

## FINLAND

### PASI HELLMAN, Head of Delegation

It gives me great pleasure to address this distinguished audience. Let me express my Government's appreciation to the authorities of our host country, the Republic of Korea, and Jeju Province for the generous hospitality and the wonderful surroundings for the meeting. I also want to thank the Asian Development Bank (ADB) management and staff for the professional and high-quality preparations of this annual meeting. We congratulate Luxembourg and Palau for becoming new members of ADB.

The general economic outlook in the Asian region is encouraging, as Asia remained the fastest-growing region in the world in the past year. Combining this fact with another fact—the fact that the Millennium Development Goals (MDGs) are essentially an unprecedented global consensus on objectives for development work—provides a promising basis for strengthening our partnership in reducing poverty in Asia.

The recently published report by the World Commission on the Social Dimension of Globalization, established by the International Labour Organization and co-chaired by the Presidents of Finland and Tanzania, emphasized that countries should "ensure high and stable economic growth, provide public and social protection, raise the capabilities of people through universal access to education and other social services, and promote gender equity." As a representative of a country that has often ranked as one of the least corrupt countries in international comparisons, I would like to add to this list the need to seriously address and promote the principles of good governance, transparency, and accountability.

The emphasis on these aspects of development is relevant also to ADB. Despite the relatively good progress of economic growth in Asia, the available information indicates poor progress towards the non-income MDGs. A related issue is the unfortunate trend of declining borrowing for social development in ADB. Growth will have a greater impact on poverty reduction when a comprehensive program for social development, including addressing the issue of equity, complements the economic policies. ADB has an important role to play in intensifying the dialogue with the developing member countries in this respect. For ADB, national poverty reduction and development strategies provide the best platform to customize its activities to national circumstances and nationally defined priorities. The ownership and responsibility that countries have of their own development should be respected and emphasized.

Let me now turn to some of the more specific issues and challenges facing ADB.

Finland wishes to commend President Tadao Chino for his strong personal commitment in introducing the extensive reform agenda in connection with the Asian Development Fund (ADF) IX replenishment negotiations. We shall be following with great interest the hopefully strong and speedy implementation of the reform agenda in its entirety and we are looking forward to the leadership and the commitment of ADB Management.

We welcome the enhanced cooperative attitude of ADB on the global level among multilateral development banks, and at the country level encourage ADB to be even more proactive in donor coordination and harmonization activities, also with bilateral donors. Adequately resourced country offices with the necessary authority to act are of key importance in this respect.

Focusing on development effectiveness means also focusing on results. The newly established Results Management Unit needs full support and collaboration within ADB to be able to deliver on its mandate. The establishment of an independent Operations Evaluation Department is also an important step forward. ADB needs to analyze past experiences, respond to them, learn from them, and thereby improve results.

The revision of the Poverty Reduction Strategy strengthens ADB's poverty orientation. I would like to emphasize that the Poverty Reduction Strategy should be *the* guiding principle in all activities. For example, when updating the strategy for private sector development, alignment to the poverty reduction objective ought to be clear.

The issues of internal governance and human resources strategy play a decisive role in how well ADB will be able to implement all the fine and widely agreed-on policies. We recognize that ADB now has a strong senior management team and look forward to a clearer articulation of responsibilities and accountabilities. We also welcome the preparations for the new Human Resources Strategy and pledge to be active participants on deliberations on it in the Board. In this respect, an issue of major concern for Finland is gender equality. We acknowledge the increase in the representation of women in professional staff and while appreciating the management's commitment to the Gender Action Program would like to call for expediting and intensifying the implementation of the program. Focusing on gender should of course not be limited to human resources strategy. Mainstreaming—in the true sense of the word—of gender in all operations is essential in order to bring about sustainable, long-lasting development results.

Last but certainly not least, we wish to applaud ADB for the successful conclusions of the ADF IX replenishment negotiations earlier this week in Seoul. We appreciate especially the strong presence of the reform agenda throughout the series of negotiations and in the final document. The real value of ADF IX will materialize only through a full and effective implementation of the principles agreed this week.

In concluding I wish to emphasize that Finland welcomes the opportunity to be partner to ADB in its continuing and sharpened work for economic and social development in Asia.