SUMMARY OF PROCEEDINGS
INTRODUCTORY NOTE

The Fifty-Fourth Annual Meeting of the Board of Governors of the Asian Development Bank was held virtually from 3 to 5 May 2021.

Resolution no. 402 adopted by the Board of Governors in 2019 provided that the Fifty-Fourth Annual Meeting would be from 4 to 5 May 2021 in Tbilisi, Georgia. In view of the global health situation arising from the coronavirus disease 2019, the Board of Directors approved that the Fifty-Fourth Annual Meeting be held in a virtual format, facilitated and coordinated from Manila on 3 to 5 May 2021.

The Government of Georgia renewed its commitment to hosting an annual meeting by inviting ADB to hold the Fifty-Seventh Annual Meeting in Tbilisi, Georgia in 2024, which the Board of Governors approved on 5 May 2021 (Resolution no. 411).

This Summary of Proceedings of the 2021 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 Georgia, the Honorable Lasha Khutsishvili, chaired the Meeting. The Temporary Alternate Governor for Netherlands, Mr. Frans van der Straaten, and the Temporary Alternate Governor for Samoa, Mr. Oscar Malielegaoi, 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.

Muhammad Ehsan Khan
The Secretary
Asian Development Bank
BUSINESS SESSION
SCHEDULE OF THE BUSINESS SESSION
Wednesday, 5 May 2021

6:30 p.m. (Manila time GMT+8) - 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 2020
    2. Notation of the Updates to Rules and Regulations
    3. Notation of the Budget for 2021
    5. Adoption of the Financial Statements, Management’s Report on Internal Control over Financial Reporting, and Independent Auditor’s Reports
    6. Adoption of the Allocation of Net Income
    7. Notation of the Report to the Board of Governors on Gender Diversity at the ADB Board of Directors
    8. Approval of the Composition of the Procedures Committee for 2021/2022
    9. Approval of the Chair and Vice-Chairs of the Board of Governors for 2021/2022
    10. Approval of the Place and Date of the Fifty-Seventh Annual Meeting (2024)

- Remarks by ADB President
- Remarks by the Chair of the Board of Governors
- Remarks by the Chair-Elect (2021/2022 Chair of the Board of Governors)

7:15 p.m. (Manila time GMT+8) - Closing
PROVISIONS RELATING TO THE CONDUCT OF THE 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 5 May 2021 which will be made available to members after the meeting through the ADB website [https://www.adb.org/annual-meeting/2021/main]. Governors are requested to submit their remarks in English (the official language of ADB) for inclusion in the summary of proceedings, which will be uploaded on the ADB website once available.

Procedures Committee

3. Before the Annual 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.

4. The Procedures Committee does not normally meet, but members will need to make themselves available to convene during the meeting should the need arise. Meetings of the Procedures Committee, should they be called, will be open to Governors who are members of the Procedures Committee and their advisers, and others as may be considered necessary by the Chair of the Procedures Committee.

Public Information

5. 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.

(Note: a separate paper on the arrangements for the Business Session and the Procedures Committee is circulated prior to the Annual Meeting.)
AGENDA

1. Annual Report for 2020
2. Updates to Rules and Regulations
3. Budget for 2021
6. Allocation of Net Income
7. Report to the Board of Governors on Gender Diversity at the ADB Board of Directors
8. Composition of the Procedures Committee for 2021/2022
9. Chair and Vice-Chairs of the Board of Governors for 2021/2022
10. Place and Date of the Fifty-Seventh Annual Meeting (2024)
REPORT OF THE PROCEDURES COMMITTEE
REPORT OF THE PROCEDURES COMMITTEE FOR 2020/2021

The Procedures Committee for 2020/2021—consisting of the governors for Brunei Darussalam, Georgia, Germany, Japan, Kyrgyz Republic, Pakistan, the People’s Republic of China, Spain, Sweden, Turkmenistan, United States, and Uzbekistan—considered by correspondence and on a no-objection basis approved the (Draft) Report of the Procedures Committee for 2020/2021 on 23 April 2021.

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

1. Agenda for the Meeting

   The committee recommends approval of the Agenda (BG54-1, Revision 1). Regarding the items on the agenda, the committee reports as follows:

   (i) **Annual Report for 2020.** The committee recommends that the Board of Governors take note of the Annual Report.

   (ii) **Updates to Rules and Regulations.** The committee recommends that the Board of Governors take note of the report of the Board of Directors (BG54-4).

   (iii) **Budget for 2021.** 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 2019 (BG54-5).

   (iv) **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 (BG54-6).

   (v) **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 (BG54-7) 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.
(vi) **Allocation of Net Income.** The committee noted the report of the Board of Directors (BG54-8) and recommends that the draft resolution entitled “Allocation of Net Income” be adopted by the Board of Governors.

(vii) **Report to the Board of Governors on Gender Diversity at the ADB Board of Directors.** The committee recommends that the Board of Governors take note of the report of the Board of Directors.

(viii) **Composition of the Procedures Committee for 2021/2022.** The committee recommends that a Procedures Committee be constituted consisting of the governors for Afghanistan, Australia, Ireland, Japan, Luxembourg, Malaysia, New Zealand, the People’s Republic of China, the Philippines, Portugal, Sri Lanka and the United States. 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-Fifth Annual Meeting. The committee further proposes that the Governor for Sri Lanka be appointed Chair of the Procedures Committee.

(ix) **Chair and Vice-Chairs of the Board of Governors for 2021/2022.** The committee also proposes that the Governor for Sri Lanka be elected Chair and the Governors for Mongolia and Austria be elected Vice-Chairs of the Board of Governors for 2021/2022.

(x) **Place and Date of the Fifty-Seventh Annual Meeting.** The committee noted the report of the Board of Directors (BG54-9) and recommends that the draft resolution entitled “Place and Date of the Fifty-Seventh 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 (BG54-2) 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 (BG54-3) be approved.
UPDATES TO THE RULES AND REGULATIONS

REPORT OF THE BOARD OF DIRECTORS

AMENDMENTS TO THE CODE OF CONDUCT, ETHICS COMMITTEE AND PROCEDURES, AND ASSOCIATED GUIDELINES FOR DIRECTORS, ALTERNATE DIRECTORS, AND THE PRESIDENT OF THE ASIAN DEVELOPMENT BANK

1. On 14 January 2020, the Board of Directors adopted the amendments to the Code of Conduct, Ethics Committee and Procedures and associated guidelines for Directors, Alternate Directors, and the President of the Asian Development Bank to bring the standards and procedures in line with best practice.

2. The Code of Conduct, Ethics Committee and Procedures and associated guidelines approved by the Board of Directors and effective on 13 February 2020 are attached hereto as Appendix 1.

AMENDMENT TO THE BORROWING REGULATION

3. On 13 April 2020, the Board of Directors approved revisions to the 2008 Borrowing Regulation to update the definition of “Bonds” and “Direct Borrowing” to enable ADB to expand the final maturities of borrowings from 1 year or more to 1 day or more, and adopted the amended and restated Borrowing Regulation.

4. The Borrowing Regulation approved by the Board of Directors effective 13 April 2020, is attached hereto as Appendix 2.

AMENDMENT TO THE TASF REGULATIONS

5. On 27 October 2020, the Board of Directors approved a revision to Section 3.04(a)(ii) of the Regulations of the Technical Assistance Special Fund (TASF Regulations) to enable the conversion of Technical Assistance Special Fund (TASF) resources held in various contributed currencies to the operational currency of the TASF (US dollars) upon receipt of TASF contributions.
6. The amended Section 3.04(a)(ii) of the TASF Regulations, as approved by the Board of Directors, is attached hereto as Appendix 3.

AMENDMENTS TO THE STAFF REGULATIONS

7. On 18 November 2020, the Board of Directors approved a revision to Sections 1, 3, 4, 6, 19, 20, 21 and 24 of the Staff Regulations to include revised language on parental leave (in place of maternity leave) and incorporate gender-neutral language. Section 10 of the Staff Regulations was also revised to increase the normal retirement age of staff members appointed on or after 1 October 2021 to the age of 65.

8. The amended sections of the Staff Regulations, as approved by the Board of Directors, are attached hereto as Appendix 4.

AMENDMENTS TO THE STAFF RETIREMENT PLAN (SRP) AND DEFINED CONTRIBUTION (DC) PLAN

9. On 18 November 2020, the Board of Directors approved revision in the (i) Staff Retirement Plan (SRP) and (ii) Defined Contribution (DC) Plan Governing Articles to increase the normal retirement age for staff members appointed on or after 1 October 2021 to age of 65. In addition, the Board approved a revision to the DC Plan Governing Articles to allow for Employees and Directors or Alternate Directors who join ADB after the Normal Retirement Date to voluntarily participate in the DC Plan, with no contribution or matching from ADB.

10. The amended provisions of the SRP and the DC Plan Governing Articles, as approved by the Board of Directors and effective on 1 October 2021, are attached hereto as Appendices 5 and 6, respectively.
AMENDMENT TO THE CODE OF CONDUCT, ETHICS COMMITTEE AND PROCEDURES,
AND ASSOCIATED GUIDELINES FOR DIRECTORS, ALTERNATE DIRECTORS, AND THE
PRESIDENT OF THE ASIAN DEVELOPMENT BANK

I. CODE OF CONDUCT

This Code of Conduct has been adopted by the Board of Directors of the Asian Development Bank to set forth principles and ethical standards for the Directors, Alternate Directors and Temporary Alternate Directors, and the President in connection with, or having a bearing upon, their status and responsibilities in the Asian Development Bank. As the Directors, Alternate Directors and the President are entrusted with responsibilities as prescribed in the Charter, By-Laws, and related documents of the Asian Development Bank, their personal and professional conduct must comply with the standards and procedures set forth herein.

1. Definitions

For purposes of this Code of Conduct, the following terms shall have the meanings set forth below:

(a) “ADB” shall refer to the Asian Development Bank.

(b) “Alternate Directors” shall refer to both the Alternate Directors and the Temporary Alternate Directors of the Asian Development Bank, unless otherwise specified.

(c) “Charter” shall refer to the Agreement Establishing the Asian Development Bank.

(d) “Code” shall refer to this Code of Conduct.

(e) “Immediate family members” means spouse plus dependents, where dependents shall have the same meaning for purposes of this Code as is used for purposes of benefits provided by ADB to the Directors and Alternate Directors, as such definition may be amended from time to time for the purpose of such benefits.

(f) “Short-term trading” shall mean any combination of the buying and selling of securities within six months; and the buying and selling of a right or obligation to buy or sell securities shall be treated as buying or selling the securities.

2. Application

(a) This Code, as amended, shall take effect 30 days after the date of approval of the amendments by the Board of Directors with respect to conduct arising or occurring on or after that date, and shall supersede the Code of Conduct adopted by the Board of Directors on 22 September 2006 and amended on 22 June 2011.
(b) The provisions set forth in this Code shall apply to all Directors, Alternate Directors, and to the President, as specified herein. The provisions shall apply to Temporary Alternate Directors only when they are acting in such capacity.

3. **Basic Standard of Conduct**

Directors, Alternate Directors and the President shall carry out their responsibilities as prescribed in the Charter, By-Laws, and related documents of ADB\(^1\) to the best of their ability and judgment, and shall maintain the highest standards of integrity in their personal and professional conduct and observe principles of good governance. In this connection, the Directors, Alternate Directors and the President note certain relevant provisions of the Charter and, in particular, the requirement that the ADB, its President, Vice-Presidents, and staff members shall not interfere in the political affairs of any member country, nor be influenced in their decisions by the political character of the member country\(^2\) concerned, and that only economic considerations shall be relevant to their decisions.\(^3\) In addition, the Directors note the requirement that all member countries respect the international character of the duty of the President, Vice-Presidents, and staff members to ADB and refrain from all attempts to influence them in the discharge of their duties.\(^4\) They also note the requirement under the By-Laws of the ADB that it is their duty to devote to the activities of ADB such time and attention as the interest of ADB may require.\(^5\)

4. **Conflicts of Interest**

(a) In performing their duties, Directors, Alternate Directors and the President shall carry out their responsibilities to the exclusion of any personal advantage.

(b) Directors, Alternate Directors and the President shall endeavor to avoid any situation involving an actual conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. If an actual conflict arises, the Director, Alternate Director or President concerned shall promptly refer the matter in writing to the Chair of the Ethics Committee described in Paragraph 12 below and shall withdraw from attendance or participation in deliberations or decision-making connected with that matter. If an appearance of conflict arises, or if there is doubt whether a conflict, actual or apparent, exists, the Director, Alternate Director or President concerned shall promptly refer the matter in writing to the Chair of the Ethics Committee for guidance.

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\(^1\) For example, the Rules of Procedures of the Board of Directors.

\(^2\) The term "country" as used in this Code refers to a member of ADB and does not imply any view on the part of ADB as to the member's sovereignty or independent status.

\(^3\) See Article 36(2) of the Charter.

\(^4\) See Article 36(3) of the Charter.

\(^5\) See By-Laws Section 7 (A) (a) and (b).
5. **Personal Financial Affairs**

(a) Except within the limits specified in this Paragraph, Directors, Alternate Directors and the President shall avoid having any financial interest in transactions of the ADB or in projects or enterprises involving the ADB. A Director, Alternate Director or the President may acquire for investment purposes and subsequently sell securities issued by ADB but shall not engage in short-term trading in such securities. A Director, Alternate Director or the President shall not use any information not generally available to the public to further their private interests or those of any other person or entity, including through the acquisition or sale of securities issued by the ADB or any other transaction. The provisions of this Paragraph shall apply also to the Directors', Alternate Directors', and President's immediate family members, but without prejudice to the application of ADB's spousal employment policies.

(b) Directors, Alternate Directors and the President shall complete a declaration of compliance with the foregoing provision.⁶

6. **Future Employment**

(a) When negotiating for, or entering into an arrangement concerning, prospective employment outside the ADB for themselves or for their immediate family members, Directors, Alternate Directors and the President shall not allow such circumstances to influence the performance of their duties.

(b) Directors and Alternate Directors shall not seek, apply for, or take up appointment as an ADB staff member, engagement as an ADB consultant, or any other work remunerated by ADB (except as a Director's Advisor), while serving as Directors or Alternate Directors, or within one year following the end of such service. The provisions of this Paragraph 6(b) shall not apply to Temporary Alternate Directors.

7. **Disclosure of Information**

(a) Directors, Alternate Directors and the President shall at all times observe the applicable policies of the ADB regarding disclosure of information.

(b) Directors, Alternate Directors and the President shall protect the security of any information obtained in the performance of their duties that is not otherwise available to the public and, except as required to perform their duties as Directors, Alternate Directors or President, shall not use such information or disclose it to others. The provisions of this Paragraph 7(b) shall continue to apply to Directors, Alternate Directors and President, without limitation, after their terms of service have expired.

(c) Directors and Alternate Directors shall make clear in what capacity they are speaking when issuing public statements relating to ADB. The President may speak on behalf of the Board

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⁶ The declaration of compliance shall be in the form specified in the Guidelines on the Declaration of Compliance Relating to Financial Interests.
of Directors in the capacity as Chair of the Board; Directors or Alternate Directors may only speak on behalf of the Board of Directors with its agreement.

(d) The provisions of this Paragraph 7 shall not limit the provision of information by Directors and Alternate Directors to their sending authority(ies) and other members of their constituency(ies), as appropriate, as may be required in the course of carrying out their duties as Directors and Alternate Directors.

8. Gifts and Entertainment

In regard to acceptance of favors, gifts, and entertainment from persons having dealings with ADB, Directors, Alternate Directors and the President shall exercise tact and judgment to avoid the appearance of improper influence on the performance of their official duties. The ordinary courtesies of international business and diplomacy may be accepted, but gifts, favors, and entertainment, as well as loans and other services, shall not be accepted unless they are of insignificant monetary value. Any gift that is accepted on the basis of the Director’s, Alternate Director’s or President’s judgment that refusal to accept would offend or embarrass the gift-giver or ADB shall be promptly turned over to ADB for charitable donation, display on the premises, or independent appraisal on the basis of which the Director, Alternate Director or President may be allowed to purchase the gift.7

9. Conduct Within the Institution – Courtesy and Respect and Performance of Official Functions

(a) Directors, Alternate Directors and the President shall treat their colleagues and staff with courtesy and respect, and avoid behavior that constitutes, or could be perceived to constitute, harassment or bullying.8

(b) Directors, Alternate Directors and the President shall exercise adequate control and supervision over matters for which they are individually responsible and the resources for which they are entrusted, and shall know and observe the budgetary standards and restrictions regarding their offices. Directors, Alternate Directors and the President shall ensure that property and services of ADB are used by themselves and persons in their offices only for the official business of ADB.

(c) Directors and Alternates may take appropriate action at the ADB, in the interests of their respective constituencies, provided that such measures are consistent with the rules and procedures of the ADB. Whether taking such actions or otherwise, they shall not attempt to exert undue influence on the President, Vice-President(s), officers and staff with respect to: (i) the awarding of contracts for the procurement of works, goods and services; (ii) the investigation and resolution of any dispute or allegations dealt with in accordance with the applicable policies and procedures of the ADB, including in procurement matters; and (iii) the appointment, compensation, and termination of staff members of the ADB.

7 See Guidelines on Gifts and Entertainment for guidance on the application of this provision.
8 See Guidelines on the Prohibition of Harassment and Bullying for guidance on the definition of these terms.
10. **Duty to Report Misconduct and Prohibition of Retaliation**

(a) Directors, Alternate Directors and the President have a duty to report any form of suspected misconduct of which they become aware, to the appropriate person for investigation.\(^9\) Frivolous or knowingly false allegations made by a Director, an Alternate Director or the President shall be considered a violation of this Code.

(b) Directors, Alternate Directors and the President shall refrain from any form of retaliation, i.e., any detrimental act, direct or indirect, recommended or threatened, against an individual for using any channels available to report suspected misconduct or to raise ethical concerns, for participating as a witness in an ethics matter, or for taking part in an internal dispute resolution proceedings.

11. **Compliance with Local Laws**

(a) Directors, Alternate Directors and the President shall observe the laws of each jurisdiction in which they are present pursuant to their duties so as not to be perceived as abusing the privileges and immunities conferred upon ADB and upon them. This provision does not abrogate or waive any diplomatic immunities which may be held by Directors, Alternate Directors and the President.

(b) Directors, Alternate Directors and the President shall inform the Chair of the Ethics Committee in the event, while holding office, they are arrested, charged or convicted of a criminal offense, other than minor violations.

12. **Ethics Committee**

As soon as possible after this Code has taken effect, the Board of Directors shall establish an Ethics Committee to assist it to address matters relating to the application of this Code, as requested by the Board of Directors or as required under this Code or the Ethics Committee and Procedures. The Board of Directors shall adopt procedures for use by the Ethics Committee. Members of the Ethics Committee shall not be subject to direction, shall respect the confidentiality of its proceedings,\(^10\) and shall seek to establish the facts and exercise informed balanced judgment in their consideration of matters dealt with by the Ethics Committee.

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\(^9\) Any allegations relating to the conduct of a Director, Alternate Director or the President should be reported to the Chair of the Ethics Committee of the Board in accordance with the procedures set forth in this Code. Suspected integrity violations (including retaliation) by staff, contractors or consultants should be reported to the Office of Anticorruption and Integrity (OAI). All other forms of suspected misconduct by staff, including harassment, and bullying should be reported to the Office of Professional Conduct.

\(^10\) Amongst other things, members of the Ethics Committee shall establish arrangements within their own constituency offices to ensure that papers relating to the Committee’s work are securely handled and stored so as to protect the confidentiality of this work and ensure the privacy of the President, individual Directors or Alternate Directors who may have dealings with the Committee.
II. ETHICS COMMITTEE AND PROCEDURES

On 22 September 2006, the Board of Directors of the Asian Development Bank ("ADB") established a committee to address ethics matters (the "Ethics Committee") and adopted the following procedures to take effect 60 days after date of adoption by the Board of Directors. These procedures were amended by the Board of Directors on [insert date of Board decision], and such amendments are to take effect 30 days after the date of approval. These procedures shall apply to ethics matters concerning Directors, Alternate Directors, and Temporary Alternate Directors in respect of their duties as such in order to ensure sound governance pursuant to the Code of Conduct for Directors, Alternate Directors, and the President of the Asian Development Bank. The provisions herein also apply to the President, where applicable, both in the capacity as Chair of the Board and as President.¹

1. Scope of Responsibility

The Ethics Committee shall consider:

(a) requests from Directors, Alternate Directors or the President for guidance concerning possible actual or potential conflicts of interest, or other ethical aspects of conduct in respect of Directors, Alternate Directors or the President, and provide advice in response thereto; and

(b) allegations of misconduct against Directors, Alternate Directors or the President that relate to the performance of official duties or actions that affect their performance of official duties, whether such actions are taken prior to, during, or, with respect to any applicable restrictions on future employment or disclosure of information, subsequent to their terms of service as Directors, Alternate Directors or President, and make recommendations to the Board of Directors with respect thereto.

2. Composition and Appointments

(a) The Ethics Committee shall consist of five Directors and/or Alternate Directors ("Committee Members"). In appointing Committee Members and Chair, the President will seek to ascertain and abide by the consensus of the Board of Directors. In the event that consensus cannot be established in a timely way, the President will appoint the Committee Members and/or Chair having regard to the views of the Board of Directors. Efforts shall be made to have the membership of the Ethics Committee reflect the economic, cultural and geographic diversity of the member countries of ADB.

(b) Committee Members ordinarily shall be appointed for two-year terms following each regular election of Directors. If any Committee Member shall resign mid-term, a new Committee Member

¹ The definition of terms as set forth in the Code of Conduct for Members of the Board of Directors, as such Code may be amended from time to time, shall also apply whenever the same terms are used in these procedures.
shall be appointed in accordance with the appointment procedures provided for under Paragraph 2(a) above, to complete the remainder of the term.

3. Counsel to the Ethics Committee

The General Counsel shall act as Counsel to the Ethics Committee, and shall be available to give advice to the Ethics Committee and to Directors, Alternate Directors or the President, at their request. In order to preserve confidentiality, the General Counsel shall establish procedures to ensure that any documents or other material relating to the work of the Ethics Committee are securely handled and held within the Office of the General Counsel. Secure procedures shall also be adopted if documents are distributed beyond that Office. Access to such documents, other materials and any associated information shall be limited to the General Counsel and those few individuals whom the General Counsel designates as having a need to be involved with the issue. The privacy of individuals and the presumption of innocence shall be respected at all times.

4. Secretary to the Ethics Committee

The Secretary shall act as Secretary of the Ethics Committee. In order to preserve confidentiality, the Secretary shall establish procedures to ensure that any documents or other material relating to the work of the Ethics Committee are securely handled and held within the Office of the Secretary. Secure procedures shall also be adopted if documents are distributed beyond that Office. Access to such documents, other materials and any associated information shall be limited to the Secretary and those few individuals whom the Secretary designates as having a need to be involved with the issue. The privacy of individuals and the presumption of innocence shall be respected at all times.

5. General Rules of Procedure of the Ethics Committee

(a) The quorum for a meeting shall be five Committee Members. The Chair shall seek to schedule meetings of the Committee to enable all members to attend, consistent also with ensuring that matters before the Committee are dealt with in timely fashion. Every effort shall be made to conduct meetings with all Committee Members physically present. However, in exceptional circumstances, Committee Members may attend by telephone or videoconference, subject also to the consent of any Director, Alternate Director or President who may be the subject of an agenda item for the meeting. If, nonetheless, a Committee Member cannot attend for any reason, another Director or Alternate Director will be designated to act in the place of the absent Committee Member2 in accordance with the appointment procedures provided for under Paragraph 2(a), and taking into consideration the economic, cultural and geographic diversity of the member countries of ADB.

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2 In the event that a matter pending before the Ethics Committee involves the President, and an absent Committee Member must be replaced, Article 35 of the Charter shall apply.
(b) Decisions of the Ethics Committee shall be taken by simple majority. If a decision is not unanimous the view(s) of the minority are also to be recorded in any report prepared for the Board of Directors.

(c) Where a matter pending before the Ethics Committee involves the President, or a Committee Member or an Alternate Director or Temporary Alternate Director in his or her office, the President or Committee Member shall not be eligible to attend or participate in any deliberations or decision-making regarding such matter.

(d) In the interests of preserving confidentiality, attendance at meetings of the Ethics Committee shall be restricted to Committee Members. The Counsel to the Ethics Committee, the Secretary to the Ethics Committee, and other individuals whose attendance is specifically authorized by the Ethics Committee, may also attend when requested by the Committee. Documents circulated for the consideration of the Ethics Committee shall be distributed only to the Committee Members. They may also be circulated to the Counsel, the Secretary and others, if specifically authorized by the Chair of the Ethics Committee, after consultation with and subject to the guidance of Committee Members.

(e) In the interests of preserving confidentiality, the Board of Directors shall receive the reports of the Ethics Committee and conduct all deliberations or decision-making under these procedures in Restricted Executive Sessions of the Board of Directors consisting exclusively of Directors (or the Alternate of a Director who is unable to attend) and chaired by the Chair of the Board of Directors.³

(f) Without prejudice to Paragraph 7(g) of these procedures, where a matter pending before the Board of Directors pursuant to these procedures involves a Director or his or her Alternate Director, the Director and Alternate Director shall be eligible to attend in order to present his/her views regarding an allegation against them but shall not participate in deliberations, or decision making regarding such allegations.

(g) In proceedings pursuant to these procedures, the Ethics Committee, the Board of Directors and, to the extent required for an investigation pursuant to Paragraph 7(e), the Head of the Office of Anticorruption and Integrity (OAI) or the General Counsel, shall at all times follow a fair process. If asked to conduct an investigation, the General Counsel will establish appropriate arrangements within the Office to ensure that the investigation is conducted independently, including by assigning different legal counsel to this task than those who assist the General Counsel to act as Counsel to the Ethics Committee.

(h) The Ethics Committee, the Head, OAI or the General Counsel, to the extent necessary to conduct an investigation pursuant to Paragraph 7(e), and only to that extent, shall have access to Directors, Alternate Directors, the President, Vice-Presidents and staff members and to pertinent records, emails and documents. In the course of such investigation the Ethics Committee, the Head, OAI or the General Counsel shall not have access to communications between a Director or Alternate Director concerned and his/her sending authority(ies) except with the latter’s consent.⁴

³ In the event that a matter under consideration involves the President, the President shall not attend, and Article 35 of the Charter shall apply.
⁴ See Guidelines on Access During Investigations to Records, Emails and Documents.
6. Procedures for Handling Requests for Guidance

(a) A Director, Alternate Director or the President shall submit a written request for guidance concerning possible actual or potential, conflicts of interest, or other ethical aspects of conduct in respect of his or her personal situation to the Chair for consideration by the Ethics Committee in accordance with the procedures set forth in this Paragraph 6.

(b) The Ethics Committee shall review the request. Counsel to the Ethics Committee shall be available to assist with this review, if necessary. The Ethics Committee may at any time request further information from the individual who submitted the request for guidance.

(c) The Ethics Committee shall provide in writing its advice in response to each individual who has submitted a request for guidance. The Ethics Committee may communicate such advice to other Directors, Alternate Directors and the President, subject to consultation with the individual and in a manner that ensures the privacy of the individual concerned.

(d) An individual who is not satisfied with the advice received from the Ethics Committee in response to a request for guidance may request reconsideration by the Ethics Committee, and if dissatisfied with the Ethics Committee’s reconsideration, may request a review by the Board of Directors.

7. Procedures for Handling Allegations of Misconduct

(a) If an individual wishes to make an allegation of misconduct against a Director, Alternate Director or the President, he/she shall submit such allegation in writing and in confidence to the Chair of the Ethics Committee who shall bring any such allegation to the attention of the Ethics Committee for its consideration in accordance with the procedures set forth in this Paragraph 7. In such a case, the Directors, Alternate Directors or the President concerned shall be presumed not to have engaged in misconduct until such time as the Board of Directors decides under Paragraph 7(f) that there is sufficient evidence to establish, on a balance of probabilities, that the alleged misconduct did occur.

(b) Where the Office of Professional Conduct (OPC) or the Office of Anticorruption and Integrity (OAI) receives an allegation that a Director, Alternate Director or the President engaged in bullying, harassment or retaliation, such office shall transmit such allegations without delay to the Ethics Committee to be handled in accordance with these procedures.

(c) The Ethics Committee shall consider any matter referred to it by the Head, OAI, or Director, OPC who in the course of his/her work uncovers potential misconduct of a Director, Alternate Director, or the President.

(d) As soon as is practicable, the Ethics Committee shall review the allegations and conduct a preliminary assessment to determine whether there is a legitimate basis to warrant an investigation. In this regard, the Ethics Committee will assess whether the allegations are: (i) within the Ethics Committee's mandate; (ii) credible, i.e., there is a reasonable possibility that

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5 See Guidelines on Form and Content of Allegations.
misconduct occurred; (iii) verifiable, i.e., practical options exist to obtain sufficient evidence to determine the truth of the allegations on a balance of probabilities; and (iv) material, i.e., the matter is of sufficient importance to justify the projected requirements of the investigation and any remedial action. Counsel to the Ethics Committee shall be available to assist with this review.

(e) If the Ethics Committee concludes that the allegations do not give rise to a legitimate basis to warrant an investigation following the preliminary assessment conducted under Paragraph 7(d), the Ethics Committee may decide to take no further action. If the allegations do give rise to a legitimate basis to warrant an investigation, the Ethics Committee shall initiate an investigation as soon as is practicable. The Committee may request the Head, OAI or the General Counsel to assist in the investigation. If so requested, the Head, OAI or General Counsel shall conduct an investigation and shall submit a report on such investigation to the Ethics Committee, with a recommendation whether the facts indicate that misconduct occurred, and if so, what measures may be appropriately imposed.

(f) As soon as is practicable, based on the findings of the investigation, the Ethics Committee shall make a recommendation to the Board of Directors whether the facts indicate that misconduct occurred, and if so, what measures may be appropriately imposed. The Board of Directors shall take a final decision based on the findings and recommendations of the Ethics Committee and, if applicable, the Head, OAI or the General Counsel. In cases of misconduct by a Director, appropriate measures may include issuance of a written censure or other action by the Board of Directors and, if the circumstances warrant it, provision of notice of such censure or other action to the Governor(s) of the member country\(^7\) (or countries) that appointed or elected the Director. In cases of misconduct by an Alternate Director or a Temporary Alternate Director, appropriate measures may include censure by the Board of Directors and recommendation of other appropriate action to be taken by the Director who appointed him or her. In cases of misconduct by the President, the Board of Directors may recommend appropriate measures to the Board of Governors that may include censure and other appropriate action by the Board of Governors.

(g) Each Director, Alternate Director or the President, if alleged to have committed misconduct, shall be provided with timely notice of the allegations, all relevant documentation and the opportunity to present his or her views regarding the allegations (i) to the Ethics Committee in the context of its preliminary assessment under Paragraph 7(d); and (ii) to the Ethics Committee before it recommends, and to the Board of Directors before it makes any recommendations or decisions on whether the facts indicate that misconduct occurred, and if so, what measures may be appropriately imposed. In exceptional cases\(^8\), the Ethics Committee shall permit the individual who is alleged to have committed misconduct to be accompanied by an advisor from within or outside of ADB. In other cases, the Ethics Committee, having regard to the particular circumstances of the case, may permit such accompaniment by an advisor.

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6 If asked to conduct an investigation, the Head, OAI shall establish arrangements within his/her office to protect the confidentiality of this work.

7 The term “country” as used in this Code refers to a member of ADB and does not imply any view on the part of ADB as to the member’s sovereignty or independent status.

8 The Ethics Committee shall decide what are exceptional cases, taking into consideration all the circumstances including the gravity of the allegations. For example, an exceptional case might involve an allegation that the individual concerned had committed what would normally be considered under the laws of member countries to be a serious crime, punishable by imprisonment of more than one year.
(h) If the Ethics Committee in the course of its work uncovers potential misconduct by a staff member of ADB, or potential fraud or corruption by a contractor or consultant in a project financed or executed by ADB, it shall refer the matter to the Head, OAI.

(i) Any staff member who makes frivolous or knowingly false allegations against a Director, Alternate Director or the President shall be subject to disciplinary procedures in accordance with Administrative Order No. 2.04. Frivolous or knowingly false allegations made by the President, a Director or an Alternate Director shall be considered a violation of the Code of Conduct and will be subject to the procedures of this Code.

III. GUIDELINES ON THE APPLICATION OF THE CODE OF CONDUCT

A. Guidelines on Gifts and Entertainment

1. The following Guidelines are established for the interpretation and application of Paragraph 6 of the Code of Conduct “Gifts and Entertainment”.

2. Any person covered by the Code of Conduct may accept the ordinary courtesies of international business and diplomacy, but shall not accept any favors, gifts, entertainment, loans or other services from persons having dealings with ADB unless they are of insignificant monetary value. Ordinary courtesies of international business and diplomacy include meals sponsored by the hosts and inexpensive memorabilia that they may give to guests to commemorate their visit.

3. When a person who is covered by the Code of Conduct accepts a gift that is of significant monetary value because refusal to accept it would offend or embarrass the gift-giver or ADB, he or she shall submit the gift to the Director, Facilities and Asset Management Division, Office of Administrative Services (OAF), with an accompanying memorandum setting out the circumstances in which the gift was received. The Director, OAFA shall determine the value of the gift, and shall return it to the person concerned if its value is US$50 or less. In such a case the person concerned may either keep the gift or submit it to Director, OAFA for charitable donation.

4. If the Director, OAFA determines that the value of the gift is more than US$50, the person concerned may purchase the gift by paying ADB an amount equivalent to the assessed value of the gift. If the person concerned does not wish to purchase the gift, ADB will either sell it and donate the proceeds to charity, or retain it for display on the premises.

B. Guidelines on Access during Investigations to Records, Emails and Documents

1. These Guidelines are established for the interpretation of Paragraph 5(h) of the Ethics Committee and Procedures ("ECAP"), which provides that the “[t]he Ethics Committee, the Head, OAI or the General Counsel, to the extent necessary to conduct an investigation pursuant to Paragraph 7(e) of the ECAP, shall have access to Directors, Alternate Directors, the President, Vice-Presidents and staff members and to pertinent records, emails and documents. In the course
of such investigation the Ethics Committee, Head, OAI or the General Counsel (the “Investigators”) shall not have access to communications between a Director or Alternate Director concerned and his/her sending authority(ies) except with the latter’s consent.”

2. Investigations under Paragraph 7(e) of the ECAP of allegations of misconduct against a Director, Alternate Director or the President shall be carried out with paramount consideration being given to safeguarding the rights of the subject of the inquiry, and to protecting the confidentiality of the investigation. Any investigation shall also be conducted as discreetly as possible with a view to protecting the reputation of the subject of the investigation and of any other person who may be involved, and avoiding any unreasonable intrusions into the personal privacy of the subject of the investigation. If the Ethics Committee requests the Head, OAI or the General Counsel to assist in the investigation, the Ethics Committee shall approve the terms of reference for such assistance (the “terms of reference”). The terms of reference may be amended during the course of the investigation with the approval of the Ethics Committee.

3. Such investigations shall include collection and analysis of all evidence, both in support of, and refuting, allegations that the subject of the investigation has engaged in misconduct (“allegations”). In this context, Investigators may access only the records, emails and/or documents of the subject of the investigation, and of other concerned persons, that are relevant to the investigation.

4. When conducting an investigation under Paragraph 7(e) of the ECAP of allegations of misconduct against a Director, Alternate Director or the President, the Investigators shall have full and unrestricted access to information and records concerning all ADB activities, ADB personnel, and physical property of ADB. They shall be authorized to

(a) examine any and all ADB files, records including records of telephone calls, books, data, papers, and any other materials whatsoever related to ADB’s business if such documents and materials are relevant to the allegation and may help support or refute such allegations; and

(b) take temporary physical possession of any material referred to above, against written receipt if requested, and make copies for his/her own official use.

5. The Investigators and Ethics Committee Members shall hold any information, knowledge, and material that they acquire in the course of discharging their duties in confidence so that the privacy of the subject of the investigation is protected to the fullest extent possible.

6. The subject of the investigation may request the Chair of the Ethics Committee to require concerned persons to produce specific records, emails and/or documents that he or she considers are relevant to the allegations. If the Chair of the Ethics Committee is satisfied that such records, emails and/or documents are relevant to the allegations, he or she shall require persons concerned to provide copies of them to the subject of the investigation, who shall hold such documents in confidence.

7. The Investigators shall not have access to the e-mail box of a Director, Alternate Director or the President unless access to the e-mail box has been specifically authorized in the terms of reference approve by the Ethics Committee under Paragraph 2 above. Any such authorization must be based on sufficient justification.
8. Notwithstanding the above, the Investigators shall not have access to any communications between a Director or Alternate Director and the governmental authorities (political and administrative) that they represent, except with the latter’s consent.

C. Guidelines on Form and Content of Allegations

1. These Guidelines are established under Paragraph 7(a) of the Ethics Committee and Procedures ("ECAP") to provide for the appropriate form and content of any documentation regarding allegations of misconduct against Directors, Alternate Directors or the President in relation to the performance of official duties or actions that affect their performance of official duties ("allegations").

2. Any person may submit an allegation in good faith against a Director, Alternate Director or the President.

3. Staff members who make frivolous or knowingly false allegations shall be subject to disciplinary procedures under Administrative Order No. 2.04. Any such allegations made by a Director, Alternate Director or the President shall be considered a violation of the Code of Conduct and shall be subject to the procedures of the Code. In the event that persons other than staff members make frivolous or knowingly false allegations, the President shall decide, in consultation with the Ethics Committee and the person(s) against whom such allegations have been made, on appropriate measures that may include legal action.

4. Allegations must be addressed to the Chair of the Ethics Committee, in writing, and signed. The name of the signatory must be clearly stated, together with his/her personal and official status. No anonymous allegations shall be accepted.

5. Persons making allegations must state their allegations concisely, and summarize all relevant evidence available to them, including the names and contact information, if possible, of any witnesses that can corroborate evidence supporting the allegations.

