can be sustained, and particularly in a situation like this COVID-19 pandemic period, people will not fall back into poverty.

While more member countries are moving their ladder of economic development to a higher income group, there are still many of them faced with volatility in their macroeconomy and vulnerability to external shocks. Many middle-income countries struggle to improve their governance, introduce more reforms, and create more equal opportunities for all their citizens. Small island states, regardless of being relatively higher in their income per capita, are prone to natural hazards and external shocks like this COVID-19 pandemic. All these require uninterrupted interventions, including from development institutions like ADB.

For that purpose, I appreciate ADB’s continuous efforts to improve its operations and cater different needs and groups of its members, including upper middle-income countries. This is not limited to providing a finance++ model, but simultaneously starting to introduce a stronger knowledge++ concept. While sovereign lending is still much needed, accelerating and improving private sector investments are critically important to sustainable development. In this regard, I would like to see ADB to adopt more innovative approaches to this non-sovereign operation while maintaining the mandate to create higher development impacts.
**Fostering regional cooperation and integration.**

In response to the COVID-19 pandemic, the initial instinctive reaction by most countries was to look inwards and act alone. As a result, borders have closed, supply chains have been disrupted, and regional economic activity has fallen.

In contrary to this practice, crises often present an opportunity to go back to the reasons why certain structures were created. A vigorous and united response of several regional organizations has demonstrated that many are working in the interest of the people and are doing whatever it takes to defend the human, social, economic, and political integrity of their region.

While protecting the health of its people, governments also support their economy. It is important for governments to help companies manage the disruption in their supply chain and the global value chain. This could be done through bilateral negotiations, cooperation, and dialogues with other countries to grant special entry for emergency situations or for professionals in critical industries. Governments also help in providing health certifications to assure its trading partners that the workers travelling to their countries are COVID-19 free.

Regional organizations could strengthen their capacity to act as globalization agents through political and economic interactions among them. For now, in the absence of a global platform for regional institutions, many of the unions are joining forces bilaterally to exchange information, support public-private and multisectoral collaboration, standardize procedures, and increase transparency.

ASEAN members, for example, held video conferences that went beyond just their region. They connected with their counterparts from the People’s Republic of China, Japan, and the Republic of Korea under the ASEAN Plus Three framework to exchange information on containment and mitigation measures and identify needs for technical support and medical supplies. An ASEAN-European Union ministerial video conference was held on March 20 to discuss both the immediate and long-term measures to combat the virus, including the importance of boosting trade and investment when the pandemic subsides.

It is encouraging to see that many major efforts and initiatives have already been announced, but even greater international coordination is fundamental to ensure that these initiatives produce the best results and lead to a higher degree of global solidarity, transparency and coordination. The crisis offers an opportunity for leaders from different fields to learn from the best examples of regional organizations’ work and show unity, strength and global solidarity.

Indonesia looks forward to ADB strengthening and enhancing its resources and capacity to act and play an important global and regional role to boost the trade volume among its member countries. We believe that ADB should also move more swiftly in promoting regional cooperation and integration. This is a good time for ADB to help to strengthen the capacity of the regional
initiatives in which ADB is a member of or participates in. Creating more regional public goods is not only important this time, but it is also very relevant to our member countries in the long run.

**Supporting greater gender diversity in ADB**

The COVID-19 outbreak has hit the Asia and Pacific region hard, particularly on the most vulnerable countries, and is deepening their pre-existing inequalities — exposing vulnerabilities in social, political, and economic systems. A recent UN Women report found that women in the region, in both the formal and informal sectors, felt a much greater impact than men, with paid hours reduced, millions of job losses and reductions to income and working hours. In some countries, nearly half of women in informal sectors have lost their jobs since the outbreak — more than double the rate of men. The report showed how unpaid domestic work, which has become even more of an essential service in the context of COVID-19, remains a duty increasingly borne by women, and for more hours. The pandemic’s realities have resulted in a deepening of existing inequalities in the gender division of labor, placing a disproportionate burden on women and girls.

In 2020, Indonesia’s female labor participation is slightly declining to 54.56%, while male labor participation increases. It indicates numbers of women exiting the workforce are now higher than 2019. Several data suggest that married women with dependent children have the lowest participation rates. Women works as professional is less than 50% with income level smaller than men (salary gap). Managerial position is even less than 40% occupied by women, indicates that working environment in Indonesia put women as minorities. Nevertheless, women own 53.76% of Indonesia’s small and medium-sized enterprises (SMEs) whose employment is 97% of total employment, contribute to 61% GDP, 60% of total investment, and 14.4% exports. It is these businesses that drive the country’s economic growth.

In support of women’s role in the global economy and the region, I am pleased to learn that UN Women and ADB have announced a new collaboration that would aim to protect women and girls in the Asia and Pacific region from the COVID-19 pandemic’s multiple negative consequences on jobs, livelihoods and well-being. I fully support the announcement took place at a virtual gathering recently that promotes a gender lens in the recovery programs from COVID-19.

Indonesia continues to support greater representation of women in ADB and through its representatives to advocate greater gender diversity, including in the Board of Directors. Gender equality and women’s economic empowerment have been the core agenda of the sustainable development goals and they are fully aligned with ADB’s Strategy 2030. In this regard, Indonesia welcomes and supports the initiative of the ADB Board of Directors to establish a working group to develop and promote gender diversity at the Board of Directors.
IRELAND
Paul Ryan, Alternate Governor

President Asakawa
Mr. Chairman
Governors
Honourable Board of Directors
Distinguished Ladies and Gentlemen

We find ourselves in extraordinary times, in a world where over a relatively short period of time we have had to adapt and dramatically change how we live and conduct our lives. Where we must stay apart so we can once more be together again.

The COVID-19 Pandemic has taken a huge toll in Asia, placing heavy burdens on the health systems and economies of the region. Indeed, the true social and economic impact of COVID-19 world-wide remains unknown and the progression of the disease also remains unknown until a vaccine has been developed.

Despite the uncertainty surrounding COVID, the ADB was one of the first to comprehensively respond to the unfolding crisis caused by the pandemic. The Bank proved their capacity to answer the needs of its members and their ability to restructure and mobilize resources effectively and efficiently. This response was quick, flexible and very impressive – well done to all involved.

Bank staff and management must be commended for their unwavering commitment and tenacity to adapt, innovate and implement the ADB COVID response package which has been instrumental in supporting many members as they tackle the overwhelming impacts of the pandemic.

In particular, we would like to thank staff for their flexible approach to the administration of Ireland’s Small Island Developing States (SIDS) Single Donor Trust Fund, enabling resources to be targeted where most needed. This was been a very positive experience which has encouraged us to consider similar interventions in other MDBs as well as further actions in the ADB itself.

COVID-19 knows no borders and only a continued co-ordinated multilateral approach will help us develop a workable solution to the pandemic and, in time, a global recovery. The ADB has been at the forefront of collaborative efforts, lending their extensive knowledge and expertise unreservedly, we commend the Bank in this regard.
We must not lose momentum, working together we can emerge from this pandemic stronger. As we move forward, the Bank must maintain focus on its long term objectives as enshrined in Strategy 2030, ADF 13 and associated targets. This also must encompass the Bank’s commitment to international agreements including the Paris Agreement on climate change and UN Sustainable Development Goals (SDGs) which provide a strong platform for the post-pandemic recovery in Asia and the Pacific. Meeting our joint commitments to achieving climate change mitigation, gender equality, providing support to the SIDS and regions experiencing Fragile, Conflict and Vulnerable Situations, attainment of the UN SDGs and Debt Sustainability will ensure that the region rebuilds resilient and inclusive economies and societies. As challenging as COVID has been, we must not lose sight of the issues which existed before COVID, they still exist and will be there long after the pandemic has faded into memory. This is why we must keep them central to our work and the work of the Bank. In this regard, Ireland will continue to work in partnership with the ADB to support regional countries to recover from the COVID 19 pandemic and advance their development goals.

I would like to take the opportunity to express my gratitude to our Executive Director, and his exceptional team in our Constituency Office, they have as ever provided support and valued guidance over the past year.

President Asakawa, on behalf of the Government of Ireland, I would like to express sincere thanks to you, your management team and staff for the professionalism, and flexibility shown over the past months. Your steadfast resolve has provided the Bank with the guidance needed to navigate these troubled times, positioning the ADB at the front of the fight against COVID-19.

I can assure you of Ireland’s continued commitment to the ADB, Ireland stands alongside the Bank in support of its regional members, as we work together towards a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.

I look forward to the day we can all meet in person once again. Thank you.
ITALY
Pablo Facchinei, Temporary Alternate Governor

Mr. Chairman of the Board of Governors,
Fellow Governors,
President Asakawa,
Distinguished Guests,

I would like to start by thanking the management and the whole staff of the Bank for organizing this virtual Annual Meeting, thus giving us the opportunity to exchange our views in these difficult times.

This a critical period for the world economy and for the Asia and Pacific Region, after the impressive growth of the past twenty years. All developing member countries are being hit by the COVID-19 pandemic and are suffering from its economic and social consequences, following the decrease in global demand, the disruption of global supply chains, the breakdown of global travel.

The ADB has been able to respond in a timely and flexible fashion, dealing with an emergency of unprecedented nature and size, by reorienting the use of some resources, while following the priorities of Strategy 2030, and by providing substantial countercyclical support.

But the challenges ahead are multiple, besides saving lives: against the backdrop of the uneven picture of the Region, combined with an uncertain scenario, we must put more efforts than ever in pursuing poverty eradication.

The COVID-19 pandemic has hit the real economy hard and is deeply changing our way of living. We run the risk of witnessing a reversal of what has been accomplished in the past decades in terms of development gains, inclusive and sustainable growth, as well as regional cooperation and integration.

In order to be ready to cope with the risk of financial and social instability, we must help countries bounce back as quickly as possible, by taking actions at both national and regional level. We must engage with less developed countries with all available means, looking at them as a key part of the global recovery and fully involved in the process of resolving disruptions of the global supply chain.

Vulnerability and fragility should be addressed in a comprehensive manner to avoid permanent damage: no one is to be left behind, existing disparities across countries and within countries are
not to be exacerbated while resilience to environmental, economic and social vulnerabilities must be built.

To cope with the multifaceted challenges of the Region, human capital and innovation are key factors for sustainable growth and for the transition of a developing member country from a low-income to a middle-income status. But in order to have an environment conducive to quality education, skilled workforce and innovation, institutions must be sound, policy measures must be ambitious and governments must be able to interact with the private sector.

We commend the Bank’s commitment to respond to the crisis by implementing the “One-ADB” approach, in close coordination with its developing member countries and its private sector clients. We acknowledge that originating non-sovereign operations is proving more challenging than expected, in spite of the efforts made so far.

We are confident that the Bank will leverage on its expertise and unique position in the Region to remove investment bottlenecks and foster private sector involvement, while acting in synergy and coordination with the other Multilateral Development Banks.

Now more than ever, it is crucial for MDBs to work as a system – based on their respective comparative advantages – to address global challenges and achieve sustainable development encompassing health, economic, social and environmental objectives.

Coordination between MDBs should be accompanied by coordination between all International Financial Institutions as well as with other multilateral actors, with a view to enhancing the efficiency of the long-term response to the current crisis and to delivering transformative impact.

According to its development mission, the Bank should make sure its action is distinguished from straight macro-financial support undertaken by the International Monetary Fund and humanitarian assistance provided by the United Nations agencies and others.

We welcome the proposal put forth by the World Bank Group and the IMF, and endorsed by the G20, for all official bilateral creditors to temporarily suspend debt-service payments from the poorest countries, to help them meet their financing needs. We look forward to an effective coordination and broad participation of all major creditors, with the aim of overcoming the implementation challenges and ensuring the full success of this initiative.

Thank you for your attention.
I. Introduction

Mr. Chairperson of the Board of Governors, Mr. President, Governors, Ladies and Gentlemen:

First of all, I would like to express my respect to the ADB staff members who are dedicating themselves to their tasks under the leadership of President Asakawa amid the unprecedented difficulties due to the spread of the COVID-19 pandemic.

While it is regrettable that the annual meeting cannot be held in person, I would like to express my sincere gratitude to the ADB staff for its efforts in preparing for the virtual meeting.

II. Response to the COVID-19 pandemic and ADB’s Role

To deal with the health, economic, and financial impact of the COVID-19 pandemic, governments and International Financial Institutions around the world have been taking various actions and enhancing coordination.

At this juncture, ADB has provided emergency assistance including in the procurement of medical equipment to various countries since this January. In April, ADB announced an emergency assistance package of $20 billion, including the establishment of a special measure to streamline its operations for quicker and more flexible delivery of assistance.

Japan highly appreciates such efforts by ADB and provided emergency support of $150 million through the Japan Fund for Poverty Reduction (JFPR) and the Asia Pacific Disaster Response Fund (APDRF) to help developing member countries (DMCs) strengthen their capacity to contain the spread of COVID-19.

Although it is difficult at present to forecast when the COVID-19 pandemic can be brought under control, Japan expects ADB to continue providing appropriate support in accordance with the situation of infection in each country.

III. Japan’s Development Priorities

In order to contain the COVID-19 pandemic and achieve economic recovery from COVID-19 as well as sustainable economic growth, Japan believes that the following four development
priorities, which Japan has worked for, are becoming increasingly important. Japan expects ADB to continue and enhance its efforts in these areas.

**Regional Health**

Japan has called for the importance of enhancing pandemic preparedness and response, and has cooperated with ADB in promoting universal health coverage (UHC) in DMCs. The COVID-19 pandemic has reconfirmed that building resilient health systems in developing countries plays an important role in not only the improvement of quality of health services but also sustainable economic growth.

Japan will further strengthen cooperation with ADB in achieving UHC in Asia and the Pacific under three new pillars: (i) building institutional framework for UHC, (ii) accelerating human resources development for UHC, and (iii) investing in infrastructures for UHC.

**Quality Infrastructure Investment**

Promoting "Quality Infrastructure Investment" is essential for sustainable economic growth after COVID-19. Japan has been cooperating with ADB to promote "Quality Infrastructure Investment" in Asia and the Pacific through various co-financing projects.

The "G20 Principles for Quality Infrastructure Investment", which were agreed at G20 summit under Japan's G20 presidency last year, include such elements as efficiency in terms of life-cycle cost, transparency of procurement, open access, and debt sustainability. These are exactly in line with what Japan and ADB have been promoting. Japan hopes that these principles will be further incorporated in ADB's operations.

**Debt sustainability**

As DMCs take fiscal stimulus measures for responding to COVID-19, the risk of debt vulnerability in Asia and the Pacific requires closer attention. Debt vulnerability in developing countries is one of the major risks faced by the global economy, and urgent actions are needed to address the risk properly.

In order to ensure stable capital flows and achieve sustainable economic growth, it is critical to ensure debt transparency and sustainability. Japan expects ADB to cooperate with the IMF and the World Bank in promoting measures to enhance debt management capacities and debt transparency in DMCs.
**Domestic resource mobilization**

In order to fundamentally solve debt sustainability issues, it is essential to strengthen domestic resource mobilization and to build a fiscal structure which does not excessively rely on external borrowing.

From this viewpoint, Japan welcomes ADB's assistance for capacity building on tax systems in DMCs.

Japan expects ADB to play a leading role in cooperation on tax systems in Asia and the Pacific under the leadership of President Asakawa.

Japan will strengthen support for these development priorities through Japan Trust Fund in ADB in order to effectively deal with various challenges in Asia and the Pacific.

