

TURKEY

Mehmet Aydin KARAOZ, Alternate Governor

It is a great pleasure and honor for me to address the Thirty-Fifth Annual Meeting of the Asian Development Bank (ADB) in Shanghai. It is always difficult to be one of the last speakers and hence I do not know whether you still have any patience to listen. At the risk of repeating some of the ideas I would like to share with you our views on a number of issues that are on the agenda. But before anything else, let me express our sincere thanks to our hosts in the People's Republic of China and to the people of Shanghai for their warm hospitality. I would like to congratulate ADB Management and staff for their excellent arrangements. Let me also extend a warm welcome to Portugal as the new member of our ADB. We are also delighted to see Afghanistan back with us.

After the tragic events of September 11, I think it became more evident that unequal distribution of wealth might have provided a fertile ground for such activities. When we think of the fact that an estimated 1.2 billion people subsist on under \$1 per day and the majority of the developing world's population lives on less than \$2 per day; the magnitude of this global challenge becomes self-explanatory.

In other words, poverty reduction has become and should remain as a more commonly shared and overarching goal of the entire world. I am absolutely convinced that everybody, i.e., the nongovernment organizations, development banks, other international financial institutions, and individual countries have their respective roles in overcoming poverty and setting sustainable development in the world. Even the least developed countries themselves have a role to play, because ownership is one of the most important endeavors of this challenge. Having set the goal, I think we should all consider more efficient and faster ways and means of securing some concrete achievements in this respect.

So far, the major advances players of this global challenge have accumulated an enormous amount of information and expertise. But while keeping all these in mind, taking country-specific points into consideration and trying to tailor the solutions accordingly could be a useful route to follow.

I think investing in human capital may constitute an effective starting point. Without adequate capacity building, it is difficult if not almost impossible to secure sustainable development. This is also essential for ownership.

As time goes by, economic interdependence deepens, globalization intensifies and information technology is widely applied. However, individual countries are faced with many problems within the globalization process. For a better integration to the world, regional efforts are important.

If we will consider regional development as the nucleus of global growth; the more and better regional development that we could all factor into the global development; the faster we could make progress toward our ultimate goal. However, the real success story is to keep the time lag in between as short as possible.

In this respect, ADB should continue to play an important role. And I think Asia has immense physical and human potential for social and economic growth. ADB's role is particularly important in promoting the implementation of transparency, good governance, productivity, and market-oriented policies. Public-private sector partnership schemes could certainly serve as a good catalyst for switching into full market-oriented policies. Environmental issues are at least as important as these policies.

Strict observation and implementation of the foregoing would eventually lead the countries to become effective players in international capital markets and create a better investment climate at home. And I think under the able leadership of President Chino, ADB is perfectly situated to help the region to reach these goals.

Let me state that we also share the concerns about the first full inspection of an ADB-financed project. But we would be eager to see that necessary points will be added to ADB's learning curve through the review of the Special Committee that President Chino has established.

Last but not the least, we are happy about the important role of ADB in the reconstruction of Afghanistan and very much wish that we would be able to gear into a faster pace. In conclusion, I would like to congratulate you, President Chino on your reelection as President and wish you and your team all the success that the future could hold.