6. If there is documentary evidence to support the allegations, such evidence must be attached to the allegations as annexes. If the original documents are not in English, they must be accompanied by translations into English, with the accuracy of the translations certified to by the translator concerned. Where only part of a document is relevant to the allegation, only the relevant part need be annexed.

7. The person making the allegation must submit four copies, including annexes, in addition to the original.

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9 Such actions may have been taken prior to, during, or with respect to any applicable restrictions on future employment or disclosure of information, subsequent to, their term of service as Director, Alternate Director or President (see Paragraph 1(b) of the ECAP).

10 Paragraph 10(a) of the Code of Conduct.
D. Guidelines on the Declaration of Compliance Relating to Financial Interests

1. These Guidelines are established to provide procedures for the completion of a declaration of compliance by Directors, Alternate Directors and the President as required by Paragraph 5(b) of the Code of Conduct.

2. Within 30 days of assumption of office, and in accordance with any additional schedule the Ethics Committee may determine, Directors, Alternate Directors, and the President, will file with the Secretary of the Ethics Committee the following declaration:

   "(i) I declare that I have read the Code of Conduct for Directors, Alternate Directors, and President of the Asian Development Bank, and in particular Paragraph 5 thereof, and certify that:

   □ Neither I, nor my immediate family members, hold any financial interests in transactions of the ADB or in projects or enterprises involving the ADB.

   OR

   □ I, and/or my immediate family members, have financial interests in transactions of the ADB or in projects or enterprises involving the ADB. I will disclose these to the Ethics Committee and seek guidance thereon.

   (ii) I acknowledge that while I may hold ADB-issued securities for investment purposes, I shall refrain from any short-term trading in such securities. ("Short-term trading" is defined in Paragraph 1(f) of the Code of Conduct)

   (iii) I declare that I will not use any information not generally available to the public to further my or another’s private interest, including through the acquisition or sale of securities issued by the ADB or any other transaction.

   (iv) I shall promptly seek the Ethics Committee’s guidance, in accordance with the procedures set forth in Paragraph 6(a) of the Ethics Committee and Procedures, in the event that I, or my immediate family members, have, or plan to undertake, any financial dealings which may be in conflict (either actual, potential or perceived) with my obligations under the Board Code of Conduct.”

3. Directors, Alternate Directors and the President shall update this declaration as may be necessary if there is a change in circumstances.

4. The Ethics Committee shall oversee and administer the Declaration of Compliance exercise, with the assistance of The Secretary, and shall be authorized to amend this Guideline from time to time.
E. Guidelines on the Prohibition of Harassment and Bullying

1. These Guidelines elaborate on the meaning of harassment and bullying under Paragraph 9(a) of the Code of Conduct.

2. To ensure a unified set of expectations of behavior that is applicable across ADB, the definitions of bullying and harassment applicable to the Board shall be harmonized with that which is applicable under the Staff Code of Conduct. Accordingly, for the purposes of the Board Code of Conduct, the following definitions apply:

   (a) “Bullying” is a form of Harassment consisting of repeated or persistent aggression or other malicious behavior in any form by one or more persons which has the effect of humiliating, belittling, offending, intimidating or discriminating against another person. It may include persistent, unwarranted or unconstructive criticism, personal abuse and/or ridicule, either in public or private, which humiliates or demeans the individual targeted, gradually eroding his or her self-confidence or intending to do so. Criticism, disapproval, negative performance assessment and similar appraisal, appropriately conveyed, do not, by themselves, constitute bullying or harassment.

   (b) “Harassment” is any unwarranted or unwelcome behavior, verbal, psychological or physical, that interferes with work or creates an intimidating, hostile or offensive work environment. Harassment includes but is not limited to sexual harassment and bullying. Sexual harassment is any unwelcome sexual advance, request for sexual favors or other verbal or physical conduct of a sexual nature which results in physical, sexual or psychological harm or suffering to another person, or which is made or suggested to be a condition of employment, promotion or other personnel action or creates an intimidating, hostile or offensive environment.

3. The Ethics Committee shall be authorized to amend these Guidelines in order to ensure appropriate alignment with the relevant definitions under the Staff Code of Conduct.
ASIAN DEVELOPMENT BANK

BORROWING REGULATION

Dated 13 April 2020
BORROWING REGULATION
Dated 13 April 2020

ARTICLE I
Definitions

Section 1.01. Except where the context otherwise requires, the following terms have the following meanings whenever used in this Regulation:

(a) "ADB" means the Asian Development Bank.

(b) "Authorized Officer" means any of the following officers of ADB: the President, a Vice-President, or (in reference to any particular Borrowing that the Treasurer is authorized by a Resolution to approve) the Treasurer.

(c) "Authorized Representative" means

(i) any of the following officers of ADB: the President, a Vice-President, the Treasurer, the General Counsel, the Deputy Treasurer, the Deputy General Counsel, an Assistant Treasurer, an Assistant General Counsel, a Principal Treasury Specialist, a Principal Counsel, a Senior Treasury Specialist, or a Senior Counsel, and

(ii) in reference to any particular Borrowing, any person designated in writing by any Authorized Officer as an Authorized Representative for the purposes of this Regulation, or any provision thereof, with respect to such Borrowing.

(d) "Bonds" means bonds, notes, debentures, Islamic securities and similar obligations of ADB (including, without limitation, any Islamic securities issued by any special purpose vehicle) with final maturities of one day or more from the date of issue, to which this Regulation or any part thereof shall have been made applicable by a Resolution.

(e) "bearer Bonds" means bearer Bonds which may be issued in global or definitive form.
(f) "registered Bonds" means Bonds which are represented by registered certificates in global or definitive form.

(g) "Borrowing" means the creation and sale of Bonds or the undertaking of a Direct Borrowing.

(h) "Direct Borrowing" means the direct borrowing of funds by ADB for terms of one day or more, to which this Regulation or any part thereof shall have been made applicable by a Resolution.

(i) "Resolution" means the resolution or resolutions adopted by the Board of Directors of ADB authorizing Borrowings under a global borrowing authorization.

ARTICLE II

Applicability to Borrowings

Section 2.01. If pursuant to any Resolution this Regulation or any part thereof shall be applicable to a Borrowing authorized by the Resolution, then to the extent so provided this Regulation shall apply to such Borrowing with the same force and effect as if it were fully set forth in such Resolution.

Section 2.02. If any provision of a Resolution is inconsistent with a provision of this Regulation, the provision of the Resolution shall govern.

ARTICLE III

Form of Borrowings and Bonds

Section 3.01. Borrowings may consist of (i) issues of Bonds through public offering or private placement and (ii) undertaking of Direct Borrowings from financial or other institutions. Bonds may be issued with warrants, options or other instruments as may be determined by any Authorized Officer.

Section 3.02. Bonds may be issued (i) in certificated form as bearer Bonds or registered Bonds or (ii) in uncertificated (bookentry) form, as shall be determined by any Authorized Officer.
ARTICLE IV

Sale of Bonds; Undertaking of Direct Borrowings

Section 4.01. Any Authorized Representative may, in the name and on behalf of ADB,

(a) sign and deliver or publish any agreement or other document providing for sale or offering for sale of Bonds of any issue; accept or reject subscriptions or offers for such Bonds; waive any irregularity in any subscription or offer or its submission; deliver or cause to be delivered such Bonds; and receive or arrange for the receipt of payment therefor; and

(b) sign and deliver or publish any agreement or other document providing for any Direct Borrowing; and receive or arrange the receipt of payment thereunder.

ARTICLE V

Denominations, Numbering and Date of Bonds

Section 5.01. Bonds shall be of such denominations, and shall be numbered in such manner, as may from time to time be authorized by any Authorized Officer.

Section 5.02. Bonds shall bear such date(s) as any Authorized Officer shall determine.

ARTICLE VI

Execution, Authentication and Delivery of Bonds

Section 6.01. (a) Bonds in certificated form, other than temporary global Bonds referred to in Section 6.01(b) hereof, shall be signed in the name and on behalf of ADB by its President or one of its Vice-Presidents. The coupons (if relevant) to be attached to bearer Bonds shall bear the signature of the President or the Treasurer, the Deputy Treasurer or one of the Assistant Treasurers of ADB.

(b) A temporary global Bond or temporary global Bonds may be issued to evidence Bonds prior to the preparation and delivery of permanent global Bonds
or definitive Bonds. Temporary global Bonds shall be signed in the name and on behalf of ADB by its President, one of its Vice-Presidents, its Treasurer, its Deputy Treasurer or one of its Assistant Treasurers.

(c) Any signature provided for in this Section may be manual or facsimile. Any Bond in certificated form may be issued, authenticated and delivered even though any officer of ADB who shall have signed, or whose facsimile signature shall be affixed to, such Bond or any coupon thereto appertaining, shall, at the time of such issuance, authentication or delivery, have ceased to be such officer or shall not have been such officer at the date of such Bond.

Section 6.02. Any Authorized Representative may cause Bonds of any issue, when executed as provided in Section 6.01 hereof (if relevant), to be delivered to the fiscal agent for such issue for authentication (if required), and for delivery (a) on original issue, to or on the written order of ADB signed by any Authorized Representative, and (b) on denominational exchanges, exchanges as between bearer Bonds and registered Bonds, transfers of registered Bonds and in substitution for mutilated, lost or destroyed Bonds or coupons.

ARTICLE VII

Agencies for Payment, Registration and Transfer of Bonds

Section 7.01. Any Authorized Representative may appoint any depository of ADB designated pursuant to Article 38, Paragraph 2 of the Agreement Establishing the Asian Development Bank or such other financial institution or institutions as agent of ADB with the title of Fiscal Agent or other appropriate title for the authentication, registration, transfer, exchange and substitution of, and for the payment, calculation, conversion and exchange of principal of and interest (if relevant) and redemption premiums (if any) on, Bonds of any issue or for any of such functions.

ARTICLE VIII

Prospectuses, Qualification and Listing of Bonds

Section 8.01. Any Authorized Representative may, in the name and on behalf of ADB, execute and deliver, or cause to be delivered, in connection with the sale or offering for sale of Bonds, a prospectus or other statement, not inconsistent with the Resolution and the determinations of any Authorized Officer
relating to such Bonds, with respect to such Bonds and ADB and its operations, and amend the same from time to time as he or she shall deem necessary or advisable.

Section 8.02. Any Authorized Representative may, in the name and on behalf of ADB, qualify and register Bonds for sale or offering for sale in any jurisdiction in any country, and for that purpose may execute and file or cause to be filed such registration statements, applications, exhibits and supplements thereto, designations of agents for the acceptance of service of process, and other documents, and such amendments to any thereof, as said Authorized Representative shall deem necessary or advisable in order to comply with any applicable laws or regulations of any such jurisdiction.

Section 8.03. Any Authorized Representative may, in the name and on behalf of ADB, apply for the listing of Bonds on such stock exchanges or other similar organizations as he or she shall deem necessary or advisable, and for that purpose may execute and file or cause to be filed such applications and other documents, and such amendments thereto, as he or she shall deem necessary or advisable in order to comply with the regulations of any such stock exchange or organization and to effect the listing of such Bonds thereon; and such Authorized Representative is authorized to appear on behalf of ADB before any department or governing body of any such stock exchange or organization.

ARTICLE IX

Repurchase of Bonds

Section 9.01. ADB is authorized to repurchase from time to time, on the open market or otherwise, Bonds at any time outstanding which are issued in any market, on such terms and conditions as shall be determined by its Treasurer. Any Authorized Representative may, in the name and on behalf of ADB, take all actions required for the purpose of the repurchase of such Bonds.

ARTICLE X

Redemption of Bonds; Prepayment of Direct Borrowings

Section 10.01. (a) Any Authorized Representative may, in the name and on behalf of ADB, call for redemption and redeem any issue of Bonds in respect of which ADB (i) is obligated to redeem before maturity all or part of such Bonds pursuant to its terms, or (ii) may elect to redeem before maturity all or part of such Bonds pursuant to its terms and any Authorized Officer shall have approved the redemption of such Bonds. Such Authorized Representative may take all actions
required for the purpose of the payment of the amounts payable on the redemption of such Bonds, and may execute, deliver and publish such notices of redemption in such form and in such manner as he or she shall deem necessary or advisable to carry fully into effect the redemption.

(b) Any Authorized Representative may, in the name and on behalf of ADB, take all actions required for the prepayment of any Direct Borrowing in respect of which ADB (i) is obligated to prepay before maturity all or part of the principal amount of such Direct Borrowing pursuant to its terms, or (ii) may elect to prepay before maturity all or part of the principal amount of such Direct Borrowing pursuant to its terms and any Authorized Officer shall have approved the prepayment of such Direct Borrowing. Such Authorized Representative may execute, deliver and publish such notices of prepayment in such form and in such manner as he or she shall deem necessary or advisable to carry fully into effect the prepayment.

ARTICLE XI

General

Section 11.01. Any Authorized Representative may execute and deliver all such other documents and do all such other acts as he or she shall deem necessary or advisable in relation to any Borrowing, or in order to carry fully into effect the authority granted him or her under any Resolution, this Regulation or by any Authorized Officer.
AMENDMENT TO THE TASF REGULATIONS

Section 3.04. Freedom of Resources from Restrictions

(a) Except as otherwise provided in or permitted by these Regulations:

... 

(ii) currencies paid into the Fund may be converted into the operational currency of the Fund upon receipt. Thereafter, the funds may be used by the Bank, without restriction, for payments in any country and to purchase other currencies as required to meet commitments and liabilities of the Fund; and
AMENDMENTS TO THE STAFF REGULATION

Section 1

Staff members of the Bank are international civil servants and are subject to the authority of the President and to assignment by her/him to any of the activities or offices of the Bank. In the discharge of their functions, the staff members shall owe their duty entirely to the Bank and to no other authority.

Section 3

Except in the course of her/his official duties or by express authorization of the President, no staff member may, during the term of her/his appointment of service, publish, cause to be published, or assist in the publication of any book, pamphlet, article, letter or other document relative to the policies or activities of the Bank or to any national political questions; deliver any speech or lecture, broadcast through radio or television media, or grant any press interview on such policies, activities, or questions; or communicate to any person any unpublished information known to her/him by reason of her/his official position. After termination of her/his period of service with the Bank, a person formerly on the staff may not, without the express authorization of the President, disclose any confidential information s/he has received during his service with the Bank by reason of her/his official position.

Section 4

No staff member shall hold other public or private employment or engage in any occupation or profession which in the Bank’s opinion is incompatible with the proper performance of her/his official duties.

A staff member may retain re-employment rights or pension rights acquired in the service of a public or private organization.

Section 6

No staff member may accept any honour, decoration, favour, gift, or bonus from any Government, or from any other authority or person external to the Bank, for services rendered during the period of her/his appointment or service with the Bank.

Section 10

A staff member and the Bank shall have the option of terminating the staff member’s service in the Bank on the payment of such appropriate pension or other retirement benefit as shall be provided in the staff retirement benefit scheme, at any time after a staff member appointed by the
Bank: (a) prior to 1 October 2017 attains the age of sixty, (b) on or after 1 October 2017 attains the age of sixty-two, or (c) on or after 1 October 2021 attains the age of sixty-five. When such option is not exercised by either the Bank or the staff member, the age of retirement will be sixty-five years.

Without prejudice to the foregoing, the President, in exceptional circumstances and in the interest of the Bank, may extend, for specific periods, the employment of a staff member beyond the age of sixty-five years.

Section 19

The President shall make provision for sick leave, parental leave and special leave.

Section 20

Official travel shall be undertaken by staff members only with the approval of the President or officials designated by her/him.

Section 21

When a staff member is to participate in deliberations or activities of international organizations or conferences or when a staff member is to make a trip to a member’s territory undertaken in response to a formal invitation, s/he shall do so only with the prior permission of the President and the President shall notify the Board of Directors of it in due course.

Section 24

The President may impose disciplinary measures on staff members whose conduct is unsatisfactory. S/he may summarily dismiss a staff member for serious misconduct in accordance with the procedures to be established by the Bank.
ARTICLE 1. DEFINITIONS

Section 1.1

(n) “Normal Retirement Date” of a Participant or a former Participant means

(i) for a Participant or a former Participant under Article 2 or Article 2A, the 60th anniversary of that person’s birth;

(ii) for a Participant or a former Participant under Article 2B, who became a Participant under Article 2B prior to 1 October 2021, the 62nd anniversary of that person’s birth;

(iii) for a Participant or a former Participant under Article 2B, who became a Participant under Article 2B on or after 1 October 2021, the 65th anniversary of that person’s birth.
AMENDMENTS TO THE DEFINED CONTRIBUTION (DC) PLAN

ARTICLE 1: INTERPRETATION AND DEFINITIONS, Section 1.2 Definitions (to become effective on 1 October 2021)

Normal Retirement Date means, in the case of: (a) a Participant or Voluntary Participant who became an Employee, Director or Alternate Director on or after 1 October 2021, age 65, (b) a Participant or Voluntary Participant who became an Employee, Director or Alternate Director on or after 1 October 2017 but before 1 October 2021, age 62, or (c) in the case of all other Voluntary Participants, age 60, or such other age as specified by ADB.

Voluntary Participant means an Employee, a Director or an Alternate Director who joins the Plan in order to pay voluntary contributions under Section 3.2 or to pay such other contributions as may be permitted by the Sponsor and is participating in the Plan on the terms as provided in Section 2.1(d).

Employee means any person employed by ADB or ADBI not holding a temporary, short-term, part-time, contractual or consultant appointment, other than staff explicitly excluded to participate in the Plan by their terms of appointment, and who receives a regular stated Remuneration from ADB or ADBI and includes any person employed by ADB or ADBI who is on leave of absence approved by ADB or ADBI. The Sponsor shall determine and confirm to the Administrator and relevant persons which persons are “Employees” within the meaning of these Articles (whether or not such persons are categorized as “staff” or otherwise for other purposes within the Sponsor). In all cases, the Sponsor shall determine whether any person is an Employee as herein defined.

ARTICLE 3: CONTRIBUTIONS AND MEMBER ACCOUNTS, Section 3.3: Additional Contributions by ADB (to become effective 1 October 2021)

(b) The Sponsor will contribute $1 for every $8 of Remuneration contributed by the Participant up to a maximum contribution by the Participant of 12% of their annual Remuneration. This contribution by the Sponsor will end when the Participant reaches the age of 65.
BUDGET FOR 2021

REPORT OF THE BOARD OF DIRECTORS

I. ASIAN DEVELOPMENT BANK

1. A report on the 2020 budget of the Asian Development Bank (ADB) was submitted to the Board of Governors at the 53rd Annual Meeting in September 2020.a

2. Actual net 2020 internal administrative expenses (IAE) totaled $687.9 million including budget carryover of $14.5 million, representing a utilization rate of 95% of the net IAE budget (Appendix 1).

3. On 11 December 2020, the Board of Directors approved the IAE budget of $771.2 million for 2021 (Appendix 1), an increase of $34.8 million or 4.7% over the 2020 budget. The 2021 IAE budget consists of $755.0 million for ADB, $14.8 million for the Independent Evaluation Department (Appendix 2), and $1.4 million for the Compliance Review Panel and the Office of the Compliance Review Panel (Appendix 3).

4. The 2021 budget supports the strategic and institutional priorities of the Work Program and Budget Framework, 2021–2023.b The 2021 work program commitments comprise $21.2 billion and 135 projects for sovereign operations, $2.1 billion and 43 projects for nonsovereign operations, and $384 million and 239 new technical assistance operations.

5. In 2021, ADB will continue to focus on the coronavirus disease (COVID-19) response and helping its developing member countries (DMCs) achieve a green, resilient, and inclusive economic recovery. The implementation of Strategy 2030c and its seven operational priorities will also continue.

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6. ADB has introduced several policy variations and measures to enable ADB to provide faster, more tailored, and impactful responses to COVID-19. One of ADB’s goals is to support the rapid and equitable distribution of safe and effective COVID-19 vaccines across its DMCs. ADB will focus on the quality and the impact of its operations. Differentiated approaches will be applied across DMCs as their transition to a “new normal” is expected to differ by country.

7. The 2021 budget was prepared during the unprecedented period of the COVID-19 pandemic and the subsequent economic downturn across the world and the Asia and Pacific region. Despite the necessary increase in support for DMCs, acknowledging international conditions, ADB took a highly prudent approach in developing the 2021 budget. Flexibility will be essential to implementing the 2021 budget and ensuring responsiveness to the changing environment.

8. The main cost drivers of the 2021 budget are (i) costs related to COVID-19, which are incurred across different cost categories; (ii) staff costs, including additional staff to support the 2021 work program; (iii) information technology requirements, including additional administrative costs arising from information technology reforms; (iv) support to resident missions; and (v) an adjustment to the contribution rate of the Staff Retirement Plan.

9. Appendix 4 (reference A–H) provides a comparison of the original 2021 work program at the time of the budget approval, with the actual results for 2020. In addition to the IAE budget, the 2021 budget includes $26.4 million for annual capital expenditure to fund the cyclical capital expenditure requirements of headquarters and field offices for 2021.

II. ASIAN DEVELOPMENT BANK INSTITUTE

10. The actual expenses of the Asian Development Bank Institute for 2020 totaled $11.1 million, representing a utilization rate of 63% of the budget of $17.6 million (Appendix 5). The utilization consisted of $3.1 million for program expenses and $8.0 million for IAE.

11. On 11 December 2020, ADB’s Board of Directors approved the 2021 budget of $16.6 million for the Asian Development Bank Institute, comprising $5.5 million for program expenses, $10.1 million for IAE, and $1.0 million for general contingency. The program expense budget of $5.5 million consists of $2.7 million for the research program and $2.8 million for capacity building and training (Appendix 6).
### ASIAN DEVELOPMENT BANK: INTERNAL ADMINISTRATIVE EXPENSES

#### COMPARISON OF 2021 BUDGET WITH 2020 BUDGET AND ACTUAL RESULTS ($’000)

<table>
<thead>
<tr>
<th>Item Description</th>
<th>2020 Budget</th>
<th>2020 Actual</th>
<th>2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Board of Governors</strong></td>
<td>2,359</td>
<td>2,359</td>
<td>689</td>
</tr>
<tr>
<td><strong>B. Board of Directors</strong></td>
<td>17,098</td>
<td>17,098</td>
<td>14,170</td>
</tr>
<tr>
<td><strong>C. Independent Evaluation Department</strong></td>
<td>14,218</td>
<td>14,218</td>
<td>12,633</td>
</tr>
<tr>
<td><strong>D. Accountability Mechanism</strong></td>
<td>3,003</td>
<td>3,003</td>
<td>1,921</td>
</tr>
<tr>
<td>Compliance Review Panel and Office of the Compliance Review Panel</td>
<td>1,847</td>
<td>1,847</td>
<td>1,058</td>
</tr>
<tr>
<td>Office of the Special Project Facilitator</td>
<td>1,156</td>
<td>1,156</td>
<td>863</td>
</tr>
<tr>
<td><strong>E. Operational Expenses</strong></td>
<td>538,611</td>
<td>538,611</td>
<td>502,070</td>
</tr>
<tr>
<td>Salaries</td>
<td>286,808</td>
<td>286,808</td>
<td>294,258</td>
</tr>
<tr>
<td>Benefits</td>
<td>164,478</td>
<td>159,166</td>
<td>158,288</td>
</tr>
<tr>
<td>Contribution to Staff Retirement Plan</td>
<td>67,454</td>
<td>69,178</td>
<td>68,658</td>
</tr>
<tr>
<td>Staff Development</td>
<td>11,140</td>
<td>11,140</td>
<td>6,395</td>
</tr>
<tr>
<td>Relocation</td>
<td>6,025</td>
<td>6,025</td>
<td>5,421</td>
</tr>
<tr>
<td>Consultants</td>
<td>32,654</td>
<td>32,654</td>
<td>31,182</td>
</tr>
<tr>
<td>Business travel</td>
<td>36,870</td>
<td>33,245</td>
<td>6,268</td>
</tr>
<tr>
<td>Representation</td>
<td>636</td>
<td>636</td>
<td>259</td>
</tr>
<tr>
<td><strong>F. Administrative Expenses</strong></td>
<td>153,833</td>
<td>153,833</td>
<td>151,492</td>
</tr>
<tr>
<td>Communications</td>
<td>9,819</td>
<td>7,530</td>
<td>6,912</td>
</tr>
<tr>
<td>Office occupancy</td>
<td>33,598</td>
<td>32,598</td>
<td>32,035</td>
</tr>
<tr>
<td>Library and subscription</td>
<td>6,760</td>
<td>7,185</td>
<td>7,135</td>
</tr>
<tr>
<td>Office supplies</td>
<td>1,442</td>
<td>1,442</td>
<td>718</td>
</tr>
<tr>
<td>Equipment, maintenance, and support</td>
<td>26,117</td>
<td>23,287</td>
<td>22,905</td>
</tr>
<tr>
<td>Contractual services</td>
<td>40,712</td>
<td>42,445</td>
<td>42,160</td>
</tr>
<tr>
<td>Insurance</td>
<td>7,033</td>
<td>7,244</td>
<td>7,199</td>
</tr>
<tr>
<td>Depreciation</td>
<td>27,414</td>
<td>31,764</td>
<td>31,602</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>938</td>
<td>938</td>
<td>826</td>
</tr>
<tr>
<td><strong>Total Regular Programs</strong></td>
<td>729,122</td>
<td>729,122</td>
<td>682,975</td>
</tr>
<tr>
<td><strong>G. General Contingency</strong></td>
<td>7,291</td>
<td>7,291</td>
<td>0</td>
</tr>
<tr>
<td>Gross IAE <strong>a</strong></td>
<td>736,413</td>
<td>736,413</td>
<td>682,975</td>
</tr>
<tr>
<td><strong>H. Fee Reimbursements</strong></td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>I. IAE</strong></td>
<td>726,718</td>
<td>726,718</td>
<td>673,377</td>
</tr>
<tr>
<td><strong>J. Carryover of IAE Budget</strong></td>
<td>...</td>
<td>...</td>
<td>14,534</td>
</tr>
<tr>
<td><strong>K. Net IAE after Carryover</strong></td>
<td>726,718</td>
<td>726,718</td>
<td>687,911</td>
</tr>
</tbody>
</table>

### Memo Item

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Estimate</th>
<th>2020 Actual</th>
<th>2021 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross IAE <strong>a</strong></td>
<td>736,413</td>
<td>682,975</td>
<td>771,188</td>
</tr>
<tr>
<td>Accounting Adjustments</td>
<td>57,263</td>
<td>90,236</td>
<td>97,796</td>
</tr>
<tr>
<td>Accrual for SRP</td>
<td>85,573</td>
<td>102,038</td>
<td>124,743</td>
</tr>
<tr>
<td>Accrual for GMIP/PRGMIP</td>
<td>12,690</td>
<td>14,296</td>
<td>23,352</td>
</tr>
<tr>
<td>Loan origination cost <strong>b</strong></td>
<td>(41,000)</td>
<td>(51,299)</td>
<td>(50,299)</td>
</tr>
<tr>
<td>Other adjustments <strong>c</strong></td>
<td>...</td>
<td>25,202</td>
<td>...</td>
</tr>
<tr>
<td><strong>Overall Administrative Expenses</strong></td>
<td>793,676</td>
<td>773,211</td>
<td>868,984</td>
</tr>
</tbody>
</table>

---

**Notes:**
- Estimates are not available or not calculated.
- (1) = negative.
- 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.

**Sources:**

**Mechanisms:**
- The budgets for SRP and DC Plan for these offices are included in their respective budget categories.

**Carryover:**
- Transfers were made between budget items without exceeding the original amount of each category to meet changing requirements within the same budget category.

**Rounding:**
- Actual expenses incurred against the 2019 carryover totaled $8.7 million. The unused 2019 budget carryover lapsed at the end of 2020. For 2021, $14.5 million (2.0% of the 2020 net IAE) was carried over from unused 2020 budget.

**Compliance:**
- Transfers were made between budget items without exceeding the original amount of each category to meet changing requirements within the same budget category.

## ASIAN DEVELOPMENT BANK: INDEPENDENT EVALUATION DEPARTMENT

### COMPARISON OF 2021 BUDGET WITH 2020 BUDGET AND ACTUAL RESULTS

($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>2020 Budget</th>
<th>After Transfers</th>
<th>Actual</th>
<th>2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>6,955</td>
<td>6,955</td>
<td>6,817</td>
<td>7,333</td>
</tr>
<tr>
<td>Benefits</td>
<td>3,835</td>
<td>3,835</td>
<td>3,313</td>
<td>4,255</td>
</tr>
<tr>
<td>Consultants</td>
<td>2,363</td>
<td>2,363</td>
<td>2,316</td>
<td>2,292</td>
</tr>
<tr>
<td>Business travel</td>
<td>834</td>
<td>834</td>
<td>102</td>
<td>584</td>
</tr>
<tr>
<td>Representation</td>
<td>11</td>
<td>11</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>220</td>
<td>220</td>
<td>84</td>
<td>358</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,218</strong></td>
<td><strong>14,218</strong></td>
<td><strong>12,633</strong></td>
<td><strong>14,829</strong></td>
</tr>
</tbody>
</table>

**Note:** Numbers may not sum precisely because of rounding.

**Source:** Asian Development Bank.
### ASIAN DEVELOPMENT BANK:
#### COMPLIANCE REVIEW PANEL AND OFFICE OF THE COMPLIANCE REVIEW PANEL
#### COMPARISON OF 2021 BUDGET WITH 2020 BUDGET AND ACTUAL RESULTS
#### ($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>2020 Budget</th>
<th>After Transfers</th>
<th>Actual</th>
<th>2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compliance Review Panel</strong></td>
<td>799</td>
<td>799</td>
<td>442</td>
<td>601</td>
</tr>
<tr>
<td>Salaries</td>
<td>294</td>
<td>376</td>
<td>369</td>
<td>294</td>
</tr>
<tr>
<td>Benefits</td>
<td>145</td>
<td>59</td>
<td>13</td>
<td>82</td>
</tr>
<tr>
<td>Relocation</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Business travel</td>
<td>40</td>
<td>40</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>320</td>
<td>320</td>
<td>53</td>
<td>200</td>
</tr>
<tr>
<td><strong>Office of the Compliance Review Panel</strong></td>
<td>1,048</td>
<td>1,048</td>
<td>616</td>
<td>806</td>
</tr>
<tr>
<td>Salaries</td>
<td>300</td>
<td>366</td>
<td>356</td>
<td>300</td>
</tr>
<tr>
<td>Benefits</td>
<td>370</td>
<td>304</td>
<td>121</td>
<td>205</td>
</tr>
<tr>
<td>Relocation</td>
<td>46</td>
<td>46</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Consultants</td>
<td>225</td>
<td>225</td>
<td>107</td>
<td>200</td>
</tr>
<tr>
<td>Business travel</td>
<td>70</td>
<td>70</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>Representation</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>35</td>
<td>35</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,847</td>
<td>1,847</td>
<td>1,058</td>
<td>1,407</td>
</tr>
</tbody>
</table>

Note: Numbers may not sum precisely because of rounding.
## ASIAN DEVELOPMENT BANK:
### COMPARISON OF 2021 PROGRAM WITH ACTUAL RESULTS IN 2020

### Key Outputs

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

<table>
<thead>
<tr>
<th>Amount ($ million)</th>
<th>Actual 2020</th>
<th>Program 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of committed projects</td>
<td>183</td>
<td>178</td>
</tr>
<tr>
<td>Sovereign operations&lt;sup&gt;a&lt;/sup&gt;</td>
<td>26,766</td>
<td>21,234</td>
</tr>
<tr>
<td>No. of committed projects</td>
<td>145</td>
<td>135</td>
</tr>
<tr>
<td>1. Investment projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount ($ million)</td>
<td>9,943</td>
<td>14,475</td>
</tr>
<tr>
<td>No. of committed projects</td>
<td>87</td>
<td>100</td>
</tr>
<tr>
<td>2. Policy-based lending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount ($ million)</td>
<td>4,358</td>
<td>4,153</td>
</tr>
<tr>
<td>No. of committed projects</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>3. Results-based lending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount ($ million)</td>
<td>1,741</td>
<td>1,300</td>
</tr>
<tr>
<td>No. of committed projects</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>4. Sector development programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount ($ million)</td>
<td>534</td>
<td>757</td>
</tr>
<tr>
<td>No. of committed projects</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>5. COVID-19 Pandemic Response Option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount ($ million)</td>
<td>10,191</td>
<td>550</td>
</tr>
<tr>
<td>No. of committed projects</td>
<td>26</td>
<td>2</td>
</tr>
</tbody>
</table>

#### B. Multitranche Financing Facilities

<table>
<thead>
<tr>
<th>Amount ($ million)</th>
<th>Actual 2020</th>
<th>Program 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of committed facilities</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>2. Periodic financing requests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount ($ million)</td>
<td>1,830</td>
<td>3,233</td>
</tr>
<tr>
<td>No. of committed projects</td>
<td>8</td>
<td>11</td>
</tr>
</tbody>
</table>

#### C. Portfolio Management

<table>
<thead>
<tr>
<th>No. of committed projects</th>
<th>Actual 2020</th>
<th>Program 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional departments</td>
<td>706</td>
<td>692</td>
</tr>
<tr>
<td>Private Sector Operations Department</td>
<td>224</td>
<td>272</td>
</tr>
<tr>
<td>Disbursements ($ million)</td>
<td>23,835</td>
<td>16,704</td>
</tr>
<tr>
<td>Project completion reports and extended annual review reports (no.)</td>
<td>125</td>
<td>146</td>
</tr>
</tbody>
</table>

#### D. Project Cofinancing<sup>b</sup>

<table>
<thead>
<tr>
<th>No. of new committed TA projects</th>
<th>Actual 2020</th>
<th>Program 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign cofinancing ($ million)</td>
<td>10,944</td>
<td>6,519</td>
</tr>
<tr>
<td>Nonsovereign cofinancing ($ million)</td>
<td>5,279</td>
<td>5,667</td>
</tr>
</tbody>
</table>

#### E. Technical Assistance Operations<sup>b</sup>

<table>
<thead>
<tr>
<th>New commitments ($ million)</th>
<th>Actual 2020</th>
<th>Program 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of new committed TA projects</td>
<td>479</td>
<td>384</td>
</tr>
<tr>
<td></td>
<td>241</td>
<td>239</td>
</tr>
</tbody>
</table>
### Appendix 4

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transaction TA&lt;sup&gt;c&lt;/sup&gt;</td>
<td>85</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>2. Knowledge and support TA&lt;sup&gt;d&lt;/sup&gt;</td>
<td>156</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>Portfolio (no.)</td>
<td>950</td>
<td>887</td>
<td></td>
</tr>
<tr>
<td>TA completion reports (no.)</td>
<td>180</td>
<td>185</td>
<td></td>
</tr>
</tbody>
</table>

#### F. Transaction Advisory Services (no.)<sup>g</sup>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New mandates</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>2. Mandates under implementation</td>
<td>24</td>
<td>22</td>
</tr>
</tbody>
</table>

#### G. Knowledge Products (no.)<sup>f</sup>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regional departments</td>
<td>137</td>
<td>107</td>
</tr>
<tr>
<td>2. Specialized knowledge departments</td>
<td>154</td>
<td>127</td>
</tr>
<tr>
<td>3. Other departments</td>
<td>60</td>
<td>45</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Business Plans (no.)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Country partnership and regional cooperation strategies</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>2. Country and regional operation business plans</td>
<td>37&lt;sup&gt;h&lt;/sup&gt;</td>
<td>41</td>
</tr>
</tbody>
</table>

#### I. Borrowings ($ million)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Borrowings&lt;sup&gt;g&lt;/sup&gt;</td>
<td>35,566</td>
<td>40,000&lt;sup&gt;i&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

#### J. Resources

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Staff positions (no.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International staff</td>
<td>1,190</td>
<td>1,228</td>
</tr>
<tr>
<td>National and administrative staff</td>
<td>2,220</td>
<td>2,287</td>
</tr>
<tr>
<td>National staff</td>
<td>944</td>
<td>982</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>1,276</td>
<td>1,305</td>
</tr>
<tr>
<td>2. Internal administrative expense ($ million)</td>
<td>688</td>
<td>771</td>
</tr>
</tbody>
</table>

#### K. Income ($ million)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. OCR&lt;sup&gt;j&lt;/sup&gt;</td>
<td>1,132</td>
<td>1,006&lt;sup&gt;k&lt;/sup&gt;</td>
</tr>
<tr>
<td>2. ADF&lt;sup&gt;l&lt;/sup&gt;</td>
<td>(30)</td>
<td>(30)</td>
</tr>
</tbody>
</table>

---

ADB = Asian Development Bank, ADF = Asian Development Fund, no. = number, OCR = ordinary concessional resources, TA = technical assistance.

Note: The figures for 2020 are preliminary and subject to possible adjustments upon yearend closing and reconciliation of the books of accounts. Further, volume of commitments under nonsovereign revolving programs are included.

<sup>a</sup> Includes periodic financing requests but not multitranche financing facilities.

<sup>b</sup> Cofinanced TA projects are included in Technical Assistance Operations.

<sup>c</sup> Transaction TA prepares, enhances readiness, develops capacity, and/or provides policy advice for a specific ensuing project; helps deliver outputs or mitigate the project risks under a specific ongoing project through capacity development and/or policy advice; or develops a specific public-private partnership project under transaction advisory services.

<sup>d</sup> Knowledge and support TA is not directly linked to ADB-financed projects. Examples include capacity development, policy advice, and research and development. The outputs of the knowledge and support TA (i) often feed 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>e</sup> Includes transaction advisory services mandates and project preparation support under the Asia Pacific Project Preparation Facility.

<sup>f</sup> Using new typology introduced in December 2018, this appendix reports the following knowledge products and services: (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>g</sup> This is the borrowing after swap proceeds.

<sup>h</sup> The Country Operations Business Plans for 11 small Pacific island countries was counted 11 times.