**IV. ADF replenishment**

As ADB is expected to play an increasingly vital role in the areas mentioned above, Japan is very pleased that the negotiations on the replenishment of the Asian Development Fund (ADF), which is a financing resource to support vulnerable countries, have been successfully concluded. Japan highly appreciates that Japan’s development priorities such as regional health security, quality infrastructure investment and debt sustainability are highlighted in the ADF13 strategy, and Japan has expressed to make a contribution of around 107.6 billion yen subject to the approval of the Diet, which corresponds to the indicative contribution share of 35%.

In vulnerable small island developing states (SIDS), the fall in tourism demand has led to severe economic and social consequences within and beyond the tourism sector. As SIDS are also facing other difficult challenges including natural disasters and climate change, Japan welcomes the scaling up of grant support for SIDS during the ADF13 implementation period.

**V. UMICs**

ADB should also prioritize assistance for lower-income countries and vulnerable countries under the Ordinary Capital Resources (OCR) as well in order to make effective use of ADB resources. With respect to assistance to upper middle-income countries (UMICs), ADB should focus on areas where it can add the most value and on sharing of knowledge and best practices in such areas as regional public goods and climate change, as highlighted in "Strategy 2030".

In particular, with regards to UMICs above the graduation income threshold under the graduation policy, ADB should carry out systematic analyses and assessments of their readiness for graduation during the Country Partnership Strategy (CPS) preparation process, and a concrete path toward graduation should be clarified while prioritizing its assistance in areas conducive to graduation.
VI. Conclusion

The world is still in the midst of an unprecedented crisis, and ADB has a very significant role to play in containing the pandemic and achieving early economic recovery. Japan expects that ADB will take innovative and effective steps through the "One ADB" approach under the leadership of President Asakawa while continuing to carefully listen to the voice of Asia and the Pacific.

Japan will provide continued and strong support to ADB’s efforts and contribute to robust economic recovery and further development in Asia and the Pacific beyond COVID-19 pandemic in close cooperation with ADB.
KAZAKHSTAN
Ruslan Dalenov, Governor

Honorable Mr. Hong Nam-Ki,
Honorable President Asakawa,
Dear Governors, Ladies and Gentlemen,

We highly appreciate the cooperation with the Asian Development Bank and hope that holding annual meetings provides us with great opportunities to discuss all issues and address priority cooperation issues.

Since its establishment, ADB has been engaged in one of the most important areas of development of our time - the fight against poverty. Over the past decades, ADB has become an important partner for all member countries to achieve this goal, including promoting the development and creation of sustainable economies.

During the global financial and economic crisis of 2008-2009, ADB was a significant instrument of the international community in implementing countercyclical regulation measures, having carried out record volumes of investment operations in priority sectors of the economy in the Asia and Pacific region over the years.

Thus, in 2009 and 2015, ADB supported Kazakhstan during a period of sharp declines in world oil prices and economic downturns in its key trading partner countries. The loan helped the Government of Kazakhstan modernize infrastructure and maintain programs aimed at creating jobs, providing social services, helping low-income households and developing the private sector.

In the context of the current situation in the world due to the spread of COVID-19, we express our gratitude to ADB for approving a loan in the amount of $1 billion and allocated technical assistance, which will support a comprehensive plan to support health care, social protection and employment, as well as economic recovery, developed by the Government to mitigate the negative effects of the pandemic.

Within the framework of new cooperation with ADB, the Partnership Framework Agreement, ratified in May 2020, is of particular importance, which will allow expanding project financing instruments and increasing ADB’s contribution to the implementation of investment projects, which will lead to increased macroeconomic stability of Kazakhstan, modernization of infrastructure and utilities, assistance to ADB in developing the agricultural sector, improving access to finance for SMEs, and increasing investment in infrastructure and social sectors such as health and education.
We are interested in further implementation of the Central Asia Regional Economic Cooperation Program with ADB and in expanding its strategic priorities. We look forward to continuing its implementation within the framework of the new CAREC 2030 Strategy. Also, in the near future, within the framework of CAREC, it is planned to start implementing the “Tashkent-Shymkent-Khujand Economic Corridor” project, which will contribute to the development of relations between the three countries.

To date, within the framework of the joint Knowledge and Experience Exchange Program to prepare and support loan projects and to conduct research, the Government of Kazakhstan has allocated a total amount of $4.25 million. The Program’s total joint portfolio with ADB will amount to more than $7 million.

In conclusion, I would like to note that ADB is an important and strategic partner for the Republic of Kazakhstan. We express our gratitude for the significant assistance provided by ADB, both in terms of finance and knowledge, to introduce new technologies through innovative projects in Kazakhstan.

Thank you for attention.
Distinguished fellow Governors, Representatives of Members, 
President Asakawa, ladies and gentlemen,

Contrary to our hopes, COVID-19 is still with us. 
I would like to sincerely thank President Asakawa and the ADB staff for your active role in fighting COVID-19 in the Asia and Pacific region.

We are currently in the middle of three unprecedented crises – a pandemic, an economic downturn, and changes in economic and social structures. 
Since none of these crises can be solved by one individual member, we all need to stand in solidarity. 
I will now highlight three priorities.

First, improving our ability to counter public health crises and building resilience.

COVID-19 has not abated, and a second wave may also break out. Some even warn about a ‘twindemic’ risk. This will overload medical systems and devastate the economies and societies of our region.

Boosting economic growth depends on effective quarantines. It is crucial to meet the pressing healthcare and economic needs of Developing Member Countries (DMCs) in a timely manner. 
We will share the lessons learned and focus on building public health capacity in DMCs. Policies to encourage social distancing will be another primary point.

Measures to build resilience against future pandemics are imperative. We will need to adopt innovative systems such as the Medical Supply Stockpile. This facility can stock necessary equipment and medications when supply is stable and provide them to DMCs in the early stage of a pandemic.

Second, promoting inclusiveness through prompt and efficient fiscal policy.

Extreme restrictions have had dire consequences, including employment shocks and severe economic recessions. Under these circumstances, the role of public finance is critical for safeguarding jobs, supporting demand, and protecting vulnerable groups. At the same time, fiscal policies must be effective for ensuring the delivery of stimulus packages.
In this context, we support the overarching role that the ADB plays in financial support, capacity building, and the adjustment of expenditure priorities. In conjunction with these efforts, I believe that the ADB must also consider debt vulnerability that constrains fiscal space.

In particular, financial and policy support will be significant for DMCs in Fragile and Conflict-Affected Situations (FCAS) and Small Island Developing States (SIDS), since these crises are particularly painful for them.

Third, transitioning to a digital and green economy.

COVID-19 is accelerating the pace of switching to a digital economy. On top of that, the recognition of the need to address climate change is speeding up the pace of the shift to a green economy.

We will spare no effort to create jobs and jumpstart the economy even as we continue to focus on the urgent issues of healthcare and economic repression.

To this end, the ADB will serve as a knowledge disseminator. We expect the ADB to facilitate such transitions by building capacity, designing tailored projects and enhancing educational infrastructure, while taking the situations of each member into account.

I look forward to meeting all of you in Georgia in person once we prevail over the current pandemic and economic crisis. I am also grateful to everyone for supporting the Republic of Korea as we prepare to host the 56th ADB Annual Meeting in 2023.

Finally, I would like to extend my deepest sympathy to everyone who has suffered from health problems and economic difficulties. Let me conclude by wishing you all good health and safety.

Thank you.
KYRGYZ REPUBLIC
Suerkul Abdybaly Tegin, Temporary Alternate Governor

Honorable Chair of the Board of Governors!
Honorable Governors and Alternate Governors!
Honorable President of the Asian Development Bank!

The Ministry of Finance on behalf of the Government of the Kyrgyz Republic appreciates the timely assistance provided by the Asian Development Bank to combat the COVID-19 pandemic, particularly:

COVID-19 Active Response and Expenditure Support (CARES) Program of $50 million was approved in May 2020 and disbursed in June 2020. CARES Program supported the government's efforts in mitigating the adverse health, social, and economic impacts of the COVID-19 pandemic.

COVID-19 Pandemic Emergency Project of $20 million was prepared in response to the government's urgent request in March 2020 to assist in improving the capacity of the health system to mitigate COVID-19. The project will support strengthening of 8 selected hospitals across the country by expanding and equipping their Intensive Care Units. The project will procure medical and personal protection equipment (PPE), finance minor rehabilitation, salary top-ups, and other eligible expenses.

The Government of the Kyrgyz Republic attaches special importance to cooperation with the Asian Development Bank and highly appreciates the projects being implemented that make a tangible and positive contribution to the development of infrastructure and improvement of the quality of living of the population of our country.

In this regard, the Kyrgyz Republic supports the long-term Strategy of the Asian Development Bank to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

Dear ladies and gentlemen,

I would like to briefly highlight important and promising areas of cooperation with the Asian Development Bank.

In particular, the Kyrgyz Republic, on the basis of national development priorities, confirms its readiness for further cooperation in supporting economic growth and economic diversification, improving access to public and social services and using regional cooperation.
To achieve growth in 2018-2022, the Government of the Kyrgyz Republic, together with the Asian Development Bank will continue to implement accelerated infrastructure investments in energy and transport sectors, consistently support economic diversification through budget support, which in turn will provide an opportunity to improve institutional reforms to raising efficiency in the sectors.

For improving access to public and social services, the issue of increasing employability of the labor force by expanding access to work skills development, improving water supply and sanitation in selected cities and towns and introducing pilot projects in rural areas will also be considered jointly with the Asian Development Bank.

In this direction, the Asian Development Bank has expressed its readiness to support agricultural services, resilience to climate change and disaster risk reduction with a focus on water resources. Environmental sustainability will be supported by combating the adverse effects of climate change and enhancing resilience to climate change and natural disasters.

The Asian Development Bank will continue its initiative under the Central Asia Regional Economic Cooperation (CAREC) program, which will enable the Kyrgyz Republic to take advantage of regional initiatives, including the opportunities arising from joining the Eurasian Economic Union (EEU). The Asian Development Bank will provide support for improving governance, increasing gender equality, and in the form of knowledge products to be used in diversification activities. Projects for private sector development will be explored, including in the agribusiness, energy and telecommunications sectors.

In conclusion, let me wish success to the work of the Annual Meeting.

Thank you for attention.
LAO PEOPLE’S DEMOCRATIC REPUBLIC
Soulivath Souvannachoumkham, Temporary Alternate Governor

Mr. President,
Distinguished Delegates,
Ladies and Gentlemen,

It is great honor for me and my delegation to represent the Lao PDR attending this historic first virtual ADB Annual Meeting in a special occasion amid worldwide affecting by COVID-19 pandemic.

Let me start by expressing my appreciation and gratitude to the efforts made by President Asakawa Masatsugu, the management, and the executive board of directors of ADB.

Mr. President,

As we all know that the COVID-19 pandemic is unprecedented and its impact continues to threaten economies globally, but development need is still much needed. The COVID-19 induced economic downturn has affected Lao PDR through multiple channels including tourism, trade and investment, commodity prices, and exchange rates, like most countries worldwide. Local and foreign investments are drying up. Small business revenues and orders have been reduced drastically.

Prior the pandemic, we have been implementing the most important connectivity strategy in transforming from “land-locked” to “land-linked” and “land-bridge” country. We are in the process of finalizing the implementation of the 8th five-year National Social-Economic Development Plan-NSEDP (2016-2020), in which the SDGs are being integrated into this Plan as well as in the upcoming 9th five-year NSED (2021-2025). It is undeniable that many least developed and especially land-locked country like Lao PDR had come across many challenges and constraints on technical and financial resources even before the pandemic, COVID-19 outbreak just made this even worse. We are still lacking support in many areas and would highly appreciate any assistance to help get us through this hard time.

Distinguished delegates

Given the limited fiscal space, it is important for the Government of Lao PDR (GOL) to reprioritize spending and mobilize additional resources to support well-targeted social assistance to affected households and businesses. To response to COVID-19, GOL had to come up with policy options
that will mitigate the impacts of the outbreak, provide immediate economic relief while supporting recovery and fostering resilience in the medium and long-terms.

We need to look deeper into include the plans and an insufficient number of well-prepared investable projects along with private sector incentive structures that are not necessarily appropriate for investing in many long-term projects, and risk perceptions of investors. We further call for enhanced roles of the multilateral development banks such as ADB and other MDBs to utilize the existing tools and new instruments to better facilitate its member countries to achieve the SDGs 2030 and the global agenda.

Mr. President,

The pandemic has given us all more time to reflect on what’s important. Let’s ensure the collective response focuses on what’s good for the planet and its people. We have an important role to play through our work in various sectors in making the world a better place.

Ladies and Gentlemen,

In conclusion, on behalf of the Government of Lao PDR, I would like to express our sincere appreciation to the Management and staff of the ADB, and fellow member countries for the assistance given to the Lao PDR. I would also like to take this opportunity to extend the Government’s continued support in collaborating with ADB to realize tangible development results for Lao PDR. Let me conclude by wishing everyone a steady recovery from the COVID-19 pandemic and also wish this meeting a great success.

Thank you.
Distinguished Governors of the Asian Development Bank, Mr. President, on behalf of the Government of Luxembourg, I would like to express my sincere thanks to the Management of the Asian Development Bank for making it possible for the Board of Governors to meet virtually.

Since last year’s Annual Meeting the world has changed dramatically. The COVID-19 pandemic is unprecedented, and its impact is devastating. Significant progress that has been made over the last decades has been reversed, pushing many millions back into extreme poverty. In these critical times, ADB’s actions are more important than ever. I applaud the Bank for its fast and decisive response to this emergency situation.

While the short-term response has been fundamental, the crisis shall be a reminder for our long-term objectives in reaching the sustainable development goals. Ultimately the Bank’s success in managing the crisis will be measured against its support for the recovery phase, to put economies and societies in Asia and the Pacific back on the path of inclusive and sustainable growth and development. In light of a pandemic that has upended life around the world, I encourage ADB to set out how it will execute Strategy 2030, how it will support creating new jobs Asia needs led by the private sector, how it will help building fairer, more equal, more transparent, and more resilient organizations, how it will target towards the most vulnerable, especially women and youth, and how it will tackle the causes of fragility.

Given the scale of the crisis, the Bank must target the funds to where the impacts are the greatest and focus its help to the most vulnerable. Financial inclusion is now more critical than ever. Low-income families and small businesses are acutely vulnerable to the health and economic impact of the global pandemic. They are less likely to have access to quality, affordable health care and paid leave to care for sick family members. And without adequate savings, insurance, and credit, it is hard for them to weather the crisis, deal with business disruptions, and maintain their livelihoods. Financial inclusion continues to be strikingly low in many of our member countries. Millions of people and businesses are left without access to finance, thereby increasing the devastating impact of the current crisis. I encourage ADB to pay special attention to financial inclusion and am convinced that the Financial Sector Development Partnership Special Fund, with the support of Luxembourg, will prove to be essential for a resilient recovery.

Climate finance targets must be the centerpiece of all ADB support, helping countries to plan and deliver for a low-carbon and sustainable recovery. In order to achieve these ambitions, significant investments need to be mobilized. High-performing green, social and sustainable capital markets will play a key role. Luxembourg is proud to be at the forefront of a truly green recovery and an
important contributor for a prosperous future for all. As a center of excellence in the field of responsible, sustainable and innovative finance, Luxembourg is the first European country with a Sustainability Bond Framework that meets the highest international standards. It is also the first in the world to fully comply with the new recommendations of the European taxonomy for green financing. We pursue the development of a responsible, sustainable and innovative financial sector in order to meet the challenges of a dynamic economic development in Asia and the Pacific, which goes hand in hand with the respect for ecological limits and social equity.

In conclusion, Luxembourg stands steadfastly with the Asian Development Bank. It is one of our strategic partners for economic development in Asia. Working together we can do great things and emerge from this pandemic strongly.
Mr. Masatsugu Asakawa, President of the ADB,
Distinguished Governors,
Ladies and Gentlemen.

