



NETHERLANDS

WOUTER RAAB, Head of Delegation

It is a pleasure and an honor to address this meeting of the Board of Governors of the Asian Development Bank (ADB). First of all, I would like to thank the Government and the people of the People's Republic of China for hosting this annual meeting in Shanghai. Let me take this opportunity to join my fellow governors in welcoming Portugal as a new member and welcoming back Afghanistan. Also I would like to thank President Chino for his leadership. In the first three years of Mr. Chino's Presidency, ADB has achieved several important milestones. ADB has adopted poverty reduction as its overarching goal, which is also reflected in the long- and medium-term strategic frameworks. Furthermore ADB has adopted the Millennium Development Goals (MDGs). The Netherlands is also pleased with the recovery of ADB's prudential financial indicators as was shown in the latest review of ADB's income outlook.

The Monterrey consensus puts a lot of emphasis on the issue of reciprocity in the development process. It emphasizes the responsibility of developing countries for their own development by adopting sound economic policy frameworks, including the enhancement of strong private sectors. At the same time the low-income countries that come up with a credible poverty reduction strategy should be provided with the financial resources to achieve the MDGs by the multilateral development banks and bilateral donors.

Achieving the MDGs calls for concrete results in the coming years. The Netherlands therefore welcomes the increased importance countries and institutions attach to measure achievements. Taxpayers around the world, who are indirectly shareholders of ADB, must be able to see that their money is spend effectively and produces concrete results. The Netherlands encourages ADB to keep improving its evaluation and monitoring system and further enhancing its transparency. The establishment of the Development Effectiveness Committee at ADB will hopefully prove to be helpful in measuring effectiveness and results.

This brings me to my next point, namely the need for increased cooperation between multilateral organizations themselves and between them and the bilateral donors. Harmonization of procedures is of the utmost importance in order to lower the administrative burden for the recipient countries. ADB and others should align their own

strategies with the poverty reduction strategy of the recipient countries. In this context, ADB should more vigorously seek to participate in sectorwide approaches.

The Netherlands has concerns about the gender sensitivity of ADB. The Gender Action Plan of ADB and the gender strategy in the country strategy and program are important steps in the right direction. The recent evaluation of the gender policy underlines the need for improvements. Important elements to be addressed are the inclusion of gender in the design phase of all projects and programs and of gender experts in relevant missions. We also believe that the number of female staff, in particular in senior management functions, should be increased.

In order for ADB to proceed on its road of reducing poverty it needs adequate resources. In Chiang Mai the Board of Governors requested a study into the resource requirements of ADB. I would like to urge ADB to finalize the study and present it to the Board of Directors as soon as possible. If a study into the resource position demonstrates the need for a capital increase, the Netherlands will not shy away from its responsibility. The fight against poverty should not be hindered by a lack of resources.

Carrying out a mandate not only depends on financial resources, but also on an organization that follows the right business processes. The Netherlands therefore welcomes the reorganization, which has improved the country focus of ADB. However, in our view there are still outstanding issues. These are the role of the vice presidents, and the limited delegation of authority to resident missions. The responsibility of vice presidents should be clearly outlined, while the appointment process of vice presidents should be based on merit and not on political considerations. The upcoming review of the Resident Mission Policy will hopefully strengthen the resident missions and thus heighten the profile of ADB in policy dialogue and donor coordination in Asia at the country level. We therefore urge ADB to deal with these issues in order to complete the reorganization and guarantee its success.

Finally, we welcome the review of the Inspection Function. In our view the Inspection Function needs to be improved in order to be more independent, transparent, and effective.

Mr. Chairman, the Netherlands remains committed to ADB and its mandate and stands ready to extend its support.