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Ingrid Glad, Head of Delegation

I would like to thank the Government of India and the beautiful and historic city of Hyderabad for their warm hospitality and the excellent organization of this meeting.

Pakistan experienced a devastating earthquake in October last year. We would like to take this opportunity to reiterate our sincere and deeply-felt sympathy for the many victims and for all those who have lost friends and family.

Norway commends the early response, active involvement and leadership of the Asian Development Bank (ADB) in the reconstruction efforts in Pakistan. The Pakistan Earthquake Fund (PEF) was established quickly. Norway will contribute to this fund through a US\$20 million debt-for-development swap between Norway, Pakistan and the ADB. The parties are working on the details at present. We are very happy that ADB is interested in employing these innovative co-financing mechanisms, and hope this may inspire other creditor countries as well.

I would like to start by reiterating Norway's strong support for ADB's long-term vision of "an Asia and Pacific region free of poverty". The long-term strategic framework (LTSF) 2001-2015 provides the road map for translating that vision into action. As you all know, the framework consists of three equally important pillars: pro-poor sustainable growth, inclusive social development, and good governance. It is crucial that all these considerations are duly reflected in the second medium-term strategy (MTS II).

A year has passed since we last met in Istanbul. I would like to commend your work on ADB strategy, including the MTS II and the strategy on regional cooperation and integration. It is important that these strategies are aligned and that they give proper attention to focus and selectivity. In our view, ADB is undergoing a major transformation. During such a transformation process, firm and transparent change management is of utmost importance. The MTS II is the main strategy we need to deal with at this juncture. In the preparation process, we would have liked to have seen more focus on the needs of the poorest countries and a broader and more inclusive consultation process.

Regional cooperation and integration should lead to increased cooperation, with the goal of alleviating poverty in the region. ADB's mandate should be clarified and the value-added it generates should be determined, especially in relation to the two pillars: trade and investment, and monetary and financial cooperation and integration. Norway welcomes the proposal to identify the sectors for private sector involvement in the country strategies and programs (CSPs). Cooperation between the public and the private sector departments of the ADB is crucial to ensure pro-poor development.



I would now like to highlight three issues of particular importance: anti-corruption measures, gender equality, and the environment.

The multilateral development banks lend about US\$40 billion a year. According to a recent World Bank study, a vast amount is lost through corruption. A best-case scenario indicates that some US\$1.2 billion of funds intended for poverty alleviation falls into the wrong hands every year.

The findings of the review of the implementation of ADB's governance and anticorruption policies were worrying, particularly as the MTS II is rather weak on this issue. The objective should not be just to prevent corruption, but to eliminate it, in close collaboration with the developing member countries and ADB's development partners. It is imperative that the forthcoming action plan is firmly rooted in the operational departments and has a clear accountability framework for ensuring its implementation. More resources are needed for the ADB's anti-corruption measures and investigations.

We commend the increased cooperation between the multilateral development banks in fighting corruption. In this context, we would like to encourage you, Mr President, to take a firm public stance on good governance and anti-corruption measures, together with your colleagues in the other banks.

Gender equality continues to be a key priority in Norway's development policy. We all know that gender equality plays an important role in poverty reduction. The Millennium Development Goals have reinforced the importance of this issue. We are long-standing supporters of the ADB's Gender and Development Fund and will continue this support.

It seems to us that gender equality is not exactly at the top of the agenda of the ADB at present. We are quite disappointed that the issue does not figure more prominently in the MTS II. The placement of gender specialists in resident missions has proven to be a most successful institutional innovation under ADB's gender and development policy. It should be continued. We look forward to the gender action plan III, which will be a key document in determining what further actions are needed and hopefully bring gender equality back onto the ADB agenda.

Our new Government is also putting special emphasis on the environment. We warmly welcome ADB's signal, confirmed in the MTS II, that it will become more involved in environmental issues, including water, energy-use patterns and renewable energy. The total public and private investment needs for improved water supply and sanitation are considerable. Although good progress has been made, the Asia and Pacific region is still falling short of targets because of rapid population growth, increased urbanization, and poor water supply performance.

We are also very interested in ADB's carbon market initiative. Carbon finance is a promising tool for attracting private investment for development purposes. We note that several development banks are becoming involved in carbon finance initiatives and would encourage actors to seek synergies, not least with the World Bank's Carbon Finance Unit, which has the most experience in this field.

It is almost 2 years since we completed the negotiations for the eighth replenishment of the Asian Development Fund. The donors' report has a strong focus on alleviating poverty in the region. ADB's reform commitments will make the bank a stronger development partner. The progress of ADF IX will be assessed at the ADF IX mid-term review, which is scheduled for December this year. We look forward to seeing concrete progress, particularly in the area of human resources. The human resources strategy (HRS) is at the core of the reform, and implementation has to be speeded up. A fundamental change in management culture is

needed to achieve transparency, merit-based promotion and empowerment. Furthermore, an annual staff survey would be useful to ascertain any changes in the attitudes and the incentive structure of ADB.

In our view, the most important task facing ADB is to ensure coherence and compatibility between the on-going work on strategy, the reform agenda and the implementation of ADF IX. I would like to assure you, Mr President, that the ADB has Norway's full support in its efforts to accomplish this task.