Thank you Mr. President and everyone in the ADB team for your efforts in organising and hosting the Second Stage of the 53rd Annual Meeting of the Board of Governors, particularly given the challenges of going virtual.

Indeed, we are living in difficult times with the global pandemic posing multifaceted challenges to governments all around the world, exacerbating existing socioeconomic gaps. Many governments around the world are struggling to contain this threat and limit damage on both health and economic fronts. The IMF World Economic Outlook June 2020 forecasts a global contraction of 4.9% in 2020, with advanced economies’ GDP collectively plunging 8% while emerging market and developing economies shrink 3%. While the exact magnitude of the losses remains uncertain, the impact of strict containment measures halting travel and requiring people to stay-at-home will continue to hamper the global economy.

Against this backdrop of economic uncertainty and vulnerability, it is critical for multilateral development banks (MDBs) to help lead the global economic recovery. A more coordinated approach among MDBs to address clients' needs is vital to delivering much-needed assistance while avoiding damaging delays and inefficiencies. Given the global economic challenges coupled with the pandemic and growing complexities of the financial development architecture, the ADB must position itself to cooperate and collaborate with other development partners. We must remain committed to ease the burden of member countries in their endeavours towards ensuring sustainable and inclusive growth for all member countries.

Crises undoubtedly affect the most vulnerable people and least developed countries hardest. Realising this, Malaysia would like to commend the ADB for its swift response in announcing the USD20 billion ADB Rescue Package, as the ADB remains a willing partner to member countries in these difficult times. Malaysia also welcomes the Bouncing Back Policy Actions for COVID-19 Economic Recovery (PACER) Dialogues, an initiative to participate and exchange information among member countries towards facilitating economic recovery. Malaysia is pleased to note that we have benefitted from this knowledge platform and hopes that member countries can similarly gain knowledge and insights from Malaysia’s sharing experiences and lessons learnt in mitigating the adverse impacts of the COVID-19 pandemic.
On the domestic front, Malaysia has announced and implemented an extensive set of stimulus measures amounting to approximately USD71 billion (RM295 billion), with assistance providing a safety net for households and businesses. This include financial assistance to the people, loan deferrals and support for safe operating procedures to boost confidence and stimulate the economy.

The pandemic has also highlighted an urgent need to make global cooperation more ‘crisis-proof’. The global response has been more national than international, undermining collective efforts to mitigate health and economic damage globally. We need to work together to combat the greatest global health challenge in over a century, by sharing our experiences implementing public health interventions and uniting to reinvigorate the world economy. That includes maintaining and facilitating the safe movement of goods, services, capital and people internationally.

Thank you.
MALDIVES
Ibrahim Ameer, Governor

Bismillahi-Rahmaani-Raheem

President of ADB, fellow Governors, ladies and gentlemen. A very good afternoon.

I am honored to convey some of the important notes in this statement while the Alternate Governor is attending the virtual meeting of ADB’s 53rd Annual Meeting. I would like to express my sincere appreciation to the management of ADB for planning this event in the midst of a global pandemic.

Ladies and gentlemen:

ADB has been committed to deliver sustainable development to the Maldives in various ways in the past four decades by financially and technically assisting a number of sectors to achieve a prosperous, inclusive and resilient economy.

Today we are faced with something more challenging than ever, a global pandemic which has resulted in the global economy declining at a very alarming rate. Maldives is an upper middle-income country, but one that also sits on the unique crossroads that comes with being a small island developing state, faced with many challenges and risks in achieving our development objectives. To finance our ambitious development agenda, including our infrastructure projects such as providing safe water and sanitation, harbors, education and access to healthcare to our 200 inhabited islands, we have had to resort to external borrowings and the outcome of these investments will only be seen some years later as our vision of decentralization comes in to life as outlined in our National Development Plan which is being developed.

When Covid-19 struck, we were on this road to achieving our developmental targets for the people and with plans to stimulate economic activities and strengthen our public finance management with many reforms being undertaken. However, today, we find ourselves in a dilemma whereby our financial resources are depleted. Our livelihood has been very much interlinked with tourism with a major proportion of the workforce being employed in this sector, which contributes directly to 25% of GDP and indirectly account to over 60% of GDP. Government expected revenue declined by more than 50% of the initial budgeted revenue due to the halt in tourism.

Due to this, we implemented several measures on expenditures. The initial approved budget for the year has been reduced by 17% to address the growing financing gap; with measures such as salary reductions from top categories, the pause of investment projects which had not been contracted or financed; and other reductions in discretionary spending such as travel and repairs
to the maximum extent possible. Additionally, we allocated funds to support Covid-19 efforts for health and social responses, economic relief to businesses and SMEs affected, income support to individuals, debt moratorium through the domestic banks; and support to the state-owned enterprises as their revenue had also been heavily hit.

However, even in this Covid-19 pandemic, ADB has been assisting Maldives throughout. I would like to highlight that ADB is strongly committed to assist the Maldives to mitigate the adverse impacts of the pandemic on the country’s socio-economic growth and health sector. In this regard, ADB had recently approved USD50 million for Active Response and Expenditure Support Program and Covid-19 Emergency Response Grants amounting USD500,000 being approved in March and USD1 million July 2020.

Ladies and gentlemen:

Due to our dispersed geographical features, achieving sustainable development remains a real challenge. Given this, ADB has prioritized their developmental activities towards improving the transport connectivity between islands to provide a collective and sustainable transport network. I would like to highlight that ADB has assisted in expanding the capacity of Male’ Harbor and the expansion of passenger and cargo harbor in Kulhudhuffushi in the north of Maldives. It is with great pleasure I would like to announce that the Kulhudhuffushi Harbour Expansion project is nearly in completion and is expected to be in use by next year.

ADB has also been assisting our private sector under the SASEC program and this is the first project of the Maldives and that we are looking forward to more projects under this window in the near future.

Ladies and gentlemen:

The capital Male’ is the population and economic center of the Maldives accounting around 1/3 of the population. The issue of solid waste management is massive challenge the Government. The Government with ADB being the main financier with other developmental partners has initiated a sustainable regional solid waste treatment system in the Greater Male’ region to reduce disaster risk and improve climate change resilience. This mega project is now on the verge of implementation.

I sincerely thank ADB for being our partner in this mega project; I am confident that we will be able to improve the quality of life for those living in the Greater Male’ region.

As a part of sustainability development goals ADB has also initiated a project which would benefit most of the islands. The objective of Preparing Outer Islands for Sustainable Energy Development Project is to replace inefficient diesel-based power generation grids with hybrid renewable energy systems benefitting nearly 160 islands, generate 21 megawatts of solar power, sustainably reduce carbon dioxide emissions and reduce the subsidy burden on the government.
Ladies and gentlemen:

Before concluding, I would like to highlight that overcome this global pandemic is impossible without unity and coordination. We need our developmental partners including ADB partnering with Maldives more than ever to administer such high scale initiatives with greater determination to reduce the complex adversities of this pandemic.

To conclude, I would like to first thank ADB for arranging and organizing a successful virtual meeting in such a challenging time. I believe that this event has always been an integral part of our discussions that continue.

I would like to express our sincere gratitude to the management of ADB for their continuous effort in transforming our country in to an economically sustainable place. Maldives has always been able to rely on ADB for in developmental endeavors.

Thank you.
Mr. Chairman, Mr. President, Fellow Governors, Distinguished Governors, Ladies and Gentlemen

It is my honor to represent the Government of the Republic of the Union of Myanmar in this 53rd ADB Annual Meeting (2020). Taking this opportunity, I would extend our sincere thanks to ADB and its Management Team for successfully organizing this meeting given daunting challenges and restrictions presented by the COVID-19 pandemic. I would also like to express my deep appreciation to ADB for its kind support to Myanmar in fighting against with the global pandemic COVID-19.

Myanmar Economy

At the 53rd ADB Annual Meeting with the theme, “Innovation, Inclusiveness and Integration”, it is my privilege to make a short exposition of current macroeconomic situation in Myanmar. Myanmar economy was recorded 6.8% in FY 2018-2019 and 6.0% in the first six months of FY 2019-2020. However, recent outbreak of COVID-19 has made substantive impact on the economy, as with all the other economies.

Economic impact of COVID-19 has manifested in Myanmar in the form of disrupted supply chain, trade flows, remittance, and cessation of tourism. To mitigate the impacts of the pandemic, Myanmar has announced the COVID-19 Economic Relief Plan (CERP) on 27 April 2020 as a comprehensive economic stimulus plan. The CERP is a collection of pro-poor and pro-MSME policy measures designed to not only buffer against adverse effects of the pandemic but also to boost economic activities in the most vulnerable and strategic sectors in the economy. CERP has 7 Goals, 10 Strategies, 36 Action Plan and 76 Actions covering a broad range of extraordinary fiscal and monetary measures combined with broad-based programs of tax relief and moratorium, targeted countercyclical and expansionary policy measures including specialized lending programs for smallholder farmers, microfinance institutions, and civil servants, MSMEs, restaurants and teashops, etc. In conjunction, the Government is in the process of creating a special COVID-19 Fund via reallocation of budget from line ministries so that it can exercise a greater degree of fiscal resilience and flexibility in designing and implementing programs and policies against ever-evolving economic challenges induced by the pandemic.

What the Government doing

The Government is determined to formulate and implement requisite policies and programs to counterbalance the adverse economic impacts of the pandemic.
We are cognizant of the possibility that an expected increase in public expenditure, with a shortfall in public revenue, can lead to a higher budget deficits. With the possibility of a growing financing gap due to COVID-19, the role of external financing and international collaboration has become more significant.

To narrow the financing gap for public programs formulated in the CERP, the Government has been working closely with a plethora of development partners including World Bank, IMF, ADB, and JICA. Stress and strain to our fiscal space has been further relieved by Debt Service Supervision Initiative (DSSI) for IDA countries and LDCs by G20. Our fiscal space is also buttressed by reallocation of non-essential expenditure from FY 2019-2020 budget to finance the implementation of CERP.

The Government envisions that infrastructure projects can be a source of economic recovery for Myanmar. Through the facility known as the Project Bank, the Government of Myanmar is accelerating and amplifying its call to international investors to develop much-needed physical and social infrastructure to generate and maintain momentum in the COVID-riddled economy. By closely aligning Myanmar Sustainable Development Plan (MSDP) and ADB New Strategy 2030, ADB’s country program for Myanmar is well-poised to support Myanmar’s infrastructure-led economic recovery.

ADB Role in Myanmar’s Development Process

Since 2012 when ADB resumed its normal operations in Myanmar, ADB has played a crucial role in economic and social development of the country. In fact, ADB has supported a variety of projects in rural infrastructure development, rural socio-economic development, transport and energy sectors particularly in electric power generation and distribution, irrigation, urban development, trade and investment climate, promoting Public-Private-Partnership, regional connectivity, capacity building and skills development in various sectors. ADB has also provided support to effective public debt management and bond market development, etc.

During the COVID-19 pandemic period, ABD’s quick-disbursing budget support in the amount of $250 million loan of its COVID-19 Active Response and Expenditure Support (CARES) Program to Myanmar is a vital source of financing for the implementation of CERP. Through this financing scheme, Myanmar has adequate fiscal wherewithal to provide social assistance to the poor, disadvantaged, and vulnerable groups including those in conflict-affected areas, and supports workers and micro, small, and medium-sized enterprises (MSMEs), 30% of which are owned by women. The program is also designed to further strengthen the Government’s health care system to better prevent and control the spread of the pandemic.

Moreover, ADB’s $60 million of concessional loan to Myanmar accelerates the effort to establish Credit Guarantee Corporation (CGC) in the country to promote economic development by fulfilling its objectives: (1) to underwrite credit guarantee for necessary loans to MSMEs, (2) to share credit
risks between Credit Facilitators and CGC through risk-sharing arrangement, and (3) to create more employment opportunities for people and to alleviate poverty through the development of MSMEs.

Acknowledging the ADB’s generous assistance and support to Myanmar, we highly appreciate ADB for its continuous partnership in achieving sustainable and inclusive growth with the theme of connectivity in line with its Country Partnership Strategy (CPS).

We are looking forward to forge stronger and closer partnership between Myanmar and the ADB in years to come.

We are confident that we can overcome the global pandemic and create a better world for our generation with stronger and closer coordination and collaboration among us.

Thank you.
Chairman, President Asakawa, distinguished Governors and Delegates, Ladies and Gentlemen,

“The only constant in life is change.” Although this quote is already 2500 years old, it has seldom been more true. The reality we face now, is a completely different one from the previous Annual Meeting in which we convened to discuss the future of the Bank and its Member states.

Please allow me to commend President Asakawa, ADB Management and all Bank staff on the swift and thorough response to the COVID-19 crisis. We are very pleased with the way in which the Bank has repurposed, beefed-up, and streamlined its support to the DMCs. Indeed, in these exceptional times of need, the Bank has proven to be the partner of choice for many in Asia and the Pacific. We also hope that colleagues at the Bank are safe and healthy.

After a first crisis response, we count on the Bank to assist its DMCs to build back, and to build back better. To manage the current and expected economic shockwaves, we fully stand behind the Bank in its support in building economic, financial and crisis resilience. As we are preparing the largest economic stimulus packages since the adoption of the SDGs and the Paris Agreement on Climate Change, we must apply the right priorities and criteria – so we can have an economic recovery powered by low carbon infrastructure, green jobs and resilient livelihoods. This means renewable energy, nature-based solutions, and resilient water and food systems. It means no finance for coal and upstream oil and gas. And it means helping countries to end fossil fuel subsidies, restructure coal mining regions, and move beyond economic dependency on oil and gas. The Bank should lead the way by promoting investments in an economic recovery that is sustainable, inclusive and resilient – not by promoting a single-minded focus on supply-side reforms, important as they can be.

We look forward to a number of important discussions that are tabled for the coming year. We are committed to remain a strong partner of the Bank, especially where it supports the poorest and most vulnerable. In that vein, the Netherlands pledged an extra 10% to the replenishment of ADF13. We thank management for suggesting having an in-depth discussion on the future of the Fund and the future of the TASF and look forward to a fruitful exchange. We also very much welcome the upcoming discussions, together with other stakeholders, on the revision of safeguards. We see this update as an excellent opportunity to incorporate best practices of other IFIs, and to make sure that the Bank remains one of the frontrunners in this area. Finally, we very much welcome a discussion on the energy strategy of the Bank. In line with our ambition to build back better, and in order to have the Bank and its interventions be Paris aligned as soon as
possible, we attach great importance to updating the energy strategy and in making sure that renewable energy is at the helm of the Bank’s energy interventions.

We strongly encourage the ADB to continue demonstrating climate leadership in the region, encouraging countries in their low carbon climate resilient development pathways. To safeguard economic growth in the long term, the direction of economic growth has to change. Green and inclusive recovery must be placed at the heart of the agenda fostering extra economic growth and creating additional jobs.

Mr. President, let me thank you again for your tireless efforts in guiding the Bank and its member countries through these difficult times. We look forward to continuing our long-standing partnership on our joint commitment to the sustainable development of Asia and the Pacific.

Thank you.
NEW ZEALAND
Karen Murray, Temporary Alternate Governor

Tēnā koutou Honourable Governors and President Asakawa.

While we are sadly not in a position to meet in person in Incheon this year, we thank the Government of the Republic of Korea for the extensive preparations they had made to welcome us all to their shores in 2020 and we look forward to returning for our Annual Meeting in 2023.

President Asakawa, your first Annual Meeting as ADB President comes during a time of unprecedented difficulty and disruption for all ADB members. We thank you for your strong leadership of the Bank during this period and would like to appreciate the work done by the ADB’s Board of Directors, Management and staff to support ADB’s Developing Member Countries so far during this crisis, often in difficult personal circumstances.