<sup>jl</sup> Represents allocable net income, which is the net income after appropriation of guarantee fees to special reserve and certain adjustments in the cumulative revaluation adjustment account. This is the amount that ADB may, subject to approval by the Board of Governors, annually allocate to reserves and surplus, and transfer to special funds.

<sup>l</sup> Projected 2021 income figures are preliminary and are subject to change.

<sup>l</sup> Represents reported net income (loss) before (i) net realized gains and/or losses, (ii) net unrealized gains and/or losses, and (iii) effective grants.

Source: Asian Development Bank estimates.
### ASIAN DEVELOPMENT BANK INSTITUTE:
### COMPARISON OF 2021 BUDGET WITH 2020 BUDGET AND ACTUAL RESULTS
### ($’000)

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Program expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>3,061</td>
<td>2,732</td>
</tr>
<tr>
<td>Capacity building and training</td>
<td>2,858</td>
<td>2,772</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,919</td>
<td>5,504</td>
</tr>
<tr>
<td><strong>B. Internal administrative expenses</strong></td>
<td>9,648</td>
<td>10,073</td>
</tr>
<tr>
<td>Advisory council</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Staff costs</td>
<td>5,418</td>
<td>5,282</td>
</tr>
<tr>
<td>Business travel</td>
<td>500</td>
<td>450</td>
</tr>
<tr>
<td>Representation</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Office occupancy</td>
<td>2,800</td>
<td>2,874</td>
</tr>
<tr>
<td>Depreciation</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Office equipment</td>
<td>600</td>
<td>987</td>
</tr>
<tr>
<td>Contractual services</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Library</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Communications</td>
<td>50</td>
<td>150</td>
</tr>
<tr>
<td>Office supplies</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Fire insurance</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Bank charge</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,040</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>17,607</td>
<td>16,577</td>
</tr>
</tbody>
</table>

Note: Numbers may not sum precisely because of rounding.

### ASIAN DEVELOPMENT BANK INSTITUTE:
#### 2021 BUDGET DISTRIBUTION OF EXPENSES BY PROGRAM

($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>Capacity Building and Training</th>
<th>Administration, Management, and Coordination</th>
<th>Total</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Program Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,732</td>
<td>2,772</td>
<td>5,504</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building</td>
<td>Training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Administration, Management,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and Coordination</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Program-Related Internal Administrative Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,877</td>
<td>1,935</td>
<td>5,835</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building</td>
<td>Training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Staff cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,717</td>
<td>1,770</td>
<td>5,282</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business travel, representation, and advisory council</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>160</td>
<td>165</td>
<td>553</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Subtotal (A+B)</td>
<td>4,609</td>
<td>4,707</td>
<td>11,339</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td><strong>D. Administrative Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E. Total Administrative Expenses before General Contingency (B+D)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,238</td>
<td></td>
<td>10,073</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td><strong>F. General Contingency</strong></td>
<td></td>
<td></td>
<td>1,000</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>G. Total Expenses (A+E+F)</strong></td>
<td></td>
<td></td>
<td>16,577</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers may not sum precisely because of rounding.

STATUS OF THE FINANCIAL RESOURCES OF THE ASIAN DEVELOPMENT BANK

REPORT OF THE BOARD OF DIRECTORS

1. On 29 April 2009, the Board of Governors adopted the fifth general capital increase (GCI V) of ADB. GCI V was concluded in January 2012 with the total value of paid-in shares estimated at $3.4 billion. As of 31 December 2020, 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.

2. In April 2015, the Board of Governors approved the proposal to combine Asian Development Fund lending operations with the ordinary capital resources balance sheet. This combination became effective on 1 January 2017 and has substantially increased ADB’s equity base. As of 31 December 2020, ADB’s total subscribed capital was $153.2 billion (Table 1).

Table 1: Capital Position of the Asian Development Bank as of 31 December 2020

<table>
<thead>
<tr>
<th>Capital Subscription</th>
<th>Paid-In Capital</th>
<th>Reserves</th>
<th>Total Paid-In Capital and Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
<td>(B)</td>
<td>(C)</td>
<td>(D = B + C)</td>
</tr>
<tr>
<td>153,232</td>
<td>7,566</td>
<td>45,071</td>
<td>52,637</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 a fixed encashment schedule).
c The sum of the balances in the ordinary reserve, special reserve, surplus, cumulative revaluation adjustments account, net income after appropriation, accumulated other comprehensive loss, and the net notional amounts required to maintain the value of currency holdings.


2 Based on the historical United States dollar–special drawing right exchange rate of $1.20635 = SDR1.00.
3. ADB’s total lending capacity is limited by two financial constraints: (i) the lending limitation included in the Agreement Establishing the Asian Development Bank (the Charter) and the lending limitation policy, and (ii) the capital adequacy framework.

4. Table 2 shows the lending headroom as of 31 December 2020, based on ADB’s total lending authority. The utilization of the lending authority was 66% as of 31 December 2020.

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Lending authority</td>
<td>199.2</td>
</tr>
<tr>
<td>B. Outstanding loans, callable guarantees, and disbursed equity investments(^a)</td>
<td>132.1</td>
</tr>
<tr>
<td>C. Lending headroom (A – B)</td>
<td>67.1</td>
</tr>
<tr>
<td>D. Utilization of lending authority (B/A)</td>
<td>66%</td>
</tr>
</tbody>
</table>

Note: Lending authority is the sum of the Asian Development Bank’s unimpaired subscribed capital and reserves (including the surplus but excluding the special reserve).
\(^a\) Includes debt securities. Outstanding loans and debt securities are net of the allowance for credit losses amounting to $763.6 million.


5. ADB uses its capital adequacy framework to assess its capital position and risk-bearing capacity. Based on the 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 usable equity (denominator): the higher the ratio, the lower the remaining deployable capital or excess risk-bearing capacity. As of 31 December 2020, the CUR was 69.1%. Table 3 shows the components of the CUR.

---

5 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.”

6 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 the surplus but excluding the special reserve).

7 ADB. 2019. Review of the Asian Development Bank’s Capital Adequacy Framework. Manila. This review approved (i) the capital adequacy framework, (ii) the discontinuation of the use of the minimum equity-to-loan ratio for financial planning, and (iii) the discontinuation of the borrowing limitation policy.
Table 3: Capital Utilization Ratio as of 31 December 2020

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total economic capital used</td>
<td>36,317</td>
</tr>
<tr>
<td>B. Usable equity(^a)</td>
<td>52,542</td>
</tr>
<tr>
<td><strong>C. Capital utilization ratio (A/B)</strong></td>
<td><strong>69.1%</strong></td>
</tr>
</tbody>
</table>


6. The Board of Directors will continue to carefully monitor ADB’s financial resources to ensure ADB remains a relevant and responsive institution in Asia and the Pacific and its resources are managed in the most effective and efficient manner.
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 2020, including the financial statements for the operations of Special Funds, as contained in the Annual Report for 2020, 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 2020, which include separate financial statements for the operations of Special Funds, are approved.
1. The net income of the Asian Development Bank (ADB) for 2020 was $1,371,784,853. 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 2020, after appropriating the guarantee fees of $27,085,629 to the special reserve, the total remaining net income is $1,344,699,224.

2. An additional adjustment is made to this remaining net income amount with respect to the cumulative revaluation adjustments (CRAs) account. The CRAs account 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 (including 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 that the following adjustment be made to the net income amount to determine the allocable net income for 2020: $212,964,952—representing adjustments for the net unrealized gains for the year ended 31 December 2020—be added to the CRAs account.

3. After these adjustments, the resulting allocable net income of ADB for 2020 is $1,131,734,273. After due consideration, the Board of Directors recommends that this allocable net income be allocated as follows:

(a) $734,334,273 to the Ordinary Reserve;

(b) $292,400,000 to the Asian Development Fund;
(c) $90,000,000 to the Technical Assistance Special Fund; and

(d) $15,000,000 to the Asia Pacific Disaster Response Fund.

4. A draft Governors’ Resolution implementing the allocations described in paras. 2 and 3 above is attached.
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 2020

RESOLVES:

That, of the net income of ADB from its ordinary capital resources for the year ended 31 December 2020 totaling $1,344,699,224 after appropriation of guarantee fees of $27,085,629 to the Special Reserve,

(a) the following adjustment be made to the net income amount to determine the allocable net income: $212,964,952 representing adjustments for the net unrealized gains for the year ended 31 December 2020, be added to the cumulative revaluation adjustments account;

(b) $734,334,273 be allocated to the Ordinary Reserve;

(c) $292,400,000 be allocated to the Asian Development Fund;

(d) $90,000,000 be allocated to the Technical Assistance Special Fund; and

(e) $15,000,000 be allocated to the Asia Pacific Disaster Response Fund
REPORT TO THE BOARD OF GOVERNORS ON GENDER DIVERSITY AT THE ADB

The ADB Board of Directors (“the Board”) is committed to improving the gender diversity of the Board. It recognizes that diversity enhances the quality and credibility of the Board’s decision-making, particularly in the context of our goal under Strategy 2030 to accelerate progress on gender equality.

The establishment of the Board Working Group on Gender Diversity (BWGGD) of the Board in September 2009 underpins the Board’s commitment to enhancing the representation of women on the Board and among the Directors’ Advisers. The BWGGD is committed to raising awareness on gender diversity in the Board, to developing recommendations for the Board on its evolving gender diversity strategy, and to promoting the strategy within the ADB membership.

The 2021 meeting of the ADB Board of Governors is taking place at a time of great uncertainty. The ongoing COVID-19 pandemic represents not only a human tragedy, which has already led to an immense loss of life, but also an economic shock like no other. During this period of acute social and economic stress, it is timely to reaffirm the importance and value of diversity and inclusion of all kinds. Decision-makers and leaders have the opportunity to reap the benefits diversity can bring, including broader perspectives, new ideas, innovative practices, enhanced decision-making, and stronger financial and organizational performance. Board diversity is correlated with better financial, environmental, social, and governance performance, and the effect is stronger when women comprise a critical mass.

“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.”

Masatsugu Asakawa
ADB President
2020 AGM Business Session, 18 September 2020

BOARD WORKING GROUP ON GENDER DIVERSITY
Terms of Reference

In recognition of the strong evidence that Boards are more effective, inclusive, and productive if they are more representative of the diversity of the wider population, including in terms of gender diversity, this BWGGD will develop and promote initiatives to improve gender diversity at the ADB Board of Directors.

View online:
PLACE AND DATE OF FIFTY-SEVENTH ANNUAL MEETING (2024)
REPORT OF THE BOARD OF DIRECTORS

The Board of Directors, noting with appreciation the kind invitation extended by the Government of Georgia to host the Fifty-Seventh Annual Meeting of the Board of Governors in 2024, recommends that the Fifty-Seventh Annual Meeting be held from 2 to 5 May 2024 in Tbilisi, Georgia with 4 and 5 May as official days.

A draft Resolution implementing the above recommendation follows.

(DRAFT) RESOLUTION NO.

PLACE AND DATE OF FIFTY-SEVENTH ANNUAL MEETING

THE BOARD OF GOVERNORS RESOLVES THAT:

The Fifty-Seventh Annual Meeting of the Board of Governors (2024) be held from 2 to 5 May 2024 in Tbilisi, Georgia.
OFFICERS OF THE BOARD OF GOVERNORS AND PROCEDURES COMMITTEE
FOR 2020/2021 AND 2021/2022

2020/2021

BOARD OF GOVERNORS
Chair: Georgia
Vice-Chairs: Netherlands
           Samoa

PROCEDURES COMMITTEE, 2020/2021 (VIRTUAL)
Brunei Darussalam, Georgia, Germany, Japan, Kyrgyz, Republic, Pakistan, the People’s
Republic of China, Spain, Sweden, Turkmenistan, the United States, and Uzbekistan

2021/2022

BOARD OF GOVERNORS
Chair: Sri Lanka
Vice-Chairs: Austria
           Mongolia

PROCEDURES COMMITTEE, 2021/2022 (COLOMBO)
Afghanistan, Australia, Ireland, Japan, Luxembourg, Malaysia, New Zealand, the People’s
Republic of China, the Philippines, Portugal, Sri Lanka and the United States
RESOLUTIONS ADOPTED
BY THE BOARD OF
GOVERNORS
RESOLUTION NO. 409
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 2020, which include separate financial statements for the operations of Special Funds, are approved.

(Adopted 5 May 2021)
RESOLUTION NO. 410
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 2020

RESOLVES:

That, of the net income of ADB from its ordinary capital resources for the year ended 31 December 2020 totaling $1,344,699,224 after appropriation of guarantee fees of $27,085,629 to the Special Reserve,

(a) the following adjustment be made to the net income amount to determine the allocable net income: $212,964,952 representing adjustments for the net unrealized gains for the year ended 31 December 2020, be added to the cumulative revaluation adjustments account;

(b) $734,334,273 be allocated to the Ordinary Reserve;

(c) $292,400,000 be allocated to the Asian Development Fund;

(d) $90,000,000 be allocated to the Technical Assistance Special Fund; and

(e) $15,000,000 be allocated to the Asia Pacific Disaster Response Fund.

(Adopted 5 May 2021)
RESOLUTION NO. 411
PLACE AND DATE OF FIFTY-SEVENTH ANNUAL MEETING

THE BOARD OF GOVERNORS RESOLVES THAT:

   The Fifty-Seventh Annual Meeting of the Board of Governors (2024) be held from 2 to 5 May 2024 in Tbilisi, Georgia.

(Adopted 5 May 2021)
REMARKS BY THE PRESIDENT, CHAIR, AND CHAIR-ELECT
Address by Masatsugu Asakawa, President, Asian Development Bank

Toward a Lasting and Equitable Recovery: ADB’s Leadership and Country Presence during the COVID-19 Crisis

54th Annual Meeting

5 May 2021

Introduction

Distinguished members of the Board of Governors, greetings.

Times of crisis are often marked by tremendous hardships; but they can also reveal the best in people.

As the coronavirus disease (COVID-19) pandemic brought great suffering and economic challenges, I witnessed many extraordinary examples of resilience and solidarity across our region.

This spirit of dedication and perseverance—which burns so bright in the people you represent—has inspired ADB throughout our pandemic response. I join you here today to describe these efforts as I report on ADB’s activities in 2020.

I appreciate your presence at this virtual gathering, and the service of the Governor for the Republic of Georgia as chair of our Annual Meeting. I am also grateful for your support as I worked closely with governments and development partners to build momentum for ADB’s COVID-19 response.

I. ADB’s response to the challenges of COVID-19

Let me begin by providing an overview of our operations in 2020, which was a landmark year in ADB’s history.

ADB responded quickly and creatively to the rapidly escalating needs of our clients. Our grant assistance helped meet urgent needs for emergency supplies in the early days of the pandemic. We followed this with ADB’s $20 billion COVID-19 assistance package, of which $16.1 billion was committed in 2020, including over $10 billion for quick-disbursing budget support under our COVID-19 Pandemic Response Option, or CPRO.
Our work across ADB—from large-scale countercyclical financing, to flagship events bringing together thousands of stakeholders, to tailored knowledge solutions—addressed head-on the region’s many needs, and resulted in a record $31.6 billion in commitments, including $4.9 billion through private sector operations. We also mobilized record cofinancing of $16.4 billion.

We embarked on an unprecedented borrowing program of over $35 billion to ensure ready resources to mount a robust pandemic response while remaining financially stable. And our donor members approved over $4 billion for replenishment of the Asian Development Fund for 2021 to 2024—affirming that our developing member countries most in need will not be left behind.

As 2020 drew to a close, vaccine developments offered new hope to turn the tide of the pandemic; but with severe supply constraints. We responded by announcing our $9 billion Asia Pacific Vaccine Access facility, or APVAX, to help our developing member countries procure and deliver safe and effective vaccines as swiftly and equitably as possible.

Vaccines are a global public good, and international organizations can play a leading role in making them accessible to all. And so, we are collaborating closely with our partners, including multilateral development banks, COVAX, the World Health Organization, and UNICEF.

II. ADB’s support for the long-term development needs of its members

Let me take a moment to point out that even as the COVID-19 pandemic took hold across the region, ADB did not lose sight of key long-term development agenda. In fact, roughly half of our record commitments in 2020 focused on operations outside our COVID-19 response.

Allow me to highlight the progress we made in those areas last year.

- Following the goals laid out in our Strategy 2030, we remained on track to achieve our target of promoting gender equality in at least 75% of the total number of ADB’s operations by 2030.
- We committed $4.3 billion in climate finance, showing progress during a very challenging year toward our overall target of $80 billion in cumulative climate finance by 2030.
- Our private sector support comprised 21% of the total number of ADB’s operations, marking progress toward our target of one-third of our total number of operations by 2024.

Our ADB staff made all of these advances possible: they worked tirelessly, as One ADB, to adopt new business processes and repurpose existing operations. All this under very difficult work settings such as prolonged work from home, in different time zones.

III. Rebuilding for the future

During the height of the pandemic, I reassured my staff that we will someday look back with pride at what we accomplished for the people of the region. I believe more than ever that this is true.
Governors, it is with this optimism, and an unshakable belief in this organization, that I share with you today my intention to seek reelection this November as President of ADB.

I believe the path we have laid out will help lead our region out of these uncertain times, and I am determined to do my part to see it through. We will continue to deliver ADB’s unique synergy of finance, knowledge, and partnerships. And we will prioritize the quality of our assistance over quantity, meeting near-term needs with a clear vision for the future. If we stay on this course, I am confident the region will emerge from the current crisis even stronger than before.

I see five areas that are critical to achieving a lasting and equitable recovery for Asia and the Pacific.

- First, we must place ambitious climate actions at the center of development, with increased focus on adaptation and resilience, and with full commitment to the goals of the Paris Agreement.
- Second, we need to address inequality including the gender gap—which has worsened during the pandemic—by investing in health, education, and social protection.
- Third, we should promote high-quality green and digital infrastructure, enabling economies to rebuild smartly while closing the digital gap and attracting substantial private investment.
- Fourth, we should deepen regional cooperation and integration, so that our developing member countries can seize the opportunities of renewed globalization and strengthen regional health security.
- And fifth, we need to strengthen domestic resource mobilization, to ensure that governments have the resources they need to finance sustainable growth and respond effectively to future crises.

IV. Ensuring ADB’s organizational resilience

ADB will need inspired and responsible internal management in order to support this challenging agenda and remain a model of innovation, inclusion, and stability in the years ahead.

Let me describe my vision for achieving this.

- First, I firmly believe that strong institutions are built on values that empower people and allow for constant growth and renewal.

  And so, I have launched a “Culture Transformation Initiative” to foster a culture that enables our management, Board, and staff, individually and collectively to thrive and direct our capacity and energy towards achieving Strategy 2030.

- Second, we must continue to enhance ADB’s organizational resilience and sustainability.
This includes building on the investments in our facilities and information technology—which have already paid off during the pandemic—so that ADB will remain prepared for natural hazards or other disasters that may strike.

Strengthened support for staff welfare and work-life balance is also needed, along with a robust financial base underpinned by prudent budget and risk management.

- Lastly, we need to foster diversity within our ranks—not just to remain relevant and responsive, but also to reflect the populations we serve. Key to this effort will be meeting our institutional gender target, and acting decisively on the findings of the Board Working Group report on gender diversity within ADB’s Board of Directors.

Closing

Let me close by emphasizing that, in spite of everything that has transpired during the current pandemic, my view of ADB has never changed—especially my unwavering belief in ADB’s most precious assets: our dedicated staff; the deep trust we have built with our members; and our steady and reliable country presence across the region.

I will make every effort to nurture these indispensable assets as we continue to serve our members during this critical period in our history.

I thank you, Governors, for your continued support on this journey, as we work together to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.
Esteemed President Masatsugu Asakawa,
Honorable Governors,
Distinguished Delegates,
Ladies and Gentlemen,

It is my pleasure to be here today, presenting my country and participating in the 54th Annual Meeting of the Asian Development Bank (ADB). As you may well be aware, it was originally planned to be held in Tbilisi – a perfect destination for engaging meetings, conferences and informative events that would let everyone learn more about Georgia, the progress country has made inter alia towards greater cooperation with the ADB and none the least brilliant opportunity for us to demonstrate our trademark hospitality.

Despite a missed opportunity, we remain strongly committed to holding an outstanding and memorable Annual Meeting in Georgia any time soon. In order to prove this, I believe we will have another opportunity in 2024. I look forward to meeting all of you in Georgia in person and hope by that time we will succeed in curbing the global pandemic and economic crisis.

Meanwhile, we are having a virtual meeting. I am grateful to the dedicated team of the ADB for organizing the Annual Meeting in these very difficult circumstances. Such virtual meetings still give us a very good opportunity of discussing important aspects of development cooperation and the vital role of the ADB in this challenging environment.

It has been more than a year since the dawn of COVID-19. The global pandemic has claimed millions of lives and caused suffering to many more. Unprecedented challenges of this period made economies severely hit, thereby effecting living standards of people everywhere around the world.

ADB was on the frontline of the fight against the novel coronavirus and continues to do so. In this regard it is important to highlight a comprehensive and 20 billion USD-worth of COVID-19 Response Package to member states, which was designed by the Bank to help them in meeting emergency needs, provision of short-term economic stimulus and delivering a longer-term assistance for sustainable recovery. The support was vital in assisting the countries of operation in maintaining the macroeconomic stability, minimizing the economic damage and preserving the jobs.
Now we are at a stage when vaccines are invented and humanity can claim to be in the position of defeating an invisible enemy. Irrespective of this success, we still see significant deficiencies in combating the virus on the ground, especially in terms of vaccine supplies. To assist countries in addressing the gap, I see a clear role of the ADB, especially by helping countries in getting access to the vaccine, which I am sure ADB will deal with an outright success.

**Collaboration for Resilient and Green Recovery is a theme of the Annual Meeting this year.**

ADB should be proud of showcasing itself throughout the history of its existence as an institution that is truly responsive to the development needs of its member states. More than half a century has passed since the Bank’s first Annual Meeting. Over this period, we have seen significant changes in the region: progress has been absolutely remarkable and role of the ADB has been decisive in it. ADB’s commitment for achieving a prosperous, inclusive and resilient Asia and the Pacific has been manifesting in very tangible results.

These results boost our expectations that the Bank’s strong support will be translated into an efficient assistance of the countries in navigating throughout the post-pandemic period.

World economy in the post-COVID-19 era will not be the same as the one before. Wounds of the global challenge will still be felt in coming years. Collective and coordinated efforts will be needed to treat them and to strengthen the grounds for economic recovery.

What should be the policy implications at national and global levels? What should we focus on as an International Financial Institution?

Fellow Governors,

I would like to highlight some areas where the Bank should zoom-in and decisive actions be taken to achieve these goals:

- First of all, we need to continue and even increase our focus on **economic and structural reforms**. These reforms are aimed at strengthening the fundamentals of our economies and facilitating the resilience to shocks.
- We need to maintain the policies on promoting regional **cooperation and integration**. The future of our world is in building bridges. Georgia is a great supporter of free trade policies and will continue to do so. It is very important to help countries investing in cross-border connectivity. Higher Integration, greater openness and lower barriers are key to the world economic architecture and we should continue relying on them.
- Let me emphasize the ADB’s role in **private sector development**. We should strengthen the role of the private sector as it is indeed an engine of economic recovery. And the role of ADB will be vital here as well. With private sector players being badly hit by the pandemic, conventional support mechanisms might not be sufficient. I think new support
instruments, including the revised risk-appetite of our institution in favor of the private sector, is the topic that we should be discussing next.

- Last, but certainly not least, we should strengthen our focus on human capital. Top 4 countries in Human Capital Index (HCI) are from the region. Although we have some member states, like Georgia, that lag behind. By assisting the countries in reforming their healthcare and education systems ADB has accumulated a profound expertise and huge potential, which should be our long-term continuous focus.

We are confident that the Bank will be a leading institution in advancing the common agenda of efficient economic recovery in the post-pandemic period.

Finally, I want to once again use this opportunity to express my gratitude to ADB member states and their representatives who are virtually present today and to the Bank Management, hereby craving for the expansion and augmentation of our cooperation.

Let me conclude by wishing good health and safety to all during this challenging time.

Thank you!
Fellow Governors, President Asakawa, Delegates, Ladies and Gentlemen Ayubowan!

It is indeed a privilege to be able to participate and share my thoughts at the 54th Annual Meeting of the Asian Development Bank, especially since next year’s meeting is scheduled to be held in Colombo.

The COVID-19 pandemic has resulted in unprecedented loss of human life and has disrupted almost all aspects of our lives, our societies, our economies, our value systems and our cultural practices. In that background, I believe the time is now right to reflect and re-group. After all, this century is the Asian Century. Our region has faced many crises, but Asia is also known for its resilience. Therefore, it is not surprising that our region is leading the growth story of the world, even during the current pandemic.

Fellow Governors, emerging Asia has a responsibility to lead the world. We must ensure sustainable practices that will make our environment resilient to climate change. Our policy solutions must be environmentally and socially sustainable. We must preserve our way of life for future generations. The need now is to collectively cooperate in addressing our common issues. Towards this goal, we must be ready to adopt practices and technologies that help us make use of natural resources more efficiently. In that regard, Sri Lanka has already identified the importance of digitalization to facilitate the delivery of services within a “green economy.” Our Government has also accelerated the drive to digitize public sector services as well.

We must, in addition, reduce our reliance on fossil fuels. We believe the ADB must lead the way in supporting member countries to make the transition from fossil fuels to renewable energy. We also believe the ADB must extend support to emerging Asia to have smarter, eco-sustainable cities. It should be a new approach to ensure that access to resources is better managed.

Another important area of focus is Women Empowerment. We must recognize the crucial role that women play in creating a just and equitable society. While the Asian region has made significant strides in this regard, this is still an area that requires more work as well as the allocation of more resources.
At this time, let us also acknowledge the support extended by the ADB during the pandemic, which included the quick disbursement of a 20-billion dollar package. The 9-billion dollar Asia Pacific Vaccine Access Facility has also assisted Sri Lanka and many other countries to gain access to much-needed vaccines, and we are thankful to the ADB for this support.

Fellow Governors, President Asakawa and Delegates,

The challenges ahead of us are daunting. However, I am certain that, together, we will be able to address these challenges efficiently and effectively, and that the ADB will provide the necessary leadership for that effort.

Finally, as the incoming Chair, it is my great pleasure to invite you to Colombo next year to attend the 55th Annual Meeting of the ADB Board of Governors. I look forward to continuing this important dialogue, and I wish you good health and safety!

May the Triple Gem Bless you all.
GOVERNORS’ STATEMENTS

R1: Muhammad Ehsan Khan (The Secretary, ADB); Lasha Khutsishvili (Chair of the Board of Governors, Georgia); Masatsugu Asakawa (President, ADB); Mahinda Rajapaksa (Governor, Sri Lanka)

R2: Tae Sik Yoon (Republic of Korea); Yu-Peng Tseng (Taipei, China); Oybek Shagazatov (Uzbekistan); Kisun Bang (Papua New Guinea, Vanuatu); ToVu (Viet Nam); Alibek Kuanyshov (Kazakhstan); Maryam Abdul Nasir (Maldives); Patrick Langrine (Marshall Islands); Javkhlan Bold (Mongolia); Shahid Mahmood (Pakistan); Mark Dennis Joven (Philippines)

R3: Rui Augusto Gomes (Timor-Leste); Kris Parsley (Canada); Naja Overtrap (Denmark); Pekka Hirvonen (Finland); Paul Ryan (Ireland); Fana van der Straaten (Netherlands); Harriet Sotham (Norway); Pernilla Ulfason (Sweden); Anthony McDonald (Australia, Cambodia, Kiribati, Federated States of Micronesia, Nauru, Solomon Islands, Tuvalu); Samir Sharifov (Azerbaijan); Joseph Chan (Hong Kong, China); Kebili Ubedu Jr. (Palau)

R4: Armen Harapayyan (Armenia); Garth Henderson (Cook Islands); Aiaz Sayed-Khajyum (Fiji); Sri Mulyani Indrawati (Indonesia); Ulukbek Karmysakov (Kyrgyz Republic); Karen Murray (New Zealand, Tonga); Dalton Tagelagi (Niue); Oscar Malielegaoi (Samoa); Weihsue Liu (People’s Republic of China); Charles Monavec (United States)

R5: Adduzalfi Pengiran Danussalam (Brunei Darussalam); Azah Harim Ahmed (Malaysia); Shrikrishna Nepal (Nepal); Stacia Tan (Singapore); Kasuda Supadrat (Thailand); Stefan Knoll (Belgium); Christophe Bonora (France); Luca Serronato (Italy); Jose Carlos de Azevedo Pereira (Portugal); Ana Sobrino (Spain); Barbara Bolin Sihma (Switzerland); Abdul Habib Zadran (Afghanistan)

R6: Fatima Yasmin (Bangladesh); Preshant Goyal (Bhutan, India); Sodiburam Saarathkumar (Baruch PDR); Davlatov Said (Tajikistan); Mardan Annadurdyev (Turkmenistan); Elisabeth Gruber (Austria); Roger Fischer (Germany); Yves Weber (Luxembourg); Mehmet Alper Batur (Turkey); Philip Rose (United Kingdom); Takahiro Yatsui (Japan)
AUSTRALIA
Josh Frydenberg, Governor (represented by Tony McDonald, Temporary Alternate Governor)

It is my pleasure to provide this statement for the 2021 Annual Meeting for the Asian Development Bank (ADB). Unfortunately we have not been able to meet together in Tbilisi, Georgia as we had hoped. I would like to thank the ADB for organising and bringing us together at this Fifty Fourth Annual Meeting to discuss the important work of the ADB, and the challenges confronting our region.

Firstly, I would like to recognise and commend the ADB for the immense level of support and assistance it continues to provide to the Asia and the Pacific region. The unprecedented response package it initially developed, delivered timely and vital support to our region. As the COVID-19 situation continues to evolve differently in member countries; the ADB has a dual critical role in bringing and delivering a comprehensive regional perspective to the challenges we face, whilst also delivering country specific tailored assistance. Australia welcomes the successful Asian Development Fund (ADF) 13 replenishment. ADF grants will play a critical role in COVID-19 recovery in the region’s poorest and most vulnerable developing members.

As we have witnessed, new COVID-19 variants, and further waves that have spread through some of our members highlight the need for continued vigilance and responsiveness from the ADB. Australia stands alongside the ADB developing and providing further support where appropriate as circumstances change. We wish to emphasise the importance of the ADB standing ready to assist the health and economic needs of our region. We have seen the challenging COVID-19 situation that India is currently battling and we encourage the ADB, and other development partners to provide support where they can. Australia stands with India as it battles a surge in COVID-19 cases and we will provide emergency medical supplies. The Australian Government’s initial package of support includes the rapid deployment of non-invasive ventilators. The Australian Government is also supplying a significant package of personal protective equipment, such as masks, surgical gowns, goggles, gloves and face shields.

Australia commends the ADB for establishing the US$9 billion Asia Pacific Vaccine Access Facility (APVAX). It is an achievement that show-cases the strengths of the ADB. Australia recognises that a fundamental priority is ensuring the affordable and equitable access to safe and effective COVID-19 vaccines as part of a broader health system response for all countries. This is critical to saving lives, reopening economies and societies. APVAX has a vital role in this response and we welcome the assistance it provides our developing member countries. It is important that the ADB continue to monitor the evolving cross regional experience with APVAX, and where necessary and appropriate, be flexible in its approach such as ensuring consistency with global initiatives such as COVAX.
Australia is committed to supporting our region to respond to COVID-19. Our region’s health security and economic recovery is intertwined with our own. We will soon start offering doses of our Australian manufactured AstraZeneca vaccine with our neighbours in the Asia and Pacific region. This vaccine support for our neighbours is part of Australia’s $623.2 million vaccine initiative for the Pacific and Southeast Asia, including our $100 million Quad Vaccine Partnership. Australia looks forward to working closely with the ADB in support of vaccinating and protecting the population in our region, ensuring our efforts and resources are complementary and effective.

While all ADB members have been impacted by COVID-19, the pandemic has proved to be a stark reminder of the vulnerability of small island states in our region, that have been disproportionately affected by the crisis. Unique vulnerabilities such as their narrow economic base, remoteness, small scale, and dependency on tourism has resulted in deeper and significant GDP contractions in these countries. The sharp collapses in government revenue, coupled with limited financing options, underscore the importance of increased support finance that the ADB and other partners have provided to the region. We support the ADB remaining cognisant of these unique vulnerabilities when developing policy, and providing assistance and support to this region. It is clear many countries will continue to require an elevated level of support even after we successfully tackle the health security challenges. As previously noted, several Pacific countries have seen dramatic drops in their domestic revenue as a result of the pandemic. Australia has been pleased with the ADB’s response in providing elevated budget support to the region to assist. Australia has also been pleased to partner with the ADB on these programs in a number of countries. We encourage the ADB to continue providing this support with economic policy dialogue, in coordination with other donors as the severe economic impacts of the crisis continue.

Australia has committed A$250 million in direct financing to the Pacific, over the next two years, in addition to our existing programs, to protect the most vulnerable people, maintain the delivery of critical social services, mitigate fiscal crises, and support economic recovery. We look forward to working with the ADB and other development partners to ensure effective coordination of assistance.

While we must continue to address the immediate health security challenges in front of us, it is important we also consider how we build back stronger together. This is critical as COVID-19 has temporarily stalled the progress we have been making to reduce poverty, and lift living standards in the region. We note, and are concerned that the most vulnerable in our society have been disproportionately affected by the pandemic, including women and girls, people with disabilities and those in poverty.

Ongoing ADB support for quality infrastructure development will be important for advancing the region’s recovery from COVID-19, especially in the Pacific. We want the ADB to continue to expand its field presence in the Pacific to support Pacific countries in timely project design and implementation. We also want the ADB to ensure effective and transparent implementation of the 2017 procurement policy reforms which can play a part in local job creation and developing
domestic capacity at this critical time. As we work to build infrastructure in the region it is crucial the ADB and development partners undertake procurement with a view to ensuring value for money.

We support the ADB’s focus on strengthening domestic resource mobilisation which can help rebuild public finances, promote inclusive economic growth, and allow governments to invest in human capital and those most vulnerable in our society. Accordingly, Australia supports the establishment of the Asia Pacific Tax Hub (the Hub) which is being launched at this Annual Meeting. The Hub is an important initiative to facilitate knowledge sharing and institutional and capacity development, including the exchange of information; knowledge sharing across partners, international financial institutions, bilateral revenue organisations, and developing economies; and collaboration and development coordination across development partners.

We encourage the ADB to continue to progress and develop other policies, partnerships and initiatives that can help sustain and support growth in our region following the pandemic. For example, Australia is pleased to provide up to A$140 million in funding for the newly established Australian Climate Finance Partnership (ACFP) that will be managed by the ADB. In addition to climate outcomes, ACFP projects will assist to promote recovery from the pandemic, as well as gender equality and better economic opportunities for women and girls.

Finally, to close, I would like to recognise and welcome the first report presented to Governor’s on Gender Diversity at the ADB Board of Directors. This is an important body of work which 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 are important issues that should be progressed. We look forward to receiving regular reports on progress being made.
Mr. Chairman, Mr. President, Distinguished Governors, Ladies and Gentlemen,

It is my great pleasure to address the 54th 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 still very challenging circumstances. I would also like to extend my sincere gratitude to the Government of Georgia who offered to host the meeting again in 2024.

Let me start by commending you, President Asakawa, and your whole team for the excellent work of the Asian Development Bank in this truly global crisis. By taking fast action the Asian Development Bank has again proven to be a very reliable partner for all its members, and particularly for its developing member countries. The health and economic crisis caused by the pandemic disclosed like a magnifying glass that pre-existing inequalities and economic and environmental vulnerabilities have aggravated. Obviously, the need for a strong and experienced multilateral regional partner has been growing over the last months. Multilateral Development Banks have the capacity and the knowledge to tackle global challenges. Austria highly appreciates the efforts of the Asian Development Bank in helping to manage the pandemic by funding vaccines through the Asia Pacific Vaccine Facility and by fostering robust health systems. I am convinced that this crisis response is as important as the institution’s contribution to the resilient and green recovery of the region. Given the scale of the pandemic crisis, the region is facing a high risk of further losing hard-earned economic and social gains due to recurrent natural disasters, unabated climate change, and excessive CO2 emissions. It is clear that only a concerted and coordinated effort by all partners has the leverage to shape a climate-resilient and sustainable recovery that aims for the successful implementation of the Sustainable Development Goals.

It is in this context that Austria strongly supports and urges the Asian Development Bank to increase its efforts with regards to climate financing. Austria hopes that a future-oriented Energy Sector Policy can prepare the ground for more ambitious climate financing targets. Austria calls on the Asian Development Bank to keep pace with the level of ambition of other Development Banks, in particular the World Bank Group. The crisis offers the opportunity to build back better. Expensive lock-in effects can be avoided when comprehensive life-cycle costs are considered. Obviously, the use of renewable sources of energy is the better choice in terms of climate impact and for improved air quality. The proposed no coal approach is here a first welcomed step in the right direction. In many cases renewable sources also become the choice that is economically more sustainable, as this sector has experienced rapid technological progress and economies of scale over the last couple of years. Moreover, concentrating on renewable energy offers huge
potential for increasingly drawing on private sector financing. Austria is convinced that the Asian Development Bank should definitively up its game in the latter. By applying its one Bank approach it is ideally placed to ensure the transition to more private sector financing whilst at the same time supporting the necessary regulatory and fiscal environment.

