

governance. Democratic development and broad-based economic progress are complementary and mutually reinforcing processes necessary to build strong societies. The Bank must work in partnership with its members to support such developments.

A third concern must be the global environment. Mr. President, the Asian Development Bank deserves congratulations for the extent to which it is incorporating an integrated, comprehensive approach to the environment into its programs. Environmental concerns pose major challenges to the region, and the Bank must be at the leading edge on this issue. The Bank should ensure that local populations and non-governmental organizations are consulted at an early stage on the environmental impact of proposed projects. We applaud the creation of the new Office of the Environment and look forward to an annual report on the Bank's environmental activities.

Finally, Canada is especially pleased to note the special Report on Education in this year's Annual Report. We are convinced that education is a key to improving the quality of life and encouraging equitable economic growth. If I might, Mr. President, quote from your own report:

There is a great deal of evidence to show that basic education is highly co-related with social and economic development and with poverty alleviation. Adults with a broad, basic education tend to have higher incomes, greater agricultural productivity, lower fertility and better health and nutrition. ... (They) are also more likely to send their children to school. ...

These are precisely the results that are needed in many Asian countries, where so many of the world's poor still reside.

The Bank must also address more squarely the implications of gender issues for the development process. Canada, for its part, is disappointed with the progress of the Bank in developing the expertise, training and programs necessary to incorporate these factors in project design. Without change -- and fundamentally this requires more hiring of women specialists and a more active role for the unit charged with gender issues -- the progress sought by country members of the Bank will remain incomplete.

Mr. President, fellow Governors, it is our obligation to ensure the Bank has both the resources -- human and financial -- and the guidance on policy and strategy so that we can attain our objectives and realize our dreams.

The Asian Development Bank may soon become the only regional development bank where the largest contributors of both ordinary capital reserves and concessional resources come from