ADB’s response demonstrated the flexibility and agility that New Zealand has always desired the Bank to aspire to. We appreciated how ADB adapted its response as the scale of the crisis evolved, quickly providing significant new resources to its members without compromising its financial sustainability over the longer term, as well as raising record levels of co-financing across the region, in particular from the Asian Infrastructure Investment Bank. The breadth and pace of its response in providing a wide range of support for health sectors, private sector supply chains and to address the strains on government fiscal positions has been impressive. Yet ADB has also demonstrated focus, collaboration and a clear understanding of its strengths, particularly through the Bank’s use of elements of the United Nations System to deliver in first response of assistance to the region’s health sectors.

We trust that this credible effort by the Bank will continue in the future as a new normal way of doing business. Implementing past, present and future reforms, including the 2017 procurement reforms, is essential to maintaining ADB’s relevance in the region and its ability to support its DMCs.

The COVID-19 crisis is far from over, yet as we look to the next phase of ADB’s response, we cannot afford to lose sight of the goals of the 2030 Agenda for Sustainable Development, to which ADB is aligned under Strategy 2030. Time is running out to address other critical challenges, above all the climate crisis. We already know that slower action to reduce emissions and build resilience today will only make the crisis even more difficult and costly to address in future years. COVID-19 has demonstrated in many ways the interconnected and shared nature of our global challenges, and that failures to take action and build resilience are both costly and disproportionately impact on the poorest and most vulnerable. ADB must ensure that it supports...
a ‘Green Recovery’ from the COVID-19 pandemic so that these once-in-a-generation public investments accelerate the transition to carbon neutrality and help members to build their resilience to future shocks and coming disruptions.

The review of ADB’s Energy Policy over the next year also offers an opportunity for ADB to demonstrate strong leadership among the MDBs on the need for greater emissions reduction, consistent with Strategy 2030. This would also enable ADB to truly live up to the Charter’s obligation to have special regard to the needs of its smaller members, some of which face an existential threat from climate change.

New Zealand would also like to thank Bank Management for the dedicated efforts they have made to successfully complete the ADF13 replenishment over this year. The Asian Development Fund plays a critical role in supporting the poorest and smallest, most vulnerable members of the Asian Development Bank. No more so, than during this crisis. The pandemic has only served to underscore the importance of the ADF to these countries in supporting them flexibly through both times of crisis and towards achieving their long-term development aspirations. We firmly believe that the Fund provides the best possible mechanism for delivering finance to the poorest and most vulnerable in the region and we look forward to discussing the future of the ADF next year.

Last year New Zealand was one of a number of Governors who welcomed the progress towards greater diversity at management levels and highlighted the importance of greater diversity in the Board of Directors. We are pleased that there has been an increase in the number of Alternate Directors that are women from one to three out of twelve. But we have not had a woman appointed as an ADB Executive Director since 2016. New Zealand strongly welcomes the establishment of the Board Working Group on Gender Diversity by the Board of Directors and encourages further advice from the Board of Directors to Governors on actions that can be taken to improve gender diversity ahead of the 2021 election of Directors.

Mr. Chairman, the year ahead will be a challenging one for all members. We have full confidence that under President Asakawa’s leadership, ADB will continue to successfully support its DMCs through this crisis and to come out stronger on the other side. We hope the same will be true for ADB itself – this crisis offers an opportunity to transform into a stronger organization that is fit to support its members address the challenges of the 21st century.
Chairman, President, Distinguished Governors, Ladies and Gentlemen,

As a joint statement on behalf of the four Nordic countries – Denmark, Finland, Norway, and Sweden – allow us to thank the ADB for hosting us virtually during these unusual – indeed, fateful times for international development finance.

The pandemic is a health and socio-economic disaster **requiring response of unprecedented scale**. Even if challenges are different in every context, a major part of the responsibility to respond lies with each government concerned. This includes the responsibility to ensure a just transition where no one is left behind and in line with the principles of efficiency and local ownership. We now have the rare opportunity to build back better and greener societies – societies that are more robust and more resilient.

In the midst of this COVID-19 crisis, multilateral institutions such as the ADB are needed more than ever as an integral part of a rules-based international system. The ADB has come together with other multilateral banks and institutions and brought significant financial and technical support. As Nordic countries, we thank the ADB for its response, and in particular for often taking the lead and bringing other IFIs along. As Nordics, we are committed to a strengthened multilateral system with enhanced coordination and cooperation.

The COVID-19 crisis has reminded us of the importance of fulfilling the **2030 Agenda and the Paris Agreement**. It has taught us that our planet and societies are even more vulnerable than we thought. Only a sustainable development path can maintain and improve the resilience of our societies and safeguard the future of people and planet. We must learn from the current crisis, adjust priorities and increase our ambition.

Mr. President, open borders, sustainable value chains and a rules-based trading regime are as essential to dealing with the pandemic as they are to the economic recovery that follows. The private sector has a key role to play, and there is further potential in **private-public-partnerships**. We encourage the Bank to develop its cooperation with the private sector further in line with Strategy 2030 objectives to significantly scale up private sector investment as it works with member countries to design investments. Initiatives like the piloting Private Sector Window in ADF13 and novel approach in new ADB Ventures initiative are also a welcome demonstration of the Bank’s effort to scale up private sector cooperation.
While a pandemic requires extraordinary measures, it can never justify weakening human rights, democracy and rule of law. Rapid response can and must come with good governance, legitimate leadership, maintaining and creating conditions for a vibrant civil society. From a Nordic perspective, the universal values of human rights, democracy, rule of law and gender equality are part and parcel of any effective socio-economic crisis responses.

We encourage the ADB to pay special attention to the next generation. Today's youth deserves quality education, decent job opportunities, access to health services and other essential building blocks for a bright future.

The COVID-19 pandemic is a health crisis. As such, it requires a robust health response. We must prevent, detect and manage future outbreaks more efficiently to minimize their impact. Safeguarding the right to health and combatting pandemics require resilient health systems based on the principle of universal health coverage. Ensuring fair and equitable distribution of diagnostics, therapeutics and vaccines for all is an urgent priority. Free and open trade in medical products and facilitated movement across borders are essential to global health and resilient societies. Any COVID-19 immunization must be treated as a global public good.

Mr. President, we must insist that surviving is not enough. People, including marginalized groups, must be able, and enabled to live long and healthy lives. The right of all women and girls to access essential health services, including sexual and reproductive health and rights, violence prevention and protection services must be respected, protected and fulfilled. The WHO has a key role in our response to global health challenges and enjoys our support. Each institution must focus where it has a strategic advantage. At this point in time, the ADB has an important responsibility to contribute to a better understanding of the systemic nature of risks and how to rebuild.

As societies respond and recover, we must build back better, and greener, including by strengthening sustainable carbon neutral development and climate resilience and accelerating a green transition aligned with the Paris Agreement and the 2030 Agenda. Here, the ADB has an important role to play. In Asia and the Pacific building back better and greener can create millions of jobs and prevent food crises and economic losses. Therefore, we reiterate the importance of increasing the provision of regional public goods (RPGs), including ocean health, biodiversity and ecosystem services in the ADBs continued work with fostering Regional Cooperation and Integration.

Nordic countries intensify our focus on climate change in development cooperation while aiming to mobilize global climate finance. The ADB is an obvious partner in this effort, and even more so, when the ADB energy policy will be renewed as recommended by the recent review. The ADB should avoid any contribution or investment in fossil subsidies or assets in connection with COVID-19 response and recovery and use available alternative approaches. We call on the ADB to accelerate investments in energy transition and access to energy, based on renewable
energy for all and energy efficiency. We urge the ADB to accelerate progress towards its commitment of aligning operations with the goals of the Paris Agreement and to help partner countries develop and implement more ambitious Nationally Determined Contributions (NDC).

We should focus on conditions and resources for investments to create decent jobs in more resilient and less vulnerable sectors and industries as countries emerge from the crisis. Innovations and digital solutions should be encouraged. Free, inclusive and sustainable trade will contribute to economic development and job creation.

As a matter of great concern, COVID-19 exacerbates already existing gender inequalities; more girls than boys drop out of school, women and girls deliver most of unpaid care work. Women constitute the majority of workers in the informal sector, with low wages, no social protection and slim chances of being reached by governmental support packages. Women and girls with disabilities face even greater risks. Gender-based violence has increased and access to sexual and reproductive health and rights declined. Crisis response must address these structural gender inequalities and discrimination. This calls for strategic, systematic and sustained efforts based on gender disaggregated data. We call on the Bank to remain vigilant in its leadership in gender equality and inclusiveness.

Gender equality is not just about rights and opportunities regarding access. Equally important, it is also about rights and opportunities to contribute. We commend the efforts of the ADB Board of Directors to develop a gender diversity working group to pursue equal representation on the Board and we look forward to seeing this initiative come to fruition.

Nordic countries thank the bank for its work as we look ahead to our work to make societies rise stronger, wiser. It is only by rebuilding better, greener and healthier that more inclusive and sustainable development outcomes can be achieved.
PACIFIC DEVELOPING MEMBER COUNTRIES

Eugene Amor, Governor for the Federated States of Micronesia and Chair of the Pacific Developing Member Countries

(On behalf of Governors from Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu)

President Asakawa, fellow Governors, ladies and gentlemen.

On behalf of the Pacific member countries, I extend my warmest Pacific greetings.

In an ideal world I would like deliver this statement in person. However, we live in the actual world, and that world has been grappling with the unprecedented crisis unleashed by COVID-19.

I want to congratulate the ADB for hosting its first-ever virtual Annual Meeting. Although this meeting could not be conducted face to face, that does not diminish the importance of the issues before us. In fact, it illustrates the challenges very clearly.

In many ways we are fortunate in the Pacific. Most member countries remain COVID-free.

Yet the pandemic has had a profound impact on our economies, our societies and our way of life. Before the Pandemic struck, we were making visible economic progress. In 2019, average GDP of Pacific economies expanded by 4%, the region’s best performance since 2015. Now our economies are facing a 5 to 10% fall in GDP this year, and all members face challenging – I would say alarming – circumstances.

Mr. President, on behalf of my fellow Governors I want to express our most sincere gratitude to the ADB for its swift response and support.

The ADB has shown strong leadership, as shown in the rapid approval of a comprehensive financial package amounting to $20 billion. This shows the trusted partnership that ADB has with member countries.

We welcome the grants and technical assistance in the package. They have helped address the urgent health crisis, providing critical medical supplies like ventilators, test kits and personal protective equipment. These have assisted Pacific countries in boosting health systems and capacity.
We also welcome the quickly disbursed budget support under the COVID-19 Pandemic Response Option. This provides much-needed budget support and includes assistance to vulnerable parts of our populations including women, children, the elderly and people with disabilities.

Mr. President, we are grateful for the ADB’s support and quick response in the battle against this global pandemic.

However, we believe that, given ongoing uncertainty around the duration and magnitude of the crisis, the ADB – with its strong balance sheet – should consider further assistance to developing member countries.

For Pacific members, we request the following to be considered.

The first would be a further increase in ADF grants and concessional financing for the smallest and most vulnerable members, with consideration given to front-loading these funds to members facing constraints in accessing funding including small island developing states that are Group C.

Second, a restructuring of existing debts to allow delayed payments of both principal and interest, perhaps of at least three years.

Third, forgiveness of debts, as a last resort if the effects of the crisis deepen – although we understand that a deeper and more careful analysis of such request is warranted.

Fourth and importantly, we look to ADB working closely with other development partners to support equitable access to a sufficient supply of a safe and effective COVID-19 vaccine across the Pacific Region.

Mr. President, COVID-19 will continue to have a profound effect on our economies. We will face up to that.

But Pacific countries also know that we need to keep addressing issues that existed before the pandemic struck. They, too, require our attention and action.

Let me briefly describe some of these issues.

**Digitalization and internet connectivity.**

COVID more than anything has underscored the importance of connectivity. Pacific member countries are among the worst-off countries in this regard, struggling to improve internet infrastructure, expand access and ensure affordability.

For example, Papua New Guinea, the biggest Pacific member, continues to grapple with an undeveloped telecommunications market, very high internet prices, and a majority of citizens connected to sub-standard internet technology. Many of our countries share these challenges.
The benefits of improved internet technology and digitalization are crystal clear. While we acknowledge the extent of ADB investments in this area, no one would argue that a lot more remains to be done in our region.

**ADB Oceans' Health Action Plan.**

This was announced at last year’s Annual Meeting with strong support from all Pacific Governors.

In the Pacific we live in the ocean. A quick glance at the map will show there is far, far more ocean than land. So healthy oceans are central to the wellbeing and livelihood of our people. The Oceans Health Action Plan is a promising opportunity to preserve our Pacific way of life.

We welcome the funding commitment of $5 billion from the ADB, and the opportunities for the private sectors to invest in projects that protect the Ocean’s Health and stimulate the blue economy. We ask for timely implementation of the Action Plan, and regular progress reporting to Pacific Governors.

**Climate Change** remains an important regional agenda: Pacific Leaders have called for ambitious action in response to the Climate crisis. We ask ADB to place climate change at the core of its new energy policy.

Access to climate finance remain constrained for many Pacific member countries. While the availability of disaster insurance programs like the Pacific Disaster Insurance Program, can serve us well in recovering from disasters, a single typhoon, in a single day, can completely wipe out several years’ worth of economic growth and infrastructure investments. We therefore request expertise in climate resilience planning and financing to be scaled up within the Bank to help Pacific members fast track climate resilience investments.

**Private Sector Window.**

We thank ADB management for developing this proposal under the ADF 13 funding framework. As Pacific ADF recipients, we understand the risks associated with private sector operations in our region. However, we are convinced that the proposed Private Sector Window will be a valuable source of investment and a worthy pilot initiative. We believe that an allocation of 2% of ADF grant resources is a sufficiently small, low-risk investment that warrants the Bank trialing and testing small operations under the program.

**Availability of, and access to, concessional resources.**

Like many small island states, Pacific Islands are at high risk of climate change disasters and exogenous economic shocks. We therefore strongly encourage the ADB to consider extending more concessional resources for highly vulnerable small states that are currently eligible only for
OCR lending, such as thematic support to country specific vulnerabilities. The COVID-19 pandemic only exacerbates the need to help these countries access concessional resources.

Mr. President, we trust that this year’s Annual Meeting will involve a commitment from shareholders to support the ADB’s leadership role in the Pacific, recognizing the unique needs of our small island economies.

Kalahngan and thank you from all of us.
Mr. Chairman, President Masatsugu Asakawa, fellow Governors, Alternates and Temporary Alternates, ladies, and gentlemen!

Let me extend my deep appreciation for President Asakawa and his management team for organizing the Business Session of the ADB’s 53rd Annual Meeting in these trying times where we are all fighting a pandemic and trying to conduct business as usual under the new normal. I feel privileged to be a part of these proceedings and to renew Pakistan’s commitment to realize ADB’s vision of a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.

Mr. Chairman,

We meet at a time which is more challenging than ever before in our history, facing one of the worst economic downturns as a result of the health emergency that has hardly spared any nation. The outlook for the following years is, however, not as depressing as first predicted and a bounce back, though moderate, is expected. Despite that, we cannot be complacent given the uncertain nature of the crisis that starts subsiding at one place and rears up its ugly head at others, seriously jeopardizing effective containment at least in the short to medium term.

Mr. Chairman,

Pakistan’s economy has demonstrated resilience despite vulnerabilities in the face of COVID-19. The Government’s handling of the ensuing crisis has resulted in an effective containment of the malaise with the number of cases falling consistently, so far. This handling of the pandemic has been acknowledged all across and many international institutions including the WHO has appreciated the effort.