Without doubt COVID-19 has deepened the development challenges in Asia and the Pacific. The effects of the pandemic will be felt for years to come and have already placed a huge stress on public finances and debt sustainability of many countries in the region. At the same time governments will feel increased political pressure to achieve the maximum impact from their constrained budgets for development cooperation. Thus, the challenges for achieving the Sustainable Development Goals and for implementing the Paris Agenda need to be tackled with utmost efficiency and effectiveness. Against this background Austria strongly encourages the Asian Development Bank to deepen its analysis on concessional lending, including blended finance in the private sector and the future of the Asian Development Fund as well as the Technical Assistance Special Fund. Austria hopes that innovative and forward-looking options will be presented at the latest at the mid-term review of the Asian Development Fund. For Austria it will be key to see that scarce grant funding is used to achieve the biggest development impact with regards to global public goods, in the context of green recovery, and inclusive and sustainable economic growth. Austria therefore is convinced that the Asian Development Bank should be at the forefront of ensuring a conducive regulatory and fiscal environment for sustainable and green investments.
BANGLADESH
Fatima Yasmin, Alternate Governor

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

It is a great honor for me to join 54th Annual Meeting of the Board of Governors of the Asian Development Bank arranged by the Government of Georgia and ADB in a virtual format in the midst of COVID-19 challenges. I would like to convey my sincere appreciation and thanks to the Government of Georgia and ADB for organizing such an august event. The theme of this year’s meeting, Collaboration for Resilient and Green Recovery, is quite appropriate and timely one.

I would like to take this opportunity to express my heartiest thanks and gratitude to President Mr. Masatsugu Asakawa for responding quickly to the unprecedented crisis of the pandemic and announcing US$ 20 billion package to mitigate economic and health crisis and APVAX facility of US$9 billion for the Developing Member Countries (DMCs).

I also acknowledge with deep appreciation to ADB’s immediate response for providing expenditure and health emergency support to Bangladesh which helped us achieving health and economic resilience, creating employment, promoting SMEs, helping migrant workers, workers worst-hit by COVID-19 and widening social safety net to improve the livelihood of vulnerable groups at this critical time.

Excellencies and distinguished delegates,

Over the last 12 years Bangladesh has made significant strides in all socio-economic indicators under the visionary and pragmatic leadership of our Hon’ble Prime Minister Her Excellency Sheikh Hasina. Before the onslaught of the pandemic Bangladesh was the fastest growing economy in the Asia and Pacific region growing at 8.2% in fiscal year 2018-19. The COVID-19 pandemic has hit us tremendously as in many other nations. In response to the pandemic, the government of Bangladesh formulated a comprehensive National Preparedness and Response aimed at saving lives and livelihood; rolled out 23 stimulus packages worth US$ 15.1 billion which is 4.59% of GDP; and from 7 February started a mass vaccination programme across the country despite huge challenges in vaccine availability.
Excellencies,

The year 2021 carries great meaning in our national life. We are celebrating two historic events this year—the Golden Jubilee of our independence, and the birth centenary of our father of the Nation Bangabandhu Sheikh Mujibur Rahman concomitantly. Receiving UN recommendation for graduation from the LDC status in the same year has added another historic milestone and made this year more momentous for us. We acknowledge ADB’s contribution and support for this accomplishment.

Excellencies,

In order to address ravages of COVID-19, ADB may come forward with innovative and flexible mode of financing with a strategic focus particularly on human capital development, skill development, health, education and quality infrastructure and climate change. Climate change impacts are becoming threat to sustainable development efforts in the DMCs and hence climate financing is a critical issue that needs to be addressed. Second, ADB can also support to unleash the potential of private sector with innovative and affordable financing models so that the DMCs can reap benefits for achieving sustained economic growth. Third, ADB may provide support to promote social protection measures through innovative use of technology and financing. Fourth, ADB may help the DMCs to introduce innovative, resilient and modern financial system for the private sector. ADB can provide support for ICT based entrepreneurship, improving the quality of education and learning outcomes together with focus on IR4.0 and industry needs will be key priorities; may also focus on skills development and up-skilling, certification, and job placement in middle and higher levels of management; support for capital market development by introducing offshore bond, local currency bond and a robust and operational insurance market primarily for health coverage. Fifth, regional cooperation and connectivity can also play instrumental role in promoting trade and services and reducing tariff and non-tariff barriers under SASEC platform. ADB may help to build a more resilient regional public health system and establish coordinated mechanisms to slow the spread of viruses across borders as well as harmonize health protocols and standards.

Excellencies,

Trusted and effective partnership can help the DMCs to contain the adverse impact of COVID-19 as well as to foster collaboration for resilient and green recovery, investing more in renewable, energy efficient and green projects. ADB can help explore pooled procurement mechanisms for vaccines for facilitating pandemic management.

I firmly believe that ADB’s support towards Bangladesh will continue further and help Bangladesh transform into an agile, innovative and knowledge driven economy as well as achieving a prosperous and developed country by 2041.
Finally, let me assure our sincere cooperation and support to ADB and also wish all DMCs overcome COVID-19 and achieve a green and resilient social and economic recovery.

Together we can achieve a better world for our future generation.

May Bangladesh live long.
BELGIUM
Stefany Knoll, Temporary Alternate Governor

Mr. Chairman of the Board of Governors
Mr. President of the Asian Development Bank
Fellow Governors
Ladies and Gentlemen

The world economy keeps struggling to recover from the current pandemic and health crisis. Regardless of countries’ income levels, COVID-19 brought disruptions not only to health systems but in all aspects of our everyday lives. In this regard, Belgium would like to commend ADB Management for a successful adjustment of the work arrangements to a digital workplace and ensuring business continuity. We congratulate the ADB staff for their hard work and dedication to deliver on the daily operational agenda under these challenging conditions.

Against the backdrop of this unprecedented situation, Belgium commends ADB’s strong support, ambitious and swift response with the implementation of the $20 billion comprehensive response to the COVID-19 pandemic package, including ADB’s $9 billion vaccine initiative, the Asia Pacific Vaccine Access Facility, or APVAX, which provides a comprehensive program to support developing Asia’s vaccine process. These efforts play a key role in responding to the most urgent needs of the member countries and in softening the crisis’ negative impacts endured by Asian and Pacific economies.

We encourage ADB to continue being a strategic partner in the Asian and Pacific region by supporting countries to address and mitigate the consequences of the COVID-19 crisis and, in particular, to finance the purchase of COVID-19 vaccines. We encourage ADB to continue adapting to the changing circumstances in Asia and the Pacific, while working closely with its developing member countries towards a long-lasting recovery from this COVID-19 pandemic. In this regard, Belgium would also like to emphasize the important role of the private sector. We believe that ADB should put the private sector department in a position to seize this opportunity to further increase operations and explore innovative ways to support the economic and social recovery in the region through the creation of markets and building up relevant production capacities for future resilience, including vaccine manufacturing capacities in developing countries.

As a consequence of the COVID-19 pandemic, the achievement of the 2030 Agenda and the Sustainable Development Goals (SDGs) is becoming even more challenging. We urge the need to integrate these goals towards a sustainable recovery at the national and regional level. We would also like to highlight the importance of staying on track with ADB’s Strategy 2030 in order
to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining
its efforts to eradicate extreme poverty.

The uncertainty of the post COVID-19 situation is clearly reinforcing the drivers for fragility,
conflict, and violence. Achieving the Sustainable Development Goals in Fragile and Conflict-
Affected Situations (FCAS) will be all-the-more challenging. Being more sensitive to the causes
of fragility and addressing them in a proper way with sufficient staff capacities and skills at country
and project level will be crucial for tackling vulnerabilities and building the most vulnerable
countries’ resilience. Against this background, Belgium commends Management’s current efforts
to revise its approach to FCAS and Small Islands Developing States (SIDS). We also believe that
multilateral cooperation and joint response is key in tackling the drivers of fragility, conflict, and
violence.

With regards to climate change, we recognize the efforts undertaken by ADB. However, ADB is
lagging behind others MDBs. Belgium fully subscribes to the Paris Agreement and will continue
to push, alongside like-minded shareholders, all MDBs, including ADB, to align their activities with
the objectives of the Paris Agreement. In this regard, we ask ADB to be more ambitious on its
commitments to climate financing and raise its current climate finance target. We urge ADB to set
clear commitments with a timetable in terms of the Paris Agreement Alignment, before COP26.
We strongly believe that the policies to be implemented in the context of the COVID-19 recovery
should be done in a more inclusive, green, and sustainable way and should address both
environmental and social issues to optimize economic growth. Against this backdrop, the ongoing
review of ADB’s Energy Policy is a key milestone. With this review, we urge ADB to raise its
engagements in terms of energy and climate finance and also to set new standards for other
institutions active in the region. A reduction in the consumption of fossil fuels is a key parameter
of success in tackling climate change. While we support the need to secure energy supply and
production in developing member countries, we would like to ask ADB to reiterate its commitment
to phase out fossil fuel projects, and first of all coal. We do believe that gas could be used as a
transitional energy, but only under certain circumstances, and on a case by case basis.

To conclude, Mr. Chairman, Belgium keeps ADB achievements in highest regards and hopes it
will successfully implement its internal reforms, reviews and commitments to remain the most
efficient development partner of its donor member countries.
BHUTAN
Lyonpo Namgay Tshering, Governor

Mr. Chairman, Mr. President, Fellow Governors, Ladies and Gentlemen.

First of all, let me convey the greetings from His Majesty the King, the Royal Government and the people of Bhutan. It is my greatest honor and pleasure to address the 54th Annual Meeting of the Asian Development Bank. I would like to express my sincere appreciation to President Asakawa and ADB team for facilitating this virtual meeting under these very challenging and unprecedented circumstances.

The COVID-19 pandemic is one of the biggest challenges this world has faced in our lifetime. It is above all a crisis with serious health and socio-economic consequences, impacting the global economy with severe economic recessions. The COVID-19 pandemic has continued to rage around the world reporting over 148 million cases and over 3 million deaths. While new caseloads are currently on the rise again, the global health community has already administered over 980 million doses of vaccines, at last offering some signs of hope and progress. Nevertheless, the pandemic continues to present daunting challenges for governments and international organizations as the deeper socioeconomic scars caused by the pandemic will remain long after the more immediate recovery. The pandemic has reversed decades of progress on poverty reduction, heightened vulnerabilities and led to greater inequality within and between countries. It has also exposed the strain on the planet of unsustainable patterns of production and consumption and inadequate investments in people.

Therefore, national and local governments together with international and private-sector partners must deploy vaccines as efficiently, safely and equitably as possible while still monitoring for new outbreaks and continuing policies to protect those who do not yet have immunity. Economic recovery efforts are also increasingly urgent as the world begins to pivot to a “post-pandemic” reality as our response to the pandemic crisis today will shape our common future for years to come. We should seize the opportunity to lay the foundations for a durable, equitable, and sustainable global economy.

Although the recent vaccine approvals and rollouts have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 6 percent in 2021 and 4.4 percent in 2022. However, the strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, etc. While reports across the world continue to be rife with soaring cases, of people with COVID-19 and the loss of lives from it, Bhutan managed to shield herself from the fatal blows of the disease
through intensive surveillance and strict containment measures. As of 29th April 2021, out of the total of 1066 confirmed cases in the country, 980 have recovered leaving only one succumbed to the virus.

Since the detection of the first COVID-19 positive case on March 6, 2020, the utmost priority of the Government has been to prevent the spread of the virus by enforcing effective containment measures including two national lockdowns.

The measures taken to prevent the spread of the virus in the country has not only imposed a heavy demand on the health-care system but also caused a major strain on the economy impacting every person in Bhutan. It resulted in unprecedented decline in economic activity which transmitted from the tourism and allied sectors and has gradually spread over to other sectors such as construction and manufacturing. The economy downturn due to pandemic resulted in the GDP growth decelerating from -0.6% (FY 2019-20 estimates) to -1.2% (FY 2020-21 estimates).

In order to build resilience and boost growth, as per Royal Command, a National Resilience Fund of Nu. 30 billion has been established to grant Druk Gyalpo’s Relief Kidu (DGRK) to the affected individuals and support interest payment.

Further, in order to sustain the economy and off-set the losses, various measures have been implemented. The government adopted Comprehensive National Response to the Challenges of the COVID-19 Pandemic by allocating higher level of capital outlay to frontload and accelerate activities from the 12th Five Year Plan. Through the implementation of Economic Contingency Plan (ECP) government is trying to address and mitigate the impact on different economic sectors including Tourism, Agriculture and Infrastructure and is also focusing on identifying short-term measures to support the production and manufacturing sector to keep existing industries operational, and to explore longer-term reform measures to ensure that these industries thrive post COVID.

In addition, under fiscal measures, payment of Business Income Tax (BIT) and Corporate Income Tax (CIT) for income year 2019 have been deferred for businesses affected by the pandemic. Payment of electricity charges for the manufacturing sector have been deferred, and demand charges are based on actual consumption. Waiver on rental and other charges, to tourism related business entities leasing government properties, were extended until December 2020. Likewise, the government also provided monetary relief measures such as the extension of full waiver of interest on loans till September 2020, partial waiver till March 2021 and extension of deferred monthly loan instalment repayment till June 2021. Financial institutions were granted provision for bridging loans to corporate and business entities at a concessional interest rate of 5 % p.a. for business continuity. Soft short-term micro loans to CSIs were also extended. The National Credit Guarantee Scheme (NCGS) was established as a counter-cyclical policy measure during the COVID-19 pandemic situation to stimulate investments through enhanced access to finance besides supporting the upgradation of existing business.
The Royal Government of Bhutan received 550,000 doses of the vaccine under the Government of India support and initiated its nationwide COVID-19 vaccination program on 27th March 2021. As on April 14, Bhutan vaccinated over 480,000 people of the total population of 765,000 people.

For the FY2021-22, adequate capital budget will be provided to implement priority activities to support a resilient economic recovery by focusing on capital activities that contributes to Employment Generation, Export Promotion, Import Substitution and Promoting ICT and Innovation. The economic outlook is on a positive trajectory with growth estimate of 4% as aggregate demand is expected to pick up the easing of the lock down measures followed by the mass vaccination.

Further, Bhutan has embarked on developing the 21st Century Economic Roadmap, to help build resilience and ensure sustainable economic growth in the longer term. The overall objective is to create economic opportunities for the next generation and become a ‘High Income Gross National Happiness (GNH) Society’ by 2030.

Mr. Chairman, Mr. President, fellow Governors, Ladies and Gentlemen

The Asian Development Bank continues to be one of Bhutan’s largest multilateral development partners. Over the last thirty-nine years, our co-operation with the Bank in key sectors like transport, energy, urban development, finance and private sector development, have brought tangible results and improved the livelihood of our people significantly. 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 commend President Asakawa for his dynamic leadership and guiding ADB in these unprecedented times right after assuming office. I would also like to express appreciation to President Asakawa, on recognizing the urgency of the global coronavirus pandemic and providing continued support to all developing member countries.

In conclusion, Bhutan greatly appreciates the ADB’s responsiveness and capability to help us mitigate the negative impacts of COVID-19 pandemic. We would like to wish success to President Asakawa in carrying forward the reform initiatives successfully. We look forward to ADB’s continued support as the government strives to steer the economy to a quick and sustained recovery to the pre-COVID-19 growth trajectory.

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, I would like to convey our sincerest appreciation to the ADB for the excellent preparations for the Board of Governor virtual meetings.

With the roll-out of vaccines globally, overall economic activities have started to pick up. This is certainly good news for the global community and will only further strengthen the momentum of recovery. In this regard, we would like to commend His Excellency Masatsugu Asakawa, ADB President for his leadership and the ADB for their responsiveness in supporting their diverse membership in cushioning the economic and financial impacts of the COVID-19 pandemic including the USD 9 billion Asia Pacific Access Facility (APVAX) initiative to enable developing members fair access to COVID-19 vaccines. We look forward for the ADB to develop more innovative initiatives in supporting its members.

As economies are getting their economic gears moving again, the global environment continues to face risks of uncertainties and volatilities. It is against this backdrop that we would like to suggest two areas for the ADB to focus on in helping members achieved a resilient, inclusive and sustainable growth.

First, strengthened health sector. The COVID-19 health crisis has put unprecedented pressures to hospitals, health centres and health frontline workers. The collapse of a country’s health system could therefore be a precarious possibility that should be avoided. Taking crucial lessons learnt from the pandemic, we encourage the ADB to further deepen and broaden its engagements with the public and private sectors in building resilient and sustainable health sector. The ADB’s Operational Plan for Health could also be further reviewed to ensure relevance in addressing current and future health challenges.

Second, technology for an inclusive and resilient recovery. The COVID-19 has accelerated digital adoption by businesses and people alike for almost all daily activities. Moving forward, digitalisation continues to offer many opportunities that could expedite recovery for instance expanding new consumer bases for small businesses through e-commerce; offers of new digital financial services; as well as enhanced infrastructures for health and education sectors, all of
which will also contribute to achieving the United Nation’s Sustainable Development Goals (SDG) targets. Therefore, the ADB may wish to collaborate with other development partners in working together with interested members in putting in place conducive eco-systems to enable all segments of the societies to harness the power and realise the opportunities of technology.

Lastly, I thank the ADB for their continued support and commitment in the ASEAN and ASEAN+3 forums.

Thank you, Excellencies.
CAMBODIA
Vongsey Vissoth, Alternate Governor

Mr. Chairman
President Asakawa
Fellow Governors
Ladies and Gentlemen

It is my honor and pleasure to represent the Royal Government of Cambodia at this virtual 54th Annual Meeting of the Board of Governors of the Asian Development Bank. We are meeting at a time when the world and the global community are facing unprecedented health crisis with devastating loss of lives and severe impact on livelihood and economy.

Ladies and Gentlemen

The international community has taken extraordinary measures to contain the global spread of the virus while countries have been undertaking unprecedented policy actions to support the social and economic sectors affected by containment measures, managing fiscal pressures, and avoiding debt distress to reduce the impacts of the pandemic. The global growth in 2020 is estimated to contract by 3.5% with all the major economies recording negative growth, except for the People’s Republic of China* which was projected to grow by 2.3%. For 2021, although the global growth is projected to be 5.5% given the development and delivery of vaccine, the strength of recovery remains highly uncertain as the pandemic has continued to depress economic activities in many parts of the world for a prolonged period. Moreover, the latest resurgence of the outbreak with a faster pace and bigger magnitude, as well as with new variants represent another level of downside risk for the world at large and for individual countries in particular. In this context, quick and coordinated responses are required to promote closer and broader cooperation with all stakeholders in addressing the emerging challenges to ensure the smooth and fast recovery.

Countries in Asia and the Pacific have had mixed success containing the virus until recently and before the 3rd wave of the spread hit many of the DMCs. The region’s economic output was projected to reach 4% to 6% in 2021, better than the negative growth experienced in 2020. However, as the pandemic persists, growth may be slower in 2021 and full recovery to the pre-crisis path will be protracted. The pandemic will remain a major threat and continue to severely undermine the economic, social, and development gains and the progress in poverty reduction

* Changed by Meeting Secretariat.
made in the past decade. There is a real danger that large number of economies could slip back into recession if the production, supply and roll out of the vaccine is not ramped up in time.

ADB is well placed with its strong capital base and staff capacity to respond to the COVID-19 crisis. It must be commended for its swift action with its initial $20 billion COVID-19 response and the $9 billion vaccine initiative, under the Asia Pacific Vaccine Access Facility (APVAX), to support developing Asia's vaccination process and to promote safe, equitable, and effective access to vaccines. The vaccination programs are key for breaking the chain of virus transmission, save lives, and mitigate the negative economic impacts of the pandemic. As the 3rd wave continues to put the population at risk, stretch the heath infrastructure and cause more loss of lives, we look forward to the ADB deploying more resources on an urgent basis to assist the DMCs in the region to address this critical situation.

ADB provided Cambodia with a concessional loan of $250 million in 2020 to support our social protection programs, health emergency and revive the small and medium enterprises under the COVID-19 Active Response and Expenditure. A further $95 million is planned in 2021 from the APVAX. I would like to express deep appreciation of the Royal Government of Cambodia and the Cambodian people to the Bank for coming to the aid of Cambodia in its time of most urgent needs. Cambodia would like to also record its appreciation and commend the Board of Directors, Management and Staff of ADB for managing the uninterrupted operations of the Bank despite the very difficult working environment due to restrictions of movements.

Beyond COVID-19 crisis, we need to revitalize our approach to the regional agenda more than ever and make the best use of digitalization and innovation to support a resilient and inclusive recovery. We shall give greater emphasis to the quality of growth which requires harnessing technological innovation and fostering new industries. Digitalization, innovation, and green technology will play a significant role in the revival and diversification of economies of the region in the post-pandemic period. We look forward to the ADB taking the lead role in helping the DMCs to build a prosperous, inclusive, resilient, more integrated, and sustainable green economy for a better future.

Ladies and Gentlemen

The COVID-19 pandemic has inflicted severe negative impacts on the Cambodian people and the economy. The government has undertaken a wide range of swift intervention measures providing economic, financial, social, and other support under its Economic Recovery Support initiative to mitigate the crisis. It has so far committed about $1.9 billion of which $1.16 billion was committed in 2020 and about $719 million in 2021.

Cambodia had been successful in containing the virus infection prior to a community spread starting on 20 February 2021 which sharply increased the infection and fatality rates to (15,361) and (106) respectively as of 03 May 2021. However, our vaccination program continues to be on track with a total of 1.77 m representing 17.7% of the target population vaccinated as of 02 May.
2021. While Cambodia is confident of containing the spread and minimizing the negative impacts, it will need to provide additional fiscal support which will put more fiscal pressures on our resources and impact the speed of the recovery in 2021.

Our growth is estimated to contract sharply by 3.1% in 2020 from 7.1% in 2019. The revenues are estimated to decline to 21.34% of GDP from 25.1% in 2019 and fiscal deficit increased to about 9.25% of GDP. Nonessential recurrent and capital expenditures have been reduced in 2020 by $918 million to ensure budget stability. International reserves are estimated at a comfortable level of $21.33 billion, equivalent to 11.6 months of imports and inflation is projected to be about 2.9%. Going forward, the forecast for 2021 growth has been revised to 4.0% if the COVID-19 pandemic is brought under control and does not prolong while disruption to supply chain is minimum.

Looking forward, Cambodia has put in place the Post COVID-19 Economic Recovery Strategy 2021-2023 to revive the economy back on the path of pre-crisis growth based on three pillars: (i) **Revival and Survival**: by containing COVID-19 spread and maintaining the lifeline of the economy and people’s livelihood and restoring foundation for the economy to return to the path of high growth; (ii) **Reform**: to transform the crisis into opportunities by accelerating diversification and enhancing competitiveness of the economy; and (iii) **Enhancing the Resilience**: by strengthening preparedness and readiness in responding to the current and similar shocks that may erupt in the future.

**Ladies and Gentlemen**

The path forward will be very difficult and the ADB and other multilateral and bilateral donors will play a pivotal and increasing role in helping the DMCs addressing the challenges to protect the gains in poverty reduction and prosperity achieved in the last two decades. There is no doubt that we will face tremendous fiscal pressure and the high risk of debt accumulation. ADB and other multilateral and bilateral donors have been our strong, trusted, and responsive partners. They have made significant contribution in transforming Cambodia’s economy from lower income to lower-middle income country in 2015 and on path to upper-middle income country by 2030. We therefore look forward to the continued and strong support from the Bank for concessional loans and grants to help steer Cambodia to economic recovery to pre-COVID-19 levels and ultimately towards an inclusive, resilient, and sustainable green economy.

In closing, I wish to thank the ADB management and staff for making excellent arrangements for conducting the business of the Annual Meeting virtually. Stay safe and thank you.
We would like to thank the President of the Asian Development Bank and his team for organizing, virtually, the Annual Meetings of the Board of Governors of the Asian Development Bank (ADB) for the second time in two years. Let me also congratulate the Bank’s management for making the safety and wellbeing of staff and their families a priority, while responding in a swift and comprehensive fashion to the needs of Developing Member Countries (DMCs) generated by the COVID-19 pandemic.

Since the ADB’s creation in 1966, the region has changed dramatically. A billion people were lifted out of extreme poverty over the past five decades and the region’s share in the global economy increased substantially, driven by a number of impressive market-oriented emerging economies. The pandemic has generated huge, unanticipated and significant social and economic shocks, and threatens this progress. The ADB can be justifiably proud of the crucial role it has played in supporting the region in these unprecedented times.

As we look forward, we look to the ADB to be a leader in supporting the region’s recovery from the pandemic and setting a transformational course towards a greener, more inclusive and more resilient future for all. The Bank’s Strategy 2030 is a good basis for ADB leadership, as it seeks to position the Bank to help address the region’s remaining vulnerabilities: eradicating the last pockets of extreme poverty, reducing inequalities further, accelerating progress in gender equality, and enhancing climate resilience and environmental sustainability in the region, for instance by continuing to facilitate the development of quality infrastructure. The implementation of Strategy 2030 must now also integrate approaches and resources that provide long-lasting solutions to the impacts of the COVID-19 pandemic.

In Canada’s view, the following priorities merit particular attention: a) responding to the pandemic and its social and economic impacts across the region; b) advancing the 2030 Agenda for Sustainable Development; c) mainstreaming gender and integrating diversity and inclusion considerations into the Bank’s operations to reduce inequalities; d) continuing progress on climate change and biodiversity, including through full alignment of Bank operations with the Paris Agreement; and e) improving the efficiency, effectiveness, and transparency of the ADB itself.

The COVID-19 crisis has underscored the need to reinforce the importance of strengthening health systems, as well as prevention, detection, emergency planning and preparedness capabilities worldwide. The support Canada provides internationally and in partnership with the ADB and other development international organizations contributes to protecting citizens globally. Canada would like to commend ADB’s management for its leadership in designing a swift and
substantive response to the COVID-19 pandemic, which has provided more than US$32 billion to date, allowed 1.1 billion people and more than 4.4 million businesses to cope with the health, social and economic impacts of the pandemic, and has improved access to vaccines.

The recently concluded Twelfth Replenishment of the Asian Development Fund provides much needed support to address the impacts of the COVID-19 pandemic in eligible countries in Asia and the Pacific, particularly the most vulnerable populations living in small island developing states and fragile and conflict-affected states. They have been hard hit by compounding health effects and the economic consequences of decreased consumption and investment, lower tourism and exports, disrupted trade and production, and decreased remittances inflows.

At the same time, the COVID-19 pandemic has generated a range of social and economic shocks, which threatens to disrupt the region’s progress to achieving the sustainable development goals (SGDs) for years to come. Millions of people have been pushed back into poverty; social inequalities have widened; unemployment and underemployment have increased; and women and marginalized populations have been impacted disproportionately. It has exposed the region’s social, economic and environmental vulnerabilities and reinforced the importance of the overarching principle of the 2030 Agenda of “leaving no one behind”. These vulnerabilities have been laid bare by the impact of the pandemic in DMCs. It is therefore critical to design policies that ensure no one, and no country, is left behind in future recovery efforts.

The ADB has a big role to play into helping DMCs in the region to meet the SDGs. Before the COVID-19 pandemic, the Asia and Pacific region was unfortunately not on track to achieve any of the 17 SDGs by 2030. The region had made significant progress towards SGDs related to Good Health and Well-being (Goal 3) and Industry, Innovation and Infrastructure (Goal 9) while displaying some encouraging progress for No Poverty (Goal 1), Zero Hunger (Goal 2), Quality Education (Goal 4), and Reduced Inequality (Goal 10). However, the region progress on climate change goals was disappointing. The region faces challenges in achieving Gender Equality (Goal 5) and in reducing inequalities (Goal 10). It has yet to close gender gaps with respect to economic empowerment through equal pay, increased women’s participation into the labor force and in addressing gender-based violence and other harmful practices against women and girls.

We must increase our efforts to mainstream gender and integrate diversity and inclusion considerations into all ADB operations if we are going to reduce inequalities. Women and individuals in vulnerable situations have been disproportionately impacted by the COVID-19 pandemic. They often work in sectors that are particularly vulnerable to external shocks such as commerce, manufacturing, domestic work or tourism. They are also in occupations that do not lend themselves easily to working from home, and are often self-employed or work in the informal sector. These situations make them more vulnerable to economic crises.

In Asia and the Pacific, many women have had to reduce or abandon their work outside the home to take care of children whose schools were closed, or to tend to people in the family who are sick. Unpaid care work like this reduces women’s financial independence and increases their
vulnerability. In addition, gender-based violence, which was already high in parts of the region, has significantly increased during the pandemic.

In this context, we fully support the Bank’s decision to consider gender equality as a key priority for Strategy 2030. We welcome the Bank’s efforts to empower women and girls, as well as gender mainstreaming by ensuring that at least 75% of the Bank’s projects and programs are beneficial to women and girls. We believe that the Corporate Results Framework of Strategy 2030 offers an opportunity to reduce the data gap on the SDG related to gender equality, which is observable in the region.

We encourage the Bank to go even further and move towards the full integration of gender equality and diversity considerations in all of its operations, including through the systematic use of gender and diversity-based analysis. In order to achieve this goal, additional efforts will be needed to ensure that staff have the right incentives, as well as access to adequate training, resources and tools. The Bank should also systematically advocate for the inclusion of these considerations in its interactions with its clients, particularly when new country strategies are being developed, and when investments and technical cooperation projects are being discussed with governments and the private sector. Opportunities for more gender/diversity-sensitive procurement should also be explored.

The development and sharing of knowledge on gender equality and diversity issues is also key to developing evidence-based strategies, policies, and operations. In this regard, strengthened results-based management related to gender equality and diversity is essential to ensure that projects achieve their intended results and produce knowledge that can be used in future activities. We fully support the commitment made by the ADB to improve gender diversity within its Board and senior management structures.

We look forward to continuing to engage the Bank on gender equality, diversity and inclusion, including through our institutional relationship and joint programming. We also hope to see measures taken to address the issues of unpaid care and gender-based violence, considering how acute they have become in the context of the pandemic.

The upcoming year will also be an opportunity to discuss other areas of interest, such as gender-lens investing and gender-based budgeting. As the region seeks to rebuild better and greener post-pandemic, the Bank should also emphasize, and build into infrastructure projects, a focus on low-income groups, especially women and individuals in vulnerable situations.

We must continue to make progress on climate change. In this regard, we encourage the Bank to continue progress on climate change adaptation and mitigation, including by fully aligning its operations with the Paris Agreement. This is particularly important given the detrimental impact of climate change on all of the economies and citizens of the region, particularly those countries at risk of disasters, whose vulnerabilities have increased with the effects of climate change. We
are concerned for countries that have registered a large number of deaths linked to extreme climate and geophysical hazards.

The world’s ability to meet the SDGs and avoid catastrophic climate change hinges on a rapid transition to climate resilient, efficient, low-carbon energy systems and the infrastructure that enables this. Canada welcomes the President’s Planning Directions for 2021, which are articulated around a green, resilient and inclusive recovery. Canada will continue work with the ADB and other multilateral development banks (MDBs) to advance development and climate priorities as part of global efforts to accelerate the transition to low-carbon economies.

Canada welcomes efforts for the alignment of all MDBs’ energy investments with science-based transition pathways in line with Paris Agreement objectives and targets. The update of the ADB Energy Policy provides the Bank with an opportunity to clearly set out an ambitious agenda to lead DMCs’ efforts for a green and just transition recovery. This implies moving away from unabated coal-fired electricity generation and projects that would sustain or extend the use of coal power systems, as well as upstream oil and gas development. While aligning to the Paris Agreement, the ADB should prioritize more low-carbon energy initiatives, other low-carbon activities and emissions reductions technologies such as Carbon Capture, Usage and Storage, end-use energy efficiency, and climate resilient investments that support developing countries’ domestic climate change plans.

Canada also underscores the need to develop a strong response to adaptation and resilience, through resource mobilization and innovative financing, and increasing the mobilization of private sector financing towards adaptation and resilience.

Global biodiversity loss is at critical levels; this has a range of social and economic impacts at many scales. Biodiversity - and associated ecosystems - provide a range of invaluable services to society that underpin human health, wellbeing and economic growth.

One aspect of biodiversity that is particularly pertinent in the context of the COVID-19 pandemic is the clear links between biodiversity and infectious disease emergence, incidence, and distribution. We know that deforestation and other forms of land cover change, infrastructure development and other human activities are the most common drivers of infectious disease emergence, accounting for approximately one third of all emerging disease events. Wildlife exploitation is another important driver. Taken together, these drivers increase disease risk by bringing people and domestic animal populations into closer proximity with pathogen-carrying wildlife, and by disrupting the natural ecological processes that keep diseases in check.

Recognizing the triple crises of climate change, biodiversity loss and the COVID-19 pandemic, global leaders recently committed to undertake urgent and transformational actions to address biodiversity loss and ensure that these issues remain front and centre in recovering from the pandemic and investing for a better future. Key international events in 2021 will reinforce these commitments, including the fifth UN Environment Assembly, COP26 of the UN Framework
Convention on Climate Change and the UN Ocean Conference, aiming to achieve ambitious and realistic outcomes that pave the way for a strong Post-2020 Global Biodiversity Framework, to be adopted at COP15 of the Convention on Biological Diversity.

Canada would like to commend the Bank for recognizing the importance of biodiversity in Strategy 2030 and for considering biodiversity projects in its operations. This will equip DMCs to more effectively address natural capital degradation and decline, including biodiversity loss, in efforts to sustain economic prosperity. In a region that has some of the largest and most diverse ecosystems in the world, restoring and preserving biodiversity contributes to aligning efforts to address climate change consequences on peoples’ livelihoods.

Given the impact of climate change on habitats and how we can work with nature to fight climate change, we encourage the ADB to do more to tackle the twin global challenges of climate change and biodiversity loss in a more integrated manner, as part of a single nature agenda to rebuild better and greener. Canada looks forward to the development of the ADB’s Nature Positive Investment Roadmap, which will integrate the important contributions the conservation and sustainable use of biodiversity can make to maintaining a resilient, and inclusive Asia and the Pacific.

With respect to improving the efficiency, effectiveness, and transparency of the Bank, we understand that it operates in an environment where credit and market risks are rising, while borrowing needs are growing. Canada encourages management to remain vigilant in the face of such future risks and constantly keep an eye on preserving the highest credit rating, low funding costs and long-term financial sustainability, while maintaining support for developing member countries.

Canada continues to believe in the importance of multilateral development banks working as a system. In addition to balance sheet optimization and the diversification of risk, we encourage all multilateral development banks to better coordinate their work at the country level, as well as to harmonize standards, policies and approaches, including with regards to gender equality and diversity, environmental and social safeguards, performance measurement, measuring private sector mobilization, procurement, transparency, anti-corruption, and debt sustainability.

We look forward to continuing to work with the Bank on all of the above and on the future of the Asian Development Fund. Canada is proud of its partnership with the ADB and we will continue to support the Bank in helping the region recover from the pandemic and get back on track towards meeting the 2030 Agenda for Sustainable Development and the targets set in Strategy 2030. Canada places great value on engagement with the Asia and Pacific region, and the ADB is a key partner for Canada in the region. We are looking to the ADB to lead regional efforts to foster a resilient and inclusive recovery from the pandemic and its impacts, and to support the region’s transition to a sustainable low carbon future. The world is depending on this and we are depending on the ADB to lead the way.
President Asakawa and Honourable Governors.

It is my pleasure to attend this 54th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB).

The fact that we are holding the 54th Annual Meeting of the Board of Governors for the second year in a row on a virtual platform serves as a stark reminder of the impacts of COVID-19 on global health and economies.

The impacts of COVID-19 on the global economy in the past twelve to fifteen 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 during this time.

The support provided by ADB to the Cook Islands through the provision of COVID-19 Emergency Supplies, Contingent Disaster Financing (CDF), Asia Pacific Disaster Response Fund (APDRF), COVID-19 Pandemic Response Option (CPRO) and the Japan Fund for Poverty Reduction (JFPR) grant in dealing with urgent economic, financial and public health pressures is both welcomed and much appreciated.

The Cook Islands is extremely vulnerable to external shocks including climate change, disaster, and pandemics. The coronavirus disease (COVID-19) and associated travel restrictions have severely affected the Cook Islands economy. The closure of borders to international visitors led to a severe decline in GDP, which affected employment and household and government incomes. The Cook Islands economy contracted by 5.9% of GDP in fiscal year 2020 compared to economic growth of 5.3% in FY2019. Economic activity is projected to contract by a further 26% in FY2021.

The 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 5 years for economic activity to reach levels previously seen, more so to reach the previous growth trajectory.

To respond to the shock of COVID-19, Government developed and released an Economic Response Plan (ERP), which consisted of a three-phased approach with targeted intervention support packages and stimulus measures based on increasing levels of Government intervention as determined by forecasts of economic growth or contraction. The packages helped to ensure
gainful employment, stable population; social stability and respect for law and order were maintained. The ERP has been proven extremely successful through our Monitoring and Evaluation reports. In the current financial year the Government will have pushed a total of $82 million into the private sector to help stimulate the economy and offset the deep recession we are now in. About half this total has gone into wage subsidies for employers, which has meant we have been able to retain the majority of our labour force and very few businesses have been forced into closure. We anticipate that there will be challenging times ahead however, as that support for our economy comes to an end on 30 June.

Additional to the ERP, Government also produced the Cook Islands Economic Development Strategy (EDS) 2030 with the vision of “working together to build a dynamic, prosperous and inclusive economic future for Cook Islanders, that is in harmony with our culture and environment.” The EDS comprises five key objectives: improving equity and access for all, transforming our economy, developing our people and culture, investing in our islands; and greening our economy.

With the ERP coming to an end in June 2021, Government will continue to provide support packages and stimulus measures through an Economic Strategy Framework based on the key objectives of the EDS. The framework will be focused on investing into our economy through public infrastructure investment to offset the predicted decline in private sector investment. The Government also views this as an opportunity to progress initiatives aimed at making our economy more competitive by removing barriers and improving the competitiveness of natural monopolies (e.g. utilities), thereby reducing prices to consumers. The Government will also be working hard at debt management and endeavoring to reduce the high cost of borrowing now that we have increased public debt substantially. We are well aware that this will a long road to recovery to pre-covid GDP levels.

The Cook Islands continues to face challenges in accessing grants and concessional financing as a result of our graduation from Official Development Assistance (ODA) and the Asian Development Bank’s classification of the Cook Islands as a high-income country. The Government believes that these classifications are now obsolete due to the size of the drop in economic activity. Not only are we a Small Island Developing State (SIDS), we are also a Micro-State with a population of less than 20,000. As a Small Island Micro-State our challenges are exacerbated by the fact that we are not able to mount strong fiscal responses on our own.

