



**NORWAY**

**NILS HAUGSTVEIT, Head of Delegation**

First of all, I would like to thank the Government of Turkey, and especially the beautiful and historic city of Istanbul, for their warm hospitality and the excellent organisation of this meeting.

Asia has experienced the worst earthquake and tsunami disaster in recent history. We would like to take this opportunity to reiterate our sincere and deeply felt sympathy for the many victims and for all those who have lost friends and family.

Norway commends ADB's early response, active involvement and leadership in reconstruction efforts in the tsunami-affected countries. Close co-ordination with other multilateral and bilateral partners in the implementation of the Asian Tsunami Trust Fund is strongly needed. ADB should, as far as possible, use the countries' own systems and help build local capacity to enable the affected countries to take the lead in the reconstruction work. The tsunami has amply demonstrated the need for efficient co-ordinating mechanisms. We believe the time has come for the multilateral development banks to review their rules and regulations with the aim of removing obstacles for establishing and participating fully in common multi-donor trust funds.

Concerning the Millennium Development Goals, the region is on track in halving the number of people living on less than a dollar a day, but it lags behind in terms of reaching the non-income targets. ADB will have to scale up its activities to support particularly the poorest countries in achieving the non-income targets. A system to monitor the impact of the Bank's operations on poverty reduction must be set up as soon as possible in replacement of the poverty target, which was removed last year. Next year we will meet to assess the mid-term progress of ADF IX, and concrete results will have to be demonstrated if donors' support for the Fund is to be sustained.

We strongly support your firm commitment to eliminating corruption. We recognise that the Bank's approach to combating fraud and corruption has been effective. Nevertheless, Norway urges ADB and the other multilateral development banks to harmonise their practices, to make a concerted effort to tackle corruption and to intensify capacity building in the developing member countries. A far more systematic and strategic approach is needed to ensure that governance and anti-corruption issues are mainstreamed in all the Bank's operations. We are confident that the review of the implementation of ADB's governance and anti-corruption policies will address these issues directly.

Over the last year, we have seen significant progress in advancing reforms in a number of areas in ADB, particularly in the implementation of the Action Plan for Managing for Development Results. Nevertheless, several major challenges remain. The implementation of the Human Resource Strategy and the Gender Action Plan II will have to be considerably speeded up. Activity-based progress reports will not suffice; more comprehensive reporting is needed that also demonstrates changes in the Bank's mindset and incentive structure and transparency in human resource management. An annual staff satisfaction survey would be useful in this regard. ADB will also have to streamline its policies and business processes and improve technical assistance to capacity-building programmes to ensure the successful implementation of the reorganisation and reform agenda.

Reducing poverty should also be the prime objective of ADB's engagement with the middle-income countries and other countries with limited or no access to the ADF. Increasing responsiveness, relevance and efficiency in ADB's partnerships with these countries should not compromise with the reform agenda, safeguards and development effectiveness. The Innovation and Efficiency Initiative will involve fundamental changes to the Bank's instruments and business processes. ADB must ensure coherence and compatibility between this initiative, other parts of the reform agenda and the implementation of ADF IX.

Norway welcomes ADB's more prominent role in donor co-ordination and harmonisation efforts. Clearer country focus, greater harmonisation and alignment presuppose resident missions equipped with skilled staff and the authority to participate, and when relevant, take the lead in harmonising efforts. Many of ADB's resident missions are not prepared for this. They must be strengthened considerably. And they must be strengthened quickly.

The Paris Declaration has reinforced our commitment to country ownership, managing for development results, harmonisation and alignment. In order to fulfil its role in this new setting, ADB will have to take a more strategic and selective approach to its country programmes and strategies. It will have to change its practice and start using the borrowing member countries' own systems in these operations. The Technical Assistance Programme is a key asset for the Bank in this regard. However, a much more strategic and selective use of the Programme will be required, focusing more strongly on building capacity in partner countries and achieving the corporate objectives of the Bank. Therefore, we urge ADB to undertake the long-planned review of the Technical Assistance Programme as soon as possible.

ADB has an important role to play in private sector development in the region. In our view, ADB's comparative advantage in this sector lies primarily in providing support for improving the investment climate and addressing reforms that will foster an enabling environment for private sector investment. More work could also be invested in assessing how the private sector could contribute more to solve problems in conventional public domains such as health and education. Furthermore, ADB's private sector development work should be fully aligned with its poverty reduction strategy and development effectiveness agenda. Considering the rapid increase in private sector operations over the last years, an assessment of the adequacy of the present risk management system is called for.

Istanbul is an interface between different continents and cultures. So is ADB. It is important to further develop ADB's multilateral character. It is equally important to strengthen the role of the Board, both in terms of more active involvement in country programming and in terms of the implementation of internal reforms and Bank policies.

President Kuroda, we welcome you as the new President of the ADB. We assure you that Norway is committed to working closely and constructively with you and the Bank to address the challenges in pursuing – and ultimately achieving – the Millennium Development Goals in Asia and the Pacific.

Thank you.