The most note-worthy aspect of this crisis management has been the government’s resolve not to fully shut down the economy in the face of the initial panic and keep the key sectors open, particularly the ones which provided employment to the most vulnerable including the unskilled daily wagers. The Prime Minister stuck to his commitment to keep the pandemic response with a strong human face and not let the crisis bring more misery to the poorer segments of the population.

To protect the poor from the adverse fallout on their incomes post COVID-19 outbreak, the government, under the Ehsaas Emergency Cash Payments, has so far disbursed Rs 178 billion to 15 million registered beneficiaries in all parts of the country. Another 2 million beneficiaries are
in the process of being paid. It is important to note that these payments are in addition to the routine 4.7 million regular beneficiaries who are provided cash transfers under the social safety net of the government.

Mr. Chairman,

Some of the other measures taken by the government in the face of the pandemic included the creation of an emergency fund of PKR 100 billion to augment the ongoing relief effort, and the provision of tax relief on food and health related items worth PKR 15 billion. Additional relief was introduced for the daily wage workers at PKR 200 billion. Food subsidy was provided with an additional cover of PKR 50 billion. For supporting businesses and economy, the government introduced several measures including PKR 280 billion of secondary guarantees for wheat procurement in an effort to support wheat growers; relief to exporters in terms of drawbacks for local taxes at PKR 100 billion and relief to SMEs and the general agriculture sector at another PKR 100 billion.

The Central Bank also introduced a number of measures to ensure that inflation remains contained to help reduce the impact of COVID-19 on economic growth, employment and to oversee that the banking/payment systems remain healthy. Some of these included reduction of 625 bps in the policy rate in response to the evolving economic impact of COVID-19; and a temporary refinance scheme for payment of wages/salaries to the workers/employees of business concerns for middle and large businesses with average 3-month wage bill of up to PKR 500 million. Ministry of Finance and the Central Bank introduced a risk sharing mechanism to support bank lending to SMEs and small businesses to avail a refinance facility for supporting employment. This incentivized banks to extend loans to collateral deficient SMEs and small corporates. Additional measures included a comprehensive relief package in collaboration with Pakistan Banks Association for households and businesses (microfinance, SMEs, corporates, commercial, retail, and agriculture) to manage their finances; provision of cheap loans for hospitals and medical centers for purchase of medical equipment to develop capacity for treatment of patients infected by COVID-19; facilitating credit requirements for exporters and importers to gain access to cheap finance; and provision of subsidized credits for new investments across all sectors of the economy.

Mr. Chairman,

The signs of progress are a source of confidence for us that Pakistan would be on a sustained path to economic recovery and we expect continued support from our development partners, particularly the ADB. I would also take this opportunity to acknowledge ADB as a long and trusted partner in providing the needed assistance and support in times of dire need in terms of both project and program-based lending, which provides a good combination for strongly anchoring required reforms in different sectors.
We are sanguine that the ADB will continue to make all efforts and explore all avenues to support its developing member countries to achieve progress that is truly inclusive and sustainable. We look forward to a greater and more fruitful collaboration with the ADB.

Thank you Mr. Chair.
PAPUA NEW GUINEA
Dairi Vele, Alternate Governor

Chairman and Mr. President, fellow Governors, distinguished representatives, ladies and gentlemen. It is a privilege and honor to represent Papua New Guinea (PNG) at this great occasion of the 53rd Annual Meeting of the Asian Development Bank (ADB).

Not having to deliver this statement in person does not change the importance we attach to this meeting and we would also like to join our fellow members in congratulating ADB for hosting its first-ever virtual annual meeting.

On behalf of our Governor Ian Ling-Stuckey, I would like to extend our appreciation to President Asakawa for his strong and visionary leadership since taking office in January.

As always, the ADB Annual Meetings provide us the opportunity to come together to discuss economic and development issues, share our experiences and learn from each other – an important forum for us members.

I would also like to extend our sincere gratitude to ADB for the continued support in the development needs of the region and more specifically Papua New Guinea. We are very grateful for having a development partner who cares and shares our vision for growth and prosperity.

With the corona virus (covid19) pandemic breaking out and spreading globally during the year, the social and economic impacts could not have been contained without the assistance from partners like ADB. Responding like you have done especially by increasing your budget support to our Health sector means a lot to Papua New Guinea as it was a timely help in our fight against covid19.

ADB has been at the forefront of development assistance over the years helping to develop key infrastructure like our roads, bridges, schools and aid-posts. These are very essential services that support our livelihoods today and help secure our future generation.

Papua New Guinea supports the current focus of ADB in improving both physical and digital connectivity in the country through its flagship Sustainable Highlands Highway project. The highlands highway has been in a bad shape for too long and is one of Papua New Guinea’s most important connectivity asset.

Again, we are very grateful for the consistent financial support, technical assistance and policy advice provided by ADB each year.
We also want to acknowledge the important role ADB continues to play in the region including the assistance it provides to the smaller Pacific island countries over the years and now through its Pacific Approach 2016-2020 and more broadly through its Strategy 2030. Helping the vulnerable to be more resilient in the age of climate change and now with the covid19 virus will go a long way to achieving our shared development objectives.

Implementation continues to be a grave concern for us and in order for us to take full advantage of the Multitranche-Financing Facility (MFF), capacities of our implementing agencies must be assessed better during the assessment stages of future projects. Furthermore, we would also like to see an extension of the MFF to other important sectors like Health and for periodic reviews to be conducted on projects under implementation and on those yet to be implemented.

Let me now give an update on the state of our economy.

The PNG economy rebounded in 2019 from the earthquake affected 2018, to grow at 4.9 per cent in real terms. This was driven largely by a 14 per cent increase in LNG production supported by stronger gold and copper production in the mining sector. The non-mining economy remained subdued, growing by 2.8 per cent during the year, slowing from an initial budget forecast of 2.9 per cent. This slowdown was due to weak cash crop production especially from the palm oil industry.

In 2020, with the covid19 pandemic, the global story has been and is well documented. For PNG, the consequences were no different. The economy has suffered from the effects of the virus especially from the sharp falls in the global commodity prices and from the restrictions imposed domestically on travel and movement during the state of emergency lockdowns imposed earlier this year. Underlying business conditions prior to covid19 were also very subdued due to lack of confidence and stimulus in the economy. This was mirrored in the lower tax collections and stagnant employment levels observed at the start of the year. Combing a lackluster economy with the negative effects of the covid19 pandemic, PNG ended up with a K2.7 billion shortfall in revenues and a contracting economy at the half-way mark of this year as reported in the Mid-Year Economic & Fiscal Outlook (MYEFO) report.

This prompted the need for a Supplementary Budget, and the Government under the leadership of Prime Minister Marape, acted swiftly by passing a K2.3 billion mini-money plan last week.

With a focus of restoring the budget, and continuing to pursue our development priorities for the year, the mini-money plan was also designed to boost the economy especially through significant resource allocations to the agriculture sector per district for price stabilization and special intervention, water and sanitation for safer markets, again per district and province and SME support per district to assist households respond to the current health and economic contraction.

The Government is committed to repairing the economy from legacy issues, use monetary and fiscal policy where necessary to make interventions in key sectors to stimulate the economy,
ensure essential services are delivered and keep the economy functioning. Furthermore, the Government is also committed to maintaining its counterpart obligations to development partner investments through the guaranteed financing contained in the budget and reaffirmed again in the supplementary budget.

To this end, we are optimistic of the future given the hard steps taken in the supplementary budget to reduce and reallocate expenditures to meet the continued response to the covid19 pandemic but also continuing investments in key sectors and infrastructure and the opportunities provided to our citizens to participate in economic activities.

Supporting this is our Government’s push for more take from our natural resource projects including P’nyang, Pasca Gas, Wafi-Golpu and having Porgera operational as soon as possible.

To assist us achieve our goals, we are also mindful of the obstacles to service delivery including law and order issues and provision of a conducive environment for a dynamic private sector. If reforms undertaken have stalled, we will refresh and reactive them to follow through on our commitment of working to make investment safe and conducive in PNG.

PNG commends the choice of Incheon, Republic of Korea as the host of the Fifty-Sixth ADB Annual Meeting of the Board of Governors in 2023.

To conclude, and on behalf of Governor Ian Ling-Stuckey and the Government of PNG, I would like to thank and commend ADB for the continued partnership we share in developing not only our country but the region as a whole. We highly value our relationship and the many contributions ADB has made to the people of Papua New Guinea. We will continue to work as friends and partners in addressing the development challenges that lie ahead.

Thank you.
There is no certainty about when this pandemic will end. We have to assume that the public health emergency will continue for many more months.

What we are facing is a test of fiscal stamina. How a country’s economy performs during the COVID-19 crisis and how quickly it can bounce back will depend on its resilience.

The Philippines chose to take the path of fiscal prudence. We have been consistent with our approach: we will do what is necessary, but we will not be wasteful. The battle against this virus is a marathon, not a sprint.

Our strong fiscal position gave us the headroom needed to reallocate budget items and quickly access emergency financing to fight the pandemic.

With our historically high credit ratings, our development partners and the commercial markets continue to provide us financing at very low rates, tight spreads, and longer repayment periods. We are grateful to the Asian Development Bank for extending immediate and much-needed budgetary support to the Philippines. These borrowings will help cover our revenue shortfall resulting from the slowdown of economic activities due to the lockdowns.

We have quickly put together economic stimulus measures worth 42 billion US dollars, or 11 percent of GDP. We strengthened our health system, provided wage subsidies for small business employees, and distributed cash grants for low-income families.

To help struggling businesses get back on their feet, we have enabled low-interest loans to sectors badly affected by the pandemic. We also allowed enterprises to deduct losses from tax payments for a longer period.

We are doing our utmost to keep the virus at bay to prevent the need for further lockdowns so our people can start to move around more freely and confidently.

Rebuilding the economy is a condition for ensuring public health. We cannot fight a pandemic with a weak economy; nor can we restore economic vigor without solving the public health crisis.

We also continue to work with our Congress on fiscally responsible economic measures that we can implement within our means.
First, we are pushing for a structural reform on our corporate tax and fiscal incentives. This measure provides an outright 5 percentage point reduction in the corporate income tax rate as soon as it is made effective. This will help businesses continue operations and retain jobs.

It will also enhance the flexibility of our incentives system so that we can aggressively go after the investments that will greatly benefit the Filipino people.

We are seeking Congressional approval for banks to dispose of non-performing loans and assets through asset management companies. The bill we are proposing is an improved version of the special purpose vehicles created in the early 2000s in response to the Asian Financial Crisis. We hope to enable banks to offload souring loans and assets, clean up their balance sheets, and extend more credit to more sectors in need.

We also support a legislative measure that will enable government banks to form a special holding company that will infuse equity into strategically important companies facing insolvency.

Lastly, we seek to provide greater support to the agriculture sector by increasing credit access to the whole agricultural value chain.

Our strategy for recovery rests on sustaining the Build, Build, Build program. Investing in sound infrastructure has the largest multiplier effect in an economy. It creates jobs, fires up consumption, and spurs productive activity.

The wild card in all our planning and strategizing is the virus itself. It dictates the timeline for all of us. We have no knock-out punch until a safe and effective vaccine is ready for mass distribution.

With a number of ongoing developments of COVID-19 vaccines worldwide, we encourage the ADB to take on a lead role in ensuring the accessibility of these treatments to those who need it most.

We suggest that the ADB take the initiative to convene a working group with the World Health Organization, the World Bank, the Asian Infrastructure Investment Bank, and other interested parties to assist developing member countries in accessing these vaccines.

This initiative could support the organization of country-level COVID-19 vaccine technical working groups or task forces. The groups will help prepare vaccine allocation and delivery strategies. They could also oversee the execution of these plans.

In line with this, the working group could establish a common information portal that will provide member-countries with updates on COVID-19 vaccine development. The portal can also include details on the ongoing bilateral agreements between countries and vaccine developers.
The working group could also assist in providing member countries with advisory services and technical assistance on bilateral procurement and/or contract manufacturing arrangements with vaccine suppliers.

The same could help package financial assistance to help the member-countries provide vaccines to their most impoverished and vulnerable populations. Funding support may likewise be provided to private firms willing to establish vaccine production facilities in the member-countries.

A coordinated approach to the procurement of vaccines and mobilization of financing for this purpose will greatly help developing countries restore the vitality of their economies.

Thank you.
PORTUGAL
Eurico Brilhante Dias, Alternate Governor

Honorable President,
Honorable Chairman and Vice-Chairs,
Distinguished fellow Governors and Secretary of the Board of Governors,
Honored Guest,
Ladies and Gentlemen,

On behalf of Portugal, I would like to congratulate the Bank for the impeccable organization of this Annual Meeting on these very particular circumstances. Also, a word to the Government of Korea, which I am certain made every effort to organize a well-run event, that unfortunately could not take place.

Allow me also to congratulate ADB’s response to the COVID-19 pandemic that threatens all our society and economies, but specially countries like our beneficiaries with more vulnerable economies and which face significant challenges in what concerns public health issues.

Nevertheless, while responding to our clients’ needs to prevent, combat and mitigate health and financial consequences, we must ensure that we do not deviate from the goals established by ADB Strategy 2030. In this regard, we believe that the Bank should resume its normal operations as soon as possible, giving priority again to project finance, with a strong green and digital transition agendas. The responses to COVID-19 must, therefore, be aligned with our long-term strategy and operations.

We believe that both long-term operations and loans in response to COVID-19 can benefit from the cooperation between ADB and peer Multilateral Development Banks. Therefore, Portugal welcomes the increased collaboration with ADB peer institutions during 2020 and encourages the Bank to continue and reinforce this collaboration while strengthening coordination with the IMF, WHO and other international health organizations.

While staying aligned with its long-term policy orientation, we must always keep in mind the financial soundness of this Bank, and work in order to prevent a further general capital increase before 2030.

As the year of 2021 approaches, there are a few relevant issues where debate, reflection on lessons learnt and definition of practical measures are essential to ensure ADB continues to bring, in the future, added value to Asia and Pacific region.
This region is highly vulnerable to climate change and therefore ADB’s energy policy has become of paramount importance for its beneficiaries. This policy has to be reflected in each future operation assuring that each particular project contributes to more resilient territories and infrastructures and presents truly green solutions.

Another important issue is gender. We urge the Bank to use its long term strategy to build a strong agenda concerning gender equality and women’s empowerment that lead to visible results in the region in what concerns economic development.

Turning to procurement, as three years have passed since the new procurement policy became effective, it is important to congratulate the Bank’s efforts in promoting a better procurement system and for the efficiency gains observed in the procurement process, but also to highlight the importance of transparency and information produced concerning the effects of this reform.

Finally, I would like to end by congratulating President Masatsugu Asakawa for the immense work done in less than one year. It was impossible to anyone to predict how challenging this mandate would be and you have been up to the challenge. Portugal sincerely congratulates you and your team.

Thank you.
I congratulate the management of the Asian Development Bank (ADB) for its organisation of the virtual 53rd Annual Meeting of the Board of Governors amid the challenges posed by the pandemic.

COVID-19 is the crisis of a generation. ADB has demonstrated leadership in providing critical financial support and expertise in helping developing member countries (DMCs) address their most pressing needs. To supplement the economic and public health response of DMCs, ADB has committed US$20 billion through its COVID-19 Response Package and increased the accessibility of technical assistance. These initiatives have supported the efforts of many DMCs to save lives and livelihoods. Women, in particular, have been hard hit by the pandemic as they bear much of the responsibility of unpaid care-giving in the family and comprise the majority of health and social care workers. I would like to acknowledge ADB’s efforts in highlighting the need to provide targeted support to women, including access to finance, to ensure that the region’s economic recovery is inclusive and sustainable. ADB’s efforts to help keep markets open and supply lines intact will also put us in the right track for a quicker recovery and allow us to collectively emerge stronger from this crisis. In this regard, I highly commend the ADB for its study that uses data from various sources to map the supply chains for the procurement of essential supplies to fight the pandemic.

