

1980-81-82

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

EXPLANATORY MEMORANDUM

Bill for an Act to authorise a
further contribution by Australia
to the Asian Development Fund.

OUTLINE

This Bill will authorise an appropriation of \$212,332,030 as Australia's contribution to the third replenishment of the Asian Development Fund. Existing legislation is the Asian Development Fund Act 1974 which authorised Australian contributions to the establishment of the Fund. Further contributions were authorised under the Asian Development Fund Acts of 1976 and 1978.

The Asian Development Fund came into operation during 1974. It was designed to provide a mechanism for the systematic mobilisation of resources for the Bank's concessional lending operations for the benefit of its poorest and least developed member countries. Australia participated in the initial contributions to, and the first and second renewals of the Fund.

The purpose of the Bill is to enable Australia to fulfil its obligations in the appropriate manner in regard to the third replenishment of the Fund. With this contribution Australia's share in the Fund will increase from 5.14% to 7.2%. This reflects the Government's continuing strong support for the Bank as an effective development finance institution operating in our geographical region.

EXPLANATION OF CLAUSES

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| <u>Clause 1</u> | Formal clause |
| <u>Clause 2</u> | Commencement clause |
| <u>Clause 3</u> | Interpretation clause |
| <u>Clause 4</u> | This clause specifies the amount that Australia will contribute to the Fund by way of a further payment. |
| <u>Clause 5</u> | (i) This sub-clause specifies the manner in which Australia will make its contribution, i.e., by lodging promissory notes.

(ii) This sub-clause specifies the terms under which a promissory note may be lodged. |
| <u>Clause 6</u> | This clause appropriates the required funds from the Consolidated Revenue Fund. |