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CANADA

Hau Sing Tse, Head of Delegation

I would like to thank the Government of Japan for graciously hosting this landmark 40th Annual Meeting of ADB. It is a pleasure to be in Kyoto, a city with a rich history and deep spiritual and cultural roots.

We congratulate ADB on its 40th anniversary. Canada is proud to have been a founding member of this institution and to be its seventh largest shareholder and the second largest non-regional member. We warmly welcome ADB's newest members, Georgia and Ireland. We especially welcome Ireland, which will work with us in our constituency.

I commend the President for the very real progress made in the reform agenda over the past year, which addresses many of Canada's priorities. ADB has made important progress in clarifying its strategic direction as well as in improving the focus of its operations. These are articulated in the medium-term strategy II, which also identifies governance and anticorruption activities as a major pillar. We will be following closely the implementation of these reforms.

We would like to mention our special appreciation of ADB's program in Afghanistan. For example, its work in rehabilitating critical roads and irrigation systems that offer income-generating opportunities to women and landless farmers will make an important contribution to improving people's lives. Canada highly values its partnership with ADB in this program and in others, such as promoting education for girls in Bangladesh.

Recently, the Government of Canada announced a three-point program for enhancing the focus, efficiency, and accountability of aid resources in our international assistance efforts to ensure they are used effectively. These principles are equally valid for international organizations so I would like to draw upon them to highlight three issues that we believe are critical to ADB's role in the region and in the global financial architecture.

Focus

In our view it is vital that ADB – and other multilateral development institutions – increasingly sharpen their priorities, and focus on areas in which they hold a comparative advantage. In this context, we welcome the report of the Eminent Persons Group (EPG), which provides important insights into the transformation of Asia by 2020, and a vision of how the ADB can best adapt to serve its clients in the region's fast-evolving economic and political environment.

Canada can support the broad strategic directions articulated in the EPG report, notably the emphasis on: (1) inclusive growth, (2) environmentally-sustainable growth, and (3) a regional and global focus. We look forward to further development and refinement of these directions in the context of the discussions on ADB's long-term strategic framework.

ADB's commitment to more inclusive growth is well aligned with Canada's values and development priorities. There is a clear need to address the large areas of poverty that persist, not only in the region's weaker performing states but also in middle-income countries. ADB's recent *Asian Development Outlook* highlighted that almost 2 billion people in the region still subsist on less than \$2 a day. There is also widening inequality and serious stress for the 500 million who are either unemployed or underemployed. Asia's future prosperity depends on its ability to use its most valuable resource even more productively – its people.

Canada also supports the proposed emphasis in the EPG report on environmentally sustainable growth and its recommendation that ADB concentrate its energy and environmental activities on global issues such as climate change. The impacts of climate change are already being felt in the region in terms of water availability, biodiversity, food supply, coastal systems, low-lying areas, and public health. In our view ADB is poised to play a key role in ensuring greater cooperation to integrate climate change adaptation efforts more effectively into the national development policies of the most vulnerable developing nations in its region of operation, supported through more effective bilateral, regional, and multilateral assistance.

Development Effectiveness

If development assistance is to play an important role in helping Asia to meet the challenge of sustainable development, it must be provided and used efficiently and effectively. Canada, with other countries, has committed to improving aid effectiveness through a new partnership for development based on the principles of local ownership, alignment, and harmonization, managing for results and mutual accountability. ADB has made important progress in these areas and in particular in strengthening its capacity for management for development results (MfDR). We encourage you to continue to build on your experience in this area.

Taxpayers in Canada and in Asia expect value for money. They are demanding accountability in systems of public governance and they look for development results that will improve their lives. Canada has been pleased to be associated with ADB in mainstreaming the results agenda and would be happy to continue working with ADB to further entrench a culture of achieving development results.

Institutional Effectiveness and Accountability

To remain relevant and effective, ADB needs to accelerate the institutional renewal it started as part of its reform process. The EPG report insists that the continuing ability of the ADB to serve the new Asia will require far-reaching institutional changes, including strengthening institutional capacity and eliminating rigidities in human and budgetary resources management. In our view, human resources are a key to the longer-term institutional effectiveness of the ADB. Thus human resource issues merit more sustained attention from the senior management of ADB.

ADB must also be able to attract the best talent, from within and outside Asia. To accomplish this, it needs to improve its ability to be a merit-based and transparent organization that empowers staff and makes best use of their talents.

Just as ADB should function in a more transparent manner, it should also continue to promote effective policies on good governance and anticorruption activities in member countries.

Conclusion

I would like to close by paying tribute to President Kuroda and the staff of ADB for their high-quality work and ongoing commitment to the development of the Asia. On this 40th anniversary, we are all aware that ADB faces a dramatically different Asia and a dramatically different challenge than it did when it was created. Canada commits to continue its support to ADB and to the people of Asia as they move into this new era. We are proud that we have been a partner with ADB for 40 years – and we expect to remain an active partner for many years to come.