While governments’ immediate pandemic responses should rightly take the foreground, it is also important to prepare our economies for a new post-COVID reality. Indeed, structural transformations towards a green and digital economy have and will continue to be accelerated by this crisis. ADB needs to keep playing a leading role in guiding the recovery paths of countries, particularly by facilitating the development of quality, climate-resilient and sustainable infrastructure projects in developing Asia.

By ADB’s own pre-crisis estimates, developing Asia will require US$1.7 trillion worth of infrastructure investments a year until 2030 to eradicate poverty, maintain growth trajectory and build resilience to mitigate the effects of climate change. The current crisis will likely widen this financing gap significantly. With some projections showing that as many as 100 million people may fall into extreme poverty as the pandemic drags on, public resources will become even more constrained. Multilateral Development Banks like the ADB must continue to step up its catalytic role to marshal private resources to support the region’s economic recovery.

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1 Meeting Asia’s Infrastructure Needs (Feb 2017), Asian Development Bank.
As a regional financial hub, Singapore stands ready to support the ADB in this effort. The ADB-Singapore Office, launched earlier this year, enhances ADB’s collaboration with Singapore’s wider infrastructure, technical and financial ecosystem. This includes the Singapore Exchange-listing of the first, Climate Bond certified, USD green bond in Southeast Asia, which the ADB itself invested US$20 million. I welcome Infrastructure Asia’s Collaboration Agreement with the ADB to help regional Governments enhance creditworthiness of projects and promote innovative approaches in sustainable infrastructure. Several joint meetings have also been organised to identify a viable near-term pipeline of projects. I am highly encouraged by the good progress of these collaborative efforts.

Singapore looks forward to an even closer partnership with the ADB in the coming years to make a positive impact on the lives of people in the Asian region.
Mister Chairman of the Board of Governors, President Asakawa, Honorable Governors,

First of all, let me express my sincere appreciation for this year’s Annual Meeting organization. The challenge of a fully virtual agenda has been successfully overcome and it reflects ADB’s capacity of adaptation and fast reaction.

Let me also, on behalf of the Spanish Government, welcome Mr. Asakawa as new ADB President. Since he took office last January the region, as the world, has faced such an unexpected turn of the events. We trust his wide experience and knowledge of the Bank are of great value to design the best answer to address the economic and social challenges of this crisis.

We live unprecedent times. The COVID-19 pandemic has changed our lives, causing enormous pain and sorrow, disastrous health and social consequences and a tremendous economic impact that is yet hard to predict. We cannot remember last time such a pandemic of global scale hit the world and we are still struggling to minimize its impact in order to save lives and bring the global economy back from the brink.

The Asia and Pacific region has been hardly hit by the pandemic. Not only in terms of the significant human cost due to the health and social implications, but also in economic ones, both in the supply and demand side of the economy. Consumption, investment, business and tourism have experienced a historical contraction leading to enormous economic losses for the developing member countries, which will need now more than ever from the support of the international community.

On behalf of Spain, one of the European countries most affected by the pandemic, I would like to express our condolences to the Asian countries, offering our support and our collaboration to the efforts devoted to deal with the dire consequences of COVID-19.

The virus has finally proven that, in an interconnected world, countries cannot address their multiple challenges alone. Regional cooperation is crucial and the provision of multilateral and global solutions is the only possible way to tackle global problems.

The Asian Development Bank has shown itself an assured and effective player in addressing the development challenges Asia and the Pacific are facing, especially during the present global crisis. In this regard, I would like to commend the Bank for its rapid, effective and comprehensive
COVID-19 Response package, which has contributed decisively to reduce the overall impact of the pandemic in the region.

Once Asia and the Pacific move into the recovery phase, further actions and instruments will be required that rely on the existing policies. If we are to achieve a more prosperous, inclusive, resilient and sustainable region, the coronavirus should not overshadow most pressing challenges ADB Developing Member Countries are facing. Therefore, to help accomplish this vision, the Bank should devote relevant efforts and resources to boost climate change adaptation and mitigation in the region as well as sustainable infrastructures, public health or technological innovations.

Considering that over 40% of global CO2 come from Asia and the Pacific, Spain welcomes the green ambition of ADB set in its Strategy 2030 and we urge the Bank to strengthen its activity regarding the promotion of renewable energy sources. We are well aware of the successful path that the Bank has with its energy sector programs in terms of bringing availability and reliability of energy supplies to many communities. However, there is still more work to do in other areas. We believe that a review of the current Energy Policy 2009 is therefore essential, as it is no longer well suited to the current consensus about climate change. We look forward to its adoption in line with our vision of achieving a sustainable Asia and the Pacific.

Simultaneously, making cities more livable is at the core of Strategy 2030. The Strategy brings together a set of policies and tools contributing to the management of growing megacities in Asia. We encourage the Bank to foster sustainable urban infrastructures, providing solutions in areas such as energy and water supply as well as waste treatment. In this regard, universal health systems as part the livable cities initiative make now more sense than ever.

In a context of emerging needs caused by the COVID-19 pandemic but with scarce resources, ADB’s activity should be driven by the quality and impact of its operations, ensuring its long-term financial sustainability. If the Bank is to remain crucial in future crisis, a prudential financial position should be maintained and safeguarded, together with a strong focus on domestic resource mobilization and public-private partnerships.

Similarly, Spain welcomes the adopted Private Sector Action Plan and we look forward to its implementation, that will be followed by the strengthening and diversification of its private sector portfolio.

Mr. President, dear colleagues, Spain, as a committed shareholder of the Asian Development Bank, recognizes the crucial role the institution is called to play not only to tackle the health, economic and social consequences of COVID-19 but to reach the Sustainable Development Goals in Asia and the Pacific, contributing to the end of poverty in the region, leaving no one behind. ADB shall play again the “home doctor” role it started with more than fifty years ago, listening carefully to the needs of the region.
Therefore, despite the fiscal constraints and the resources we need to cope with the pandemic in Spain, I am pleased to announce that the Council of Ministers has recently approved a €12 million contribution to the twelfth replenishment of the Asian Development Fund (ADF-13). This contribution represents a significant increase compared to the Spanish contribution to the ADF-12 and reflects the Spanish long-standing commitment to ADB and the development in the region.

Thank you.
I express my sincere thanks to the ADB for giving Sri Lanka an opportunity to convey this message at the 53rd Annual Meeting of the Asian Development Bank.

I am also happy to announce that Sri Lanka has made considerable progress in controlling the pandemic by reacting rapidly to early warnings of COVID-19 issued by the WHO authorities. We mobilized our limited resources in the state funded health service and security services to protect the lives of our people. Having ensured the preparedness and response efforts, we worked closely with all the key partners to effectively and efficiently combat COVID-19. Sri Lanka’s success can be partially attributed to relatively high coronavirus testing rate as well as timely move to an early lock down. We continue to monitor the situation carefully as the risk is not over yet.

The COVID-19 pandemic brought the global economies to a near-standstill with the strict travel restrictions imposed by individual countries to control the spread of the virus. The deep regression triggered by COVID-19, has badly affected the economies throughout the world, and we are one of them. The pandemic has also widened the income disparities which has resulted in increased poverty. We are currently focusing on reviving the economy and eradication of poverty while paying special attention to the challenges posed and opportunities emerged for Sri Lanka in the wake of the COVID-19 outbreaks. Plans are also afoot to adopt to the new normal and prepare for the uncertainty. We are planning to establish a “people-centric” economy which will promote domestic industrialists and entrepreneurs as well as increase agro-harvest in order to strengthen the local economy.

I wish to express my sincere appreciation for the ADB assistance to the member countries in the form of a comprehensive support package amounting to USD 20 billion as its COVID-19 response. I also thank ADB for the timely COVID-19 response assistance to Sri Lanka. However, I regret to mention that, so far, we have not received the COVID-19 Pandemic Response Assistance from ADB, although we requested this budgetary support assistance in early 2020. I believe that in the face of unparalleled challenges confronted by the global community, development partners like ADB have to identify the need of the hour and play vital roles to support the countries to overcome the difficulties.

As clearly outlined in its Policy statement “Vistas of Prosperity and Splendor”, the Government of Sri Lanka, expects to achieve maximum benefits from its natural resources, bio-diversity, mineral resources and renewable energy sources. Our intention is to maximize the contribution of our educated human capital in the sustainable development effort focusing on a prosperous nation. Although the country needs foreign financing to bridge the gap between public investment needs
and available domestic financing, we are also concerned about maintaining the country’s debt at a sustainable level. Consequently, we also focus on mobilizing foreign resources essentially for the high priority projects that yield substantial returns to the country. Therefore, we expect the ADB operations in Sri Lanka to be closely aligned to match the emerging needs of the country.

In conclusion, we wish to highlight that, as a founding member of the Asian Development Bank, Sri Lanka has developed a noteworthy rapport with ADB since 1966 and wishes to further enhance the relationship with ADB in our journey to achieve sustainable development. During the last five decades, Sri Lanka realised the dream of building high-quality infrastructure in various sectors including transport, energy, education, rural development and urban sectors with the assistance of ADB resources totaling USD 10.5 billion. Recently, we further diversified our ADB portfolio, adding new areas such as irrigation, agriculture, higher education; micro, small, and medium-sized enterprise financing and plantation sector, with a view to further enhance the benefits reaped from the ADB resources.

Finally, I wish to emphasize that we all need to understand the evolving situation and adapt to the new normal. In doing so, we look forward to our trustworthy development partners standing with us to cope with the situation.
Mr. Chairman,
Mr. President,
Honorable Governors,
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of Switzerland, I would like to extend my gratitude to the Korean Government for its welcoming, even though greater forces have unfortunately prevented us from enjoying the Korean hospitality.

With the COVID-19 pandemic, we are facing an unprecedented crisis. The global economy is contracting, threatening a severe development setback and hindering countries’ transformation towards sustainable development. It will likely hit the poorest and most vulnerable people the hardest. More than ever, this crisis demands international cooperation for a coordinated and targeted response.

As a center of knowledge and excellence with adequate capital, the ADB is well placed and has the responsibility to be a core actor of the pandemic response in the Asia and Pacific region. We welcome the prompt reaction of the Bank with the design of a substantial USD 20 billion response package, including sustained policy dialogue and dissemination of lessons learnt across member countries. Following the initial emergency phase, Switzerland considers it crucial to carefully balance ADB’s intervention, combining policy advice, technical assistance and financial support to facilitate a sustainable, resilient and inclusive recovery for all, in line with 2030 Agenda.

*Building back better*

While the Strategy 2030 already contains the ingredients to realize this aspiration, the recovery requires revising some targets upwards and moving faster to achieve more tangible results. This is particularly evident for tackling climate change, disaster risks and preserving biodiversity. E.g. in view of the upcoming revision of the Energy Policy we expect the Bank to go one step further in aligning with the Paris Agreement by formally withdrawing from coal-related finance and to present coherent guidelines that support countries in phasing out fossil fuels as quickly as possible.

The ADB must continue to assert its development mandate with a clear sustainability direction. ADB’s operations have to entail a true impact orientation and high-quality policy advice, while
staying firm on environmental and social safeguards compliance. Switzerland considers it essential that the Bank confirms its added value beyond pure financial support and meets the objective of quality over quantity: programs must be designed to create jobs, facilitate sustainable trade, improve public services, while ensuring social and economic inclusion.

The complexity of the current situation is unparalleled and requires all development actors to make best use of their resources. It is therefore essential to engage in systematic coordination, with each player focusing on its areas of comparative advantage. Multiphase and multi-pronged programmatic approaches must be collectively designed to ensure concrete results and higher sustainability. More generally, we would like the ADB to become more pro-active and collaborative in donor coordination, more ambitious in reform-oriented policy dialogues, while continuing to apply zero tolerance to corruption.

Move forward

Every institution must now absorb the shock and still move towards medium to long-term objectives. ADB has mastered this very well so far. The Bank will also have to adapt to a new normal, using a high degree of flexibility and recalibrating some action plans to reflect the consequences of the current crisis while staying accurate of its long-term policy orientation. In the Bank, efforts to speed up procedures and eliminate bureaucratic steps must continue, but sound Board oversight must be ensured to guarantee the highest quality. The preservation of organic capital growth is equally a cornerstone for the future of the ADB.

The Bank is in good shape. Yet institutional reforms must continue. In particular, we look forward to revising the Safeguard Policy Statement (SPS) as well as the Energy Policy. Both exercises must enable to achieve a more sustainable and inclusive development path. As part of the revision of the SPS, the Bank should aim at the highest standards. We are convinced that the ADB should, among others, exclude the use of all forms of asbestos, including chrysotile asbestos that meets all scientific criteria required for listing under Annex III of the Rotterdam Convention. Therefore, we very much welcome Management’s commitment to fully remove bonded asbestos products in the new SPS and support an interim measure to refrain from supporting the procurement of the latter.

Finally, with the conclusion of the Asian Development Fund-13 replenishment, we would like to reiterate our engagement to support the poorest and most vulnerable countries of the Asia and Pacific region. While grants must remain the ultimate funding modality, such a support must be matched by ambitious institutional reforms in recipient countries, in particular via more transparent and stringent requirements regarding public finance management.

Switzerland reassures its commitment with the Bank for the benefit of the people of the Asia and Pacific region and would like to thank President Asakawa, ADB Management, Staff and the Board for their engagement in these challenging circumstances.
Mr. Chairman, President Asakawa, Honorable Governors, Ladies and Gentlemen,

On behalf of the government of the Taipei, China*, I would like to thank the President, management, and staff of the Asian Development Bank (ADB) for making the utmost efforts in overcoming all difficulties and obstacles to successfully organize the second stage of this 53rd Annual Meeting as a virtual event.

This annual meeting is taking place at a time when billions around the world are reeling from the unprecedented impact of COVID-19 on all facets of society. Millions have been infected and hundreds of thousands have lost their lives. Nation-wide lockdowns and international travel controls continue to weigh on economies and employment. New waves of coronavirus worldwide have exposed the fragility of our public health systems, impairing global healthcare capacity and leaving the poorest and most vulnerable developing countries on the brink of meltdown.

The ongoing pandemic has amplified the emerging global and regional challenges such as extreme poverty, health security, disaster risks, climate change, etc. In a time of such crisis, the paramount importance of Asia-Pacific regional cooperation, as well as the nature of the ADB as a leading multilateral development partner, has particularly been highlighted. To further express our appreciation in the context of its COVID-19 response, I greatly commend the ADB for being at the forefront of swift actions to deploy an assistance package of USD $20 billion to help the region counter the undue impacts caused by the pandemic, as well as address the urgent needs of the poor and the vulnerable.

It is vital that we learn from past lessons, collectively develop a holistic approach to mitigation, and rethink how to map a bright future in the wake of COVID-19. We strongly believe that ADB will continue to spearhead this tireless effort and chart a sustainable path forward amid this pandemic. As such, we see two important elements. First, the continued implementation of the seven operational plans under Strategy 2030 will provide waypoints navigating us through stormy weather. Second, with a prolonged and bumpy road ahead to recovery from the economic impact of COVID-19, 2021 would mark a special launch for the ADF 13, which sets out our response to the evolving developmental needs and challenges facing the region—including supporting an inclusive and sustainable recovery in ADF and concessional ordinary capital resources lending (COL) countries post-COVID-19.

