

1992

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

ASIAN DEVELOPMENT FUND BILL 1992

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for
Trade and Overseas Development,
the Honourable John Kerin MP)

ASIAN DEVELOPMENT FUND BILL 1992

OUTLINE

The purpose of this Bill is to:

- authorise a contribution by Australia of \$A350,000,000 towards the Fifth 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 four 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, 1982 and 1987.

The Australian contribution of \$A350,000,000 amounts to 6.5 per cent of the total fifth replenishment value of \$US4.2 billion. The main principle of payment arrangements is that contributions should be paid in instalments in such a manner that at least one payment is made in each of the four calendar years covered by the fifth replenishment, 1992-1995.

FINANCIAL IMPACT

In accordance with Australian practice, payment will be made in the form of non-negotiable, non-interest bearing promissory notes which are expected to be encashed over a period of nine years beginning 1992/93. Funds required for 1992/93 will be provided within the global development assistance allocation. Funds for future years will be found within the global development assistance forward estimates.

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

Fiscal Year	92/93	93/94	94/95	95/96	96/97
	1.8	1.8	1.8	1.8	9.6
Fiscal Year	97/98	98/99	99/00	00/01	
	85.7	88.5	91.5	67.5	

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 1992".

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 \$A350 million to the Asian Development Fund by way of further payments.

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 it shall be payable at its par value on demand.

Clause 6 Appropriation

This clause appropriates the required funds from Consolidated Revenue.



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