

**FINLAND****PERTTI MAJANEN, Governor and Head of Delegation**

Let me join the previous speakers in expressing my government's appreciation to the authorities of our host country Turkey for the warm welcome and generous hospitality, and to the management and staff of ADB for the professional and high-quality preparations of this annual meeting.

I also want to express my government's congratulations to you, Mr. President, on your election to this important position where you can greatly influence the direction that development in Asia takes. I am confident that ADB will continue and strengthen its work in the fight against poverty under your presidency and look forward to working with you to advance the important mission of the Bank.

Let me also take this opportunity to present our gratitude to former President Chino for his outstanding work in ADB.

This year 2005 began under very tragic circumstances in the immediate aftermath of the tsunami disaster of enormous proportions. ADB responded to the disaster commendably, by rapidly fielding missions to the affected areas and later on by establishing the Asian Tsunami Fund for the reconstruction efforts. We highly appreciate the manner in which this work has been done so far. We trust that the collaboration and coordination with development partners continues and is further strengthened in the implementation phase under the leadership of the countries and with the full-fledged participation of the affected communities. Only then can effective and tangible results be expected.

This year is very important for development. Our Heads of State will gather in New York in September to assess the progress made in achieving the universally embraced Millennium Development Goals. Progress so far in the Asian region implies that attainment in particular of the non-income MDGs constitutes a complicated challenge, and will not be possible without strong political commitment. ADB has an important role to play in supporting its borrowing member countries in translating the MDGs into specific targets at country level, customized to nationally defined priorities and to the individual context and needs of each country. For Finland, ADB's contribution to the Millennium Development Goals is a key criterion for assessing its development effectiveness.

Sustainable economic growth based on the dynamism provided by a vigorous private sector is important but not enough. The benefits of growth are extended to the entire population only by ensuring the empowerment and participation also of the poor and vulnerable, and thus including them in the mainstream of development. Equity and social cohesion are essential elements in the pursuit of long-term prosperity.

A special challenge for ADB is how to be a relevant and effective partner to all borrowing member countries. We support ADB's efforts to adjust and reassert its relevance and responsiveness in particular in the middle income countries. We can also support the increased

emphasis on regional integration in the context of a greater value-adding strategic focus and selectivity, in line with the overriding objective of poverty reduction. Furthermore, we would also like to underline the countries' own responsibility of their poor. Our own experience as well as recent international studies demonstrate that competitiveness of the economy goes hand in hand with equitable and quality education and social services, caring for the environment, absence of corruption and enhancing gender equity. ADB could gear its work to be a champion for a more equitable growth in its client countries.

The issue of anticorruption deserves special attention. We commend ADB for its intensified fight against corruption, but more can be achieved. We support, Mr. President, your remarks on the need to eliminate corruption. We encourage you to make this a central theme in ADB, and are very interested to learn how you intend to approach this objective in more practical and concrete terms. We believe that there is a clear need for a strengthened effort by all the multilateral development banks to work together in tackling corruption, to develop and implement common guidelines and approaches, to aim at cross debarment and public disclosure of sanctioned firms and individuals. The review of the implementation of ADB's Governance and Anticorruption policy provides a good opportunity to add momentum to these efforts and mainstream the anticorruption activities in all bank operations.

Last year we were very pleased to agree on the adoption of the reform agenda. ADB has demonstrated remarkable efforts in enhancing its development and institutional effectiveness in accordance with the objectives articulated in this agenda. Transforming the institutional culture of an organization requires long-term commitment to actively manage the change processes. It also requires the support of a motivated staff. If this is lacking, any change will be half-hearted at its best. Thus we wish to stress the importance of an efficient and transparent human resource management. The tools are there, in the new Human Resource Strategy. We will be assessing its true value by the manner in which it is implemented.

In the reform agenda ADB also reconfirmed its engagement in international harmonization and coordination efforts. We appreciate ADB's commitment to the conclusions of the Paris high-level forum, including the action plan to foster ownership, alignment, harmonization, managing for results and accountability. Active collaboration at the institutional level is important, but cooperation at country level is fundamental in enhancing development effectiveness. We would like to see ADB give more attention and take an increasingly proactive role in country level coordination and harmonization efforts. We realize that this requires greater delegation of resources and authority to the country level, and are ready to support this process.

To conclude, I wish to reconfirm Finland's strong partnership with the Asian Development Bank. We have great confidence in the bank as a proponent of welfare in the Asian-Pacific region.

Thank you.