* Changed by Meeting Secretariat.
Looking forward to the next replenishment of the ADF, Taipei, China advocates targeted concessional resources towards those who are the poorest and the most vulnerable as part of our continued engagement with the ADF. We are also confident that the noble undertaking of the ADF 13 will be further strengthened through three salient features.

First, the economic vulnerability premium that delivers a scaling up of ADF grant support for the Small Island Developing States (SIDS) to address their higher vulnerability and fragility. As a small island state, Taipei, China feels a deep affinity with the SIDS. In this regard, we fully support and welcome the introduction of the said premium that will put a much greater attention on protecting against exogenous economic shocks.

Second, the expanded disaster and pandemic response facility (DRF+), whose scope covers public health emergencies beyond severe disasters triggered by natural hazards, has demonstrated the ADB’s commitment to ramping up actions that build disaster resilience. As a country frequently hit by natural disasters and vulnerable to external shocks, we are grateful for such resilience-building efforts. This would benefit all of us to urgently tackle the crisis head-on at a broader level, particularly, the financial stress brought on by the pandemic.

Third, the expansion of using ADF grants for thematic priorities, such as climate adaptation, gender equality, disaster prevention, and regional health security will enhance the flexibility of the resource allocation mechanism under ADF 13. From this perspective, Taipei, China commends the ADB’s robust commitment to home in on the ambitious vision of achieving Sustainable Development Goals (SDGs).

Next, building on this historic event, I would like to touch upon Taipei, China’s efforts in helping the international community combat COVID-19.

At the onset of the COVID-19 pandemic, the Government of Taipei, China managed to contain the outbreak swiftly and effectively through its democratic mechanisms, transparent measures, and proactive actions. Our success has been widely recognized and our approach has been dubbed the Taipei, China Model. Taipei, China’s Ministry of Health and Welfare has partnered with healthcare professionals and scholars from hospitals and medical institutions in Taipei, China to hold 77 videoconferences and virtual meetings on the Taipei, China Model with governmental officials, hospitals, universities, and think tanks in 32 countries. Dr. Ho Mei-shang, an adjunct research fellow at Academia Sinica, even served as a short-term resident expert to the ADB, assisting with the development of COVID-19 response strategies.

As of June 2020, Taipei, China had donated a wide range of medical supplies to more than 80 countries, including 51 million surgical masks, 1.16 million N95 masks, 600,000 isolation gowns, and 35,000 forehead thermometers.

Beyond these, Taipei, China has long promoted medical services cooperation projects, assisting partner countries in enhancing their healthcare environments and raising health standards. For
example, by integrating Taipei,China’s experience in developing its own healthcare system with the resources of its domestic medical institutions, we have been able to successfully deploy numerous Mobile Medical Missions to island nations throughout the Pacific. Taipei,China also offers healthcare education exchange programs to these nations so as to enhance the professional capacities of their healthcare providers.

Smart technology is also one area where Taipei,China is joining forces to defeat COVID-19. With our strengths in high-tech industries and healthcare systems, Taipei,China is keenly collaborating with like-minded countries on technological solutions to COVID-19, including the research and development of rapid test kits, medicines, and vaccines.

Despite the all-time high uncertainty, it is our shared goal to build critical pathways—with aggressive actions—to restoring momentum and ensuring that an economic recovery takes hold soon. To fulfill our role and responsibility to the international community in navigating through the COVID-19 crisis, Taipei,China is willing to continue to share its success by leveraging information and communications technology as well as quickly integrating medical and healthcare-related supply chains, so as to improve public health capacities and preparedness across the region.

Last but not least, taking this opportunity, I solemnly reiterate that the Taipei,China is a founding member and a reliable partner of the ADB, in which my government has long been dedicated to fulfilling its commitment to sharing our development experience and expertise with other Developing Member Countries (DMCs) in the ADB. Nonetheless, the wrong nomenclature “Taipei,China”, which was unilaterally adopted by the ADB has enormously hindered Taipei,China from making further contributions to ADB’s missions. The development challenges facing the region require solidarity—free from discrimination—among ADB members. To this end, we strongly urge the ADB to acknowledge the foregoing fact and to ensure that this longdue issue is properly addressed. I will not limit my clarification and would further call on that all members should be treated equally, fairly and with respect, where no member is restricted from deepening engagements with the ADB.

Thank you.
Dear Mr. Chairman, Governors, Mr. President, Ladies and Gentlemen,

I am delighted to have the opportunity to make a statement at the 53rd Annual Meeting of the ADB Board of Governors, which is being held virtually this year due to the COVID-19 pandemic.

First of all, I would like to congratulate Mr. Masatsugu Asakawa on assuming the office of the ADB President and I am confident that with your arrival, the bank and the countries in the region will achieve even greater success in the mission and mandate of the bank until 2030, the goal of which is to create a prosperous, inclusive, resilient and sustainable Asia and the Pacific, and an effective response to the changing needs of the region.

We consider this meeting as an important step in strengthening mutually beneficial cooperation in establishing closer relations between Tajikistan and ADB, as well as between the countries in the region.

The Government of the Republic of Tajikistan highly values the current level of relations with ADB, and it is important for us to expand cooperation, which will contribute to the achievement of common goals and inclusive development.

In the current difficult situation due to the COVID-19 pandemic, the economic policies of countries should be aimed at minimizing financial losses and household income through targeted measures, as well as providing support to companies affected by the imposed restrictions on economic and business activities.

Measures should be considered and formulated to gradually reduce targeted support in the face of the pandemic downturn and economic recovery, while policies should provide incentives to increase demand and facilitate and encourage the reallocation of resources from sectors that may be forced to halt due to the pandemic for undefined period.

The Government of the Republic of Tajikistan expresses its gratitude to the ADB management for comprehensive support during the COVID-19 pandemic and the $50 million grant as budget support, which to a certain extent contributes to the timely fulfillment of the government social obligations in the short term.

However, Tajikistan is a landlocked country with underdeveloped communication infrastructure and may be more affected by restrictive measures related to the pandemic.
Therefore, further budget support for the country can become a guarantee of a safe way out of this situation and the state can create a good financial buffer for itself. In this regard, we hope for support from international financial institutions, including ADB.

Being part of the global economy, our country also faced problems and new challenges, such as a sharp drop in business activity, a decrease in state budget revenues, as well as a shortage and an urgent need to provide the healthcare sector with necessary medicines and equipment, personal protective equipment.

Because of the reduced domestic economic activity and the fall in external demand, economic growth forecast in Tajikistan was reduced to 4.7%, that is 3.1% less than expected.

For 7 months of this year, the nominal volume of GDP amounted to about $4 billion, and the real growth was 3.7%, and compared to last year, its real growth decreased by 3.5%. The total volume of the state budget for this period amounted to $1.2 billion, or 95.3% of the revised plan, and this is taking into account the budget sequestration in the amount of more than $300 million, and inflation reached 7.7%, which is 1.7% above the inflation target.

Regarding foreign direct investments, it should be noted that the decrease in volumes for the first half of 2020 amounted to $79.8 million, which is 35% (or $44.4 million) less than the same period last year.

The COVID-19 pandemic and the ensuing economic crisis is the third external shock that our country and the countries in the region have been facing in just over a decade.

Due to the spread of the coronavirus, this trend is observed around the world. According to a number of analytical agencies, the risk of a decrease in foreign direct investment indicators remains, which is explained by the fact that many investor countries will consider the issue of repatriation and channeling these funds to the development of the domestic economy.

In these conditions, the Government of Tajikistan has taken several urgent measures to reduce the impact of the crisis on the country's economy. In particular, by the Decree of the President of the Republic of Tajikistan at the beginning of June 2020 "On preventing the impact of the infectious disease COVID-19 on the socio-economic spheres of the Republic of Tajikistan", measures were taken to improve the investment climate and create favorable conditions for business during the pandemic.

To support business entities, this plan provides for measures to defer tax payments, offer tax holidays, exempt from VAT and customs duties on the import of essential goods and medical supplies, and prohibit the collection of fines and penalties during the crisis.
Once again, I hope that international financial institutions, in particular ADB, will significantly increase support for national initiatives, including by providing financial assistance to vulnerable countries, especially in the health sector. In addition, we consider it appropriate for ADB to increase and expand its portfolio of projects to such countries to support vulnerable countries, including by providing budget support.

Given the rapid spread of the COVID-19 pandemic and the difficulties associated with it, issues of regional cooperation and integration, and support for the private sector are becoming increasingly important.

The Republic of Tajikistan has been and remains committed to and attaches importance to the above issues in the framework of the National Development Strategy for the period up to 2030.

We hope ADB will continue to strongly support Tajikistan in realizing its development vision in the coming years.

Thank you for your attention.
The partnership between Timor-Leste and the Asian Development Bank began in 1999 as we were embarking in our nation-building process. The support of donor countries and organizations, including ADB were crucial in restoring essential infrastructure for a newly independent country. Timor-Leste is appreciative of ADB's support since independence.

The current relationship between Timor-Leste and the ADB is guided by the Country Partnership Strategy 2016-2020, and we acknowledge that this document is aligned to the Strategic Development Plan 2011-2030, which is a comprehensive forward-looking program for Timor-Leste that covers the areas of social capital, infrastructure development, economic development and institutional framework. The objective is for Timor-Leste to achieve the status of upper-middle status, with a healthy, well-educated and safe population by 2030.

The Government values the current partnership where the focus has been on infrastructure development, transport connectivity and investment in agriculture value chains paving the way for a more diverse and sustainable economy, thus reducing our reliance on our Petroleum Fund.

The ADB is the biggest lender in Timor-Leste for infrastructure development. Through loans, grants and technical assistance, ADB has supported Timor-Leste's nation building efforts with a total amount of USD$434.21 million since 1999, enabling Timor-Leste to rehabilitate 126 kilometers of national roads and a further 296 kilometers of districts and national roads by 2022.

Developing a diversified economy that is less reliant on our natural resources is one of Timor-Leste’s biggest challenges. That includes investment in national infrastructure, investment in human capital to produce a healthy and capable workforce, investment in agriculture value chains and undertaking institutional reforms that creates a friendly business environment, are essential conditions for achieving a more diversified economy. As such, we are grateful to have the Asian Development Bank on board as partners as we move forward in addressing these challenges.

The Government values greatly the partnership between Timor-Leste and the Asian Development Bank and looks forward for further cooperation in the future that brings mutual gains, for the benefit of the people of Timor-Leste.
Mr. Chairman, Mr. President, Distinguished Governors,

It is my pleasure to address the Annual Meeting of the Asian Development Bank. I would like to extend my sincere appreciation to the Bank Management for facilitating this virtual Annual Meeting under the extraordinary circumstances due to the global COVID-19 pandemic.

In 2019, Asia continued to be at the forefront of the global economy with a robust growth rate of 5.2 percent. Yet we note the moderation in 2019’s growth rate, which was projected as 5.7 percent last year and is well below the average growth rate of 6.6 percent in the previous decade. This significant moderation in growth is mainly attributed to sluggish global economic activity, trade tensions and weakening domestic investment.

We agree with the Bank that in order to continue the region’s development trajectory, new growth engines need to be identified, which can help generate quality jobs. Also, more investment should be directed to urbanization in Asia which also can enhance the quality of growth. In this regard, more focus should be given to effective urban planning, efficient housing, and improving air and water quality, all of which will also help significantly reduce carbon emissions and fight climate change.

Against this background, the year 2020 has started with the COVID-19 pandemic, which has been affecting the global economies as well as Asia significantly. As the pandemic escalates, the impact is likely to be severe. National health systems will be placed under greater stress. Strict measures, involving border closures and restrictions on travel and work, will continue to have serious impacts on households. The pandemic threatens to severely set back economic, social and development gains in the region, throw economies into recession and reverse progress on poverty reduction.

We appreciate ADB’s swift response with a $20 billion package to the COVID-19 challenges aiming to empower governments and businesses in the region to tackle the macroeconomic impacts and address the urgent needs of the poor and vulnerable. In this context, we would like to emphasize well-targeting of the package and urge Management to ensure that the most vulnerable households and businesses effectively benefit from ADB’s support. We also highly appreciate ADB’s transparency and its efforts to produce and disseminate reliable reports, data and other information as the COVID-19 crisis unfolds. ADB has continued to prove itself as an important source of knowledge work, relevant not only for developing member countries (DMCs) but also for the non-regional members and other interested parties.
As to last year’s developments, we welcome President Asakawa as the new President of the Bank. We are confident that, in close communication with the Board of Directors and consultation with the member countries, he will successfully steer ADB through these difficult times.

We thank Management for its consultative approach in the finalization of Operational Plans for the seven operational priorities stipulated in Strategy 2030 and the related new Corporate Results Framework. We are glad that this process was carried out through an iterative and consultative manner between Management, senior staff, the Board, member countries and various stakeholders, which paid off with enhanced quality. Now, we are looking forward to the effective implementation of Strategy 2030.

We take good note of the $21.6 billion in loans and grants approvals, and the increase in disbursements to $16.4 billion. We also welcome doubling climate financing to $6 billion in 2019. It is very important at these times that ADB stays as a trusted and relevant partner, supporting structural and systemic reforms, as well as a source of predictable and substantial long-term financing for its low-income and lower middle-income member countries.

We appreciate that while operations increased in 2019, the budget increase remained relatively low, and therefore supported organic capital growth which further strengthened ADB’s lending capacity for lower income countries. We expect this to continue and further improve in the coming years, with efficient implementation of the Strategy 2030 and differentiated pricing.

We have confidence in the Bank as a relevant and efficient development partner and we believe that Management and staff are relentlessly working to support the regional economies. The Bank is in good financial health amid this unprecedented crisis and I strongly believe that it has the capacity to retain its vital role as a leading development partner in the region. As always, Turkey is committed to be in strong cooperation with the Bank.

Thank you.
UNITED KINGDOM
Dominic Raab, Governor

We would like to thank Management and staff of the Asian Development Bank for their preparations for holding this Annual Meeting under such difficult circumstances.

The UK will remain an active and committed member and partner of the ADB as we combine the UK’s diplomatic and aid expertise in the new Foreign, Commonwealth and Development Office (FCDO) to help solve global challenges. Our commitment to spending 0.7% of GNI will continue, as will our commitment to Asia and the Pacific. For example, the UK is a major contributor to the Pacific through multilateral channels and we have expanded our diplomatic and development presence there. We are also strengthening our relationships with the countries of South East Asia, working with them to promote regional security, to build sustainable prosperity, and to strengthen the links between our people.

COVID-19 has had a significant impact on countries in the region and dominated the work of the Bank this year. We commend the ADB’s response to the crisis. The Bank responded quickly and effectively, rapidly making available and disbursing much-needed funding and advice to regional members. In doing so it has made a vital contribution to mitigating the health, social and economic impacts of the crisis, and supporting recovery. But now is the time to review the support that will be required going forward. The Bank should not rely heavily on the COVID-19 Pandemic Response Option (CPRO) and policy-based lending—project-based lending may be more appropriate, will have clearer due diligence, and its impact will be easier to assess. ADB should ensure that its support is targeted to the countries, individuals, and sectors of the real economy where the needs and risks are greatest, reflecting members’ relative economic vulnerability and access to alternative sources of financing.

Safe and effective COVID-19 vaccines will be key to bringing the pandemic under control. The Bank should offer countries the opportunity to use loans and grants to secure access to future COVID-19 vaccines. This could include advance purchase agreements and contributions to the new international ‘COVAX’ facility, which aims to provide equitable and timely access to vaccines initially for 20% of the population of developing countries.

