



FINLAND

SATU HASSI, Governor

I would like to express my gratitude to the Government of the People's Republic of China for hosting this meeting, and thank the city and people of Shanghai for their warm hospitality. I also wish to welcome Portugal and Afghanistan to the group.

Less than two months ago, world leaders gathered in Monterrey to discuss financing for development. The result, the so-called Monterrey consensus is an important common understanding that should guide our actions toward achieving the Millennium Development Goals. After Monterrey there should not be any doubt that poverty reduction is the primary objective of all developmental actors. The Asian Development Bank (ADB) participated in Monterrey and in preparations leading to that meeting. We are pleased with the commitment given by President Chino in his opening speech that ADB is working to achieve the Millennium Development Goals.

ADB has adopted poverty reduction as its overarching goal. We have noted with pleasure improvements and developments in ADB's orientation in this respect. The simple fact of having 700 million poor people in Asia is a somber reminder for us that poverty reduction will have to be both the strategic objective, and even more strongly than has perhaps so far been the case, the guiding principle in everyday implementation of activities. We trust that ADB's management will perform this task and we urge all members to support ADB in this work.

The cooperation of the multilateral development banks is an absolute necessity. I welcome the enhanced cooperation between ADB and the Bretton Woods institutions as well as between ADB and United Nations agencies as well as the World Trade Organization. This was strengthened in the Monterrey process. The international community is today more and more convinced that the poverty reduction strategy approach is the framework to tackle development on a country level. Another highly important process is the HIPC process. Finland strongly supports ADB's recent efforts to work in full harmony with these approaches and processes, and in cooperation with other multilateral development banks.

Finland welcomed the recent reorganization of ADB, and looks forward to a more effective and efficient way of operating as a result of this. There are, however, some

issues that we would like to be pursued further. We are concerned about the low number of women, especially in senior staff positions. Women are not a marginal group to be protected. Women are half of human kind. Strengthening women's role in society is not only an issue of justice and equality; it is a necessity in order to mobilize the creative energy of the people to build a better future. In our opinion, ADB clearly needs more women employees as both a matter of equity and in order to better deal with women's role in development. There may be various ways to increase the number of women in ADB, and I would like to see these options openly assessed and taken into use.

Some other organizational matters that need to be addressed include, for example, the number, selection process, role, and responsibilities of the most senior members of the management, especially the vice presidents. We welcome President Chino's commitment to bring this issue to the Board for discussion this year.

As you may know, I am both minister of the environment and minister for development cooperation. It therefore comes as no surprise to you when I say that Finland places great emphasis on the environmental policy of ADB. It is a widespread belief that protection of the environment slows down economic growth. The experience, however, shows that it is possible to design win-win strategies that benefit both the environment and economy. For example, Finland was ranked as number one in the world both in overall competitiveness as well as environmental sustainability. I welcome the fact that a working paper for the new ADB environment policy was brought to the Board for discussion very recently. Finland supports many of the policy paper's issues including ADB's commitment to environment goals set in the Millennium Development Goals. We have also identified some areas for clarification and we wait eagerly for Board discussions on this matter. At this juncture, let me just state that key to improvements in this sector lie in the commitment by ADB to the policy in all levels from strategic decision-making to the level of implementation. Key concepts here are transparency and also listening to the views and feedback given at the local level.

Finland's Channel Financing agreement with ADB is targeted to finance environmental programs in Central Asia. We have been pleased with the experiences and the results gained, and are looking forward to further cooperation of this type in the future.

I would finally like to say that Finland like many other member countries has followed with interest how ADB's inspection function has actually worked with its first case processed through all the steps. All parties involved have learned lessons. Regarding the scope of inspections, we believe that any inspection function in any multilateral organization ought to have a clearly independent role and authority. This is not only good governance—which we think will have to be applied both by ADB as well as by its member states—but in the end also for the benefit of us all as shareholders of ADB.