



NORWAY

INGRID GLAD, Head of Delegation

First of all, I would like to thank the Government of the Republic of Korea, and especially the island of Jeju, for their warm hospitality and excellent and impressive organisation of this Annual Meeting. We greatly appreciate the flexibility you demonstrated by also hosting the last Asian Development fund (ADF) replenishment meeting in Seoul. Like previous speakers, we would also like to welcome Luxembourg and Palau as new members of the Asian Development Bank (ADB).

Many processes and actions have taken place over the last year to develop ADB into a more transparent, accountable, and result-oriented institution. A key event in this regard was the replenishment of ADF IX. Consensus has been reached on a number of critical and strategic issues of importance for the future direction of the institution as a whole. Mr President, when you launched the bank-wide reform agenda at the beginning of the ADF replenishment negotiations in Copenhagen, you set a constructive and forward-looking tone for the remaining meetings, which was critical to the successful outcome of this process.

We have reached consensus on the introduction of grants in the ADF. We call upon ADB to ensure that these resources are targeted to address the special needs of the poorest and most debt stressed countries as well as those countries severely affected by conflict. Grants will be used according to the mandate of the ADF and duly incorporated into the Country Strategy and Program to ensure that they enhance the overall development effectiveness of ADF IX. Securing the long-term financing and the sustainability of the ADF has been a key issue in the negotiations. The endorsed compensation scheme for grants reflects our consensus as owners. We must collectively ensure that it meets this objective.

We expect the revised, simplified, and streamlined performance-based allocation system to provide more effective incentives for good economic and governance performance by the borrowing countries. Country ownership of this process is vital for successful implementation. We therefore urge ADB to intensify its dialogue with the borrowing countries considerably during ADF IX. Greater public disclosure and transparency are called for in the overall performance-based allocation process. We support ADB's proposal to identify innovative and alternative ways to deal with weakly performing countries within the framework of the performance-based allocation system and in close partnership with others, such as the World Bank.

Norway warmly welcomes the adoption of the managing for results agenda and the Marrakech core principles for the ADB. A major challenge for the new Results

Management Unit will be to ensure bank-wide ownership for the implementation of the Development Results Action Plan and introducing a new incentive system aligning ADB's functions and human resources with the results framework and the Poverty Reduction Strategy. In our view, ADB needs a change in mindset and practices; that involves strengthened leadership and accountability, more transparent and merit-based recruitment, a new incentive structure and increased delegation of responsibility and authority to the vice-presidents. We are pleased to note that ADB plans to take a larger share in building in-country capacity to ensure that national development plans focus on results.

To achieve better impact at the country level, active participation in the harmonization and alignment of development assistance with national development strategies and national budgets is crucial. The planning and programming must be on the basis of country specific needs. Norway commends ADB for adjusting its operations to this international architecture, and we keep on encouraging ADB to employ this approach in every country where it is present. In line with this approach, it is imperative that ADB accelerates the decentralization of responsibility and authority to its resident missions, a move that we consider necessary if ADB is to become a more effective development partner.

The region's track record for reaching the Millennium Development Goals is mixed. Some countries have shown impressive progress, such as the People's Republic of China and India. Halving the population living on a dollar a day by 2015 is achievable, but the region is falling short of the non-income targets. ADB, like all the other parties, should scale up its efforts considerably in order to help the borrowing countries achieve the Millennium Development Goals. The review of the Poverty Reduction Strategy indicated that to effectively achieve its poverty reduction mission, ADB needs to redirect its program choices to areas with the greatest impact on poverty reduction and to ensure greater coherence between country strategies and programs, sector priorities and the portfolio. A more integrated, coordinated and multi-dimensional approach to poverty reduction, with a much stronger focus on human rights and empowerment of the poor, is also required. A comprehensive results-oriented monitoring and evaluation framework, with a strong country focus, for measuring long-term achievements in poverty reduction is essential to ensure greater compliance with ADB's strategic objectives.

While Asia has many strengths, like the rest of the world, there remains considerable scope for improvement in governance and the battle against corruption. With its Governance and Anti-corruption Policies, and with the will and commitment of the developing member countries (DMCs) themselves, ADB is well positioned to take the lead amongst international organizations in promoting good governance and combating corruption.

Increased and more effective development assistance and good governance would not be sufficient to achieve the Millennium Development Goals. The private sector will have to play a major role. We encourage ADB to develop a more comprehensive and poverty oriented approach to its private sector operations. The forthcoming review of

ADB's Private Sector Operations Strategy and Private Sector Development Strategy will be important in this regard.

If poverty is to be eradicated and the Millennium Development Goals achieved, gender equality is indispensable. ADB should therefore give gender equality higher priority both at the institutional and operational level. The overall gender profile of the institution is extremely uneven and the number of female senior staff remains disappointingly low at only 7%. We will follow the implementation of the Gender Action Program II closely. Six years after the Policy on Gender and Development was approved, gender mainstreaming of ADB's operations has improved, but progress is slower than expected, including in the ADF. Norway is committed to supporting ADB in its efforts to systematically mainstream gender analysis into its country programming, operations, and sector work. But in order to succeed, bank-wide commitment to this agenda is crucial.

Increased transparency and accountability are critical to the credibility and effectiveness of ADB operations. In this regard, the new accountability mechanism adopted last year is particularly welcome. We expect the Bank to have the same high aspirations and standards for the Public Communications Policy now being developed.

When these improvements and reforms in ADB are implemented, we hope to see enhanced development effectiveness of the use of ADF resources and ADB's overall resources in the years to come. We assure you, Mr President, that ADB has Norway's full support in these endeavours.