

Sixth ADB Business Opportunities Fair (BOF 2015)
Welcome Remarks by
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Asian Development Bank
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Good morning Ladies and Gentlemen.

On behalf of the Asian Development Bank, I extend a very warm welcome to you all. Today's turnout is one of the largest thus far for the ADB Business Opportunities Fair, now running for its sixth year, with more than 700 individuals registered from 43 countries. I thank you for your continued interest and past collaboration.

The annual Business Opportunities Fair is all about strengthening our partnerships. Almost all of ADB's portfolio is delivered in conjunction with consultants, contractors, manufacturers and suppliers, like yourselves, who are contracted by ADB's development member countries to implement ADB-financed projects. Therefore the Business Opportunities Fair provides a one-stop forum for you to obtain information about how to potentially offer your goods and services for ADB-financed projects, as well as an excellent opportunity to meet with industry peers and ADB staff, including sector specialists. We want to share information to help you submit responsive bids, proposals and expressions of interest to meet better the needs of our developing member countries. ADB-funded projects can only benefit from the more competitive procurement of high-quality goods, works, and diverse consulting expertise.

Let me put this in the context of the regional opportunities and challenges we face, and how we are strategically positioning ourselves to respond as an institution.

CHALLENGES AND OPPORTUNITIES – MTR STRATEGIC DIRECTIONS

In 2014, ADB concluded a midterm review (MTR) of our long-term strategic framework - to improve our relevance, responsiveness and effectiveness to meet the challenges of a transforming Asia and Pacific and provide better services to our client countries. The MTR concluded that tackling poverty was very much an unfinished agenda in our region, along with rising inequality and vulnerability, persistent gender inequalities, climate change and growing environmental pressures. This was combined with other prevailing challenges such as rapid urbanization, significant infrastructure constraints, middle income traps from poor productivity and lack of innovation, limited quality of governance and untapped potential for regional cooperation.

The Review also found that during 2008-2012, more than 80% of our operations were in our Strategy 2020's five core areas – infrastructure, environment and climate change, regional cooperation and integration, finance sector development and education, with infrastructure operations being the main contributor. While keeping to this concentration, it highlighted the need to sharpen ADB's operational focus on poverty reduction and inclusive growth – including through an increased share of investments in education, up

to 10% of the portfolio, and health, up to 5% of the portfolio. Likewise, it called for support for social protection, financial inclusion and inclusive business, as well as an annual target of \$2 billion for food security and agriculture. The Review also committed ADB to step up its responsiveness to the demands of the evolving business environment, including the needs of Middle Income Countries, private sector development and innovative knowledge solutions. Of course, the development demands of our poorer, more fragile and conflict-affected member countries remain a major priority.

Let me now focus on some particular areas of challenge and opportunity – infrastructure development, and the role of the private sector.

INFRASTRUCTURE AND PRIVATE SECTOR

By our estimates, emerging Asia and Pacific will need about 750 billion dollars a year in infrastructure financing alone, for both hard and soft infrastructure, to support current levels of economic growth. Infrastructure development spans across sectors and disciplines, in urban and rural areas. Hence infrastructure will remain the main focus of ADB operations, through which we can offer knowledge and best practices, along with public sector lending. However, a significant portion of the massive infrastructure investment requirements will have to come from the private sector. And this also must be premised on an enabling environment of government policies that foster innovative projects and businesses. ADB is proud to be helping to catalyze high technology infrastructure investment through innovative financial and technical support, as evidenced, for example, by ADB-financing for privately developed solar power projects in some countries. We believe that long-term private infrastructure investment can attract novel technologies to very basic infrastructure services. ADB aims to expand our assistance for private sector development and operations.

PROJECT IMPLEMENTATION AND PROCUREMENT MANAGEMENT SUPPORT

Another key corporate priority is increasing the efficiency and effectiveness of project implementation and portfolio management. There are many facets to this – from ensuring project readiness to developing effective implementation capacity. Procurement as well is integral to project implementation and ADB's operations. Investment projects represent about 90% of lending and implementation relies on the timeliness, and effectiveness of ADB's procurement processes. To address the wide range of procurement related challenges faced by ADB, a Procurement Reform 10 Point Action Plan was approved by the ADB President as part of the MTR agenda. The key objective of the reform is to improve ADB's procurement performance – that is, to reduce procurement time, increase administrative efficiency and improve project delivery while maintaining sound fiduciary oversight. The reform implements a new risk-based approach to procurement governance under the existing ADB guidelines.

These reform actions are currently under implementation and initial results are encouraging. For example, recent data shows that the average time for ADB approval from receipt of an executing agency's bid evaluation report is 34 days, which is less

than 57 days in 2013, and better than our corporate 2016 target of 40 days. We expect the full impacts of these positive reforms to be felt in 2015.

Lastly, a word about finances. I would like to highlight that we are taking concrete steps to enhance our capacity to meet our region's large-scale development financing needs. This includes an innovative proposal to combine our Asian Development Fund (ADF) concessional loan window with our Ordinary Capital Resources (OCR) balance sheet, which will boost significantly our scale of financial assistance from 2017 onwards.

CONCLUSION

In conclusion, let me say, you have a full 2-day program of sessions ahead of you, which will cover our procurement system; sector-specific opportunities, emerging themes; procurement integrity and other areas we hope are of interest to you. You will hear from a range of ADB colleagues from different work areas, and there will be networking opportunities.

I wish you a successful forum and a productive visit to the ADB. I look forward to meet some of you at the end of the day during drinks.

Thank you.