

**DENMARK****OLE E. MOESBY, Governor**

Let me join others in thanking the Government of the Republic of Korea for hosting the Annual Meeting on this magnificent island. We are privileged by the excellent arrangements and kind hospitality. Welcome to the newest members of the Asian Development Bank (ADB)—Luxembourg and Palau. Also a warm welcome to Ms. Khempheng Pholsena—the first ever female Vice-President in ADB. This is a giant step for ADB. However, a lot still needs to be done in order to achieve a healthier gender balance among senior staff.

Denmark had the honour of hosting the first Asian Development Fund (ADF) IX replenishment meeting last October. It is, indeed, a great satisfaction that the negotiations came to a successful conclusion just before the Annual Meeting. Key policy initiatives and reforms have been agreed. Now, the focus must shift to timely implementation and delivery of results. I am sure that President Tadao Chino and his very capable management team will be spearheading this endeavour. We noted the strong efforts from most regional countries to contribute substantially to the replenishment. However, it appears that some regional donors still can do more to align their contributions to their economic potential and to their enlightened interest in supporting neighbours in need.

The Asian economic miracle is well known. Less noticed is the political miracle Asia has experienced over the last decade. This year voters from nine countries with a combined population of more than 1.6 billion will participate in national democratic elections. We have noted with great satisfaction that so far the electorate have shunned fundamentalism and extremism. Decisive issues have been good governance, anti-corruption, and progress for the poorest. We commend the Government of India for the recent highly efficient election process and the smooth transfer of power that is underway at the moment. We look forward to Afghans using the ballot box to choose a Parliament and President in September. This will be another important step in Afghanistan's quest to put an end thirty years of totalitarian rule, occupation, and civil war.

Good governance is essential for sustainable development and achieving the Millennium Development Goals. Good governance implies the rule of law and human rights, as well as a well-functioning public sector that fights corruption and ensures fundamental social services. Such a platform enables societies to transform conflict into dynamic change, while promoting social stability and a climate conducive for broad-

based economic-growth. We all have an obligation to support good governance, not least ADB as the trusted family doctor for the region.

Enhanced aid effectiveness is also needed to reach the Millennium Development Goals. To this end harmonisation and donor coordination are vital. We commend ADB's lead role in some developing countries, promoting the harmonisation agenda, but we believe that there is still room for improvement. In this context, decentralisation to resident missions, including sufficient resources and authority is an important and necessary element.

Let me finally focus on trade and development. Liberation of international trade is essential for financing the achievement of the Millennium Development Goals. We all have to maximise our efforts to ensure a pro-development and timely outcome of the Doha Round. This includes overdue changes within the agricultural sector. At the same time we must provide, especially the poorest developing countries, with the framework, capacity, and tools necessary to benefit from international trade, not least the openings that may emanate from the Doha Round.

ADB has taken important initiatives in Central Asia and in the Mekong region. However, in our view, ADB has the potential to do even more. ADB should, in strong coordination with other donors, support in a comprehensive manner the entire process from capacity building for trade negotiations, implementation of trade arrangements over production, and export to national reform processes. To this end we encourage ADB to formulate a policy for trade and development with the overall aim of contributing to poverty reduction in the region, and include this in the upcoming revision of the Medium Term Strategic Framework

In closing, I wish to ensure you, President Chino, of our full support to your leadership, to the implementation of your reform agenda, and the institution you have been heading so successfully in the last five years.