

**Doha: Follow-up International Conference on Financing for Development to Review
the Implementation of the Monterrey Consensus**

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Introduction

Excellencies; distinguished participants; ladies and gentlemen: I am very pleased to join many development partners here in Doha, and represent the Asian Development Bank (ADB) at this important international event. On behalf of ADB, I extend our gratitude to the conference organizers for their efforts.

The “Financing for Development Agenda of the 2002 Monterrey Consensus” was a milestone for galvanizing international action for scaling up and sustaining commitments for development financing. It has helped to facilitate measurable progress on the Millennium Development Goals (MDGs), and supported broader socio-economic progress in many developing and emerging economies, including in the Asia-Pacific region.

Despite the achievements, we also believe that further assessments on the progress, constraints, and opportunities of the Monterrey Consensus are needed. It is particularly important for our region – as we have recently faced the impacts of the financial crisis, food price crisis, and impacts of climate change. We believe that unless an appropriate set of actions are taken, the Asia-Pacific region can face a reversal of the recent socioeconomic gains for many of its poorest citizens.

Recent Achievements and Current Challenges for the Asia and Pacific Region

As the fastest growing region in the world, Asia and the Pacific has made considerable progress towards meeting the MDGs. During the last two decades, hundreds of millions of people have been lifted out of extreme poverty. The level of child mortality has decreased, and access to primary education has increased – although significant gender inequality continues to exist.

Yet, with only seven years left before the MDG 2015 target date, significant challenges persist. These include disturbing levels of maternal mortality, low coverage of water and

sanitation, the loss of forest cover and the serious implications for climate change, and weaknesses in systems for social protection. Moreover, many women continue to face discrimination in their homes and communities and often suffer harsh working conditions. The Asia-Pacific region is critical for the global achievements on the MDGs – it remains be the home to more of the world's poor than any other region on earth, with many countries suffering the detrimental effects of persistent conflicts and major natural disasters.

Currently, **the region's development challenges** are compounded the recent financial crisis, commodity price crisis, as well as impacts of climate change. Although the effect of the current financial crisis is not yet fully known, we expect that it will have significant consequences to the poor people in the region. Its impact on the unemployment and the governments' expenditures on social programs is a cause for grave concerns. A study of the relationship between growth and poverty by ADB, UNDP and UNESCAP estimates that, for every 1 percent reduction in annual per capita income growth in the region, about 35 million people who would have been freed from poverty will remain mired in it. Our concern on the impact of the financial crisis is heightened by the fact it is quickly following the recent, historical rise in food and fuel prices. At the same time, the impacts of natural disasters and climate change – especially on people's health – place another significant burden on our development.

ADB and Partnerships for Development Finance

The above challenges are indeed daunting for the world and the Asia-Pacific region. That is why ADB's corporate vision under its new long-term strategy, *Strategy 2020*, will continue to be "An Asian and Pacific Region Free of Poverty". The three main, strategic agenda for *Strategy 2020* are: inclusive growth, environmentally sustainable growth, and regional integration. Based on *Strategy 2020*, we are taking the following actions on the challenges as discussed above:

- First, to support the region through the financial crisis, ADB take specific steps, including the continued support for financial intermediation and institutions. ADB has also proposed the creation of an Asian Financial Stability Dialogue to allow the governments to coordinate responses and develop early-warning and monitoring systems.
- Second, to address the food price crisis, ADB is providing up to \$500 million in immediate budgetary support to strengthen safety net programs through cash transfers, food-for-work, food stamps, and school feeding schemes. To address long-term

structural factors, ADB's lending for agriculture and rural development will rise to more than \$2 billion in 2009.

- Finally, to assist the region for a more sustainable development, ADB is supporting the region on both mitigation and adaptation, including enhancement of clean energy, energy efficiency, and reduction in greenhouse gas emissions. Various adaptation measures, including those related to health and natural disasters, will also be supported.

Although we are fully committed to undertake these actions, we also have to ensure that our activities will be based on enhanced partnerships and additional resources. On partnerships, we recognize that for Asia and the Pacific, the greatest amount of financing for economic growth and social development is sourced from within the region. Governments, private sector and local civil society draw upon their own resources and invest actively in the future well being of their region and citizens. ADB has imbedded this approach to mobilizing and allocating development finance in its own corporate strategy. Our effort will also include private capital flow, and to facilitate this, the share of ADB's annual operations for private sector development will aim for a target of 50 percent by the year 2020.

For resource requirements, in May of this year, we have completed the \$11.3 billion replenishment of the Asian Development Fund (ADF) – ADB's concessional leading window, to help ADB sustain its support to the poorest countries, in the form of both concessional loans and grants. In addition, we need to ensure that the many low and other middle-incomes countries in the region that do not borrow from ADF are also supported. We are now discussing a general capital increase (GCI) with our shareholders. A timely conclusion on the GCI will allow ADB to support accelerated investments in developing Asia's emerging economies to deal decisively with many of the investment-intensive challenges of the region.

Conclusions

Ladies and gentlemen: the developing Asia-Pacific region is playing a larger role in the global economy and will continue to do so – provided that it continues to receive the support that has helped generate its past achievements. ADB remains confident that our development partners, through the GCI and other efforts, will continue to provide us with the resources to help make that success possible – both in the immediate future and for many years to come. Thank you very much, and we look forward to the successful outcome of this conference.