ADB speaks of differentiated approach for fragile, highly vulnerable Small Island Developing States. For that reason we consider that debt deferment has a legitimate place amidst other innovative financial instruments to support member countries. We feel that the full scope of exposure to Cook Islands debt is micro.

We welcome the new Pacific Approach 2021 – 2025 of Supporting a Resilient Pacific and encourage ADB to extend more concessional resources to highly vulnerable Small Islands Micro-States, to address the current pandemic. 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 are also very appreciative of the notable support provided to the Cook Islands Ministry of Finance and Economic Management through the economic modelling Technical Assistance (TA) and capacity supplementation to support public sector management strengthening.

Mr President, it has been a challenging year for the Cook Islands and our Pacific neighbors and we appreciate the extraordinary support from ADB. 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. We look forward to our continued partnership with ADB as we build back better.

Thank You.
FIJI
Aiyaz Sayed-Khaiyum, Governor

President of the Board of Governors;
President of the ADB;
Fellow Governors;
Distinguished Guests;
Ladies and Gentlemen

Bula Vinaka from Fiji.

It is with great anticipation that we welcome the opportunity to go on with the 54th Annual Meeting of the Board of Governors, despite the unprecedented situation caused by the global COVID-19 pandemic.

Fiji and its Pacific Island neighbours continue to face a unique set of challenges that have been exacerbated by the COVID-19 pandemic. Since the onset of the pandemic, we have taken a major blow to our economy with almost a complete halt to all international travel. This has not only resulted in thousands of our people becoming unemployed in tourism and related sectors but has caused a severe decline of fiscal revenues. Measures we have put in place to curb the spread of the virus such as social distancing, lock downs, mobility restrictions and school closures have been a burden, particularly for the most vulnerable groups of people. Even after the pandemic eases and travel restrictions are lifted, our tourism sector is not expected to return to normal for some time.

The Asian Development Bank’s (ADB) longstanding partnership with Fiji and the Pacific Region has enabled us to make greater progress in our development efforts than we could have on our own. ADB continues to support Fiji through financing key infrastructure including roads, water and sanitation, and public sector management. It is now, more than ever, that the continued partnership with ADB is necessary to help promote the growth and development that will be needed coming out of this fight against the COVID-19 pandemic.

While we are well aware of ADB’s ongoing investment in achieving climate-resilient development in many of its member countries, I cannot stress enough the importance of increasing this momentum to ensure that economic growth is achieved in Fiji, the Pacific, and the most vulnerable nations in the face of climate change. This includes improved access to concessional financing and grant funding from the Asian Development Fund (ADF) for disaster risk management, climate change, building resilience and reducing vulnerability, given the extreme climate vulnerabilities and financial structural barriers.
Finally, I wish to conclude my remarks with an acknowledgement of ADB’s assistance to Fiji and recent response to the devastating impacts of recent climate calamities and the COVID-19 pandemic in Fiji.

I wish you all fruitful discussions at this year’s virtual Annual Meeting.

Vinaka Vakalevu.
Mr. Chairman of the Board of Governors,
President Asakawa,
Honorable Governors,

On behalf of France, I would like to thank you for hosting virtually this 54th Annual Meeting of the Asian Development Bank (ADB). While we continue to 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.

One year after its outbreak, the Covid-19 pandemic is still severely hitting our populations and economies. This unprecedented crisis has heterogeneous effects, particularly affecting the low-income countries and threatening the development progress achieved over the past decades in the fight against poverty and inequality. Once again, we commend the ADB’s swift and ambitious response. First, the implementation of the 20 billion USD comprehensive response to the COVID-19 pandemic package played a decisive role in responding to the most urgent needs and in lessening the pain endured by the Asian economies. However, the increase in the Policy-based lending (PBL) ceiling should be temporary, and we strongly invite the ADB to review the framework of this financial instrument in order to provide more incentives to beneficiary countries. Secondly, the 9 billion USD APVAX facility enables the effective deployment of safe vaccines in the region, which is essential to ensure an inclusive recovery. In this respect, France welcomes the alignment of ADB’s eligibility criteria with the World Bank’s new ones. This step helps harmonise the effort of multilateral institutions and also increases the efficiency of their action. We would like to recall the importance to align with WHO standards in selecting vaccines while ensuring effective distribution via the COVAX platform. As next steps, we believe it is essential to continue developing and reinforcing local production capacities in the developing member countries (DMCs).

After the emergency response phase, the ADB has a crucial role to play in paving the way for a green, sustainable and inclusive recovery. Last year, because of the crisis, the path to achieve the strategic goal to mitigate and adjust to the climate change has been interrupted. Yet, we are confident the ADB is still on the right track to meet its targets set in the Strategy 2030. We were pleased to hear that the Bank committed to increase climate operations on the private sector department and to focus more on climate adaptation and mitigation through capacity development, pipeline development, and better project design. Having said that, we
encourage the Bank to be even more ambitious on its climate finance targets and on the alignment with the goals of the Paris Agreement, as some peer multilateral institutions.

Against this backdrop, the ongoing review of ADB’s Energy Policy is a key opportunity for the ADB to raise its engagements in terms of energy and climate finance. We expect ADB to seize this opportunity to formally align with the objectives of the Paris Agreement, and to reiterate its commitment to phase out fossil fuel projects, and first of all coal.

We believe that gender equality will be essential to make Asia’s recovery inclusive, and we expect the ADB to play a key role model in this shift. We are pleased to note the increase in the share of committed projects supporting gender equality and mainstreaming. We also welcome the gradual improvement in gender balance among the ADB staff. We also call for vigilance and active engagement of management as this trend is fragile. In this context, we commend the report of the working group on gender diversity at the Board of Directors and acknowledge the need for more diversity as a way to enhance the quality and credibility of the Board of Directors’ decision-making.

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. In this context, we welcome the launch of a Regional Hub to promote knowledge sharing on tax policy to strengthen domestic resource mobilization and international tax cooperation. More generally, we think such an initiative should be coupled with a broader reflection within the ADB, on how to efficiently support DMCs to strengthen fiscal consolidation and increase transparency.

In addition to these crosscutting priorities, we encourage the ADB to further mobilize private co-financing, which will be key to increase its financial firepower to deliver on the ambitious Strategy 2030. We welcome the implementation of wider geographical and sectorial scope for private operations, and also support the development of innovative finance instruments, such as access to venture capital.

The Asian Development Fund (ADF) has also to maintain a high level of commitment in the coming years to support the recovery of Asia’s poorest and most fragile countries. The ongoing collective reflection on the future of the fund is welcome. To make the best use of the available financial resources, we believe the ADF has to prioritize grants and concessional funding where development needs are greatest. We would thus encourage the progressive evolution toward a fund targeting the poorest, most vulnerable and SIDS countries, and encourage a stronger focus on poverty reduction, climate change, gender and private sector mobilisation. We believe 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, in the spirit of the merger approved in 2016.

Last, while the health crisis persists, the ADB continues to operate under constraints in very challenging circumstances both at Headquarters and on the fields. We invite the ADB to reflect on possible reinforcement of capacities and to continue carefully monitor staff well-being and workload, to maintain a high level of commitment.
Overall, France remains confident in financial and technical ADB’s capacity to meet the multifaceted challenge of an inclusive and sustainable recovery in Asia, where the institution is a key development actor.
A quick look at the list of events taking place during the 54th Annual Meeting of the Asian Development Bank (ADB) underlines the great impact of the COVID-19 pandemic on the development of Asia and the Pacific region. In this region in particular, where enormous advances in development have fortunately been seen over the last few decades, the pandemic is threatening to undo the progress which has been achieved. That is why crisis management and forward-looking action are inseparably linked. Given the limited funding available, the key challenge today is to carry out the necessary measures needed for managing the crisis in the short term without compromising medium- and long-term investments for the future – especially investments to address climate change and social inclusion.

With regard to the immediate task of crisis management, I would like to express our gratitude and respect to all the staff at ADB. Working under the most difficult conditions, they have managed to swiftly develop a comprehensive programme to tackle the pandemic that we very much support. For one thing, there is ADB’s Comprehensive Response to the COVID-19 Pandemic, which was adopted directly after the start of the pandemic to cushion the social and economic shocks. This is an area where the Bank can offer added value. Then there is the Asia Pacific Vaccine Access Facility, which was adopted at the end of 2020 to support the funding and distribution of vaccines in less developed member countries. All in all, ADB has mobilised and spent 29 billion US dollars for these tasks – most of it as additional funding. Without wishing to minimise this impressive achievement and the record commitments made in the past year, I would like to remind you that the focus must be on development effectiveness and this must be checked and verified.

Germany, too, has made a strong bilateral contribution to the response to the pandemic. With a total contribution of 2.1 billion euros in 2020 and 2021, we are now the biggest donor to the Access to COVID-19 Tools Accelerator that was jointly set up by WHO and other partners. The aim of the Accelerator is to speed up fair access to COVID-19 tests, treatment methods and vaccines for all people worldwide. ADB should continue to align its efforts for more access to vaccines closely with those of WHO and of COVAX in particular.

The COVID-19 pandemic is much more than just a health issue; it can be categorised as a polycrisis – having led not only to a deep economic crisis but also to a hunger and poverty crisis. For example, in March the FAO Food Price Index rose again, marking the tenth consecutive monthly rise in the value of the Index to its highest level since June 2014. Developing countries and emerging economies are the hardest hit. I therefore believe it is right that the Annual Meeting is looking ahead to the future and letting itself be guided by a focus on recovery. The crisis
response mode must now be combined with a look forward and a recovery phase beyond the pandemic. What this requires is targeted investment in sustainable development and a substantial contribution for meeting global challenges: **Recover Forward.** We need to not just build back, we must also make forward-looking investments so that we can succeed in steering the recovery towards building sustainable and resilient economies. Recover Forward means starting the economic revitalisation with **sustainable and social investments.** Wherever possible, measures should be designed in such a way that they simultaneously advance both of these dimensions, so that **co-benefits can arise.** The 2030 Agenda for Sustainable Development and the Paris Agreement provide a clear framework for this. I am explicitly in favour of the Bank – together with the World Bank and the IMF – stepping up its efforts to encourage the elimination of climate- and nature-damaging subsidies, with funds being invested in sustainable development instead.

The need remains for ADB to fight the pandemic with concrete measures, mitigate the socio-economic impacts, and improve the financing and debt situation in developing countries and emerging economies in the long term. It will be necessary, first and foremost, to identify the measures that will promote sustainable, resilient and inclusive development. With **COVID-19 Recovery: A Pathway to a Low-carbon and Resilient Future,** ADB has developed a suitable framework. Countries are to be supported in simultaneously using their COVID-19 recovery measures to improve their management of the climate crisis, follow a strategic low-carbon pathway and strengthen their resilience. Finally, ADB can use innovative financing mechanisms to create incentives for sustainable investment in infrastructure. We encourage ADB to continue to fill this concept with life, all the while keeping a firm eye on the goals of the Paris Agreement. The Bank needs to define clear criteria for assessing transformative impacts in country strategies and projects, and it needs to provide the right internal incentives for this. Building on the real-time evaluation of ADB’s support for COVID-19, the **monitoring system** should be further developed in order to furnish evidence of the impacts of our response to the pandemic.

Fragile states and regions which are affected by conflicts and are vulnerable to extreme natural events are particularly suffering from the impacts of the pandemic. I am therefore very happy that ADB is revising its approach in FCAS (fragile and conflict-affected situations) and SIDS (Small Island Developing States) so as to be better able to respond appropriately to the extraordinary challenges they are facing.

As the most important multilateral financial institution in the region, ADB has an important role to play in supporting Asian and Pacific countries in their efforts to achieve the SDGs and implement international climate goals. That is why we have supported the Bank in ensuring that **fighting climate change, building resilience** to climate change and improving **environmental sustainability** are firmly anchored as one of the seven priorities of the ADB Strategy 2030. **Quantitative targets** have been laid down for this as well. For example, by 2030 at least 75 per cent of all projects are to support climate change mitigation and adaptation, with a cumulative volume of 80 billion US dollars in climate finance being made available. In order to achieve these targets, however, **considerable increases in ambition will be needed.** For one thing, the focus on fighting the pandemic is one reason why we have seen a **fall in climate financing of more**
than 1.7 billion US dollars in 2020 compared with 2019, taking us back to the same level as in 2017. This is all the more regrettable since, in terms of overall commitments, 2020 was a record year. Moreover, it is still the case that adaptation projects tend to receive far too little attention. The gap between ambition and implementation must be quickly closed – a new course needs to be charted in the direction of a clear increase in climate financing, especially financing to support adaptation measures. Finally, we believe that ADB, together with its fellow institutions, also has a responsibility to actively support the contributions that borrowing countries are making towards achieving the goals of the Paris Agreement. This applies to their efforts to develop, implement and above all enhance both their nationally determined contributions and their national adaptation plans, and it also applies to the development of long-term adaptation and resilience strategies. Last but not least, we can expect that the consequences of climate change will also impact on the quality of ADB’s portfolio – it is therefore in the Bank’s interest to also adequately reflect such climate risks in its balance sheet.

The revision of ADB’s energy policy is a huge opportunity to chart a course for future financing and thus actively advance a conducive environment for decarbonising the energy sector in ADB member countries. Germany and other like-minded shareholders are therefore calling for ADB to formulate clear goals for excluding support for fossil fuels in its strategy, in order to contribute to the transition to a low-emission and climate-resilient development pathway in its partner countries. At the same time, we want ADB – like other multilateral development banks – to be a pioneer in this field: excluding funding for fossil fuels will send an important signal that goes far beyond ADB’s operations and will be noted by commercial and other providers of finance. To conclude, I would like to thank ADB for offering to chair the MDB Paris Alignment Working Group this year; with COP 26 coming up, this task is particularly important. We are counting on ADB to push for progress in terms of Paris alignment both for the MDB system as a whole and for its own institution. I therefore expect, above all, that ADB will announce its own commitment and specific timeframes for Paris alignment, like the European Investment Bank (EIB), the World Bank and the Inter-American Development Bank (IDB) have already done.
This year Asian Development Bank (“ADB”)’s Annual Meeting has to be conducted virtually due to the ongoing COVID-19 pandemic. ADB managed to adjust the meeting format and coordinate the Annual Meeting within a short period of time despite all the challenges. I would like to express my gratitude to the management and staff of ADB for effective support making the 54th Annual Meeting possible.

The COVID-19 pandemic has affected the health and livelihood of everyone around the world. Coordinated efforts amongst the international community is pivotal to combating this crisis and bringing us out of the woods. ADB, as one of the leading multilateral development banks in the region, has been at the forefront providing assistance to fellow members to fight the pandemic. Apart from providing timely financial support and assistance package amounted to over US$ 20 billion aimed to its developing members to address the urgent needs of the vulnerable, ADB has also launched a new US$ 9 billion vaccine initiative that ensures its developing members have access to safe and effective vaccine. This will play a major role in helping developing members overcome the challenging pandemic and setting them on the path to economic recovery. Apart from sharing our knowledge and experience in combating the COVID-19 pandemic with ADB via multiple webinars, Hong Kong, China has again pledged to make contribution to the Asian Development Fund and maintained the same burden sharing, aiming to maintain the momentum of the fight against poverty and the strive for better quality of life in the region.

The pandemic will remain challenging around the world in 2021. With the ADB’s pre-pandemic estimation that Asia’s infrastructure investment needs reaching US$ 1.7 trillion per year until 2030 in order to maintain its growth momentum, tackle poverty and respond to climate change, it is highly likely that the pandemic will further widen this financing gap. Yet, public resources have become more strained as many governments around the world have undertaken fiscal expansion to support the economy and protect the vulnerable members of the community. In this regard, it is ever more important for multilateral development banks like the ADB to step up their effort to support members in the continued quest for eradicating extreme poverty and achieving a prosperous, inclusive, resilient and sustainable economy.

As a leading international financial centre in the world, Hong Kong, China stands ready to continue supporting ADB’s efforts in addressing and improving the social and economic development in the region in the post-COVID-19 era. Hong Kong, China will continue to provide the necessary infrastructure and policies to facilitate green and sustainable investment and financing. Hong Kong, China is the largest centre for arranging Asian international bond issuance in Asia in 2020. Buoyed by our leading position of the bond market in the region, Hong Kong’s latest green bond
issuance at the end of January 2021, the largest ever USD-denominated government green bond deal globally, has attracted strong demand from investors with successful offerings of US$ 2.5 billion. ADB has also capitalized on Hong Kong, China’s financial markets to issue over US$ 1.22 billion of bonds, including green bonds, in 2020 alone. We welcome and will continue to facilitate ADB making use of our financial markets for financing its initiatives. We also look forward to furthering collective actions and partnership amongst ADB members on the post-COVID-19 recovery and making a positive impact on the livelihoods of the people in the region.
It is with a degree of optimism about the future that I address this 54th Annual Meeting of the Asian Development Bank. I would like to compliment President Asakawa and the entire ADB team for the smooth transition to a digital work environment amidst a prolonged work from home scenario, and yet not only delivering on its work program for 2020 but also well exceeding that to take on the COVID challenge.

We face an unprecedented global crisis today. The world economy contracted last year, threatening a severe development setback and hindering DMCs progress towards achieving 2030 Sustainable Development Goals. Poverty has been reduced over the years but in 2020, an estimated 78 million people were pushed back into extreme poverty, and inequality aggravated.

ADB rose to the occasion delivering early and rapid support to the region, first through a comprehensive COVID response programme to help counter the severe macroeconomic and health impacts, and later coming up with a Vaccine support package. On behalf of India, I thank the ADB being with India in providing timely financial support for COVID and non-COVID projects.

India had started 2021 on an optimistic note with IMF predicting a strong economic growth of 12.5% in FY22, the highest for a major economy. The country is currently going through the second wave of COVID. The resurgence of the pandemic has caused sufferings for very large number of persons, put the healthcare system under huge strain, and adversely impacted the nascent economic recovery process. We are thankful to the international community for their support in this hour of need. We believe that with focus of the Government being on robust public health measures, timely treatment of the infected persons, sound macro-economic management, visionary developmental policies and strong macro fundamentals, India will sail through the storm. The vaccine production capacity in the country is being ramped up and more vaccine candidates are on verge of entering the commercial chain. We are confident that with expected adequate access to critical raw materials, we would not only be able to meet our domestic needs but also soon be back to meet critical vaccine needs of the world.

Post-COVID economies may not be the same as the pre-COVID economies. However, to avoid any long-term debilitating impact, coordinated and inclusive global strategy is needed today. Amidst this crisis, multilateral institutions, such as the ADB, are needed more than ever to support DMCs and prevent the health crisis from cascading into a full-blown economic crisis. The green shoots of recovery that can be seen in all the economies in our constituency have to be carefully nurtured to ensure that there are no adverse shocks due to the recent increase in the rates of infections. ADB, as a longstanding partner of the Asia and Pacific region, needs to think and act differently to continue supporting prosperous, resilient, inclusive and sustainable growth in the region.
Let me begin by broaching the critical issue of Bank’s Capital position. ADB’s Work Program has projected real growth rates from 2019 to 2035 in Sovereign lending of 0.5%, and in non-Sovereign lending of negative 0.4%. This will hinder ADB’s capacity to help DMCs, especially in the present context of the severe social and economic reversals. Amidst the poverty setbacks, the ambitions posed by the Bank’s Strategy 2030 targets, seem challenging. Some of the shareholders suggest an organic capital growth but also support a net income transfer of almost 43% annually out of the Bank ordinary capital reserves (OCR). It would be challenging for the Bank to balance the goals without compromising on the much-needed lending to OCR countries.

IBRD and AIIB, the two other MDBs active in Asia and the Pacific, have transferred over 80% and 100% respectively to their equity reserves in last 3 years. ADB had its last capital increase in 2009 and since then most MDBs, including IBRD, had multiple capital increases. ADB got some respite through the 2017 merger but that came saddled with a permanent recurring liability on its net income. We would do well to keep in mind that post-merger, the OCR pool now also finances the Concessional Loans (COL), and lowering the risk bearing capacity of OCR would hurt the interests of some Group A countries and all Group B countries who access COL resources. It is time ADB works on strengthening its equity capital, through another round of general capital increase, to be able to expand its lending outreach, commensurate with the sustainable absorptive capacities of its members. In a globalised world, such countries could pull up the economies of others.

India has the absorptive capacity to receive about $4 billion a year from sovereign operations, and about $1.5 billion annually from the private sector financing window. This should be viewed in the backdrop that on average in last 5 years the net sovereign inflows, excluding CPRO loan, into India have been less than $700 million and the net non-Sovereign lending has been negative.

ADB is a key player in sovereign lending and in this has been one of India’s largest multilateral development partner. The infrastructure projects have huge multiplier impacts to reinvigorate the economy, including in employment generation, and may be critically needed in many DMCs. ADB’s support in energy, transport, Public Sector management, finance, and urban development, have been some of the priority areas for India and have brought tangible positive results for livelihoods of our people. Hence, while we would welcome ADB’s focussing on some rather neglected and new sectors, the tried and tested sectors, and where ADB has some degree of expertise, should remain at forefront of ADB operations. On pricing of sovereign loans, the Bank has already introduced differentiated pricing beginning 2021. However, ADB’s favourable sovereign loan pricing should not be further raised just because it happens to be lower than those of other MDBs. The sovereign loan pricing is based on cost recovery principle and the if the bank is able to recover its costs, there is no case for tinkering with it.

ADB also plays an important role in private sector financing. The debt burden on sovereigns has risen and this calls for giving a push to non-sovereign lending to assist it share a burden of the development needs of DMCs. Such financing would also help leverage the capital of Bank much better. However, the overall non-sovereign lending of ADB came down substantially in 2020 and is projected to stay at sub-2019 level at least for another 6 years. The ADB’s Work Program
2021-23 projects a reduction in non-sovereign commitments by $32 billion over 2020-35. While we welcome the Bank’s strategy to increase sector and geographical diversification in private sector lending, this rather calls for more and not less absolute lending. The cut would reduce ADB’s reach and impact, and imply a fall in the consequent co-financing that can be mobilised. The private sector projects carry higher risk but have paid overall handsome returns to the Bank. To attract private sector participation, the Bank would need to develop more affordable and innovative financing instruments. Here we would also urge the Bank to open a Private Sector Operations Branch Office in Mumbai for more committed operational activities in the private sector.

Asian Development Fund remains quite critical to support the needs of Asia’s poorest and most fragile low-income countries. The demand on it today is way beyond what was estimated at the time of 2017 merger. Notwithstanding our domestic concerns, India pledged an amount of $51.4 million to the ADF-13, an increase of 28.5% over our ADF-12 replenishment. As a donor, India remains committed to delivering beyond what is expected from it, and I would urge other donors to not shy away from realising their responsibilities. If we need to expedite the ADF beneficiary countries graduate upwards, it may not be possible to do so based on increasing dependence on net income transfers. We would welcome that the Bank further probes into IADB experiences and proposals before ongoing IDA-20 replenishment and comes with possible alternative arrangements that could help to more efficiently use the ADF grants.

We welcome the intent of ADB to focus on knowledge side of its operations, which could provide an important value add to ADB’s clients, especially in dealing with the new challenges. Innovative and smart approaches, including in e-education, e-health, agriculture, water supply management and exploiting the potential of artificial intelligence are more needed than ever before. I am sure the DMCs, including those outside ADB’s jurisdiction, would have lot to learn from each other and ADB could be a key facilitator in this process. ADB may consider implementing suitable incentive mechanisms that is conducive to knowledge innovation. Facilitating technology transfers could increase productivity while economising on resource use. The ADB’s administrative cost are comparatively the lowest among all major MDBs, and it has room to add some specialised Staff resources in crucial sectors to further this ambition.

Given the global economic challenges and growing complexities of the financial development architecture, ADB must position itself to cooperate and collaborate with other development partners. The Bank’s efforts to speed up procedures and eliminate bureaucratic steps, including through use of technology and third-party consultants, as we witnessed during 2020, must continue. I also urge ADB to work on harmonising its safeguards and other compliance norms with those of other MDBs. This would bring down compliance costs and smoothen the co-financing by MDBs. As far as possible, the use of national laws and procedures should be adopted, and ADB may like to facilitate the DMCs build the requisite capacity. ADB is set to revise its Energy Policy this year. India is committed to its NDCs communicated as pledged under the Paris Agreement. However, coal will remain critical for India, as it will be for many other DMCs, to deliver on their economic development and energy access objectives.
Hence, we would encourage the Bank to adopt a balanced policy and take into consideration the role of clean coal in accelerating the economic development and energy security of many developing economies. It may also assist efficient energy uses of existing coal-fired plants that have still useful life left. This may be overall more climate friendly and effective use of the limited ADB funds.

The **Regional Cooperation Integration** is an important building block for a strong global economy. India has a vital role to play in the South Asia Sub-regional Economic Cooperation (SASEC) initiative. SASEC has gained considerable traction but to take SASEC’s operations to the levels achieved in other 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.

To close, I would sincerely urge the advanced and non-borrowing member countries of ADB to remain with the DMCs in this hour of crisis. This would demonstrate their commitment for the collective global economic prosperity.

**Thank you.**
INDONESIA
Sri Mulyani Indrawati, Governor

H.E Finance Minister Mr. Lasha Khutsishvili, Chair of the Board of Governors,
H.E President Masatsugu Asakawa,
Excellencies Fellow Governors, Alternate Governors, Ladies and Gentlemen.

Indonesia would like to again congratulate President Asakawa for his strong leadership in navigating ADB during this unprecedented situation. 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 exceptional performance in maintaining ADB’s strong presence in accelerating the recovery in member countries, as well as maintaining its active role in the global development, particularly responding to the pandemic crisis.

Indonesia also would like to appreciate the Board of Directors and the Bank’s Management as Indonesia notes on the Annual Report for 2020, Updates to Rules and Regulation, as well as Budget for 2021. The Reports has reflected the readiness of the Bank to do some adjustment and be more flexible in accommodating member countries’ need during this challenging situation. However, as the pandemic is probably still far from over, ADB needs to reflect on the most recent surge of infections in its assumption of the pandemic situation, including the spread of new variants of the COVID-19 virus and different paces of vaccination. As a result, the recovery appears uneven across and within countries, fragile, and subject to elevated downside risk.

**Indonesia calls for ADB to enhance its support to the less-developed member countries in response to the COVID-19 pandemic.** Particularly on the vaccine, we urge ADB to act swiftly to support them in purchase and deployment of vaccines and call for equitable and swift access to safe, effective and affordable COVID-19 vaccines. ADB should also build strong partnerships with COVAX, GAVI, UNICEF, the WHO as well as with private manufacturers to ensure the availability and fair distribution of vaccines. On top of that, ADB has to support countries to strengthen its collective preparedness against future outbreaks through technical assistance and knowledge sharing.

**Indonesia also calls for a more enhanced ADB’s roles in supporting economic recovery of member countries.** As for this year, there is increasing confidence in the global economy. The IMF World Economic Outlook (WEO) in April predicted that the global economic growth will reach 6 percent in 2021, moderating to 4.4 percent in 2022. Meanwhile, in the regional level, Asian Development Outlook April 2021 predicted that Developing Asia’s growth will rebound to 7.3
percent this year and moderate to 5.3 percent in 2022. This optimistic development hopefully will translate into broad-based and sustainable global economic recovery that boosts job creation and improves welfare.

**Indonesia invites ADB to support member countries to green, resilient and inclusive development as well as advance efforts to support the SDGs.** The pandemic leading to health crisis has put the issues of environment, climate change, and resilience in the center of our shared efforts for development. Reciprocally, those issues have also raised the possibility of an outbreak of diseases, causing pandemic and public health crises similar or even worse to what we are currently experiencing. Thus, we must take advantage of this pandemic in our recovery efforts to promote a more sustainable approach to development. In addition, Indonesia wishes ADB to develop risk management strategies to prepare countries and help them to adapt and offset the impact of economic, natural disaster and pandemic shocks.

Indonesia itself has updated its Nationally Determined Contribution (NDC) to increase adaptation capacity and climate resilience as part of our commitment to sustainable development. Our shared pledge to climate change must be carried out based on the fulfillment of the 2030 NDC commitment. Fulfillment of the pledge must come from both developing and developed countries in order to commit to the partnership that alleviates the climate change risk. Developing countries will carry out the same ambition if the commitment of developed countries is credibly realized.

**Indonesia’s forthcoming global and regional roles, as the upcoming Chair of the G20 in 2022 and ASEAN in 2023, present an opportunity to provide thought leadership on these pressing challenges that are confronting Indonesia, the region and the global community alike.** Indonesia also currently serves as the Co-Chair of the Coalition of Finance Ministers for Climate Action until 2023 wherein leading the construction of the Long-Term Strategy (LTS) to address the issue of climate change. We should not only ‘recover together’, but also ‘recover stronger’. We have to strengthen the collaboration for green, resilient and inclusive recovery.

**Thank you.**
IRELAND
Paul Ryan, Alternate Governor

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

President Asakawa, over the past year you guided the Bank with a steady hand, leading, collaborating, and mobilizing support to priority needs across the region at a time of tremendous uncertainty and turmoil globally, but especially in Asia and in the Bank’s countries of operation. We thank you and the staff of the ADB for your resolute commitment and decisive response to your members during these turbulent times.

The occasion of the Annual Meeting provides an opportunity to reflect on the events of the past year, progress which has been achieved, and opportunities which lie ahead.

The Bank’s very significant response to the COVID pandemic has positioned it as an adaptable leader, ready and able to meet the needs of member states in partnership with governments, peer MDBs and development partners. Launching the APVAX facility, which enables procurement and delivery of safe and effective COVID-19 vaccines, clearly demonstrates the Bank’s ability to rally and respond rapidly to the changing needs of members in a challenging development landscape.

We commend the Bank for their targeted actions which continue to be instrumental in providing vital assistance to regional members in their response to the pandemic and their consequent post-COVID recovery plans.

For Ireland, continuing the ADB’s work in reducing poverty and recovering the recent development gains eroded by COVID are a priority for the coming year. We believe the ADF continues to play a critical role in achieving this objective by supporting the poorest and most vulnerable in the region to achieve their specific development goals while also meeting commitments under the SDGs and alignment with the Paris Agreement. As we commence ADF-13, the first ADF cycle which will support Strategy 2030 in its entirety, it is important to reflect upon the success of ADF over the past years, and work to together to find ways to make the Fund a more effective and efficient tool, now and in the future. In this regard, we welcome the review of the ADF by the Bank and we look forward to a positive engagement with donors and borrowers on how to improve the Fund and to future-proof it for future challenges.
As we move forward, we urge the Bank to find a balance in operations between a continued response to COVID, and a renewed focus on the priorities of Strategy 2030. In particular, we must continue the focus on reducing poverty, but also to address long-standing issues such as climate, gender, fragile and conflict states, and SIDS. The ADB has made significant progress on these matters over recent years but this has been adversely impacted by COVID and we need to redouble our efforts to ensure that we can quickly recover the lost momentum and get back on track on the commitments across these areas.

COVID-19 called for strong responses based on solidarity and co-operation. It is imperative the ADB continues to drive multilateral efforts to rebuild in better ways, delivering a transformative, inclusive and resilient recovery in a post-COVID world. We need to build back better and also to build back forward to ensure that we have a more equitable future for all people in the region especially those who were marginalized before the pandemic and who also suffered the most from its impact.

The post-COVID-19 recovery is a unique opportunity to catalyse and shift global economies towards a decarbonised and climate resilient future, aligned with the long term targets of the Paris Agreement. In this year of COP26, we urge the Bank to show continued leadership by accelerating investments which will promote the necessary sustainable, inclusive, green growth. The Bank must push for more ambitious climate finance targets as they assist members deliver and plan for a low-carbon and sustainable recovery. ADB can play a catalytic role crowding in private capital ensuring a swift and green recovery for the region. The ongoing Energy policy review is an opportunity for the Bank to embed their commitment to a climate change, and ensure a just transition to a renewable energy focused future across the region.

We urge the Bank to continue to explicitly focus on the needs of those least responsible for causing climate change, but with most to lose. Small island states are suffering significantly as a result of the pandemic. They are also suffering arguably the worst effects of a climate emergency they did not create. The ADB, can assist to simplify and ease access to climate financing for SIDS, LICs and fragile states, through technical assistance, knowledge sharing and institutional capacity building.

Ireland’s international development policy, A Better World, places gender equality at its heart. Over the past year, we have seen how the COVID pandemic has disproportionately impacted women with wide-ranging effects on livelihood, education, gender-based violence, and unpaid care work. Now more than ever we call for the Bank to place women and girls at the heart of your work. The Bank must advocate for gender equality underpinned with credible gender statistics, and stronger participation; this will assist to progress, influence and address the specific vulnerabilities of women and girls.

We would like to take the opportunity to express our gratitude to our Executive Director Kris Panday, and his exceptional team in our Constituency Office, they have as ever provided support and valued guidance over the past year.
Mr. President, the coming year will be a challenging one. COVID-19 has exposed the vulnerabilities and inequalities of individuals, societies and economies, the potential scarring effects of COVID are still difficult to predict globally.

The pandemic has reminded us that multilateral responses to global challenges are essential and that even the strongest cannot succeed alone. 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.
Mr. Chairman,
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 the opportunity to exchange our views despite the persisting difficulties.

2020 has been extraordinary and challenging for the region due to the COVID-19 pandemic. And we are not out of the tunnel yet, although we may see the light at the end of it. ADB, under your leadership, President, promptly responded to the crisis, by making available resources to help Developing Member Countries (DMCs) and introducing a new facility to support access to vaccines.

In 2020, commitments and number of projects, as well as cofinancing, have increased substantially. But this increase, together with the reprioritization of funds, came at a price. On a positive note, gender equity support has increased more than expected. But budget support has increased disproportionally, the financial capacity of the Bank has been put under pressure, sovereign investment projects have decreased, the path to climate change mitigation and adaptation has been interrupted and the focus on private sector operations has weakened.

Despite the pandemic and its impact on ADB operations in 2020, there have been significant positive achievements. The replenishments of the Asian Development Fund and the Technical Assistance Special Fund turned out to be more successful than expected. The Comprehensive Compensation and Benefits Review was approved. The Policy framework on Exchanges of Sovereign Exposures among Multilateral Development Banks was approved, and a pilot operation with the Inter-American Development Bank executed. 2020 has also brought a number of innovations to ADB, including a new plan for knowledge management and the start of a Cultural Transformation Initiative. If successful, these developments will modernize the face and character of ADB in the coming years. We are pleased to note that ADB also completed the Review of its Resident Mission Operations, underlining their crucial importance for the Bank’s operations. This year ADB will face new challenges, including the comprehensive review of Technical Assistance Operations and the review of ADB’s Energy Policy and the Safeguard Policy Statement.
Last but not least, we appreciate the Report to the Board of Governors on Gender Diversity at the Board of Directors. Looking forward, we will support the efforts made by the Board Working Group on Gender Diversity to increase female representation in the Board.

In 2020, important issues, to be followed up in the future, have emerged: 1) the graduation policy, which is crucial to ensure that limited resources are allocated to those developing member countries most in need; 2) the increasing relevance of projects aimed at regional and global public goods (e.g. pollution reduction, biodiversity preservation, regional economic integration), which represent cross-cutting issues involving all countries irrespective of their income level; 3) the importance of associating gender equity with the multidimensional concept of social inclusion, addressing also discriminations related to class, ethnicity, indigenous status, sexual orientation and gender identity, disability, religion, age, and migration; 4) the new risks linked to digitalization where ADB must ensure its operations respect international standards and best practices on data-security and the privacy of information; and 5) the need to develop a long-term strategic vision for the Asian Development Fund.

In 2021 Italy is holding the G20 Presidency. In the Finance Track, the Presidency is placing the focus on six priorities:
1. Ensuring health as a global common good and strengthening pandemic preparedness;
2. promoting an international environment conducive to investment and growth;
3. maintaining global financial stability while enhancing financial inclusion in a digital world;
4. supporting vulnerable economies and strengthening the international financial architecture;
5. making the international tax system fairer and more transparent; and
6. protecting our planet while improving living conditions for all.

We are working hard on these priorities and we would like to thank the Asian Development Bank for the support provided on a number of them.

Looking ahead, we will pay attention to the implementation of the COVID-related facilities, which pose significant challenges for ADB. The severe legacies of the crisis should not erode ADB’s lending capacity, and we encourage ADB to get back on track on climate change financing as well as supporting a green, resilient and inclusive economic recovery. With a view to maintaining the Bank’s financial strength, Italy will continue to support price adjustments, more technical assistance reimbursement and cost sharing, particularly to upper middle-income countries, long-term planning of net income allocation, and additional as well as more substantial exposure exchange operations with other MDBs and with national development banks. We encourage the Bank to closely coordinate with other Multilateral Development Banks and the International Monetary Fund to address global challenges and achieve a green, inclusive, and sustainable recovery, and we appreciate the efforts made in this direction.
JAPAN
Taro Aso, Governor

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

The spread of COVID-19 has been significantly affecting Asia and the Pacific region. Many people in the region have been thrown back into poverty and put in a vulnerable situation. It is important to overcome this crisis and achieve resilient recovery by enhancing preparedness for the next crisis, while building a sustainable society and the foundation for growth in the future.

2. Overcoming the COVID-19 Crisis
The containment of COVID-19 is a key to overcoming the current crisis. To this end, it is essential to further accelerate the development, manufacturing, and distribution of vaccines, medicines, and therapeutics in order to ensure equitable access for all people, including in developing countries.

Under the strong leadership of President Asakawa, the ADB has been providing swift support to its developing member countries (DMCs) from the very beginning of the COVID-19 pandemic, including an emergency assistance package of $20 billion announced in April last year. Last December, the ADB launched a $9 billion vaccine initiative, the Asia Pacific Vaccine Access Facility (APVAX), offering strong support to DMCs for the procurement and delivery of effective and safe COVID-19 vaccines. Japan highly appreciates such efforts by the ADB and will continue to support the ADB’s response to COVID-19 including through the Japan Trust Fund.

3. Resilient and Sustainable Recovery
In achieving resilient and sustainable recovery while continuing to address the COVID-19 pandemic, Japan would like to highlight the following as important policy issues.

