

CANADA
LARRY BAGNELL, Head of Delegation

I want to begin by thanking the government of the United States and the people of Honolulu for making us so welcome.

It is an honor to speak on behalf of Canada, and a pleasure to note the achievements of the Asian Development Bank (ADB) over the past year. Among other things, these include

- successful negotiation of the seventh replenishment of the Asian Development Fund;
- completion of the long-term strategic framework;
- strong progress in restoring ADB to financial health, following the extraordinary strains of Asia's crisis years;
- and, most encouraging of all, demonstrated commitment to the International Development Goals, and specifically to making poverty reduction the first and overarching priority of ADB.

This is a very positive record. All of us—the President, Management, staff, and regional and nonregional members—can take some pride in what has been accomplished.

But poverty and human deprivation are still too large a part of Asia's daily reality. I believe that we need to respond to three broad challenges: implementation of ADB's poverty strategy, internal governance reform, and defining ADB's role. First, implementing ADB's poverty reduction strategy. We must continue to pursue the vision of "an Asia and Pacific region free of poverty." This means nurturing pro-poor economic growth, with great care for the environment that supports and sustains everything else.

In this regard, I'm pleased to mention that, just recently, we approved a Canadian Trust Fund with ADB, to support work in the field of the environment and climate change.

Social development is also essential for poverty reduction, as is stressed in ADB's strategy. This is in line with the Social Development Priorities of the Canadian International Development Agency—health and nutrition, basic education, fighting HIV/AIDS, and protecting children.

Another essential ingredient for poverty reduction is good governance. Canada stresses the importance of following up ADB's action plan on governance.

And again, in this regard, I'm happy to note that Canada is finalizing with ADB a Trust Fund to support implementation of this action plan, so that Canada and other members can contribute to strengthen governance. This kind of collective effort is the

hallmark of multilateralism.

The second broad challenge is reform of ADB's internal governance. There is a wave of support for better internal governance in all the multilateral development banks. Each needs to be more accountable to shareholders, and more responsive to stakeholders. ADB must keep pace, or better still, blaze trails.

We are pleased with many of the initiatives in this regard. We welcome the establishment of the Committee on Development Effectiveness, which held its first meeting in March. We look forward to seeing ADB open up recruitment of senior staff positions. These kinds of reforms are necessary to safeguard ADB's multilateral nature, and sustain the support of its membership.

The third broad challenge is for ADB to clarify its international role, that is, to define ADB's most appropriate role in the broader context of improving the world's international financial architecture and promoting international development. We must always be moving ahead in the direction of coherence, coordination, and partnership. We need to translate these principles into specific decisions and actions, if ADB's financial and intellectual resources are to have maximum impact on poverty in Asia.

To be efficient, we need to seek and respect the logic of comparative advantage, rather than trying to be all things to all people. ADB and other institutions must coordinate and complement their activities to implement country-owned national poverty reduction plans.

All of us must work together to support and reinforce the priorities and strategies that are initiated and adopted by developing member countries. We encourage ADB to contribute to the Financing for Development Conference in March 2002 in Monterey, Mexico.

By responding to these challenges, ADB will ensure a vital role for itself in the 21st century in making a major, ongoing contribution to overcoming poverty throughout Asia.