Statement by

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87th Meeting of the Development Committee

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On behalf of the Asian Development Bank, I wish to express our appreciation for the invitation to attend the 87th meeting of the Development Committee as an observer. I would like to briefly discuss three issues: first, the latest economic outlook for the Asia and Pacific region; second, sustainable transport; and third, the post-2015 development agenda.

A. Economic Outlook

Our recent Asian Development Outlook indicates that developing Asia is bouncing back from the slowdown of the previous year. Robust domestic demand and greater reliance on regional trade are expected to accelerate growth from 6.1% in 2012 to 6.6% in 2013 and 6.7% in 2014.

With continued sluggishness in the advanced economies, we believe that developing Asia must continue to shift toward more domestic demand and trade with emerging markets. Inflation is still relatively stable, but is expected to pick up from 3.7% in 2012 to 4.0% in 2013 and 4.2% in 2014, as regional economies return to their production potential in the midst of rising global liquidity from advanced economies.

Developing Asia’s recovery phase remains vulnerable to shocks. Authorities there will have to safeguard the soundness of the finance sector to avoid disruptive asset bubbles. A number of issues could jeopardize macroeconomic stability – such as political discord surrounding the US fiscal debates, austerity fatigue in the euro area, and border disputes in Asia.

The region needs an ample supply of clean, affordable energy in order to continue its rapid growth in the coming decades. To achieve energy security, developing Asia needs to actively contain its rising demand, aggressively explore new supply sources and technology, and progressively integrate regional energy markets and infrastructure.

B. Sustainable Growth and Environment

Rapid growth in Asia has brought with it damage to the environment. The reliance on fossil fuels, which generate pollution, has led to degraded air quality and eco-systems, reduction in clean water supply, and significant health hazards. Asia has become the world’s largest source of greenhouse gas emissions, which are linked to global warming and climate change. Its cities are amongst the most polluted and the most vulnerable to extreme weather events.

To respond to this growing challenge, ADB has put in place a Sustainable Transport Initiative Operational Plan to support transport that is accessible, affordable, environment friendly, and safe. Accordingly, we are scaling up our operations in areas such as railways, urban transport, inland waterways and non-motorized transport.
ADB also recognizes the importance of taking concerted action at the global level. At Rio+20, ADB joined with the other major multilateral development banks in a voluntary commitment to sustainable transport, drawing attention to the essential role that sustainable transport plays in sustainable development.

Under the Commitment, our organizations are expected to provide more than $175 billion of loans and grants for developing countries over the coming decade, to help develop more sustainable transport systems. Our Commitment was widely recognized as one of the biggest achievements of the Rio+20 Summit in 2012.

C. Post-2015 Development Agenda

ADB has been taking a very active role in the UN-led process of defining the post 2015 development agenda in Asia and the Pacific, mainly through the regional ADB-ESCAP-UNDP Millennium Development Goals (MDG) Partnership. This partnership has both regional and global outreach – through the regional commission and the UN’s global development program.

Jointly with ESCAP and UNDP, we are preparing a regional MDG Report, the eighth annual report to be produced by the partnership. The report will focus on Asia-Pacific perspectives on the post 2015 development challenges and agenda. Its preparation draws on an extensive process of consultations, the engagement of an expert panel on critical issues, a number of seminars, and input from ADB communities of practice.

ADB has taken steps to network and share key messages on the post-2015 development priorities for Asia and the Pacific. ADB and its partners met with UN officials in January of this year to discuss and mainstream views gathered from the regional consultations into the global deliberations.

We expect to finalize the report by June 2013 to make it available to various panels and groups deliberating on the final post-2015 development agenda. And we are planning further dissemination of the report, including a formal launch ahead of the UN High Level Summit in New York in September 2013.

ADB will continue to play an important role as a regional development bank through the spectrum of our financial instruments, technical assistance and policy engagement, as well as our engagement with other development partners. We look forward to working closely with other multilateral development banks to identify opportunities for more sustained financing of the MDGs and the post-2015 agenda.