(i) Universal Health Coverage (UHC)
Japan has long been emphasizing the importance of promoting UHC. Promotion of UHC contributes not only to strengthening health systems for prevention, preparedness, and response to the next pandemic, but also to ensuring inclusive and sustainable growth. Strengthening accessible and affordable health systems is important in tackling pandemics such as COVID-19, and it also helps countries in the region with various income levels to address emerging health issues including aging and non-communicable disease such as lifestyle related disease.

Japan expects the ADB to play a central role in promoting UHC by identifying development needs of each country as a reliable partner in the region, and by providing proper support to them. To
this end, Japan will provide $15 million to the Japan Trust Fund in the ADB to accelerate support for UHC in three pillars: (i) building institutional framework, (ii) accelerating human resources development, and (iii) investing in infrastructures.

(ii) Climate Change / Disaster Risk Management
Climate change is a challenge to be addressed globally in the coming recovery phase, and this is no exception for Asia and the Pacific region. Tackling global warming is important to achieve sustainable economic growth, and Japan expects Multilateral Development Banks including the ADB to deliver on their climate finance targets and to actively mobilize private financing.

All stakeholders including major emitter countries should work towards de-carbonization. To this end, we should provide support to intermediary areas in between “green” and “non-green” rather than follow a binary classification, and transition finance should be promoted to advance this inclusive approach. Japan expects these points to be reflected in the new ADB energy policy, which will be revised this year as a next-generation guidance to facilitate de-carbonization and economic growth in DMCs.

Furthermore, it is critical to support not only mitigation measures but also adaptation measures including enhancement of resilience to natural disasters. Japan calls for the ADB to further strengthen support in this area.

(iii) Quality Infrastructure Investment (QII)
Huge infrastructure gaps still remain in DMCs. In order to achieve robust growth in DMCs in the recovery phase from the pandemic, it is necessary to promote QII that serves as the foundation for growth, including digital and green infrastructure, taking into account the economic and social changes due to the spread of COVID-19.

In this regard, it is important for DMCs to deepen knowledge and understanding of G20 Principles for QII and to implement them steadily. Japan expects the ADB to actively share its knowledge with DMCs through project preparation and technical assistance, and to promote QII with due consideration to safety, including cybersecurity and data privacy, as well as inclusiveness, openness, sustainability, and governance, among other principles.

(iv) Domestic Resource Mobilization / International Tax Cooperation / Debt Transparency and Sustainability
In order to support investment for resilient and sustainable recovery, domestic resource mobilization (DRM) is critical.

DRM has long been a challenge in the region, and DMCs are now facing further deterioration of their fiscal situation due to increasing fiscal spending and decreasing tax revenues caused by the COVID-19 pandemic.
Under these circumstances, it is important to strengthen DRM through expansion of tax base, enhancement of tax compliance, improvement of tax administration’s capacity, and modernization of tax system in response to the digital economy. Cooperation among development partners is essential to maximize effectiveness of such efforts. From this perspective, Japan welcomes the leadership of President Asakawa to establish the Asia Pacific Tax Hub to promote DRM and international tax cooperation, taking advantage of his abundant experience and excellent knowledge in this area.

Given the exacerbated debt situation in DMCs, securing debt transparency and sustainability is also critical. As the ADB has a deep knowledge about DMCs’ situation, Japan expects the ADB to play its vital role actively in the field of public finance management, especially through capacity building efforts.

4. Japan’s Contribution through the Japan Trust Fund
The impact of the COVID-19 pandemic is estimated to have pushed additional 78 million people back into extreme poverty, and the most vulnerable communities are especially stuck in a difficult situation again. The pace of recovery is mixed depending on the country and the sector, and inequality is widening within and across countries. At this difficult juncture, it is important to provide sufficient support to vulnerable population in order not to marginalize them in the pathway toward inclusive growth.

In order to address Japan’s four priority areas for sustainable and strong recovery mentioned above, and to continue our support for vulnerable communities hit hardest by COVID-19, Japan will further contribute to the ADB’s efforts through enhanced new JFPR, Japan Fund for Prosperous and Resilient Asia and the Pacific.

5. Graduation Policy
In the recovery phase of the COVID-19 pandemic, it is critically important for the ADB to prioritize its assistance for lower-income or vulnerable countries which are hit hard by the COVID-19 pandemic, in order to make effective use of its limited resources.

In this regard, the ADB should carry out the assessment of DMCs that are above the income threshold of the graduation policy, based on the objective and systematic framework. This should help narrow the scope of ADB’s support to what is truly required to meet graduation criteria in both quality and quantity, and facilitate the steady progress of those DMCs towards graduation. Japan appreciates the ADB for undertaking proper efforts in such direction, and asks the ADB to steadily follow-up on relevant countries’ progress towards graduation.

6. Concluding Remarks
Japan expresses its respect to the ADB staff members who continue to dedicate themselves to their tasks with high performance amid the unprecedented difficulties due to the spread of COVID-19. It is important that the ADB continues to provide seamless support for reconstruction drawing on its efforts so far under the superb leadership of President Asakawa since the beginning of his
presidency in January 2020. Japan expects the ADB to continue tackling various difficult issues and play a central role in leading the resilient and sustainable growth of Asia and the Pacific region.
Dear Mr. Lasha Khutsishvilli!
Dear President Asakawa,
Dear Governors, Ladies and Gentlemen!

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

Since its establishment, ADB has been engaged in one of the most vital contemporary challenges—the combat against poverty. Over the past decades, the Bank has become an important partner for all member countries in achieving this goal, including development promotion and creation of sustainable economies.

The COVID-19 pandemic has had a significant negative impact on countries, including Kazakhstan. A sharp drop in global demand, oil and metals prices led to a 19.2% export decline in 2020. Since the introduction of restricting measures to limit the spread of COVID-19, the GDP growth rate decreased by 2.6%. The increase in world food prices drove inflation up to 7.5% in 2020, compared with 5.4% in 2019.

In 2020, the government introduced large-scale measures to ensure stable employment and maintain the income level of the population. Three packages of anti-crisis measures were implemented for a total of $15 billion (9% of GDP), which include urgent measures to support the population and business, operational measures to preserve socio-economic stability, and a Comprehensive plan to restore economic growth. The measures are aimed at ensuring employment, monthly payments for income loss, social benefits, housing construction, compensation for losses in tax revenues for the budget and other areas. It was also decided to extend the deferral of tax payments and liquidity support for SMEs until the end of 2021.

We would like to express our gratitude to ADB for providing a loan in the amount of $1 billion and allocating technical assistance during such a difficult situation in the world due to the COVID-19. The Partnership Framework Agreement, ratified in May 2020, which will expand project-financing instruments and increase ADB’s contribution to the implementation of investment projects, is of particular importance in cooperation with ADB. The project will lead to increased macroeconomic resilience, modernization of infrastructure and utilities, development of the agricultural sector, improved access to financing for SMEs, rise in investments in such sectors as infrastructure and social area, including healthcare and education.
We are interested in further implementation of the Central Asia Regional Economic Cooperation (CAREC) Program with ADB and in expanding its areas. We also look forward to its further implementation within the framework of the new CAREC 2030 Strategy. Sufficient work on regional cooperation is being carried out within the Almaty-Bishkek Economic Corridor project. Also, in the near future, it is planned to start the implementation of the “Shymkent–Tashkent–Khujand” economic corridor initiative as part of the CAREC, which will contribute to the development of regional cooperation between the three countries. To date, the CAREC Program has approved strategies in such areas as gender policy and tourism as well as started the development of strategies in the field of healthcare and digitalization. The current situation with pandemic has shown us the importance of digitalization in all areas of the economy.

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 financing and knowledge sharing, to introduce new technologies through innovative projects in Kazakhstan.

Thank you for attention.
Dear Mr. Masatsugu Asakawa, President of the ADB
Dear Chairman of the Board Governors in the ADB,
Dear participants and guests,

Let me welcome you to ADB’s Annual Meeting.

First of all, let me thank the ADB for its assistance and support for the ongoing socio-economic reforms, for being a reliable partner, especially in these difficult times. ADB is one of the key partners providing significant support to the Kyrgyz Republic in priority sectors of the economy, and especially in the fight against the consequences of COVID-19.

The COVID-19 outbreak has already had a substantial impact on the budget. Border restrictions and the decline in economic activity have led to greater losses in the collection of customs and tax payments.

The closure of the border with the largest trading partner and more recent border restrictions with neighboring have a significant bearing on industrial production, agriculture, construction, tourism, services and other types of activity.

The outbreak of the COVID-19 pandemic has highlighted the most serious health sector challenges, socio-economic problems and their consequences that our country has ever faced. And we hope that ADB will help us overcome them, as it did in 2010 and 2020.

The Government has allocated additional health expenditure during June-July of 2020 associated with the COVID-19 prevention measures.

From March to August last year expenditures aimed at strengthening the health care system and supporting the country's economy and especially small and medium-sized businesses increased significantly.

Contrary to our hopes COVID-19 is still with us in 2021.

At the same time, we are optimistic about the future and believe that the reforms planned in the Kyrgyz Republic will allow us to reach great heights.

Ladies and gentlemen,
Let me introduce you to the main strategic directions of activity. In 2021, the main task for the transition period is to determine the main directions for change and start laying the foundation for the development of the Kyrgyz Republic in the conditions of today's realities.

The country is undergoing a reform of the management system. It is based on the principle of a clear distribution of powers and responsibilities, thanks to which the government will become stable, powers will cease to be diluted and there will be one center for decision-making. In addition, the reform presupposes the reduction and optimization of management structures, the elimination of duplicate functions, and the numerical reduction of officials.

The structure of the government will become compact and will be able to promptly respond to any challenges. Optimization of the management structure implies cost reduction. The remuneration system will be reformed with a focus on actual results.

Digitalization in the public administration system will receive a new acceleration. Within five years, all state services for the issuance of certification and reference documents will be transferred to electronic format.

The new national program "Foreign Economic Freedoms" will promote the freedom of movement of goods, capital, technology and people. Within the framework of the program, economic cooperation will be intensified at various integration sites.

Considering the small potential of the domestic market, exports should become the main reference point. To implement an export strategy based on public-private partnerships, the government will deal with promoting Kyrgyz goods on world markets, marketing in accordance with world standards, providing consulting services on standardization and technical regulations, risk management (insurance), preferential lending and subsidizing export operations.

A favorable regime will be created for the import of agricultural technologies and innovations, mechanized means of production and agricultural machinery.

Comprehensive economic reforms are based on the following objectives: macroeconomic stability, integration into the global economy, productivity enhancement and labor market development.

Macroeconomic stability is one of the basic conditions for economic growth. The government, together with the national bank, intends to pursue a policy of stimulating economic growth. Today the main problem is the budget deficit and external debt. To solve it, it is necessary to ensure the collection of customs and tax payments. At the same time, it is necessary to prevent forceful pressure on business.
The internal structure of government spending will also be revised in order to increase the share of funds that will be directed to long-term development goals, and not to current consumption.

Ladies and gentlemen!

We believe it is fundamentally important to familiarize you with the implementation of national reforms. Thus, the Government will develop national projects in four directions.

• Strategy for maximum integration into international economic processes at all levels:

Further integration through the EAEU is a priority. In addition, it is necessary to take into account the proximity of Kyrgyz Republic\(^a\) with the People’s Republic of China\(^a\), which in the near future will become the center of world development processes.

In the next five years, the construction of the People’s Republic of China\(^a\)–Kyrgyz Republic\(^a\)–Uzbekistan railway will begin.

• New energy strategy:
Initiates the national program "Energy of the country - Reset" and announces the forthcoming five-year period as a five-year development of the country’s energy sector.

In addition to tough anti-corruption and disciplinary measures within the system, renewal of the management staff, the program “Energy of the country - Reset”, involves the implementation of the Small and Medium Hydropower Project and a pilot project to transfer to a bona fide operator for temporary management one of the distribution campaigns on tough investment and tariff conditions.

• New financial strategy of the country:

The new strategy will form the basis of the national program "Kyrgyz Republic\(^a\) - a regional oasis for business", within the framework of which an attractive investment climate will be created in the country. In the medium term, it is planned to increase the volume of investments to 15% of GDP.

To implement the program, a package of bills will be initiated aimed at protecting investments, freedom of movement of capital, a ban on forceful settlement of economic disputes, and simplification of registration and licensing procedures.

\(^a\) Changed by Meeting Secretariat.
• Strategy for technological modernization of the country:

The Technological Revolution program will be initiated. Kyrgyz Republic must become fully open to attract technology and innovation from outside.

In conclusion, I take this opportunity to convey my gratitude to the ADB for the support of reforms, which is manifested in improving the livelihoods of citizens of the Kyrgyz Republic and let me also express hope for further fruitful cooperation to achieve great success on the above programs.

Thank you very much for your attention!
LAO PEOPLE’S DEMOCRATIC REPUBLIC
Soulivath Souvannachomkham, 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 second historic 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 Mr. 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 the implementing of the 9th five-year National Social-Economic Development Plan-NSEDP (2021-2025), in which the SDGs are being integrated into this plan. 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 new Government of Lao PDR (GOL) to put the budget reform into the top agenda with the aims to increase budget revenue rapidly while reprioritizing spending and mobilize additional resources to support the 9th NSEDP as well as to rebuild fiscal sustainability, particularly to provide well-targeted social assistance to affected households and businesses during this difficult time. To respond 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 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, President Asakawa, Ladies and Gentlemen,

One year into the COVID-19 pandemic global poverty and inequality are rising, millions of jobs have been lost, and livelihoods have been upended. Many countries continue to witness an increase in their populations’ infection rates and the provision of assistance remains critical for overcoming this crisis. I commend the Asian Development Bank for its early and comprehensive response to this unprecedented pandemic. I also applaud President Asakawa and ADB staff for the quick and effective roll out of vaccine projects in several countries.

COVID-19 has demonstrated the consequences of failing to address long-term risks. While the short- to medium-term challenges in fighting the pandemic are enormous, it is essential that ADB remains steadfastly dedicated to and guided by long-term development and climate goals, in accordance with the 2030 Agenda and the Paris Agreement. No actual risk is bigger than climate change. It impacts societies at all levels and all sectors of the economy. It affects the most vulnerable populations the hardest. We should strive to mainstream climate and environment in all Bank operations and policy frameworks and to support countries in planning for and delivering a low-carbon and sustainable recovery, with a special focus on our poorest developing member countries.

Significant investments need to be mobilized to live up to this ambition, most notably from the private sector. High-performing green, social and sustainable capital markets play a key role in crowding in private and institutional investors. I praise ADB for putting sustainable finance at the heart of its long-term strategy and for consistently growing its green and social bond portfolio. Luxembourg is proud to assist ADB in these endeavours through its world-leading stock exchange and to be at the forefront of a resilient recovery. As a centre of excellence in the field of responsible, sustainable and innovative finance, Luxembourg is also the first European country with a Sustainability Bond Framework that meets the highest international standards. We are determined to turn climate finance into a success story and to achieve together with ADB a responsible, sustainable and innovative economic development in the Asia and Pacific region, which goes hand in hand with the respect for ecological limits and social equity.

The Bank must target its financing to where the impacts are the greatest and focus its help to the benefit of the weakest among us. The most vulnerable are the most exposed to the devastating health and economic impacts of the global pandemic. They are less likely to have access to quality, affordable health care and paid leave to provide for sick family members. Without
adequate savings, insurance, and credit, it is hard for the vulnerable populations to weather the crisis, deal with business disruptions, and maintain their livelihoods. A crucial component for truly sustainable and holistic long-term development impacts is financial inclusion, which remains disapprovingly low in many of our member countries. Millions of people and businesses are left without access to finance, thereby amplifying the devastating impact of the ongoing crisis. I encourage ADB to put financial inclusion in the centre of its resilient recovery efforts and I am persuaded that our continuous support through the Financial Sector Development Partnership Special Fund plays a consequential role.

Finally, I would like to extend my deepest sympathy to everyone who has suffered or is still suffering from this pandemic. Let me assure you that Luxembourg stands steadfastly with the Asian Development Bank as one of our key development partners in Asia and the Pacific. Collaborating closely and effectively we will recover and emerge stronger from this pandemic.

Thank you.
MALAYSIA
Tengku Datuk Seri Utama Zafrul Bin Tengku Abdul Aziz, Governor

Mr. Masatsugu Asakawa, President of the ADB,
Honourable Board Members,
Distinguished Governors,
Ladies and Gentlemen.

On behalf of the Government of Malaysia and the Malaysian delegation, firstly, let me congratulate the Asian Development Bank (ADB) for hosting the 54th Annual Meeting of the ADB Board of Governors. Despite the movement restrictions caused by the COVID-19 pandemic, it is fortunate that we are still able to convene virtually today. I would also like to express my gratitude to the President of the ADB and his team on the Bank’s continuous efforts in providing assistance to member states, particularly during these turbulent times.

The unprecedented COVID-19 pandemic has pushed the entire world into an era full of uncertainties with grave and potentially long-term economic, social and health impact. Asia and the Pacific, as the most populous region in the world, is no exception. According to the IMF, the global economy is expected to expand at 6% in this year before moderating to 4.4% in 2022. The projected growth is likely to be propelled by various governments’ substantial fiscal measures and national vaccination programmes. However, emerging markets and developing economies are expected to be hit harder due to limited resources and fiscal space. We take note of the President’s address on 11 April 2021 that the Asia and Pacific region has registered more than 14 million infections and lost 200,000 lives thus far due to the pandemic. The estimated losses to businesses in developing Asian economies in 2020 is between 1.4 and 2.2 trillion US dollars.

Malaysia has responded to the impact of the pandemic by providing stimulus and assistance packages totalling 340 billion Malaysian ringgit for 2020 and 2021. We implemented our 6R strategy – encompassing six stages of Resolve, Resilient, Restart, Recovery, Revitalize and Reform – as our crisis-management response spanning a two-year period. The 6R strategy is aimed at not only containing the pandemic, but also cushioning the socio-economic impact of the crisis, and placing our economy on a recovery path for future growth. Malaysia is currently in the fifth stage of 6R, which is Revitalize, where initiatives are focused on jump-starting the economy by opening more economic sectors, and rolling-out our national vaccination programme as quickly as possible. To this end, many of our measures have been crafted to leverage on the current global economic growth momentum and to begin shaping the Malaysian economy into one that is more resilient, inclusive and sustainable.
Malaysia acknowledges that safe, timely and effective vaccination programmes across the globe are key to saving lives, rebuilding confidence and enhancing our ability to work, travel and socialise safely. Adjustments and adaptation to new norms are expected to result in new sources of economic growth heavily based on digitisation, and in turn, the eventual wellbeing of the general global population. In recent times, vaccination programmes have been implemented in many countries thanks to the availability of vaccines. Nevertheless, not all countries are financially equipped to purchase vaccines for their national vaccination programmes.

To that end, ADB’s effort and responsiveness in establishing the Asia Pacific Vaccine Access Facility is highly commendable. The allocation of 9 billion US dollars under the Facility will support the development of an effective vaccination programme in Asia and the Pacific. The fund will be utilised for the procurement of vaccines – including the cost of logistics, distribution and delivery – as well as their administration to populations of various countries in this region.

This meeting has been aptly themed ‘Collaboration for Resilient and Green Recovery’, which reflects the importance of redesigning our recovery path based on this concept. While we may be currently occupied with the needs of a speedy economic recovery, we must also realise that this is a great opportunity for a reset of various socio-economic and environmental development policies. To that end, we welcome the Green Climate Fund’s USD300-million allocation to support ADB’s efforts to help the region rise again from the pandemic, by shaping a climate-resilient and environmentally-sustainable economic recovery plan.

The pandemic has not only impacted nations’ socio-economic well-being, but also exacerbated climate change issues. Learning from natural disasters and environmental catastrophes of the last two decades, it is now crucial to realign our development plans and recovery initiatives to balance the wellbeing of our people and our planet. The crisis presents a timely opportunity for us to accelerate our sustainability agenda, and effectively address the concerns of climate change and inclusive development. The current twin economic and health crisis has shown us that socio-economic resilience and sustainability are fundamental to the successful management of unexpected shocks. Although some recovery plans have incorporated elements of green and sustainable initiatives, there is always room for enhancement and improvement.

To that end, international cross-border cooperation and collaboration are vital. Emerging markets and developing economies are in desperate need for additional resources in their attempt to rebuild the economy in a more sustainable way. These economies will require debt restructuring and other assistance, which is where international cooperation can play a significant role.

Designing an extensive, inclusive and resilient recovery framework for long-term socio-economic and environmental sustainability is an urgent shared responsibility, as the pandemic has proven that working alone is not an option when fighting a common global threat. The crisis is a unique opportunity for us, member states, to engage and deliberate on innovative ways to tackle various urgent and structural issues. ADB plays a major role in shaping well-coordinated global and
regional strategies, which are paramount in tackling the pandemic’s health and economic impact while helping nations face the challenges of the post-pandemic era.

Thank you.
Distinguished President of ADB, fellow governors, ladies and gentlemen. A very good afternoon. I am privileged to convey most crucial developments occurred in Maldives in terms of project portfolio and how Maldives is fighting against the deadly virus - COVID-19 which is still persisting in most of the countries. I am grateful for ADB team for organizing the Annual Meeting during these challenging circumstance.

Ladies and gentlemen:

ADB has been our developmental partner since 1978, navigating support to enhance energy efficiency, improve urban infrastructure and services, develop MSME’s, and strengthen the capacities of the Government of Maldives (GoM) in program and various developmental projects.

With the help of ADB, Maldives has gained upper middle-income status with the highest per capita income in South Asia. In October 2020, ADB endorsed its new country partnership strategy (CPS) 2020-2024 for Maldives which is aligned with the GoM’s Strategic Action Plan 2019-2023. ADB’s new CPS 2020-2024 will focus on three priorities such as enhanced public sector efficiency and fiscal sustainability, strengthened competitiveness and a diversified economic base and also improve quality of life for island communities, while ensuring environmental sustainability. ADB has been steadfast in providing a structural progresses to the Maldives keeping in track the overall sustainability of society and economy. ADB persists in delivering a holistic development in terms of loans, grants, technical assistance to build capacity of the government.

The COVID-19 pandemic is the largest shock to have ever hit the Maldives’ economy after tsunami 2004. The GoM closed borders between end-March to mid-July 2020, resulting in a sudden stop of tourist sector overall. To mitigate the adverse impacts of the crisis, GoM spent 4.7% of estimated 2020 GDP on social financing facilities for business groups and freelance workers, monthly income support allowances, and discounted utility bills. All of the above spending resulted the fiscal deficit to reach 20% of estimated GDP in 2020 while the sudden stop in tourism led total revenues and grants to fall by 35% y-o-y. With most of the Maldivians dependent on tourism sector and fisheries for their livelihoods, poverty rate has increased from an estimate of 2.1% in 2019 to 7.2% in 2020. Although medium-term prospects for tourism sector are strong with the opening of borders, real GDP is not expected to return to pre-pandemic levels until 2023, in line with global aviation and travel forecasts.
As COVID-19 prevails in the world, Maldives is the hardest hit country in South Asia economically. As Maldives rely mostly on external trade facilitation, risks are heavy on the growth of Maldives financial sector due to shortage of local skills and low human capital investments, we are hopeful that Maldives can get once again on its feet with the assistance extended from ADB’s continued operations with regard to the retraining and up skilling workers, develop agriculture and tourism sector to diversify the economy.

Ladies and gentlemen:

When world economy is at stake, ADB is an exemplary international institution focusing and playing a leading role in fighting the COVID-19, by providing financial assistance to Maldives to counter the macro-economic and health impact caused by COVID-19. ADB is trying to turn this crisis into an opportunity for innovation. I would like to highlight that ADB is hand in hand with the GoM in mitigating the adverse socioeconomic and health impacts of the COVID-19 pandemic.

With this regard, ADB had approved USD 25 million as a concessional loan and USD 25 million was approved as a grant. The COVID-19 Active Response and Expenditure Support (CARES) program would help the government to implement COVID-19 health measures through targeting the upgrading and provision of health facilities and supplies to public health. I would like to point out that ADB has been eminent in assisting Maldives throughout this pandemic. Restricting the cross-border results in reduction of the Maldives economy to Contract by 26 - 29% in GDP compared to economic growth of previous times. In order to tackle long-term damage to economy and adverse effects on Maldivian population health, ADB has granted $798,000 to Maldives. ADB being the frontline fighter economically, has provided ADB a $1,500,000 grant from its Asia Pacific Disaster Response Fund to support the procurement of medical goods. I could not be more grateful to ADB for their unwavering help in these difficult times.

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. It is with great pleasure I say all these targets can be achieved with ADB’s untiring assistance.

Ladies and gentlemen:

Maldives is one of the world’s most geographically dispersed countries, therefore this makes it extremely challenging to generate electricity centrally and distribute it equally. For this purpose, ADB ramps up their support for renewable energy in Maldives. It is the first project as such which focuses on more sustainable energy sector based on renewable resources. As such, Preparing Outer Islands for Sustainable Energy Development Project - Additional Financing has been administered by ADB and was effective on 7 January 2021. ADB’s assistance reaffirms the ongoing POISED project to develop and finance climate and disaster-resilient country assisting GoM to improve energy security, and promote energy efficiency throughout this island nation as well as sustainable infrastructure in Maldives.
To improve public health and the environment, GoM has initiated a sustainable regional solid waste treatment system for the Greater Male’ region and its neighboring outer islands to reduce disaster risk and improve climate change resilience while creating a cleaner environment and reducing greenhouse gas emissions. Prior to this project, there was no infrastructure to systematically treat and dispose the waste generated in this area. Therefore, ADB has partnered with other developmental institutions to strengthen Maldives capacity to provide a full-fledged solid waste management (SWM), enhance liveability and environmental sustainability, including air quality and ocean health in the region. As a low lying archipelago, it is essential for Maldives to improve the SWM, reduce marine pollution and enhance capacity of energy recovery. I am very much confident, that we will be able to improve the SWM for a greater liveability in the Greater Malé region.

Ladies and gentlemen:

Before coming to conclusion, I would like to highlight that during this dire situation, we are building the economy better with the program implemented by ADB and other developmental partners. “Moving forward and building back better, differently and together” should be our motto and vision for future as it would give us the strength to foothold economically and strengthen our nation with greater resilient along with sustainable development progress.

To conclude, I would like to thank ADB for timely coping with the challenges and providing this opportunity to meet. Though virtually, we have found a way to mitigate this pandemic through a more structured digital platform. I am hopeful that we will be able to create a more inclusive strategies ahead in order to stay on top during this challenging time and to have a smooth and strong times post COVID-19.

I would like to show our gratitude to the management of ADB for their unceasing effort in harmonizing our country into a more sustainable place economically and maximizing ADB’s efforts for the development of Maldives in a better comeback strategy. Once again I would like to strongly highlight that recovery of Maldives is going strong and we are grateful for the ADB’s unwavering assistance. It is with such great honor to highlight that ADB has been a reliable and trustworthy partner in our developmental journey.

Thank you.
Chair of the Board of Governors for the Annual Meeting of ADB,  
Fellow Governors,  
President of the Asian Development Bank,  
Distinguished Delegates, Ladies and Gentlemen.

First of all, I would like to express my sincere appreciation to the President of ADB and entire team for convening this 54th Annual Meeting virtually amidst COVID-19 pandemic. I also take this opportunity to express sincere gratitude for President’s leadership in supporting developing member countries (DMCs) through finance, knowledge and partnership for socio-economic development in general; and for extending financial packages and technical assistance timely to address the current public health emergencies and mitigate adverse socio-economic impacts caused by the COVID-19 pandemic in particular.

It has been now clear that the current pandemic has shaken our lives and livelihoods unprecedentedly. The impact has been found to be more severe particularly in the least developed countries like Nepal where we have weak socio-economic infrastructure and a limited fiscal space to withstand the shocks. As some advanced economies have started witnessing a rebound and recovery in the recent days, supported by vaccine rollout and mass inoculation; South Asia region is still grappling with second wave, which is seen to be more critical than the first one.

Like other least developed countries, Nepal is also at a top list of the hardest hit countries with surging infection rate in recent days. The crisis has created an unanticipated challenge to the country’s health system and disrupted economic lives and social dynamics. Pro-cyclical nature of fiscal policy, limited fiscal space for mobilizing additional fiscal resources, workers’ layoff in large number particularly in informal sector along with inadequate social safety net have further exacerbated the impact of health crisis adversely. Rising demand for public expenditure, particularly in the health sector and social security, has compelled us to redefine our budget priority at least for the medium term which undermines our capability to invest in the most needed physical and social infrastructure including human capital. In addition, the pandemic is going to widen income and social inequality and to revert the gain that we have achieved to-date in poverty reduction and job creation.

Like in many other countries, Nepal adopted countrywide containment measures together with National Relief Program (NRP) in March last year in order to save lives and livelihood of Nepali people. NRP includes health and medical support, social protection for the poor and vulnerable
as well as economic and financial protection for the affected families and the sectors of hardest 
hit. Due to efficient management and careful maneuvering of the government, we have so far 
been able to maintain the situation under our control. Our macro indicators are so far relatively at 
the satisfactory level. According to the recent data, our economy is however estimated to have 
contracted by 2.0 % compared to the global average of 3.3% in 2020.

Mr. Chair,

At this time, the entire world has been battling with both virus and vaccine as well as extending 
fiscal supports to save livelihoods. National revenue collection has been plummeting, and public 
debt has been inching up. This has added additional challenges of fiscal management with 
maintaining fiscal sustainability especially in low-income countries like Nepal.

Recovery and rebound of our economies largely depend upon how swiftly and decisively we could 
immunize our people through therapeutics and vaccine from infection. Support from the 
international community in ensuring equitable access of vaccine quickly is critical and most 
needed to beat back the pandemic at this juncture to prevent the people and economy from further 
damage. Taking this opportunity, I would like to highly appreciate the financial support extended 
by the Asian Development Bank for procuring COVID-19 vaccine under the Asia Pacific Vaccine 
Access Facility.

As we are committed to save our lives and livelihood together, along with protecting the bedrocks 
of our economy during this pandemic, international financial and technical supports are vital. 
ADB’s support becomes instrumental in this direction. I strongly believe that Bank will significantly 
increase the technical assistance, grant and concessional resources to Nepal to deal with this 
crisis and its aftermath. As always, we would be happy to move forward in close partnership with 
our development partners in building our economies more resilient, inclusive and prosperous.

Mr. Chair,

The implementation of Strategy 2030 of ADB with a view to achieve a prosperous, inclusive, 
resilient, and sustainable Asia and the Pacific is highly commendable. ADB has been a key 
partner in the socio-economic development of the Asia and Pacific region focusing on economic 
growth and reducing extreme poverty. Finance, knowledge and partnership received from ADB 
together have supported its developing member countries to accomplish the Sustainable 
Development Goals (SDGs) as well. ADB’s continuous and meaningful partnership with its 
member countries will certainly further contribute to achieve the SDGs and the goals as 
envisioned in the Strategy 2030.
To conclude, I am immensely thankful to ADB for its continuous support for more than five decades to Nepal's socio-economic development and even in the period of crisis. I am certain that such a cooperation will continue in future, helping to achieve Nepal's aspiration to have 'Prosperous Nepal, Happy Nepali'.
NETHERLANDS
Frans van der Straaten, Temporary Alternate Governor

Chairman, President Asakawa, distinguished Governors and Delegates, Ladies and Gentlemen,

On behalf of the Kingdom of the Netherlands, I want to express our gratitude to Management for hosting the ADB’s 2021 virtual Annual Meeting. I also want to thank Georgia for chairing the Board of Governors this year.

COVID-19 has set back progress on the Sustainable Development Goals dramatically. Multilateral efforts are key in meeting the challenges faced by affected countries. In that regard, we highly value the swift and robust efforts of the Asian Development Bank in addressing the COVID-19 crisis through increased financing, and commend the Bank on the roll-out of APVAX. After all, no one is safe from COVID-19 until everyone is safe.

The region’s recovery and progress on building back better largely depends on a collective effort to adopt policies and solutions that promote a green and inclusive recovery. We are confident that the Asian Development Bank is well-placed to lead the region as a climate and development Bank and encourage the Bank to make the fight against climate change its core priority. We invite the Bank to present a clear and ambitious timeline for full Paris alignment of all its operations. We need to align green and inclusive recovery efforts with our universal goals for 2030 and 2050: deliver on the Sustainable Development Goals while putting the world on track towards being net climate neutral in 2050.

The ongoing energy review is a great opportunity for the Bank to address critical climate and environment objectives, while at the same time ensuring the energy needs of the developing member countries – as well as their SDG7 targets. We hope that the Bank will seize this opportunity to express a clear commitment towards renewables and also call on the Bank to assist countries in phasing out all fossil fuel-based development pathways. Such pathways are not in line with the Paris Agreement, and renewables will continue to become the cheaper and therefore also the financially more sustainable alternative. Furthermore, Bank leadership on renewables would help generate income and jobs in DMCs through investments in sustainable infrastructure.

COVID-19 has a significant adverse impact on human capital as witnessed by an increase in gender-based violence, the closing of schools, unequal access to vaccinations, impact on mental health and lower Sexual and Reproductive Health and Rights services, to name a few. Women and girls are often affected disproportionally. We urge the Bank to continue to invest in human capital development in its recovery efforts, with a focus on the poorest and most vulnerable.
The Netherlands has always been an advocate for the Bank to have a strong gender policy, as well as robust safeguards to ensure the safety and rights of women. This pandemic warrants additional measures to secure their rights and amplify their voices. The on-going review of the safeguard system in the Bank is a welcome opportunity to enhance the Bank’s policy on this important matter. We highly value meaningful and inclusive stakeholder consultations throughout this process, trust that the review will incorporate best practices of other IFIs, and we expect that the Bank remains one of the frontrunners in this area.

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 foster sustainable, green and inclusive economic growth in Asia and the Pacific.

Thank you.
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 start by expressing our gratitude to management and staff at the ADB for all the hard work that has gone into fighting COVID-19.

The COVID-19 pandemic has affected people in the region hard, resulting in increased poverty. The pandemic has had an unequal impact between and within countries, compounding pre-existing fragilities. It has led to a widespread socio-economic crisis in the world, in particular in poor countries and for people living in poverty. It is also exacerbating the effects of the parallel and interrelated crisis; climate change, food insecurity, regional conflicts, natural disasters, and rising debt levels, that were on the rise before the pandemic.

COVID-19 has made it poignantly clear that only by addressing all these crises simultaneously and comprehensively - with the 2030 Agenda and the Paris Agreement as our road map - can we ensure that what emerges from this crisis are more resilient and sustainable societies.

Collective action to achieve global access to vaccines against COVID-19, where no one is left behind, may sound idealistic, but it is a practical necessity. New mutations develop when the virus spreads through unprotected populations. The best way to head off the development of dangerous variants is to have as many people as possible protected from infection in the first place.

The IMF has estimated that widespread use of medical solutions such as vaccines could add up to 9 trillion dollars in global income by 2025. We, therefore, strongly welcome and support the ADB’s prioritization of rapid and equitable assistance to its developing members as they procure and deliver safe and effective COVID-19 vaccines. We encourage the Bank to keep up its good work, including by supporting ACT-A and its COVAX facility in close cooperation with WHO, Gavi, UNICEF, and others.

Our determination to get the pandemic response right must equal our determination to get our pandemic recovery right, seizing the momentum for new pathways to achieve long-term development goals.
The ADB plays an important role in supporting a sustainable and inclusive green recovery in the region after the COVID-19 pandemic. By identifying opportunities to maximize both economic and environmental impacts, the ADB will stimulate smart and sustainable jobs and growth and help partner countries to ensure that economic stimulus and investment maximizes both economic recovery and a green transition.

Fortunately, countries can revive the economy and simultaneously accelerate the transition to a renewable, net-zero, and sustainable future by scaling up investments in renewable energy, upgrading the electricity grid, retrofitting buildings, facilitating electric cars, especially in urban areas, and incentivizing research. Where the main challenge is climate change adaptation, countries can upgrade infrastructure projects, retrofit existing assets, and develop coastal protection. For many, it will be a combination of both.

Recovery spending should be directed towards renewable energy and nature-based solutions where employment multipliers are high. By doing this, the near-term extra spending will create jobs, foster sustainable growth, and strengthen economies. In the longer term, Asian economies would become more sustainable and resilient, and position themselves well in the emerging green technologies.

Countries also need to put a price on carbon to capture the costs that the public pays for carbon emissions; to bring down emissions, and drive investment into cleaner options. Disproportionally affected income groups need to be identified and compensated, ideally with targeted benefits, though universal transfers can also work. Countries could also use carbon pricing revenues to increase their minimum guaranteed income scheme, finance green investment, or reduce other taxes. To be most efficient and effective, carbon pricing needs to be accompanied by fossil fuel subsidy reform.

Scaling up support for a just transition out of coal. As part of the green recovery, ADB should help countries transition out of fossil by addressing economic challenges of decommissioning, as well as socio-economic challenges by supporting dedicated programs that provide compensation, retraining, and employment in clean energy.

The above is no small task and requires support from experienced and financially strong institutions like the ADB. The Nordic countries count on the ADB to focus its new energy policy on the above-mentioned strategic direction that can help Asia accelerate the transition out of fossil fuels and reach net-zero emissions by 2050, and support the poorest countries adapt and become more resilient.

The world will not be able to get back on track with poverty reduction without bolder climate action. We, therefore, look forward to the ADB’s timebound goal for aligning all its activities and portfolios with the Paris Agreement.
COVID-19 exacerbates already existing gender inequalities; more girls than boys have dropped out of school, fewer girls will return to school, and women and girls deliver most unpaid care work. Investments in the education sector and focus on the quality of education should increase to give girls better access to quality education. Furthermore, women constitute most 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. Our recovery must address these structural gender inequalities and discrimination, and contribute to the creation of productive jobs with decent working conditions.

We know that:

Women’s economic empowerment boosts economic growth, productivity, increases economic diversification, and income equality.

