

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**STATEMENT OF THE UNION FINANCE MINISTER IN FIRST
BUSINESS SESSION OF 48TH ADB ANNUAL MEETING AT BAKU**

New Delhi, May 4, 2015
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Following is the Text of the Statement of the Union Finance Minister
Shri Arun Jaitley at the First Business Session of the 48TH Annual
Meeting of the Asian Development Bank (ADB) at Baku, Azerbaijan
today:

“Mr. Chairman, Governors of ADB and Heads of Delegations, Mr.
President, Ladies and Gentlemen.

It gives me immense pleasure to participate in the 48th Meeting of the
ADB Board of Governors at Baku – the ‘city of winds’- the largest city
in the world below the sea level.

Mr. Chairman, through you, I would like to thank the Government and
people of Azerbaijan for the warm welcome and splendid hospitality.

The devastating earthquake in Nepal last month has caused loss of
precious lives and widespread damage. Nepal is our close friend and
neighbor. We stand with them in coping with this tragedy.

Last Meeting

At the last Annual Meeting at Astana, President Nakao had outlined few key initiatives to make ADB more relevant and more efficient. This included the plan to seek merger of ADF resources with OCR and reforming ADB.

We are pleased to note progress on both these areas. President Nakao deserves our appreciation for the highly consultative process through which the merger of ADF resources with OCR was managed. This was critical to securing the unanimous consent of all ADF donors.

To use the enhanced lending capacity, thus available, ADB has to build a strong project pipeline for implementation from 2017.

The Mid Term Review of Strategy 2020 focused on strategic direction and efficiency of operations. The emphasis on project implementation and greater role and authority to Resident Missions are steps in the right direction.

Global Economic Environment

We are meeting at a time when the global economy is looking slightly better than 2014 but not by much. Global growth in 2014 was lower than initially expected – continuing the pattern of disappointing outturns as seen in earlier years. Beneath the headline numbers, increasingly divergent trends seem to be at work both in the developed and emerging market economies.

In midst of the continuing global economic vicissitude, the Asia-Pacific region appears to be the functional ‘growth engine’ for the

world economy. Asian Development Outlook 2015 estimates Asia to grow at 6.3% in 2015 and 2016.

According to various estimates, India is expected to grow at 7.5-8.0% in both 2015 and 2016. This only reaffirms India's fascinating growth prospects. In a time span of less than a year, our Government has taken a number of steps to revive the economy. Our goal is to place the Indian economy on a high and sustained growth trajectory through focus on infrastructure development, skills development, improving ease of doing business and economic reforms including comprehensive social safety net and fiscal discipline.

ADB Operations

Mr. Chairman, it is heartening to see that though in 2014, ADB's total loans and grants operations, at US\$13.5 billion, were slightly less than the previous year, the project co-financing has increased to over US\$9 billion. ADB's increased focus on delivery has started showing results. The disbursements in 2014 were 17% higher than the past year. I am told that the contract awards have been the best in the past five years. We hope to see this emphasis on delivery to continue.

Bigger ADB - *Twenty by Twenty*

Development needs of Asia and Pacific region are large and growing. If Asia has to provide growth impetus to the rest of the world, this region has to make significantly higher investments in its infrastructure and people. Merger of ADF-OCR is a one-time opportunity and by itself not enough. ADB should aim for annual business of at least US\$20 billion by 2020. ***Twenty by Twenty*** should be our corporate goal, the Mantra.

Mr. Chairman, you would recall that India had, in the Meeting of the Board of Governors last year, stressed the need of capital increase to enable the Bank to support the member countries. President Nakao also echoed this in his statement today. I urge my fellow members to respond favourably to enable ADB meet the aspirations of its clients in Asia and Pacific.

Looking Beyond 2020

While Strategy 2020, formulated in 2008, continues to remain relevant, considering the new opportunities and challenges, we should start work on our Strategy to guide ADB Operations post 2020. Our vision should not be constrained by what we can do with existing resources but must be guided by what we need to do. We must do everything that is needed to support our member countries fight poverty and inequalities and to help them realize their growth potential

Regional Cooperation

In a world that is becoming increasingly more flat, regional cooperation is at the centre stage of growth strategy. ADB is a uniquely placed MDB with a very clear focus on supporting regional cooperation. We welcome setting aside of US\$500 million for regional cooperation under OCR in response to our persistent demand. I urge ADB to continue with its thrust on regional cooperation not only within South Asia but also between South Asia and rest of Asia.

Better ADB

ADB not only needs to become bigger, it also needs to become better, as a model among the MDBs. At times, our clients find our processes cumbersome and response slow. I am glad that the Action Plan following the Mid Term Review of Strategy 2020 focusses on business process re-engineering, procurement reforms, delegation and decentralization. We would like to see a much faster progress in these areas.

India Operation

India and the ADB share a productive and beneficial relationship. India is now ADB's largest client. With a bigger and better ADB, we would also like to see our partnership move to the next level. In addition to supporting conventional infrastructure projects, we would like a deeper engagement on development of Smart Cities, Industrial Corridors, Rail transport and manufacturing and job creation through flagship initiatives of '***Make in India***' and '***Skill India***'.

Mr. Chairman. We have done well in 2014. I am sure we will continue on this path for a ***Bigger and Better*** ADB.

Thank You.”
