

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

ASIAN DEVELOPMENT FUND BILL 1987

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Honourable Bill Hayden, M.P.  
Minister for Foreign Affairs and Trade)

## ASIAN DEVELOPMENT FUND BILL 1987

### OUTLINE

The purpose of this Bill is to:

authorize a contribution by Australia of \$A410,000,000 towards the fourth replenishment of the Asian Development Fund.

The Asian Development Fund (ADF) is the concessional lending arm of the Asian Development Bank. Its resources are directed towards the poorest countries in the Asia/Pacific region.

Australia has been a member of the ADF since it was established in 1974 and has participated in the previous three replenishments. The Asian Development Fund Act 1974 authorised Australia's contribution to the establishment of the Fund. Further contributions were authorised under the Asian Development Fund Acts of 1976, 1978 and 1982.

The fourth replenishment, which totals \$US3.6 billion, is intended to cover the ADF's lending operations over the period 1987-1990. The Australian contribution of \$A410 million amounts to 7.98 per cent of the total replenishment.

### Financial Impact

In accordance with Australian practice, payment will be made in the form of non-negotiable, non-interest bearing promissory notes which will be encashed over a period of twelve years beginning 1987/88. Funds required for 1987/88 are provided within the global aid allocation and no additional allocation is required. Funds for the future years will be found within the global aid allocation.

#### ESTIMATES OF DRAWDOWNS FOR ADF-V (Amount in \$A million)

Fiscal Year	87/88*	88/89*	89/90*	90/91*	91/92	92/93
	1.8	1.7	2.0	2.3	0.0	0.0
Fiscal Year	93/94	94/95	95/96	96/97	97/98	98/99
	55.0	100.3	106.3	47.0	47.0	46.6

\*Over the first four years 2 per cent of the resources mobilized under the fourth replenishment will be drawn down to provide technical assistance to developing country members.

These estimates are liable to change depending on exchange rate variations and the actual rate of disbursements by the Asian Development Bank.

## Notes on Clauses

### Clause 1      Short title

This clause provides that the short title of the Act is "Asian Development Fund Act 1987".

### Clause 2      Commencement clause

This clause provides that the Act will come into operation on the day on which it receives the Royal Assent.

### Clause 3      Interpretation clause

This clause provides a definition of a term used in the Act. That is:

"Bank" means the Asian Development Bank.

### Clause 4      Contribution to the Asian Development Fund

This clause specifies that Australia will contribute \$A410 million to the Asian Development Fund by way of a further payment.

### Clause 5      Issue of Promissory Notes

- (1) This sub-clause specifies the manner in which Australia will make its contribution, i.e. by lodging promissory notes.
- (2) This sub-clause specifies the terms under which a promissory note may be lodged. That is:
  - (a) it shall be payable to the Bank;
  - (b) it shall be non-negotiable and non-interest bearing; and
  - (c) it shall be payable at its par value on demand.

### Clause 6      Appropriation

This clause appropriates the required funds from Consolidated Revenue.