As Asia and the Pacific starts to recover from the crisis, the UK would like to see ADB work with countries to support a green, inclusive and resilient recovery. ADB’s commitment to align its investments with the Paris Agreement, reiterated in the ADF13 Donor Report, is welcome and is crucial for ongoing UK support. But the Bank’s recent projections of climate finance spend raise concerns that it is off track to meet its target of $80 billion in climate finance by 2030. The Bank must work with developing members to identify, build demand for, and implement COVID-19
recovery investments that both create jobs and restore livelihoods quickly, and help countries move to a low carbon and resilient development pathway. Now is the time and the opportunity to invest more in clean energy, biodiversity, disaster risk reduction and to build resilience to climate and other shocks.

Looking ahead to COP26, the UK is keen to work closely with the Bank, in particular by helping countries develop ambitious Nationally Determined Contributions (NDC), setting a clear timeframe for Paris Alignment and improving Bank support to countries on nature and adaptation and resilience. As we recover from the coronavirus pandemic, we owe it to future generations to base our recovery on solid foundations, including fairer, greener and more resilient economies and societies. We are committed not only to tackling drivers of climate change, but to supporting those countries and communities most affected by climate change to build resilience and adapt to its effects. We call on all donors, multilateral development banks and the private sector to do the same. The Asia and the Pacific region has an important role to play in tackling climate change and it is essential that ADB has an ambitious and active approach to addressing this challenge.

The forthcoming Energy Policy review is a major opportunity for the Bank to ensure it is doing all it can to help countries meet their energy needs while tackling climate change. This means formally exiting from coal, phasing out support to other fossil fuels and, importantly, complementing this with a much greater focus on renewables and a just transition. The UK will work closely with the Bank to help deliver a successful review.

ADB has achieved much beyond COVID-19 support since the last Annual Meetings. The UK is grateful for the thorough and consultative process to develop the Operational Plans and the new Corporate Results Framework (CRF) that underpin Strategy 2030 – these have put the Bank on a good footing to achieve its medium-term objectives. The inclusion of a disability tracking indicator and greater gender disaggregation of results in the CRF send a very welcome signal of the Bank’s commitment to diversity and to leave no-one behind. The agreement on differentiated pricing of ADB’s own capital resources (OCR) lending is also a major step forward that will ensure a fair distribution of resources and help maximise the funds available for poorer members.

The UK also commends the Bank for the successful conclusion of the ADF13 replenishment. We are very happy to maintain our burden share and to continue to be the second largest non-regional donor to the Fund. The more needs-based allocation mechanism and higher share for country allocations will further improve the poverty focus of the Fund; the new gender window will be an important means of incentivising and delivering gender equality, especially in girls’ education to tackle remaining gender disparities in access and outcomes, and in women’s economic empowerment; and the pilot private sector window should pave the way to promote more growth and jobs in frontier markets.

The UK also welcomes the Bank’s commitments during the ADF13 negotiations to improve the transparency of allocations from the Technical Assistance Special Fund (TASF) and to review and revise its Fragile and Conflict Affected Situations (FCAS) policy.
ADB is to be commended for topping the recent Transparency International index of development agencies, but the Technical Assistance Special Fund (TASF) is an area where transparency has been lacking. We therefore welcome the Bank’s commitments during the ADF13 negotiations to improve the transparency of TASF allocations. We look forward to working with the Bank to improve in this area and to work towards directing all grant resources to its poorest members.

The UK also supports the Bank’s commitment during the ADF13 negotiations to review and revise its Fragile and Conflict Affected Situations (FCAS) policy. In many countries around the world COVID-19 and the responses to it are exacerbating existing risks of conflict and creating new ones. ADB has already made a good start in enhancing the effectiveness of its operations in FCAS. It will be important for the Bank to deliver a thorough update to its FCAS policy to the agreed timeframe and to implement this policy rapidly and in full, so the Bank can tackle fragility effectively and embed conflict sensitivity into its operations. The UK will continue to support the Bank in this regard.

We also urge the ADB to continue to seek ways to achieve better value for money across its activities, including a reformed and robust method for determining staff salaries, and making the best use of available financial resources to support development and poverty reduction in the region.

We wish everyone a safe end to the year and we hope to be able to meet in person at the ADB Annual Meeting in 2021.
On behalf of our Governor, Treasury Secretary Steven T. Mnuchin, I am pleased to represent the United States of America at the 53rd Annual Meeting of the Asian Development Bank (ADB). ADB has truly risen to the demands of an unprecedented year, both in terms of delivering critical assistance and in rapidly adapting to the “new normal” as an institution. The pandemic has wrought immense economic and social damage, yet it has also demonstrated ADB’s important role in the region as a provider of high-quality development finance, its service as a knowledge bank, and its capacity to boost and deploy resources on an expedited timeframe. The deft handling of the Annual Meeting by the ADB and the Korean authorities is a prime example of the Bank and the region adapting to these unique challenges.

**COVID-19**

The economies of all ADB members are suffering as members undertake major policy responses to mitigate the economic damage and lay the groundwork for recovery from the pandemic. Many members have contained the outbreak by introducing restrictive measures on their economies while spending to combat the economic and health effects of the disease. We call for all countries to undertake liquidity support and fiscal expansion to mitigate these negative economic impacts. The United States is committed to supporting the region through the ADB, other International Financial Institutions (IFIs), and our bilateral programs to fight the outbreak and mitigate its impact, treat those affected, and assist economies for recovery.

ADB has provided immediate support to DMCs grappling with the pandemic, including by strategically deploying scant resources, reprioritizing project pipelines, and striving for complementarity among projects. Despite joining ADB just as COVID-19 was taking hold, President Asakawa has spearheaded a rapid and forceful response, which has included assistance in procuring medical equipment, advising on the design of wage subsidy programs, and facilitating expert policy dialogues.

As we increasingly shift our focus from response to recovery, it is important not to lose sight of longstanding development needs that ADB can help address and the policies it must pursue to address them. The poorest and most vulnerable countries, especially those in the Pacific, will need ongoing financing and policy support. These countries face fiscal and balance of payments pressures as tourism has ceased and remittances have slowed, adding to the vulnerability inherent from their narrow economic bases, remoteness, and risk of natural disasters.
Debt Management, Transparency, and Sustainability

We support the coordinated steps the international community, including the IFIs, has taken to help address growing debt vulnerabilities in low-income countries. We urge all G20 members and other participants to follow through on their commitments under the Debt Service Suspension Initiative (DSSI) and work to ensure that eligible countries derive the intended benefits from the DSSI. ADB has an important role to play in assisting countries in building debt management capacity, increasing debt transparency, and balancing recovery measures with longer-term debt sustainability.

Financial Sustainability

ADB should maintain discipline on lending volumes and pricing to safeguard long-term financial sustainability. It is also critical that ADB scrutinize co-financing arrangements so its support is achieving the maximum benefit for recipients and not cross-subsidizing third parties that offer minimal additionality. ADB must maintain ample financial capacity to maximize long-term development impact without requiring additional capital from shareholders.

Asian Development Fund (ADF)

The ADF is a vital tool in reducing poverty in the region’s most vulnerable countries, which depend on grant financing. We welcome the robust ADF-13 replenishment, which will position the ADB well to help the poorest countries—including in critical areas such as private sector development, women’s economic empowerment, and disaster risk management—over the next four years. The United States was pleased to join other donors in pledging a strong level of resources to the ADF-13 this week. We applaud the significant increase in net income transfers from ADB’s Ordinary Capital Resources (OCR), in line with the commitments Management made during the ADF-OCR merger.

Graduation

ADB also must deliver on the commitments in Strategy 2030, including applying its graduation policy for members with greater access to other sources of development finance. This will preserve the ADB’s financial capacity to meet the needs of the poorest. ADB’s decision last fall to implement differentiated pricing for non-concessional lending is an important step to foster financial sustainability, boost resources for the poorest countries, and incentivize graduation. We look forward to an enhanced discussion of graduation in the upcoming Country Partnership Strategy for the People’s Republic of China.

Enhancing Quality and Efficiency

We welcome efforts to emphasize value-for-money in ADB’s procurement policy, along with better data collection and regularized reporting to the Board of Directors on procurement
activity. Separately, we look forward to the review of ADB’s Safeguard Policy Statement. This is an opportunity to better align the ADB with peer MDBs, educate staff on safeguards, and streamline project processing without diluting ADB’s high-quality safeguards standards.

We are pleased that ADB has been able to rapidly transition to an almost entirely remote work model with minimal budgetary impact. ADB staff have shown immense flexibility and perseverance. We hope to see reforms based on the Comprehensive Review of Compensation and Benefits that enable the ADB to attract and retain well-qualified staff while staying true to its role as a public-sector development institution.
Mr. Chairman, President Masatsugu Asakawa, Distinguished Governors, Ladies and Gentlemen!

It is my great honor today to deliver a speech at the 53rd Annual Meeting of the Board of Governors of the Asian Development Bank. First of all, I would like to express my great appreciation to ADB and the Secretariat for the excellent arrangements for the first-ever virtual Annual Meeting which comprises the first stage on 22 May 2020 and the second stage on 17-18 September 2020.

With the theme of 3Is, “Asia 2020: Innovation, Inclusiveness, and Integration” I believe that the events will offer delegates a valuable opportunity to discuss and exchange solutions that help boost inclusive growth and foster economic cooperation in Asia and the Pacific region.

Governors, Ladies and Gentlemen,

The global context and the way forward

Over the past 8 months of 2020, the COVID-19 pandemic has causing unprecedented damage and impact for most countries around the world, causing negative impact on global economy and financial markets such as disrupting supply chain, eroding development gains and triggering financial instability. Several international institutions estimated that the number of economies that will be in recession in 2020 is expected to increase and almost all countries in the world are seeing their growth forecasts this year revised downward, and most into negative territory. For Viet Nam, the novel virus has also imposed an enormous impact on the economy, given its deep integration with the world economy. Vietnam's GDP growth rate dropped from 7.02 percent last year down to 1.81 percent in the first half of this year, the lowest level ever recorded in the past 10 years although it is one of a few countries that achieved positive growth during the pandemic.

Governments across the globe have been improvising, experimenting and struggling to respond to the novel coronavirus crisis. Some countries have been taking steps to rebuild from COVID-19. For example, the Government of Viet Nam has taken strict and effective policy support measures from fiscal, monetary to financial policies to flexibly respond to the ongoing and forecasted economic downturns and promote long-term growth prospects. However, the developing countries like Viet Nam are facing many challenges and difficulties in the recovery process due to the uncertain post-COVID-19 future scenarios as well as limited financial and technical capacity. Moreover, one of the fundamental issues raised by COVID-19 is the dilemma of trading the economic development for community health, requiring governments to initiate innovative and inclusive solutions. How wisely governments cope with current long-term
economic challenges will be a defining factor for successfully moving toward the transition and recovery stages. In this process, international organizations like ADB hold an essential position in supporting its member countries to efficiently push up the economic recovery while effectively maintaining the social safety.

Against this backdrop, the 3Is theme of the coming annual meeting - innovation, inclusion, integration - refers exactly to what governments currently need to take up. The pandemic is a novel and unprecedented situation which requires innovative, extraordinary and inclusive policy responses to enhance economic resilience and secure social security for the poor and vulnerable groups. In addition, the pandemic underscores the crucial values of global and regional integration and cooperation in economic recovery. The meeting, therefore, will be a perfect platform for us to discuss the issues and challenges posed by COVID-19 and the creative solutions for our economies.

**ADB and Viet Nam’s partnership**

The Government highly appreciates ADB for tripling the size of its COVID-19 Response Package to $20 billion on April 13, 2020 in order to address the immediate needs of its developing member countries, including Viet Nam. In addition, the provision of grants, technical assistances and sovereign and non-sovereign loans for member developing countries have also been streamlined to facilitate a quicker and more flexible delivery of funds. This particular assistance is extremely imperative in such a very unprecedented circumstance.

As a whole, we would like to express our appreciation to ADB for starting crucial reforms to improve its productivity and efficiency, including products and instruments, business processes, information technology, and human resources and for approving various policies to implement Strategy 2030, including the endorsement of the operational plans for the seven priorities of Strategy 2030 which set out how and where those priorities will be operationalized.

As a newly graduated country like Viet Nam, we highly appreciate ADB for continuing to provide loans, technical assistance projects and grants and extending non-sovereign operations to support the private sector in Viet Nam. Moreover, ADB has been supporting investments and policy reforms that promote more inclusive and environmentally sustainable economic growth in Viet Nam through the implementation of ADB’s Country Partnership Strategy 2016–2020 and ADB’s Country Operations Business Plan 2018–2020 for Viet Nam. These supports reaffirm the superiority of ADB as an international organization and a valuable development partner for Viet Nam. The Government is committed to closely coordinate with ADB in preparation of the Country Partnership Strategy 2021-2025 which will incorporate priorities of Viet Nam’s Socio-Economic Development Plan 2021–2025 and ADB’s Strategy 2030 as well as take into account the new ODA position of Viet Nam.
We hope that the Bank will continue maintain close cooperation with Viet Nam government and contribute to the effective and successful implementation of Viet Nam’s socio-development policies.

Thank you very much.
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## ADVISERS TO GOVERNORS

<table>
<thead>
<tr>
<th>Country</th>
<th>Advisers</th>
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</table>
| Cook Islands | Mani Mate  
Tepaeru Herrmann  
Tehani Brown  
Tereapii Uka |
| Indonesia | Febrio Nathan Kacaribu  
Dian Lestari |
| Ireland  | Patrick Mulhall  
Renee Martin |
| Japan     | Naoya Adachi  
Tatae Akiyama  
Chika Asami  
Yuto Egawa  
Tomoya Endo  
Hideaki Hamada  
Kenta Hasegawa  
Masanori Hayashi  
Kaoru Ikeda  
Yosuke Inoue  
Keiichiro Inui  
Mina Kajiyama  
Minami Kakuda  
Jutaro Kaneko  
Masaya Kanto  
Mikari Kashima  
Tadaaki Kawamura  
Kazuma Komori  
Yoshitomo Kondo  
Sachiko Koyama  
Takafumi Mafune  
Takayo Maruyama  
Masato Matsutani  
Hayato Miura  
Kazuya Mori  
Kazuto Muraguchi  
Isaya Muto  
Yuji Nakahama  
Takahiro Nishio  
Chikako Ohashi  
Daisuke Oura  
Shun Sawada  
Kana Serizawa  
Yoshimitsu Shimizu  
Yoshihiro Shimo  
Hironori Shoji  
Sho Tabata  
Shin Tabata  
Atsushi Takeuchi  
Haruto Takimura  
Masashi Tanabe  
Hitomi Taniguchi  
Aki Tomoda  
Marino Yamamoto  
Yuko Yano  
Akihiko Yoshida |
| Kiribati  | Koin Uriam Kiritione  
Mareta Tauaa Kaiteie |
| Niue      | Peleni Talagi |
| Samoa     | Henry Ah Ching  
Maiava Atalina Aiu’u-Enari  
Seve Benjamin Pereira  
Margaret Chan Cheuk-Tafunai  
Magele Karras Lui  
Tagoa’i Peresitene Kirfi |
<table>
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<tr>
<th>Executive Director</th>
<th>Alternate Executive Director</th>
<th>Director's Advisor</th>
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<td>Yu-Peng Tseng</td>
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<tr>
<td>Jason Chung</td>
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<td>Shunsuke Sakugawa</td>
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</table>
ADB PRESIDENT, VICE PRESIDENTS, AND SECRETARY

Masatsugu Asakawa, President

Bambang Susantono, Vice President (Knowledge Management and Sustainable Development)

Deborah Anne Stokes, Vice President (Administration and Corporate Management)

Ingrid van Wees, Vice President (Finance and Risk Management)

Shixin Chen, Vice President (Operations 1)

Ahmed Muneeb Saeed, Vice President (Operations 2)

Ashok Lavasa, Vice President (Private Sector and Public–Private Partnerships)

Eugenue Zhukov, The Secretary