



MINISTÉRIO DAS FINANÇAS E DA ADMINISTRAÇÃO PÚBLICA
GABINETE DO SECRETÁRIO DE ESTADO ADJUNTO E DO ORÇAMENTO

Intervenção do Secretário de Estado-Adjunto e do Orçamento Emanuel Augusto Santos

42ª Reunião anual dos Governadores do Banco Asiático de Desenvolvimento (BAD)

It is a great honour to address the 42nd ADB's Annual Meeting on behalf of the Portuguese Government. I would like to begin by thanking the authorities of Indonesia and the Asian Development Bank (ADB) for the excellent organization of this meeting and their warm welcome.

2008 was a challenging year for ADB, for Asia and for the world. The financial crisis hit hard the most advanced economies and especially during the second half of the year, it hit also some Asian Developing Member Countries (DMCs). Even though some of the Asian economies are today much better prepared to face this crisis, this severe downturn will cause a reduction in exports, a decrease in FDI, and a significant drop in remittances in the region, resulting on a negative impact on the GDP forecasts of most DMCs. This picture is particularly worrisome if we consider that, yet again, the crisis will hit the poorest and most fragile the hardest, leading to an increase in the poverty headcount and potentially jeopardizing the progress made so far towards achieving the Millennium Development Goals in the region.

We must therefore stand ready and determined to face the challenge ahead. As Ms. Sri Mulyani Indrawati tells us in the title of her book, this is a time for turning words into action and I would add in a global and coordinated way. The Bank's activities during 2008 and the first quarter of this year are very welcome: (i) a strong financial position in 2008, despite the unfavourable context; (ii) an impressive track record of approvals; (iii) the unprecedented replenishment of the ADF which will equip the Asian Development Bank Group with important tools to serve and protect its most fragile members, (iv) the approval of the Strategy 2020 which will guide the institution in its interventions in the coming 12 years through the good and less good times and (v) finally the very important internal reforms which will allow the institution to respond more



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effectively to the client's needs, especially in a framework of enlarged scale of operations.

We would like to commend the Bank, under President Kuroda's leadership, for the successful completion of an ambitious General Capital Increase.. We would also like to congratulate the Bank's shareholders for their immediate and committed response to this process, which can only be regarded as a proof of our commitment to poverty reduction and development in the Asia and Pacific region and as a vote of confidence in ADB, their staff and management to meet the challenges of managing the second biggest Multilateral Development Bank and assisting the region in meeting the Millennium Development Goals. Portugal has stood ready from the beginning to support the Capital Increase process and deliver its share of support.

The approved 200% capital increase will have a real and far-reaching impact on the activities of ADB in the coming years. The need for a General Capital Increase (GCI) was clear well before the current crisis struck. The sudden onset of the global financial and economic crisis added further urgency to the need for a GCI.

With enlarged operations come new challenges and Portugal also casts a vote of confidence in the Bank's competence to lead the way also in innovative issues of particular importance to the region as, for example, climate change, maximizing the development impact from its operations, towards a sustainable, inclusive growth, which will benefit especially the poorest countries. ADB must go beyond its role as project financier to establish itself also as a knowledge centre for the region and a privileged partner for policy and social dialogue.

Finally, I would like to express on behalf of my Government our deep appreciation for the work carried out by ADB staff, Management, Board of Directors and especially President Kuroda for the last year's hard work, his high professionalism, competence and dedication.

Thank you for your attention.