Empowering women in the economy and closing gender gaps in the world of work is key to achieving the 2030 Agenda for Sustainable Development.

Women’s economic equality is good for business.

Given all this, and while we acknowledge and cherish the emphasis that the ADB has put on gender equality, including in Strategy 2030 and its response to COVID-19, we call on the ADB to let gender equality permeate everything ADB does. ADB needs to continue working to change negative social norms, prevent and act against sexual exploitation, abuse, and harassment (SEAH) and gender-based violence (GBV), strengthen access to SRHR, and build and strengthen legal systems in Asia and the Pacific to improve women's voice and rights and access to justice. The region needs a champion for gender equality. A champion that is trusted and that understands the social and economic opportunities of empowering women and increasing female employment rates. We believe that the ADB is well-positioned to be that champion and strongly encourage the ADB to take on this role.

We take the opportunity to commend the ADB Board of Directors for forming a gender diversity working group to develop and promote initiatives to improve the gender diversity on the Board and we look forward to seeing these efforts come to fruition.

A vibrant private sector will be essential to the recovery as job creation and economic transformation will continue to be key. We urge the ADB to continue supporting companies in creating jobs; preserving viable businesses; developing business environments; adapting to the changes wrought by COVID: supporting a green and inclusive recovery. The creation of a private sector window in ADF13 to enlarge private sector operations also in ADB’s poorest member countries was an important step. In the poorest and most fragile countries, where increasing private sector support is important, cooperation between different actors is crucial. We encourage the ADB to continue to be proactive and innovate to leverage and increase private sector investments in countries most in need and expand on the roll-out of its private sector operations.
While a pandemic requires extraordinary measures, it can never justify weakening human rights, democracy, or the 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.

Together we will Build Back Better and Greener; healthier and achieve more inclusive and sustainable development.
NEW ZEALAND
Karen Murray, Temporary Alternate Governor

Tēnā koutou Honourable Governors and President Asakawa.

While we are unfortunately not in a position to meet in person again this year, we thank the Government of Georgia for the extensive preparations they had made to welcome us all to Tbilisi in 2021. We hope that we can all meet in person in 2022 and we look forward to returning to Georgia for our Annual Meeting in 2024.

President Asakawa, as this crisis has prolonged and still continues to devastate many of ADB’s members from a health, economic and social perspective, we thank you for your continued strong leadership of the Bank to support its developing member countries.

We acknowledge the exceptional level of support that ADB has provided to all of its developing members over the last year, not just in terms of financing but also through its knowledge solutions and partnerships, mobilising the resources of others with record levels of co-financing. And we recognise and appreciate the continued hard work of ADB staff in delivering this support to its members, with many staff working under continued challenging personal circumstances.

Much still remains to be done to end this pandemic, including through the roll out of vaccines and we welcome ADB’s support for this through the APVAX Facility. As highlighted by ADB’s recent Asian Development Outlook, while the region’s economic recovery is underway, this is not the case for all members. Tourism dependent economies, particularly small island states in the Pacific, will need targeted additional concessional support for a recovery that also builds long term resilience to future shocks, including climate resilience. As we plan for the recovery from COVID-19, new and reimagined forms of regional and global cooperation will also be needed to ensure that the opportunity to rebuild a better world is not missed.

As the host of APEC 2021, New Zealand will play its part by leading a collaborative regional response to the economic impact of COVID-19 and leading development of an action agenda that will implement APEC’s new vision for 2040 of an "open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations". This agenda will focus on Trade and Investment; Innovation and Digitalisation; and Strong, Balanced, Secure, Sustainable and Inclusive Growth.

As the premier regional MDB with economic cooperation as its core purpose, guided by Strategy 2030’s vision of Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the
Pacific, ADB is well aligned with the 2040 APEC vision and has a critical role to play in supporting the region in achieving this.

In this regard, we highlight the importance of ADB targeting its resources towards a green and sustainable recovery 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 pandemic has highlighted that the cost of delayed action and not investing in resilience is much greater overall.

We encourage ADB to play its role in ensuring a successful COP26 this year. We welcome the direction of the revision of ADB’s Energy Policy, particularly in regard to the proposed moratorium on financing any new coal-fired capacity for power and heat generation and support for DMCs to phase-out direct and indirect fossil fuel subsidies. We also encourage ADB to be ambitious on climate financing, ensuring it gets back on track to meet or exceed its 2030 target, committing to increasing its level of adaptation financing towards 50% target over time, and making all efforts to mobilise private finance. Ensuring that its work is fully aligned with the Paris Agreement’s goal of limiting temperature increase to no more than 1.5C is important for 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.

The pandemic has also demonstrated the importance of safety nets for the poorest and most vulnerable and the need for mechanisms to be in place to deal with unexpected large scale crises quickly. We see the Asian Development Fund playing such a role within ADB. Last week ADF donors met to discuss the future of the ADF and we were heartened by the expressions of strong support from many ADF partners and the recognition of the role it has played in responding to COVID-19. While we support continuous improvement in ADF operations, particularly in its FCAS and SIDS members, we consider that any option for the future of concessional finance must continue to provide this country-centred safety net, give flexibility, ensure long term predictability of development finance, and enhance ADB’s partnerships with its members including through strategic dialogue on development issues.

Finally, New Zealand strongly welcomes the inaugural report to the Board of Governors on gender diversity at the ADB Board of Directors and thanks the Board of Directors for their commitment to addressing this issue. The report makes for sobering reading and highlights how little progress has been made on this issue over the last two decades, in contrast with the improvements made in gender diversity in ADB staff and management. As the report notes, working to improve the diversity of the Board of Directors is the collective responsibility of the current Board and the membership, represented by Governors. New Zealand echoes the Board’s call for Governors to give strong consideration to female candidates for election to the Board of Directors. We also encourage all members to share information on the specific barriers and challenges to increasing gender diversity within their constituencies that could potentially be addressed through actions by the Board or ADB Management.
Mr. Chairman, the coming years will still be very challenging for our members, with larger financing gaps and less fiscal space to debt finance their recovery. We encourage ADB to continue to be both ambitious and flexible in its response, particularly in its support for those that have been hardest hit and with access to the least resources to recover.
PACIFIC DEVELOPING MEMBER COUNTRIES
Dalton Tagelagi, Premier of Niue and Governor for Niue

(On behalf of the 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.

It is my privilege to extend our warmest Pacific greetings.

Unfortunately, we find ourselves yet again separated physically for this important annual exchange. The border restrictions we have seen across the globe have been necessary to protect the lives of people and have been an important tool in keeping the Pacific largely COVID-free.

This, however, has come at a high economic cost. While the Pacific is expected to recover from a crippling contraction of 5.8% in 2020, recovery in 2021 is varied across the region, with only the larger Pacific members set to experience moderate growth while some of our smallest economies are expected to face even deeper contractions still. It is clear that the road to recovery remains long and difficult. The impacts of the border restrictions from COVID-19 means that expeditious accessibility to the vaccine is vital to the opening of our Pacific borders and the recovery of our economies.

Mr. President, I want to acknowledge your leadership of ADB over the past challenging year. You have ably guided the organization to respond rapidly and effectively to COVID-19 and we commend the smooth transition to virtual working and your focus on staff wellbeing during this difficult year.

The swift reorientation of ADB’s programming, including the $20 billion investment to support counter cyclical responses and health and social protection measures in April 2020 and the further $9 billion investment for the Asia Pacific Vaccine Access Facility in December 2020, demonstrates the levels of change and agility that we expect ADB to show, not just in times of crisis, but also in tackling persistent development challenges, especially in the Pacific.

We extend sincere appreciation for the support from ADB in 2020 including countercyclical and budget support to respond to COVID-19 and the grants and technical assistance that have helped address the urgent health crisis by providing critical medical supplies like ventilators, test kits and personal protective equipment. Vaccinations hold the key to economic recovery and we urge ADB
to do all it can to support global production of vaccines in the Asia and Pacific region and continue to work with development partners in this critical work.

While 2020 has challenged us all, the road to recovery calls for even greater commitment to ensure a green, resilient, and inclusive economic recovery and we must not lose sight that climate change remains the single greatest threat to the livelihoods, security and wellbeing of the peoples of the Blue Pacific.

We welcome the new Pacific Approach 2021-2025 that will guide ADB operations across the 12 small islands and ADB’s newly launched approach to operations in Fragile and Conflict Affected States and Small Island Developing States. We expect that these will help ADB deliver new ways of working in the Pacific, including capitalizing on regional cooperation and integration, and give better recognition of the challenges and opportunities to meet our specific development needs.

Given the challenges and uncertainties that the Pacific region continues to face, and recalling the Charter obligations that ADB give special regard to its smaller members, we Pacific members call on ADB to further consider the need for differentiated approaches for the Pacific by:

**First, extending additional support to Pacific Governments to manage COVID-19 impacts,** including giving consideration as to whether further countercyclical support or concessional resources are warranted for the worst-affected Pacific economies, closely monitoring debt sustainability and supporting debt management, and working with other development partners to support safe border openings through travel bubbles and vaccine rollouts.

**Second, consideration for a reclassification of all small island developing states, including those that only access ordinary capital resources, to be given access to concessional resources, regardless of income classification,** given the extreme climate vulnerabilities and financial structural barriers, as exposed by COVID-19 most recently, and are uniquely faced by small island developing states.

**Third, using ADB’s catalytic role to support developing member countries achieve ambitious climate targets.** We welcome the direction of ADB’s new Energy Policy and call on ADB to focus its scarce capital resources on investments that are catalytic and lead to sustainable and clean energy systems in the larger carbon-emitting members of the bank. We call on ADB to support achievement of ambitious nationally determined contributions of its developing member countries that ensures a clear pathway to limiting global warming to no more than 1.5C.

We also expect ADB to continue to play a pivotal role in helping Pacific members access concessional climate finance to meet our adaptation needs and build climate and disaster resilience. As custodians of vast ocean resources, and recognizing the important nexus between climate change and oceans, we also hope attention can return to strong implementation of the $5 billion Oceans Health Action Plan announced by ADB in 2019 and we stand ready to support this.
Fourth, leveraging further the investments in digital connectivity. ADB has been an important partner in reducing the remoteness of the Pacific through recent ICT investments but much work remains to support even greater digital transformation. This will require more attention on developing the telecommunications market, improving regulation and harnessing the benefits to support education, businesses and social development. We would welcome strong regional cooperation in support of this that can benefit the entire region.

Fifth, unlocking private sector development. There are enormous challenges in the Pacific in attracting private sector finance due to the structural barriers, including diseconomies of scale, remoteness and high-risk environment. However, private sector investment is needed now more than ever in the Pacific to accelerate a blue and green recovery. The new ADF-13 Private Sector Window offers a valuable pilot opportunity that may offer new insight for non-sovereign operations in the Pacific. We encourage ADB to be bold and increase its efforts in supporting private sector development in the Pacific.

Sixth, ensuring that ADB’s safeguard policies are relevant and responsive to the Pacific context. We understand that ADB has begun a process to modernize its Safeguards Policy Statement and it will be important that the unique environmental and safeguard circumstances of the Pacific Islands countries are given due regard, including institutional capacities, our unique and differing customary land tenure practices and environmental fragility.

Seventh, continuing to support capacity development and supplementation in Pacific operations. As ADB embarks on the new Pacific Approach, we call for focused attention be given to immediate capacities of project management and implementation by Pacific members and greater consideration on addressing ‘thin’ capacities on the ground as essential responses to improve the low success rates in ADB’s Pacific operations. We continue to call for sufficient resourcing by ADB internally, and in Pacific member countries, to support Pacific operations and urge that the design of future programs benefit from lessons of previous operations.

Finally, promoting diversity and inclusion at ADB. We commend ADB’s continued focus on the corporate targets to increase the number of women in international positions and we welcome the direction to improve diversity and inclusion in ADB’s recruitment and retention policies. Given ADB’s membership is regionally diverse, we encourage ADB to ensure that its workforce reflects that regional diversity, including Pacific diversity. Currently, there are 7 international staff from the Pacific, excluding board staff, of a total of 1,258 staff. We also acknowledge the recent report to Governors from the Board of Directors on gender diversity at the Board and we welcome further efforts of individual members that can improve gender equality at the Board.
Mr. President, it has been an extraordinary and unprecedented year for the Pacific and we have appreciated the extraordinary and unprecedented support from ADB. Many of the issues that we have raised today are not new, and many were raised in our statement last year. COVID-19 has only exacerbated our needs. We call for ADB to outline how it is specifically responding to the issues raised. As we have stated, there is a long road to recovery and we look forward to the continued partnership with ADB as we build back better to achieve a green, resilient, and inclusive Asia and the Pacific.
Distinguished fellow Governors, Representatives of Members
President Asakawa, ladies and gentlemen,

Our Country is an island even more isolated in a stormy sea of the COVID-19 Pandemic. As we strive through these unchartered waters, we extend our deepest sympathy to all those who have suffered health and economic challenges.

I would like to sincerely thank President Asakawa and the ADB Staff for their steadfast and continued support of our countries in these unprecedented times. It is also for their earlier work that our nations are better positioned to react to this crisis quickly and decisively.

This crisis has shown our interrelatedness to the World and how important unity is to steering us through to brighter days. Experience shows the way to safety and prosperity is not always a straight line. Course corrections must be made as situations dictate. We thank the ADB and our other development partners who continue to make those adjustments with us.

The speed of economic recovery will depend on creating a safe environment characterized by effective management of health risks for the current and the likely future crises to come. We need to read the signs in our environment and interpret them into action. Therefore, information access and sharing information will be critical to learning about and how to adopt best practices. Communication will also be critical to capitalize on recovery opportunities – such as travel bubbles for Small Island Developing States (SIDS).

The importance of current financial and policy support cannot be underestimated. This support is the wind that propels our movement forward while capacity building and policy reforms are being developed and implemented. ADB financial and technical support is pivotal in this regard.

The increased frequency and degree of expected waves of future challenges necessitate further development of resiliency and recovery measures. Known measures such as disaster funds, physical planning, and logistical strategies (for quick delivery or stockpiles of emergency goods) and new measures with flexibility for addressing the unknown are equally important. Some of these measures may involve disruptive technology which should also be welcomed.

Through the next few years, Climate Change must continue to be kept in our horizon. Commonalities in adaptation and resiliency projects should be aligned with efforts for economic,
social, and health improvements. ADB’s continued support will be invaluable to make those linkages more obvious and accessible.

We appreciate the opportunity to attend this virtually hosted 54th ADB Annual Meeting and look forward to travelling to attend the next meeting in person.

Thank you.
The COVID-19 pandemic had a massive global economic impact. It did not only widen the inequalities within societies but amplified the disparities between countries.

Developed economies have been able to provide much higher levels of financial support to their people as stimulus measures. They have also been able to undertake mass inoculations at a faster pace than the developing countries due to their vast financial resources.

It is only through the just and equitable distribution of vaccines can the world achieve a safer recovery from this pandemic. The Philippines, therefore, supports the strong call for developed countries, multilateral institutions, and global organizations to join forces in ensuring the accessibility of these life-saving doses to lower-income economies.

But our work doesn't end there. After the inoculation, we need to restore the momentum of our economic development on the basis of sustainability and resiliency. These are two inseparable tasks.

Developing countries will be needing intensified assistance from multilateral financial institutions and work ceaselessly to return to pre-COVID-19 levels of growth and equity.

Developing countries should be given access to more financial resources to help boost health care systems and build resiliency against new virus outbreaks. We also need to support the recovery of the sectors that were severely affected by the contagion. In addition, we need to fund investments in infrastructure and human capital development, particularly in the education of our youth.

We also have to retool our economies to adjust to the new challenges brought about by the pandemic. We have to accelerate the utilization of digital technologies to thrive in the new economy. At the same time, we need to substantially increase investments in renewable and clean energy to address climate change and ensure a sustainable recovery.

The Asian Development Bank plays a critical role in the herculean task of ensuring the sustainable and resilient recovery of developing economies. As the largest and most experienced development institution in the Asia and Pacific region, the bank must effectively assist the emerging economies to bounce back as fast as the developed countries.

However, this cannot be achieved if the Asian Development Bank maintains a "business as usual" approach. As I have suggested long before COVID-19 hit us, the bank must continue reinventing itself and realigning its programs to meet new realities in the fast-changing landscape.

We particularly stand at a new period in human history dominated by information technology and artificial intelligence. At the Asian Development Bank Annual Meeting in May 2018, I called on the bank to increase its focus and expertise on this area. I also suggested that the bank seek advice
on this modernization effort from senior digital technology professionals in the Asia and Pacific region. There is no better time than now to vigorously pursue this initiative.

The bank should help member countries to harness the potentials of the digital economy to enhance trade and investment in the region, strengthen health care systems, boost social safety nets, and deepen financial markets through green and sustainable finance.

The Asian Development Bank should march in step with the emerging countries as we enter the new global economy.

In order to assist developing countries to meet new challenges, the Asian Development Bank must level up. Specifically, there is a need for the bank to seriously consider a substantial expansion in its loan portfolio in the next five-year period to support its member countries’ recovery even if this brings forward the need for a capital increase.

This crisis is a great opportunity for the Asian Development Bank to demonstrate that it has indeed become a more responsive, agile, and flexible institution as envisaged in its Strategy 2030.
PORTUGAL  
Eurico Brilhante Dias, Alternate Governor

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

One year after the beginning of the pandemic, first and foremost I would like to sincerely congratulate the Asian Development Bank for its timely response to COVID-19 and, more recently, for the establishment of the Asia Pacific Vaccine Access Facility (APVAX). We have a great responsibility ahead of us, which is to support developing member countries, together with other development partners, in their efforts to acquire and deliver safe vaccines in Asia and the Pacific.

Although, vaccination is advancing in some countries giving us a ray of light full of hope that makes us feel that the worst has passed, we must bear in mind that no country should drop its guard, and the work has, in fact, just begun. I am firmly convinced that the ADB’s response to COVID-19 and the financing of vaccines will continue to be effective, in its collaboration with peer multilateral development banks, leaving no country behind and giving priority to the most vulnerable.

2021 is a year where important policy revisions will take place at ADB, especially the review of the 2009 Energy Policy, where we hope to see ambition and an alignment with the Paris Agreement. We look forward for the discussions on this revision, that we believe should deliver albeit realistic targets and create a level playing field for developing countries’ energy transition.

Portugal, as the country holding the presidency of the Council of the European Union during this first semester of 2021, has prioritized a post-COVID-19 recovery that leverages on climate and digital transition at the service of people. This must be not only pivotal for Europe but also for all the regions in the world. In the context of Multilateral Development Banks, more and better coordination is crucial to achieve both digital and climate transitions, to strengthen resilience and to deliver better living conditions to people around the world, considering the three dimensions of sustainable development: economic, social and environmental, as well as the challenges presented by the Sustainable Development Goals.

On the future of the Asian Development Fund (ADF), we must make an in-depth analysis that allows the Bank to reach a sound and satisfactory compromise both for beneficiary and donor
countries. Special attention must be paid to Fragile and Conflict Affected Situations and Small Islands Developing States during this revision but also during the implementation of ADF-13.

We welcome ADB’s alignment with the International Development Association’s Sustainable Development Finance Policy. We commend the Bank’s efforts to support debt sustainability in ADF and COL countries within ADF-13, as well as the decision to give preferential access to the thematic pool for countries with prudent or improved performance in fiscal debt. In what concerns debt sustainability and the support to structural reforms to achieve sustainable finances, coordination with other Multilateral Developments Banks, International Financial Institutions and other relevant stakeholders has been and will continue to be crucial.

I take this opportunity to also thank ADB for the first steps taken to increase further the transparency and accountability of its procurement. We look forward to the launching of the first edition of the Bank’s Annual Report on procurement as well as of a procurement dashboard that will be for the first time available for the general public in the Bank’s portal. We welcome the inauguration in ADB of a fully integrated and centralized internal system of tracking and monitoring of procurement complains by bidding firms and consultants. We encourage ADB to continue in this direction and to involve the Board of Directors further in the regular monitoring of the transparency and accountability of the Bank’s procurement. In the medium term, we look forward for ADB to upgrade its e-procurement, particularly in better connecting digitally the procurement information flows from executing agencies to ADB. In the long run, we exhort ADB to add, in its requirements to the implementing agencies, information that is currently missing about their ADB-financed procurement, such as that related to subcontractors and to state-owned enterprises.

On our side, we will continue to do our best to make Portuguese companies more aware of ADB’s activities, particularly in areas where their know-how could be of added value for the region.

On gender balance, we commend ADB for being awarded with level-two EDGE certificate. Nevertheless, we believe that further efforts are needed to reach the corporate goals set for female representation in staff, so we encourage Management to continue on this path. We also commend the recent creation of the Board Working Group on Gender Diversity (BWGGD) and the publication of its first Gender Balance Report to the Board of Governors.

Finally, a word of appreciation to President Masatsugu Asakawa that has been devoted to his mission working tirelessly to make ADB an institution that beneficiary countries can continue to rely on no matter how challenging times are.

Thank you.
Distinguished fellow Governors, Representatives of Members, and President Asakawa.

First of all, I would like to extend my deepest gratitude to President Asakawa and ADB staff for their hard work in helping the Asia and Pacific region recover from deep scars left by COVID-19 despite the difficult working conditions.

Last year, the world economy experienced the worst ever recession, with negative growth. Since then, we have been regaining economic resilience in line with the arrival of vaccines and policy efforts to boost economic growth.

However, the level of economic recovery has not been equal between countries. At the same time, there are risks that could undermine the global economic recovery, such as the likelihood of another wave of virus infections and the resurgence of protectionism.

Solving the current crisis requires more than efforts by individual nations. There is a pressing need for cooperation among members in the Asia and Pacific region, as we are geographically close and share a high level of mutual dependency, and it is essential that the ADB actively support these efforts.

With this in mind, I would like to suggest three points that the ADB and its members should focus on to overcome the pandemic in the region and achieve inclusive and sustainable growth in the post-COVID-19 era.

**First, achieving an inclusive recovery to close gaps between nations and groups that have been widened by the pandemic.**

Considering that vaccinations will determine economic performance in low-income countries, we should be committed to prompt and equitable access to vaccinations. In this regard, I welcome the establishment of the Asia Pacific Vaccine Access Facility (APVAX) to help facilitating vaccine delivery in our region. I look forward to the effective use of APVAX in connection with COVAX for providing safe, fast, and fair access to vaccinations.

Moving forward, we need to expand our support for vulnerable groups including young people, the elderly, women, and low-income earners as well as isolated communities that have been hit hard by the crisis. I hope that the ADB’s COVID-19 Pandemic Response Option (CPR0) can be leveraged to ensure more access to medical services, create jobs, and strengthen social safety nets for disadvantaged groups.
Second, enhancing cooperation among ADB members to rebuild regional value chains (RVCs).

Based on the freedom of movement and free trade, the structure of close-knit economic cooperation has served as the core foundation of regional economic growth and prosperity. The Asia and Pacific region needs to play a leading role in remaining vigilant against protectionism and attempting to restore principled multilateralism. Cooperation among members is crucial for setting up more advanced RVCs.

In this context, it is encouraging to see the signing of the Regional Comprehensive Economic Partnership (RCEP). I hope that the RCEP will come into effect as soon as possible and set a path for strengthening RVCs in our region.

During this process, I hope that the ADB can play a pivotal role by supporting the building of transport and telecommunications infrastructure and extending more trade finance.

Third, stepping up efforts toward mid-to-long term reforms to brace for the post-COVID-19 era.

The COVID-19 outbreak has accelerated the transition to digital and green economies. While taking into account each member’s circumstances, I would like to see more ADB support for exploring tailored projects, financing, and capacity building so that regional members can proactively respond to these changes in economic and social structures. Through the Korean New Deal initiative with the two pillars of the Digital and Green New Deal, the Republic of Korea\(^a\) is dedicated to coping with the COVID-19 crisis and responding to transformations in economic structures.

In particular, the Republic of Korea\(^a\) is doing its utmost to nurture non-face-to-face industries, establish digital-based education infrastructure, transition toward a low-carbon industrial structure and eco-friendly energy system. We plan to share our experience and technologies with the region.

Alongside this, we ask for regional members to take action to address climate change. The Republic of Korea\(^a\) declared “National Strategy for 2050 Carbon Neutrality” last December and has been setting out policies to combat climate change.

As the Chair of the ‘Second P4G Summit’ held from the 30\(^{th}\) and the 31\(^{st}\) of this month, the Republic of Korea\(^a\) will take the lead in the global community’s efforts to deal with climate change and pursue a green recovery by promoting partnerships between the public and private sectors.

\(^a\) Changed by Meeting Secretariat.
We are currently in a transitional period, with a mix of hopes and worries. In order to solidify the upturn momentum, it is necessary to pool our wisdom and remain in solidarity. The Republic of Korea will do its part in these endeavors.

Last but not least, I would like to send a message of encouragement to members rising above these unprecedented challenges.

Thank you.
I would like to express my appreciation to the management of the Asian Development Bank (ADB) for its efforts in organising the 54th Annual Meeting of the Board of Governors.

It has now been more than a year since the outbreak of the COVID-19 pandemic. The rollout of vaccines has sprung green shoots of the global economic recovery. However, this has been tempered by production, logistical and social challenges of vaccination programmes. New waves of infections and economic shutdowns continue to set back progress. Our collective ambitions to meet the achievement of the Sustainable Development Goals (SDGs) have been affected. At this critical juncture, it is more important than ever that multilateral development institutions join efforts to enhance support for those most negatively impacted by the crisis.

I am heartened that the ADB has boosted its support measures with an additional US$9 billion vaccine initiative, the Asia Pacific Vaccine Access Facility (APVAX), to plug financing capacity gaps for the procurement and delivery of vaccines. This is on top of the US$20 billion Comprehensive Response to the COVID-19 Pandemic (CPRO) to provide emergency lending and US$20.3 million technical assistance to establish systems for efficient and equitable distribution of vaccines in the region. These extraordinary and timely measures complement the ADB’s standing financing operations and exemplify the Bank’s commitment in fostering a resilient recovery.

The pandemic has taught us that a green recovery is imperative for sustainable and inclusive growth. Green infrastructure not only safeguards the environment, but also imbibes the One Health Approach to protect public health. For instance, innovative green cooling systems help to reduce heat-related illnesses and slow the infectiousness of disease vectors. The ADB has estimated that Southeast Asia alone requires approximately US$3.1 trillion investments from 2016 to 2030 for climate change-adjusted infrastructure investments.

As the current crisis has widened the financing gap and increased the expediency of our green transition, we need more innovative solutions to crowd-in private capital. Singapore finds strong synergies with the ADB’s focus on catalysing private sector investment for development. The ADB’s investment in and partnership with Clifford Capital Holdings (CCH) to support sustainable infrastructure in Asia is a good example. To meet the region’s needs, Singapore’s Infrastructure

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a Asian Development Bank, “Meeting Asia’s Infrastructure Needs”, 2017
Asia will also strengthen collaboration with the ADB on green finance approaches to facilitate the development, financing and execution of infrastructure projects.

The pandemic has also levied a disproportionate impact on women and girls, with greater job insecurity\(^b\) and the widening gender digital divide in education\(^c\) as issues of concern. In this light, I would like to commend ADB for its consistent approach to measure, track and review its support for women’s issues in its projects, through its four-tier gender mainstreaming category system. Additionally, I welcome ADB’s recent push towards promoting gender diversity on its Board with the first gender report at this Annual Meeting of the Board of Governors. Having a more diverse and representative Board would boost ADB’s efforts to provide broader perspectives for better decision-making.

Singapore looks forward to deepening our partnership with the ADB, through the ADB Singapore Office, in the years to come.

\(^b\) OECD Employment Outlook, “Young people and women hit hard by jobs crisis”, 18 December 2020.
\(^c\) World Food Programme, “Coronavirus pandemic is exposing the gender digital divide”, 23 April 2020.
SPAIN
Ana Sobrino-Aguirre, Temporary Alternate Governor

Mr. Chairman of the Board of Governors, President Asakawa, Honorable Governors, Representatives of Member States, ladies and gentlemen,

First, allow me to congratulate the Asian Development Bank (ADB) for the organization of this 54th Annual Meeting. Unfortunately, this is already the second time that it is held virtually but, as in the previous year, the challenge of a fully virtual agenda has been successfully overcome. It has to be acknowledged the excellent work developed by ADB´s management and staff to enable this meeting.

More than a year has passed since WHO´s pandemic declaration and in these turbulent times COVID-19 has become not only the worst cross-border health threat, it has also drastically altered our lives and our economies. Apart from the grief and despair it has brought, its economic and social impact is yet hard to predict. Nevertheless some disturbing conclusions can already be derived. For instance, after decades of steady progress in reducing extreme poverty, COVID-19 will mark the first setback in the fight against it in a generation.

Regarding the Asia and Pacific region from an economic standpoint, this crisis is also having negative consequences in terms of trade, financial flows, tourism, remittances, unemployment, to name but a few. The impact on our Asian colleagues has been severe. Even though the region has proven in the past its enormous capacity to respond, this is the first time that countries have to react simultaneously to so many concurrent shocks.

In this time of uncertainty the Asian Development Bank remains at the forefront of international efforts to address the challenges Asia and the Pacific are facing. We commend the early and comprehensive action taken by the Bank to support countries, with a response package of USD 20 billion to mitigate economic, social, and health impacts of the pandemic, reinforced by the USD 9 billion Asia Pacific Vaccine Access Facility. Both programs are decisively contributing to reduce the overall impact of the pandemic in the region.

Looking ahead, support to regional members as response to COVID-19 will continue to determine ADB´s activities in the short-term. This is already reflected in the 2021 pipeline that still focuses heavily on budget support. This reprioritization will most probably generate tension between goals. We judge essential that once Asia and the Pacific enter into the recovery phase, the Bank should devote relevant efforts and resources to the goals established in the ADB Strategy 2030, while preserving the financial soundness of the institution.
In order to reach the Sustainable Development Goals in the region, the Bank must keep focused on its long-term objectives to fight climate change and boost biodiversity, adaptation and mitigation in the region as well as sustainable infrastructures, public health or technological innovations. Regarding climate change and considering the vulnerability of the region to this challenge, Spain acknowledges the work already achieved and the green ambition set in the ADB Strategy 2030. We urge the Bank to persevere in this path. Additionally, we believe relevant to set a clear timeframe for Paris Alignment and to get back on track as soon as possible on the targets associated with climate change financing. In this regard, the Energy Policy review is a major opportunity to respond to the beneficiary country’s needs.

Climate is the exemplary global and regional public good where a coordinated response is compulsory. The world is more interconnected than ever and after the outbreak of an exogenous event such as the pandemic, it has become even more evident that international cooperation is crucial and the provision of multilateral and global solutions is the only way to tackle global problems.

In parallel, growth of megacities and increasing complexity of urban development is a tremendous challenge to improve the quality of life of Asian people. Making cities more livable should continue to be a primary objective. ADB, in line with the 2030 Strategy, shall contribute to this objective by bringing together a set of policies and tools. In this sense a holistic approach that addresses a number of cross-cutting issues such as energy, water supply, waste treatment and health systems, among others, are judged necessary.

In relation to gender, we are pleased to note a more-than-expected increase in gender support and the improvement in its balance among ADB staff. We also appreciate the recent report to increase gender diversity in the Board of Directors. We urge the Bank to continue this line of work to promote equality and women’s empowerment.

Finally, I want to conclude congratulating President Masatsugu Asakawa and commending the outstanding work of ADB’s management, staff and Board of Directors during this period. It is a time of immense challenges, both professionally and personally, and only appreciation can be shown to the efforts made.

I look forward to the day we can all meet in person once again.

Thank you for your attention.
Mr. Chairman,
Mr. President,
Honorable Governors,
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of Switzerland, I would like to extend my gratitude to the Georgian government for its willingness to host the 54th Annual Meeting. Unfortunately, COVID-19 prevented us from holding this year’s annual meeting physically.

We commend the swift and bold actions taken by the ADB, as part of a well-coordinated multilateral response to COVID-19. The past year has presented the ADB and its member countries with many unprecedented challenges and radically changed the lives of many in the Asia and Pacific region: Around 78 million people have fallen into extreme poverty, 167 million jobs are expected to be lost and the region has fallen behind in achieving the UN Sustainable Development Goals (SDGs). ADB’s comprehensive response package of $20 billion addresses short-term needs, particularly the provision of urgent medical supplies, but also the medium- and long-term need of strengthening health systems and economies. The $9 billion APVAX facility supports ADB’s developing member countries in the procurement, delivery and application of affordable, effective and safe COVID-19 vaccines in an equitable manner. This is key to contain the crisis and spur a swift and sustainable recovery.

Ensuring good governance, transparency and debt sustainability

Sound public and financial management must build the foundation of the response and recovery phase. The quality of operations is paramount, especially in times of crisis and financial stress. Against the backdrop of supply bottlenecks and new mutations, the financing and the performance of procurement, delivery and application of vaccines must be closely monitored. Liability, ethical and financial implications must be accurately addressed. The ADB must follow the strictest anti-corruption standards and help governments ensure non-discriminatory access and prevent financing over-priced or sub-standard products. Transparency and close coordination between multilateral development banks, IMF, WHO, bilateral donors, governments at all administrative levels, the private sector and civil society is essential in ensuring an effective response. The COVID-19 crisis has exacerbated pre-existing structural challenges and risks related to sovereign debt in many of the ADB’s developing member countries. The potential burden of financing vaccines on sovereign debt levels must be carefully and continuously
assessed. Countries in debt distress should consider a debt treatment under the G20 common framework. With sovereign lending restricted due to debt sustainability limits, private sector resource mobilization should take on an increasingly important role.

**Maintaining ADB strategic focus and building back better, greener and more inclusive**

Once the immediate impact of the pandemic is addressed, the COVID-19 response should help support and promote ADB member countries' medium- and long-term objectives and re-ignite sustainable and inclusive growth. It is key for ADB’s seven operational priorities according to the Strategy 2030 to remain intact and build the basis for the Asia and Pacific region to build back better, greener and more inclusive. This involves staying firm on environmental and social safeguards compliance. The ongoing revision of ADB’s Safeguard Policy as well as its implementation must be highly ambitious and consider lessons learned from peer institutions.

**2021 marks an important climate year and we expect the ADB to take on a leading role in addressing climate change.** In view of the upcoming Energy Policy Review, we call upon the ADB to fully commit to aligning its operations with the Paris Agreement by a set date – in sync with its peers. We expect the ADB to formally withdraw from coal-related finance and support countries in phasing-out harmful fossil fuel subsidies, while considering the needs of the poorest and most vulnerable.

We support the ADB’s intention to facilitate digitalization and knowledge sharing. An enabling business environment can mobilize the private sector and create the millions of jobs urgently needed. Ensuring universal access to digital infrastructure and innovative solutions is essential for regional cooperation and integration, and for a broad, fast and inclusive recovery. This requires enhanced vigilance by ADB and its member countries with regard to personal data security and cyber-crime.

**Address fragility issues and build resilience**

The latest Asian Development Fund (ADF) replenishment of $4 billion aims at supporting the most vulnerable and poorest countries of the Asia and Pacific region. The ADF focuses on Fragile and Conflict Affected Situations (FCAS) and Small Island Developing States (SIDS), where achieving inclusive development gains requires targeted policy action adapted to the specific and complex challenges. The ADB’s new FCAS and SIDS Approach will be crucial in addressing vulnerabilities to climate change and natural hazards, improving governance and institutions, and building economic and pandemic resilience. Accelerating progress in gender equality as well as economic and social inclusion is particularly important in this regard. ADB operations should specifically target the population segments suffering disproportionately under the current crisis.

We commend ADB management and staff for their outstanding engagement over the last year. The pandemic presented the Bank’s staff with an immense workload and challenging
working conditions. It is important that the well-being of staff is ensured under these extraordinary circumstances. Overcoming the many challenges lying ahead requires strong leadership and close cooperation.

The ADB is more than ever called upon to make sure that its interventions are highly effective. Only then can it demonstrate its relevance in making an important contribution to reaching the SDGs in the region. I very much look forward to such co-operation for the benefit of the people of the Asia and Pacific region. Thank you.
Mr. Chairman,
President Asakawa,
Honorable Governors,
Ladies and Gentlemen,

On behalf of the government of Taipei, China, I would like to thank the President, management, and staff of the Asian Development Bank (ADB) for their perseverance in connecting us at this Annual Meeting virtually, as we mark one year since the world began to reel from the COVID-19 pandemic.

The COVID-19 pandemic has wrought considerable economic and social setbacks around the globe, undermining our long-established progress towards sustainable development. Moreover, up to 150 million people are estimated to have plunged into extreme poverty this year because of the prolonged COVID-19 crisis, according to the World Bank.

Despite all the hardships that have emerged from the pandemic, the ADB continues to prove its foremost position in the region with the deft handling of crisis responses and recovery, providing rapid support to developing member countries (DMCs) that are grappling with health, economic, and social challenges. In particular, we are pleased to see that the ADB has deployed a $9 billion vaccine initiative — the Asia Pacific Vaccine Access Facility (APVAX) — to assist its developing member countries in vaccine procurement and distribution, which is critical to ensure a speedy and equitable vaccine rollout.

As vaccines are gaining currency in Asia and the Pacific, a symbol of hope to bring the pandemic under control, we must not lose sight of the enormous global challenges lying at the root of extreme poverty. It is critical that we be agile enough to identify the priorities to help the region seek the balance between the pandemic response and a green, resilient, inclusive, and sustainable recovery.

Taipei, China's economy continues to grow strongly at the fastest pace since 2015 — with 3.11% gross domestic product (GDP) growth in 2020, expected to expand to 4.64% in 2021. Owing to this promising prospect, we see that the pandemic crisis offers us a unique opportunity to work together to reboot our economies. Taipei, China will remain a committed and trusted partner of

a Changed by Meeting Secretariat.
the ADB as we engage in key actions with the Sustainable Development Goals (SDGs) to help address the challenges and put our economies back on the trajectory of growth.

**Regional Integration and Cooperation**

As unwavering as the Bank’s commitment to the Asia and Pacific region, Taipei, China is committed to creating an innovative and mutually beneficial model in partnership with ASEAN and South Asian countries, which is underpinned by our goals under our New Southbound Policy to accelerate regional economic integration.

