



39TH ANNUAL MEETING

BOARD OF GOVERNORS

ASIAN DEVELOPMENT BANK

Hyderabad, India

4–6 May 2006

GS-45

DENMARK

Ole Moesby, Governor

Let me join others in thanking the Government of India, the state of Andhra Pradesh and the city of Hyderabad for hosting the Annual Meeting this year. We are privileged by the excellent arrangements and the kind hospitality.

Responding to the rapid changes in Asia is a big challenge. Today, Asia is the most dynamic region in the world in terms of economic growth. Poverty is on the decline. However, deep pockets of poverty remain, the gap between the rich and the poor is widening, and income inequalities are increasing. Hundreds of million people in Asia still have to survive on less than US\$1 per day. Unemployment is on the rise, as are urbanization and environmental degradation.

ADB has a critical role to play in meeting these challenges. The experience and expertise of ADB in partnership with the countries of the region is needed in order to meet the targets set out in the Millennium Development Goals. I was pleased with the statement made by the President yesterday and his assurances that the mission of ADB continues to be the elimination of poverty. Poverty reduction, pro-poor economic growth, inclusiveness and equitable development should remain at the core of ADB's business in the future.

The same goes for good governance and anti-corruption measures. We welcome the upgrading of good governance and anti-corruption measures to a strategic priority in the new draft medium-term strategy. Improving good governance and fighting corruption is essential, not only to reducing poverty but also to a prosperous investment climate. With a view to the recent review of the implementation of the good governance and anti-corruption policies, we would strongly urge ADB to give much more priority to these issues in the future and to translate its commitment into operational terms.

The medium-term strategy is a key document in providing directions for the future of ADB. We would strongly encourage ADB to ensure that policy documents of this kind are based on appropriate consultations with stakeholders inside and outside ADB. Like other speakers before me, I see a clear need to pay greater attention to cooperative management.

I welcome the increased focus on energy efficiency by setting a specific target for spending and by introducing the carbon market initiative as a reflection of the commitment of ADB to move the region toward a more sustainable path.

Regional cooperation and integration features will play an important role in ADB's future. We support the increased emphasis on regional cooperation in the context of a greater value-



adding strategic focus and selectivity in line with the overriding objective of poverty reduction. This must be based on demand and ownership by the borrowing countries.

ADB is faced by many challenges. Development effectiveness, an issue at the core of the work in most development agencies today, is one of them. ADB took a very important step forward when formulating the reform agenda in 2004. We look forward to discussing the implementation of the reform agenda at the Asian Development Fund (ADF) mid-term review later this year.

Let me conclude by assuring you of Denmark's continued commitment to supporting ADB to meet the development challenges facing Asia in the years to come.