

SWEDEN
GUNILLA OLSSON, Alternate Governor

It is a privilege for me to address the 34th Annual Meeting of the Asian Development Bank (ADB). I am honored to be appointed Alternate Governor to a bank whose values and vision I truly share. Let me wholeheartedly thank our American hosts for locating the annual meeting on this beautiful island of Oahu and for their warm hospitality.

I would like to take the opportunity to welcome our new member country, Turkmenistan.

On behalf of the Nordic countries we welcome the presence of Portugal and Luxembourg as observers. We hope to be able to welcome them as new members at the next annual meeting in Shanghai. Sweden currently holds the presidency of the European Union and I wish to say that it is indeed a pleasure being one of the European members of ADB. Europe has always been a strong supporter and funder of ADB, and Europe actually funded 30 percent of the donor contribution in the Asian Development Fund (ADF) VIII negotiations.

With the bold statement, which we praise ADB for, that poverty elimination is ADB's principal raison d'être, follows an obligation to rethink, restructure, reorganize, and reorient. In my intervention I will focus on the implementation of the Poverty Reduction Strategy and stress three points that all relate to the most important challenge for ADB.

My first point is that the agreement reached in ADF VIII must be consistently implemented. I would like to see the agreement as a concerted effort to ensure that poverty is reduced. The three-pillar approach should therefore govern every single operation and be reflected in every poverty reduction analysis. The framework for poverty reduction, contained in ADB's Poverty Reduction Strategy and reflected in the ADF VIII agreement, is also the framework for ADB and it should govern all ADB operations.

My second point is that ADB needs to make sure that it has the right mix of lending instruments in order to optimize poverty reduction in both low and middle income countries. It is of utmost importance that ADB, although having a specific responsibility for the poorest countries, finds its adequate role in both low- and middle income countries, responding to the different social, political, and institutional realities. We welcome ADB's initiative to review its loan products. It is essential, given the differences among ADB partners, to optimize ADB loan products in order to fight poverty in Asia.

My third point reflects the necessity to put the long term strategic framework into concrete action. Sweden appreciates the broad consultation process on the longer term structural challenges for ADB, prior to the presentation of the long

term strategic framework. We are happy that the Poverty Reduction Strategy and its three-pillar approach constitute a guiding structure for the LTSF. We strongly support the inclusion of environment as a crosscutting issue along with private sector development and regional cooperation.

We now look forward to the first draft of the medium-term strategic framework. It is of particular importance that ADB defines its role in the region and operationalizes its vision of improved well-being and a life in dignity for all. To achieve this, close collaboration and coordination are needed between ADB, the International Monetary Fund, and the World Bank, as well as other relevant actors. We specifically urge ADB to develop a memorandum of understanding with the World Bank.

We are aware that ADB faces tremendous challenges--challenges we are prepared to face with you. Sweden will continue to substantially support ADB and we look forward being partners in reaching the international development targets in Asia.