Our enterprises continue to innovate on the Internet of Things (IoT), green energy, and Artificial Intelligence, all of which could help developing countries adopt sustainable paths to economic growth. Recognizing our partner countries’ development needs, we will continue to facilitate more resources, both public and private, into the region to share our experiences and foster cooperation on natural disaster prevention, public health, education, and trade.

**Domestic Resource Mobilization (DRM) and International Tax Cooperation (ITC)**

While we stress that the SDGs can only be realized with strong partnerships and cooperation, defined by SDG 17, domestic resource mobilization will be part and parcel of such a collaborative way forward on achieving all of the other SDGs.

We are alert to the impact brought about by the COVID-19 pandemic, as well as the base erosion and profit shifting (BEPS) challenges arising from globalization. Particularly, the region has lost ground in achieving the SDGs with regard to the tax revenues that are eroding during this pandemic crisis.

Taipei, China welcomes the forthcoming regional hub on DRM and ITC that is to be officially launched in May this year to promote cross-border tax cooperation. We particularly support the continuous cooperation between the ADB and international organizations, including the G20, APEC, and the OECD. We will work closely with the Bank, among other efforts, to help facilitate knowledge sharing, as well as address cross-border tax avoidance and evasion issues in developing member countries. As a further demonstration of our commitments, we stand ready to be a trusted financing partner to the ADB’s trust fund, a new cooperation mode between Taipei, China and the Bank that will enable us to pursue the end goals of fair taxation.

**Women’s Empowerment**

Beset with the deficient protection of women’s rights against harmful practices over the long haul, such as gender-based violence and employment discrimination, women and girls are being further pushed into the abyss of distress in the context of the worsening gender inequalities emerging from this ongoing pandemic. On top of that, we are very much aware of the adverse impact that this pandemic is exerting on the gender-relevant SDG targets. This is why we believe advancing
gender equality and the empowerment of women and girls is crucial and requires our immediate actions and joint efforts at the regional and global level.

Taipei,China\textsuperscript{a} commends the Bank for following through on its commitment to gender equality for achieving the SDGs. We particularly appreciate the Bank’s recognition of the gendered dimension at the Board of Directors, through the establishment of the Board Working Group on Gender Diversity at the Board in September 2020. We look forward to seeing this come to fruition that will shape an enabling environment to revitalize gender mainstreaming and deliver on gender equality.

Taipei,China\textsuperscript{a} strongly believes that women are the backbone of our society. In a parallel effort to fulfill SDG 5: Gender Equality and Women Empowerment, we supported the third tranche of the Women’s Livelihood Bond worth US$27.7 million in December 2020, which will contribute to the regional economic development and empower tens of thousands of underserved women in the Indo-Pacific. Taipei,China\textsuperscript{a} stands alongside the Bank and our partners in bringing to fruition the vision of women’s empowerment and gender equality in the region.

**Climate Change**

The COVID-19 pandemic has evidenced the need to invest in resilience to plausible shock and stress. The development landscape has changed considerably in the Asia and the Pacific, which will position the region at the forefront of tackling climate change. The ADB must continue to exert its powerful influence on climate interventions at a brisk pace for a green and resilient future.

As testimony to our strong pledges and efforts to work on climate change mitigation, Taipei,China\textsuperscript{a} has embedded the circular economy and low-carbon considerations into our economic policies; notably: energy efficiency, clean energy usage, and low-carbon subsidies as three major pillars of decarbonizing the industrial sector. Special efforts will also be made to organize a “Vision Circle” team to navigate energy, manufacturing, and socio-economic transitions to net-zero carbon emissions. Meanwhile, we would also like to encourage the ADB to proactively mainstream the circular economy in ADB-funded projects, which would ramp up the ambition of climate policies and strategies.

We are pleased to have signed a Cooperation Agreement with the Sustainable Development and Climate Change Department of the ADB. This Cooperation Agreement represents an important step forward to realizing our strong collective actions, as well as enabling us to explore avenues to help address climate change challenges.

You can be sure that Taipei,China\textsuperscript{a} as a responsible stakeholder, is willing to join hands with the international community to respond to climate-related challenges. Likewise, I would also call on the international community, our partners, and all other countries to support Taipei,China’s\textsuperscript{a} participation in the United Nations Framework Convention on Climate Change (UNFCCC). By “leaving no one behind,” we shall surpass the current commitments.
Last but not least, taking this opportunity, I solemnly reiterate that 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 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 long overdue issue is properly addressed. I will not limit my clarification and would further call on all members to treat one another equally, fairly, and with respect, where no member is restricted from deepening engagements with the ADB.
On behalf of the Government of Thailand, I would like to thank the President and the management of the ADB for hosting the 54th Annual Meeting of the Board of Governors.

Despite challenges presented by the COVID-19 pandemic, there is much I can be thankful for. First and foremost, I highly appreciate the ADB for a swift response in helping developing member countries with the US$20 billion response package to counter the severe macroeconomic impacts of the pandemic as well as the US$20.3 million assistance to aid access to COVID-19 vaccines and to ensure equitable and efficient distribution thereof. Particularly for the Government of Thailand, I would also like to express my gratitude to the ADB for the US$1.5 billion COVID-19 Active Response and Expenditure Support (CARES) Program, which has been utilized in the country’s stimulus packages aiming to address the gap in the healthcare sector, alleviate the impact of income loss on the poor and vulnerable, and support affected businesses, including SMEs.

Faced with a once-in-a-generation health crisis in the COVID-19 outbreak, governments worldwide have been pressed to balance saving lives with restrictive public health measures and maintaining economic livelihoods. For its response is crucial to the economic recovery, the Government of Thailand has launched a series of significant fiscal and monetary packages to keep individuals and businesses afloat and relieve the downward economic pressures, while also paying due regard to fiscal responsibility framework to ensure debt sustainability.

However, with mass vaccination in sight, the Government is setting eyes not only on the short-term economic recovery but also looking ahead towards the long-term growth in national and local economies that is balanced, sustainable, inclusive, and equitable. There, we are looking into key structural reforms – in particular, tax reform, to secure a sustainable source of government revenue to meet expenditure needs. We envisage a transformation into a full-fledged digital economy equipped with quality infrastructure – physically and digitally – to support smart industries driven by knowledge and advanced technologies.

Moreover, aligning with the ADB’s theme of “Collaboration for Resilient and Green Recovery” and capitalizing on Thailand’s biodiversity, agribusiness, and increased environmental awareness, the Bio-Circular-Green (BCG) economic model has been put forward as Thailand’s new national agenda. The BCG model will create values by converting biological resources and corresponding waste streams into value-added products, such as food, feed, bio-based products, and bioenergy. Together with the country’s cultural richness and renowned service sector, it can also be harnessed to further the growth of tourism and medical and wellness sectors in Thailand.
In keeping with the sustainability trend, we, at Thailand’s Ministry of Finance, can now design green, social, and sustainability bonds based on global and regional standards and best practices, thanks in part to technical assistance from the ADB. The first sovereign sustainability bond in ASEAN has been successfully issued by the Government of Thailand in August 2020, the proceeds from which have been used to finance environment-friendly projects and fund socially beneficial schemes to support the country’s recovery from the COVID-19 pandemic. The bond was very well received by both local and offshore investors and has recently been listed on the Luxembourg Stock Exchange and Luxembourg Green Exchange, the world’s leading platform entirely dedicated to sustainable products.

As we are planning for the post-pandemic future, uncertainties associated with the pandemic still loom large. I urge all member countries to stay connected to fight through the pending challenges together, because only with a united front will we be able to stop the viral spread and once again pick up our economies. For Thailand, we remain committed in this fight, and look forward to working closely with member countries and the ADB as our strategic development partners to drive Thailand’s development agenda and to foster sustainable and inclusive growth in our region.
TIMOR-LESTE
Rui Augusto Gomes, Governor

Honorable Governors and President Asakawa,

Timor-Leste was up until December 2020 one of the few countries in the region with only twenty-nine positive cases of COVID-19, thanks to the swift move of the authorities through border closures and the imposition of travel restrictions. However, as more illegal border crossings became increasingly difficult to control, an outbreak of positive cases of COVID-19 was inevitable. Today, there are more than two thousand active cases and four fatalities. Whilst the Timorese authorities were applying lockdowns and mass tests to contain the propagation of the virus, on the 4th of April, the country was badly hit by flash floods, causing widespread damage to public infrastructure, water supply systems, private dwellings and taking forty-one lives. The twin shocks further exacerbate the pre-existing vulnerabilities, thus placing Timor-Leste far more distant from its ambitious objective to achieve the upper-middle income status by 2030.

There were reasons to believe that the upper-middle income status was achievable based on earlier growth projections, noting that Timor-Leste had experienced double-digit growth of its non-oil economy—which has not happened since 2009—, combined with a rapid expansion in income from offshore petroleum. However, a prolonged political impasse in 2017-2018 constrained public spending, which resulted in a significant contraction of non-oil GDP in two consecutive years. The growth rate in 2019 of 1.8% was insufficient to recover from the 2017 and 2018 economic recessions. Then the failure to approve the 2020 budget triggered another political uncertainty, and with the declaration of a state of emergency in the advent of the COVID-19 pandemic, resulted in a sharp contraction of non-oil GDP in 2020.

In the midst of visible destruction of infrastructure and the displacement of thousands of people who had lost their homes due to the recent floods, the Asian Development Bank showed agility in responding to the scale of the devastation, for which the Government of Timor-Leste highly appreciates. Soon after the state of calamity was declared, a grant agreement was signed between the Government of Timor-Leste and ADB to support the flood responses and recovery project, to be implemented through the United Nations System. This program will benefit many who lost their means of income and saw their lives and livelihoods strangulated.

The Government is confident that the two-decade partnership between Timor-Leste and ADB will become stronger under President Asakawa’s wise leadership who had also dealt with complex challenges arising from the financial crises of 1997 and 2008 that had profoundly affected many economies in our region.
The war against the COVID-19 pandemic in Timor-Leste has just begun, the reconstruction of the damaged infrastructures to ensure connectivity and normalization of public services is urgent, and the fate of thousands of the displaced people must be addressed immediately. The national health system demands for better prevention schemes for tackling future disease outbreaks. The Government believes that this is the time to invest in capacities to resist unprecedented shocks of such a magnitude. This is the momentum to readjust pathways that have led the country to become heavily dependent on the State's economic activity. Timor-Leste’s reliance on the Petroleum Fund necessitates better capacities to effectively manage its petroleum wealth to reduce public sector dependence, diversify the non-oil economy, and generate decent jobs for a rapidly growing population. Our vulnerability to climate change and the recent level of destruction caused by the floods call for better quality of infrastructures, systems and institutions that are capable of responding efficiently and effectively to any adverse climate impacts. In short, it is possible to build back better, because of our mutual trust we have nurtured over the last two decades of cooperation with ADB.

Nearly 60% of the total Timor-Leste foreign loan come from ADB, which is a clear indication of mutual trust. Through loans, technical assistance and grants, the country is able to build its transport connectivity, invest in human capital to improve labor productivity, which will be much needed for job growth and private sector investment. In its effort to diversify and sustain the economy, the Government of Timor-Leste will count on the good cooperation of ADB, particularly in times of uncertainty ahead of us. The Government of Timor-Leste is impressed by ADB’s response in providing assistance for our health sector, private sector supply chains and to ease the government fiscal position.

Today, the Government is more than ever determined to recover the Timorese economy and bring the country back to a sustainable growth trajectory. To that end, in August 2020, the Council of Ministers approved an Economic Recovery Plan. It is a plan that puts people at the center of development. It seeks to improve quality of and access to education and healthcare, narrow skill gaps, create decent jobs, and provide better social protection to its citizens. At the moment, there are two major infrastructure projects that will facilitate international connectivity and integration of the country in the region and beyond, including the construction of the Tibar Port, which will be completed by mid-next year, and the expansion of the Presidente Nicolau Lobato International Airport whose negotiations for a co-financing agreement will take place in a couple of weeks, and the signing of the loan agreement is expected to take place at the end of this year. In the meantime, the front-end engineering design for the installment of a submarine cable connecting Dili from Darwin are at its final stage, which will be immediately open to tender. This will allow faster and cheaper internet services in the near future. Ongoing efforts have also been made to strengthen public financial management and promote good governance, which are critical for public investment efficiency and better quality of public services.

The Government is confident of the immense work that President Asakawa had done last year under intense pressure will continue to bear fruits, particularly in ADB’s developing member countries such as Timor-Leste. With the strong leadership of President Asakawa, the COVID-19
pandemic will not distract ADB’s focus and response from assisting countries in achieving the 2030 Agenda for Sustainable Development, to which ADB is aligned under Strategy 2030. Timor-Leste is grateful to have ADB as a trusted partner and we can move forward in addressing the challenges.
Mr. Chairman, Mr. President, Distinguished Governors,

It is my pleasure to participate in the fifty-fourth 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 ongoing extraordinary circumstances due to the global COVID-19 pandemic.

Last year, as we were having our first virtual Annual Meeting, we were hoping to overcome the pandemic shortly, and wishing to have a physical meeting this year. Yet, today, we are in the midst of a global third wave and the global economic outlook stands at a point where the stringent containment measures have pushed many economies into recession, with particularly grave impact on the vulnerable segments. Millions of jobs were lost globally in 2020, with 5% more among women than men and 8.7% more among younger workers than older. School closures affected about 1.6 billion school-age children globally with more than 1 billion children in developing countries falling behind in education. The crisis has laid bare the inadequacy of the systems of education, healthcare and social protection in many developing countries. On the other hand, it has showed the importance of digitalization, especially reliable and accessible internet infrastructure, which has immensely helped continuation in business sectors and public services, including education.

In 2020, global contraction is estimated at 3.5% by the IMF. This represents the deepest global recession in several decades. Hard-won gains in poverty reduction are being reversed, with global poverty estimated to have increased in 2020 for the first time in 20 years. While the development of vaccines against the virus gives cause for optimism, the deeper socio-economic scars due to the pandemic will remain as over 150 economies are expected to have per capita incomes below their 2019 levels in 2021. In addition, the pandemic has greatly worsened the global debt distress situation, with rising default rates, and the need for debt restructuring.

So far, vaccination has been slower than expected although new vaccines are being developed with unprecedented speed. Asia and the Pacific is lagging in vaccination rates, with about only 2 doses administered per 100 people. Many factors, including limited vaccine supply, logistics challenges and lack of funding for vaccination, hamper efforts to immunize a meaningful share of populations quickly and effectively to stop the pandemic. Existing health infrastructure in many developing countries may not be ready for the new vaccines and require adapting to implement large vaccination programs. According to recent projections, low and middle-income economies might have to wait until 2022 or even 2023 to vaccinate a majority of their populations.
Against this background, Turkey has been emphasizing the importance of international solidarity and urging for stronger international cooperation, which include foremost the role of international financial institutions. In this regard, we commend ADB’s rapid and effective response to these challenges. We appreciate that from the very early stage of the pandemic, ADB provided support to address the health emergency by announcing a comprehensive 20 billion USD COVID-19 response package in April 2020. We are also very glad that ADB is actively supporting vaccine development and vaccination efforts in the region with a 9 billion USD Asia Pacific Vaccine Access Facility that was recently announced.

ADB’s strong response has been reflected in 2020 total commitments which amounted to 31.6 billion USD, including 16 billion USD of COVID-19 response. 26 countries in the region received pandemic related fiscal support. The significant rise in total commitments from 23.7 billion USD in 2019 to 31.3 billion USD in 2020 clearly demonstrates the Bank’s strength and capacity to address global crises. It is also noteworthy that ADB stays on track with Strategy 2030 under such extraordinary circumstances. In particular, we take good note of the 4.3 billion USD in climate finance in 2020.

Looking forward, in 2021 the global economy is expected to start recovering from the crisis. But the prospects for recovery are highly uncertain and uneven within and across countries due to preexisting vulnerabilities and uneven access to vaccines. Such prospects call for enhanced international cooperation to ensure an inclusive and resilient global economy. In this regard, we would like to urge that, on the path to recovery, ADB’s operations should primarily target the most affected and the most vulnerable segments, such as women and youth and in such sectors as small businesses, education and health, with a view to leave no one behind.

In conclusion, we reiterate our appreciation for ADB’s efforts throughout the crisis and commend its Management and staff for their relentless work, which proved that the Bank stays as a relevant and efficient development partner. As always, Turkey is committed to be in strong cooperation with ADB.

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 these Annual Meetings.

Over the last year, COVID-19 has reversed development gains and undermined progress towards the Sustainable Development Goals around the world, including in Asia. The impact on the poorest countries and small island economies has been particularly acute, as many have had limited fiscal space to respond to the crisis. The UK welcomes the Bank’s response to these challenges, successfully reorienting programmes and providing major additional emergency financing to meet its clients’ needs. This has required agility and flexibility from the Bank’s Management and staff.

No country is safe until we are all safe and it is clear that equitable access to safe and effective vaccines will be critical for recovery from the crisis. We are pleased to see the leadership the Bank has shown on this issue with the APVAX facility already supporting multiple countries across the region to access vaccines. Moving forwards, ADB and APVAX should continue to coordinate closely with COVAX and the World Bank, pursuing close alignment with them on vaccine eligibility, and focus on strengthening the delivery of vaccines through country health systems. The Bank must also set out its medium-term strategy for financing vaccines, therapeutics, diagnostics and strengthening health systems. The ADB, like other IFIs, also has a key role to play in supporting countries to prepare for and respond rapidly to any future pandemics.

As the Asia and the Pacific region recovers from the crisis, the UK would like to see the ADB work with countries to support a green, inclusive and resilient recovery. The pandemic has created unprecedented disruption to global trade, including a rise in protectionism. We stand ready to work with the Asian Development Bank, national governments and other multilateral organisations to restore stability and openness to the global trading system, in a way that works for developed and developing countries alike. The Bank must work with its clients to prioritize investments that create jobs and restore livelihoods, while also supporting countries move to a low carbon and climate-resilient development pathways. The recovery phase is an opportunity to invest more in clean energy, biodiversity and disaster risk preparedness.

As the President of COP26, the UK would like to thank the Bank for its support and participation in preparatory events so far, including the Climate and Development Ministerial. We will be continuing to work closely with the Bank across a range of issues in advance of COP26. As set out by the UK’s COP President Designate in his address at the AGM climate side event, and at the preparatory events, this includes setting a clear timeframe for fully aligning the Bank’s
operations with the Paris Agreement, as other MDBs have recently done. The Bank should also support its clients to develop ambitious Nationally Determined Contributions (NDC) and Long-Term Strategies (LTS). We also encourage the Bank to set a higher climate finance target, including an ambitious adaptation and resilience finance sub-target, and mobilise more private sector investment for climate change. We urge the Bank to mainstream biodiversity and nature considerations into all its operations, including by signing a joint statement on nature with other MDBs.

The Energy Policy review provides a major opportunity for the Bank to demonstrate that it is doing all it can to help countries meet their energy needs while tackling climate change. This means formally ending investments in coal and oil, and only financing gas in exceptional circumstances. The Bank should also complement this with increased investments in renewables and efforts to support countries to make a just transition. The UK strongly welcomes the early summary released in April and will work closely with the Bank to help deliver a successful review.

The UK would like to highlight the ongoing consultation on the Bank’s Fragile and Conflict Affected Situations (FCAS) policy as a good example of how gathering the views of different stakeholders can enrich policy development. We welcome the commitment to update the Board on the implementation of the policy.

The UK welcomes the Bank’s commitment to tackling Sexual Exploitation, Abuse and Harassment (SEAH) and ensuring this work is prioritized and delivered in a timely, consultative manner. We are encouraged by the work that is underway with regards to strengthening SEAH policies and the development of Good Practice Notes. We expect the Bank to consult widely on this. The Bank should take a zero-tolerance approach to inaction, adhere to international standards, take a survivor-centered approach, provide strong leadership and ensure robust, prompt reporting.

We also welcome the ADB’s initiative to establish the Domestic Revenue Mobilisation Hub for Asia. Supporting countries to raise domestic revenue, tackle the worst of tax avoidance & evasion, and meet the challenges of taxation in a digital world are essential to securing inclusive growth. The ADB has a key role to play in delivering high quality technical support and leveraging existing IFI expertise through the Hub.

The successful conclusion of the Asian Development Fund replenishment (ADF13) was a major milestone. The UK maintained its burden share and continues to be the second largest non-regional donor to the Fund. As the region recovers from the crisis, the Fund will be a vital resource for the Bank’s most vulnerable members, with the more needs-based allocation mechanism and higher share for country allocations ensuring a strong poverty focus. The successful ADF13 replenishment should not, however, lead to complacency. We welcome the recent discussions on the future of the ADF, but the Bank must do more to develop options and a clear, evidence-based vision for effective grant and concessional financing beyond ADF13.
Making the best use of available financial resources to support development and poverty reduction in the region has never been more important. We urge the Bank to utilise its existing capital in the most effective way possible. This should involve both continuing to make the most of existing resources, including through balance sheet optimization and increased efficiency, and maximising the impact of its investments on sustainable development. In addition to the various issues covered in this statement, the Bank should ensure that financing is prioritized where needs are greatest, including by phasing out of grant technical assistance to richer borrowers. The Bank must also deliver on its commitment to greater transparency on the Technical Assistance Special Fund and mainstreaming gender throughout its operations. We urge the ADB to take steps to strengthen and improve the Multi-tranche Financing Facility (MFF), which has underperformed, and update the MFF policy accordingly.

We look forward to working with ADB staff and fellow members as the Bank continues to play a vital and effective role in helping the region to end and recover from the pandemic. We wish everyone a safe end to the year, and we hope to be able to meet in person at the ADB Annual Meetings in 2022.
On behalf of Secretary Yellen and Acting U.S. Governor Baukol, I am pleased to represent the United States of America at the virtual 54th Annual Meeting of the Asian Development Bank (ADB). The past year was tremendously challenging for ADB and the Asia and Pacific region—arguably the most demanding year that ADB has ever had. In the face of this adversity, we are proud that ADB has risen to the occasion in assisting Developing Member Countries (DMCs).

We welcome the successful finalization of the Asian Development Fund’s Twelfth Replenishment (ADF-13) and the approval of the new concessional assistance policy. The U.S. pledge underscores continued strong support for the poorest and most vulnerable countries in the region. During this difficult time and with debt sustainability under pressure, it is more important than ever to have high-quality sources of development finance, particularly grants. ADF-13 will be critical for financing the pandemic response in the region.

Yet, the work has only just begun. The pandemic has taken a tragic human toll and triggered a social and economic shock, ravaging lives and livelihoods. Our immediate priority must be to address the health crisis and pave the way for an inclusive and sustainable recovery. There is hope, as many countries have begun inoculating front-line healthcare workers and the most vulnerable with safe and effective vaccines, with ADB support in several cases. Yet, we are likely nearer the end of the beginning than the beginning of the end.

The pandemic has hit the entire region hard, and the outlook for recovery varies by country depending on factors including infection rates and containment measures, policy responses, reliance on contact-intensive activities, and external demand. Notably, Pacific Island countries have mostly avoided COVID-19 outbreaks, but tourism-dependent economies in the region have suffered severe economic contractions, while pandemic-related expenses and decreases in revenue have resulted in increased public debt in a region already susceptible to increased natural disaster risks. Across Asia and the Pacific, output is expected to remain below pre-pandemic trends over the medium term and macro support continues to be key to economic stability. More recently, countries throughout the region face new COVID-19 surges, reinforcing the fact that the crisis is not over.
COVID-19 Response

In addition to the tragic loss of life, ADB estimates that as a result of the pandemic, there are 78 million more people living in extreme poverty in Asia and the Pacific. This impact has disproportionately fallen on groups and individuals that were already disadvantaged and vulnerable and is a serious setback to the admirable progress in poverty reduction that countries in the region have made and the efforts countries still need to make to foster more inclusive, sustainable development. ADB has mounted a determined effort to provide rapid, substantial, and flexible assistance, including policy advice and technical assistance, to complement government responses. The resilience and commitment of ADB staff to the Bank’s mission has never been more apparent as they have delivered in the face of significant disruptions and adverse circumstances.

The United States recognizes the importance of expanding access to vaccines. We are dedicated to working with the international community to ensure that Asia and the Pacific are not left behind. The Biden-Harris Administration has committed $4 billion to COVAX, and we urge others to increase their support for this initiative. ADB has a significant role to play in supporting vaccine campaigns. To that end, we were pleased to support the launch of the $9 billion APVAX initiative. We will continue to work with partners to find solutions for increasing vaccine supply, explore sharing excess vaccines, and make sure financing does not become an obstacle for global vaccination.

Climate

As Secretary Yellen has said, climate change is an existential threat. A global problem requires multilateral cooperation and action. Two weeks ago, President Biden hosted a Leaders’ Summit to collectively boost ambition and accelerate our global efforts to address the climate crisis. Asia and the Pacific are home to 60 percent of the world’s population, and ADB’s members—not least those in the Pacific—will be among the most impacted by increasing temperatures, rising sea levels, and more frequent and unpredictable weather-related disasters.

We expect ADB to be a leader in scaling up transformative green finance, supporting innovative approaches to bolster adaptation, and crowding in private investment to help DMCs unlock the financing needed to transition to low emissions development pathways. ADB should work at the policy and regulatory level to assist DMCs with their nationally determined contributions and long-term low emission strategies under the Paris Agreement. Similarly, the ADB plays a critical role in identifying and reducing regulatory, policy, legal, and technical barriers that can inhibit private sector climate finance investments. Efforts should be expanded to integrate private sector climate finance mobilization across the Bank. Furthermore, ADB must expedite its own efforts to achieve Paris Agreement alignment. We urge Management to announce a target date for initial alignment as soon as possible.
Energy Policy

ADB’s energy policy must evolve to reflect the immense changes in the global energy landscape in recent years. We reject the notion that there is a tradeoff between satisfying energy needs in developing countries and meeting critical climate and environment objectives. On the contrary, climate-friendly energy investments, quality infrastructure, and good jobs go hand-in-hand. The greater risk for DMCs is an overreliance on fossil fuels and stranded assets.

President Biden has directed the U.S. Government to end international public financing of carbon-intensive fossil fuels and transition our economy toward net zero emissions by midcentury. These two policy directives will shape our international engagement.

At the project level, we urge ADB to bring its energy policy in line with the goals of the Paris Agreement by prohibiting coal and almost all oil investments, and only supporting natural gas projects in a limited set of circumstances and countries. The on-going efforts to bring all MDB processes into alignment with the goals of the Paris Agreement naturally bend in this direction. Finite development resources should support DMCs’ embarking on a strong economic growth path to a sustainable and resilient future.

Financial Sustainability

We continue to be concerned that the ADB’s lending path is unsustainable and may require a capital injection within the next ten years. While elevated lending levels were critical to respond to the crisis, higher lending levels and faster disbursement will further constrain ADB’s ability to respond in the future, including resources for the ADF. We urge Management to assess the capital adequacy trajectory and provide options, including increasing loan pricing, to bring the ADB in line with other MDBs and place lending on a sustainable path.

Graduation

Effective stewardship of scarce resources to boost recovery efforts and support sustainable growth demands that the ADB focuses its financing on lower income countries and provide higher income countries with a clear pathway to graduation. We welcome the new Graduation Policy Implementation Guidelines and urge Management to make rapid progress applying the Guidelines and graduating countries with incomes above the threshold and robust access to other sources of finance. The new graduation criteria assessments could be a useful tool if staff carefully apply their results to tailor Country Partnership Strategies for countries above the graduation discussion income threshold to focus on addressing the identified constraints to graduation.

Safeguard Policy Statement

The ADB is also a critical leader on environmental and social safeguards in the region. We urge ADB to adopt a strong safeguards policy, building on the best practices at other MDBs. This will
require a greater focus on social issues, as well as stronger implementation and capacity building. We also urge ADB to consider where it can be a leader in developing new approaches, for instance in relation to climate change.

**Debt Management, Transparency, and Sustainability**

Governments have appropriately responded to the economic crisis with robust spending measures. But with entire sectors frozen and many people unable to work, fiscal deficits have widened, and borrowing has accelerated. This has exposed existing debt vulnerabilities and, in many cases, amplified the deterioration in debt dynamics. ADB is both a reliable source of high-quality development finance for the region’s poorest countries, often on concessional terms, and a key provider of policy advice and technical assistance to build debt management capacity, increase debt transparency, and promote long-term debt sustainability.

The United States has strongly supported the Debt Service Suspension Initiative (DSSI), which has provided liquidity relief to help low-income economies during the crisis. For countries that may need deeper debt treatment, the United States urges countries to quickly move beyond the DSSI to the G20 Common Framework. The Common Framework provides a venue for countries to address prolonged liquidity problems and debt sustainability. Common Framework treatment is connected to a full-fledged IMF program, which will help guide credible policy reforms—and enables fair burden-sharing from official bilateral and private creditors through the comparability of treatment principle.

**Gender Diversity on the Board of Directors**

Lastly, we are delighted that the Board of Directors has submitted, for the first time ever, a Report to the Board of Governors on Gender Diversity at the ADB Board of Directors. We applaud this important initiative and fully support the proposed multi-pronged work plan. We look forward to reports on progress on this initiative and broader efforts to expand diversity and inclusion across the institution and its operations in the future.
VIET NAM
To Vu Huy, Temporary Alternate Governor

Mr. Chairman, Distinguished Governors, Ladies and Gentlemen!

It is my great honor today to represent the Vietnamese delegation delivering a speech at the 54th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB). I hereby would like to express my sincere thanks to ADB and the Organizing Committee for their outstanding efforts to make this important event happen virtually given the whole world is struggling with adverse impacts of the COVID-19 pandemic, and this is the 2nd consecutive year that the ADB Annual Meeting has been organized in this format due to the COVID-19 outbreak.

The first thing I would like to say is that we, including ADB, have never ever gone through such difficulties as the ones we are struggling with right now. Although the levels of impact vary across countries, COVID-19 pandemic has caused a tremendous loss in terms of human lives, economy, environment, and development opportunities, as well as undermined the achievements we have created in many developing countries, including ADB member countries. It, perhaps, will continue to negatively affect many countries soon, requiring joint efforts, sharing, and support among ADB member countries. I would like to thank and compliment ADB and its leadership in particular, on the timely responses and efficient support to its members, demonstrating that ADB is a trustworthy and capable institution to confront to challenges.

Despite unprecedented difficulties, over the past year, ADB has constantly maintained and ensured its key supporting operations while spending a great deal of resources to assist its members in responding to and mitigating the consequences of the COVID-19 pandemic. ADB has studied and evaluated global economic developments and the impacts on member countries' economies; subsequently providing policy advice in its recently published report—Asian Development Outlook 2021. ADB’s operations closely align with its reform goals, including a wide range of initiatives to transform it into an organization whose operations and resources are entirely aimed at development purposes, focusing on better responding to its member countries’ development needs.

Ladies and gentlemen,
The current global context poses new challenges for international organizations, including ADB, which require them to take specific and flexible actions to support member countries, contributing to sustaining the economic stability and driving forces for growth, as well as ensuring

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a Changed by Meeting Secretariat.
achievements in hunger eradication and poverty reduction. In addition to research and early warnings, we expect ADB to continue to strengthen global coordination with other international organizations for joint policy, and to provide policy advice and solutions that are appropriate for each member country.

To achieve the goals of ADB Strategy 2030, ADB, in consultation and coordination with its member countries, international and civil organizations, has been issuing many implementing guidance and mechanisms to ensure that these policies will be effective and efficient. However, considering the enormous challenges that we have had and will continue to confront, such as the impact of COVID-19 pandemic, climate change, environmental pollution, sustainable development, and poverty reduction ... etc. perhaps in the coming time ADB will be required to make more effort and become more creative and flexible. ADB’s support should be consistently delivered in a One ADB approach, where both public and private sectors will be harmoniously integrated, unlocking enormous potential resources. We also hope that ADB will continue to make a strong adjustment to its organizational structure, focusing on building internal capacities to be able to carry out its mission.

Ladies and gentlemen,

The socio-economic development of Viet Nam in 2020 is also tremendously affected by the COVID-19 pandemic because of its great integration into the global economy. However, thanks to the constant efforts, the right and timely policies, and the synchronous implementation of the Government’s solutions, including the flexible and effective management of monetary and fiscal policy, important results have been achieved in terms of stabilizing the macro-economy and curbing inflation. Viet Nam has been successful in controlling the spread of COVID-19 with less than 3,000 infections as of the end of April 2021 and has become one of the few countries that maintained positive GDP growth of 2.9%. Foreign direct investment and disbursement of concessional loans were fairly good. Social security is guaranteed.

2021 is an eventful year for Viet Nam because of the organization of the XIII National Congress of the Party, the upcoming election of the XV National Assembly and the People's Councils at all levels. It is also the first year Viet Nam implements the 2021-2030 Socio-Economic Development Strategy and the 2021-2025 Socio-Economic Development Plan. We foresee opportunities and advantages, but also anticipate difficulties and challenges, for instance, the COVID-19 pandemic continues to have negative impacts on many aspects of the world and Viet Nam economy. In that context, the overall goal set for 2021 is to focus on effectively preventing and combating the disease, protecting people's health, and to ensure socio-economic recovery and development, including maintaining macroeconomic stability, controlling inflation, guaranteeing major balances; promoting strong economic restructuring associated with the innovation of growth model, improving productivity, quality, efficiency, autonomy, and competitiveness, and developing a strong domestic market.
Thanks to the efforts and determination of the Government of Viet Nam, the initial results achieved in Q1/2021 are encouraging with many positive changes. The economy maintained the GDP growth rate at 4.48% in quarter 1, which is higher than the growth rate of 3.68% in the first quarter of 2020. ADB has forecasted that Viet Nam's economic growth will be 6.7% in 2021 and 7% in 2022. We will continue to strive to at least achieve the above forecasts.

Despite the initial successes, the Vietnamese economy still faces many challenges and difficulties in 2021. These include: the adverse effects of the COVID-19 pandemic, the risk of new outbreaks in the country, stable and yet unsustainable macroeconomy, the risk of increasing budget deficit and inflation. Bad debts have not been completely resolved. The economic restructuring and growth model transformation are at slow and uneven pace. Difficulties and obstacles during the reform process, limited resources, short-term growth pressures, and assurance of social security and stability are major issues that need to be addressed. In addition, Viet Nam's economy may be negatively affected by the world’s volatile economic and political situation.

Ladies and gentlemen,

Viet Nam has always appreciated ADB's valuable support throughout the country's development process in terms of financing and policy advice. We expect ADB's new Country Partnership Strategy to be relevant and responsive to Viet Nam's development needs in both public and private sector. In the development process of Viet Nam over the past years, it can be said that ADB has always been a reliable and responsible partner. Allow me to express my sincere thanks to ADB and other bilateral and multilateral development partners.

Finally, I would like to emphasize the fact that while we are here at this virtual Conference, the world is experiencing many changes and difficulties and yet great opportunities. With a strong belief that through effective cooperation between financial institutions, among ADB member countries, I am confident that we will be successful in achieving ADB's mission of creating an Asia free of poverty and with sustainable development. I wish the Conference a great success.

Wishing you success, health, and happiness. Thank you.
LISTS OF ADB MEMBER DELEGATES, ADB BOARD OF DIRECTORS, AND MANAGEMENT
### REPRESENTATION OF MEMBERS
(GOVERNORS, ALTERNATE GOVERNORS, TEMPORARY ALTERNATE GOVERNORS)

<table>
<thead>
<tr>
<th>Country</th>
<th>Governor</th>
<th>Alternate Governor</th>
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<td>Viet Nam</td>
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## ADVISERS TO GOVERNORS

### Australia
- Nora Abadia Perez
- Abigail Bakker
- Hannah Bartlett
- Andrew Fragomeli
- Lisa Hannigan
- Glenn Kilimann
- John Larkin
- Felicity O'Brien
- Aisling Philippa
- Jacqui Powell
- Annemarie Reerink
- Michelle Shepherdson
- Edwin Silence
- Kate Thelander
- Ryan Thew
- Amy Williams

### Austria
- Peter Istjan-Hoelzl
- Katharina Hermann

### Bangladesh
- Rabeya Akter
- Md. Fardous Alom
- Masuda Begum
- Syeda Fahmeen
- Gazi Islam
- Pear Mohammad
- Parimal Sarker
- Faisal Zahur

### Belgium
- Kurt Delodder

### Brunei Darussalam
- Nurussaadah Muharram
- Irwan Rashid
- Azemah Sahamd
- Amanina Bahrin

### Cambodia
- Sopanhavorn Chan
- Sopheap Chan
- Vanarith Chheang
- Samrith Chhuon
- Touch Eng
- Vanndy Hem
- Bonnaroth Houl
- Wattanak Non
- Phalla Phan
- Seilava Ros
- Phiyorin Tep
- Rithymony Uy
- Sokthearith Yi
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### BOARD OF DIRECTORS AND DIRECTOR’S ADVISORS

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<th>Executive Directors</th>
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## ADB President, Vice-Presidents, Managing Director General, and The Secretary

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<tbody>
<tr>
<td>Masatsugu Asakawa</td>
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<tr>
<td>Bambang Susantono</td>
<td>Vice-President (Knowledge Management and Sustainable Development)</td>
</tr>
<tr>
<td>Ingrid van Wees</td>
<td>Vice-President (Finance and Risk Management)</td>
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<tr>
<td>Shixin Chen</td>
<td>Vice-President (Operations 1)</td>
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<tr>
<td>Ahmed Muneeb Saeed</td>
<td>Vice-President (Operations 2)</td>
</tr>
<tr>
<td>Ashok Lavasa</td>
<td>Vice-President (Private Sector and Public–Private Partnerships)</td>
</tr>
<tr>
<td>Bruce Gosper</td>
<td>Vice-President (Administration and Corporate Management)</td>
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<tr>
<td>Woochong Um</td>
<td>Managing Director General</td>
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<tr>
<td>Muhammad Ehsan Khan</td>
<td>The Secretary</td>
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