

**DENMARK****OVE ULLERUP, Head of Delegation**

Let me join others in thanking the Government of the People's Republic of China (the PRC) for hosting this annual meeting in the impressive and dynamic city of Shanghai. We are privileged by the excellent arrangements and kind hospitality. Welcome to the newest member of the Asian Development Bank (ADB)—Portugal.

A most important event this year for Asia and internationally has been the PRC joining the World Trade Organization on 1 January. We welcome this result of decades of persistent economic reform.

International trade is a great potential in any country's development. Many countries present today have successfully benefited from increased exports to enhance growth and poverty reduction. This demands often difficult internal reform. Regional cooperation can facilitate the process as a stepping-stone entering larger or global markets. At the international level we must continue to improve market access; reduce subsidies; and pave the way for a more open, liberal, and fair trade system. The trade negotiations initiated in Doha last November must evolve into a true development round.

ADB has an important role in this process. Enhanced regional cooperation is a key mandate of the Charter. Assisting countries to establish an environment conducive to trade and private sector growth are known strengths of ADB. Development agencies and ADB should stand ready to assist countries with trade-related technical assistance. But we need to go much further. We need to support, in a comprehensive manner, the entire process from production to export in some of ADB's developing member countries. Trade in support of development will be one of the main priorities for the Danish-European Union Presidency during the second half of this year.

We welcome, as others, the results of the Monterrey conference on Financing for Development. Commitments to increase official development assistance were made by the European Union and the United States. The Monterrey Consensus represents an important contribution to the success of the World Summit on Sustainable Development. A summit that will combine economic, social, and environmentally sound development—and a summit that may strike a “global deal” based on common endeavors to strive for

poverty reduction, good governance, democratization, improved trade relations, and protection of the environment.

Globalization contains a number of complexities. But there is no inherent contradiction between globalization and poverty reduction. The task is to make globalization work for the poor. It is a humiliating fact that 1.2 billion people live in extreme poverty—the majority in Asia. The Millennium Development Goals will not be reached without concerted action in Asia. We laud President Chino for firmly establishing poverty reduction as the centerpiece for all ADB's activities. With each country's poverty reduction strategy as the point of departure and the Millennium Development Goals as the aim, ADB's poverty reduction partnership agreements can be important tools. We look forward to seeing them integrated in ADB's country strategies and programs.

The majority of the poor in Asia are women. All evidence suggests that poverty reduction will not succeed without unleashing the potential of women to participate fully in the development process. We believe ADB must focus much more on this issue. ADB should demonstrate more clearly its stated commitment to mainstream gender into all its activities.

We appreciate ADB's efforts in Afghanistan. It is an important contribution to the international fight against terrorism. Denmark has committed substantive resources to assist in the rebuilding of Afghanistan and looks forward to cooperating closely with ADB in this endeavor. Speed is of essence—early results to make the peace dividend felt for the peasant farmers and village dwellers are paramount. We encourage ADB to give this due attention, while the foundation is laid for the long-term engagement.

The issue of aid efficiency is high on the international agenda. We need to be better at measuring the outcome and results of our interventions. ADB is quite advanced in postevaluation and monitoring. Now it is essential to improve baselines and indicators to measure the results actually achieved in the field and their contribution to reaching the Millennium Development Goals. The work on indicators should be a joint effort to reach joint standards by the multilateral banks, United Nations, borrowing countries, and development agencies.

Demonstrating that the desired effects are reached will help raise additional resources for ADB. The same applies to the internal governance of ADB. We welcome the creation of the Board Committee for Development Effectiveness as a forum for open and frank dialogue. The Board must be given the best possible conditions to exercise shareholder's oversight and contribution to the strategic direction of ADB. We look forward to the results of the consultations on the revision of the Inspection Function and the paper on the role and responsibilities of the vice presidents.

Let me finally ensure you, President Chino, of our full support to you and your institution.