

TURKEY

İbrahim H. Çanakcı, Alternate Governor

It is a great honor for me to address the 41st Annual Meeting of the Board of Governors of the Asian Development Bank (ADB). At the outset of my statement, please allow me to join my fellow Governors in expressing gratitude and appreciation to the Government of Spain for hosting this important meeting in this wonderful city of Madrid. I would also like to thank the Management and staff of ADB for the excellent arrangements they have done for holding the meeting.

I would like to express our condolences to the Government of Spain for the loss of former Prime Minister Mr. Calvo Sotelo. We also convey our condolences to the Government of Myanmar, where thousands of people lost their lives due to the catastrophic cyclone which hit the country yesterday.

The economic development and social transformation experienced in Asia and the Pacific over the past 20 years were remarkable. The high rate of growth in the region has produced fundamental changes. However, there is much to be done to eradicate extreme poverty as we reach the halfway mark to the Millennium Development Goals deadline of 2015. There is no doubt that institutional and policy reforms are needed to create the opportunities for further job creation, sustained growth and improved standard of living. ADB should respond to the emerging needs of the region while remaining true to its core mission of poverty reduction.

In the environment of fundamental changes taking place globally and regionally, and the difficulties in outlining a strategic direction, we appreciate the new Long-Term Strategic Framework 2008–2020 (Strategy 2020), which gives ADB an imperative role in shaping the future of the region. The most crucial challenge now ADB is facing is to ensure effective implementation of this broad-based strategy through making good use of its regional experience and comparative strengths. While doing this, operational, organizational, and budgetary implications should be considered thoroughly and carefully.

Particularly, ADB must enhance its institutional effectiveness in order to secure adequate capacity not only for implementing Strategy 2020 but also for achieving progress in its ongoing reform agenda. We see that improving human resources management and setting institutional results-based indicators are vital in the context of reflecting ADB's overall development effectiveness.

It has been observed that ADB has made commendable progress in implementing its reform agenda since 2004. A series of initiatives aiming to closely align operations with country programs has been undertaken. ADB is increasingly focusing on results in its operations and

streamlining its procedures to become a more responsive institution. Through the Innovation and Efficiency Initiative, ADB has been able to better meet the needs of the clients by providing innovative and flexible financial products, and reducing cost of doing business with ADB. We welcome the recent loan pricing reform, bringing transparency and competition in comparison with other multilateral development banks (MDBs) and market through reduction in and simplification of loan charges.

We especially give our full support to ADB's efforts in becoming a more responsive institution by empowering resident missions and delegating additional responsibility in the context of changing business needs. On this occasion, we welcome ADB's decision on opening an office in Istanbul by early 2009 to serve as a regional hub for the Caucasus region. We believe expanding the regional hub concept will ensure effective service delivery, faster information exchange, and best possible use of resources.

The evolving role of ADB in the international financial architecture makes it even more important for ADB to work closely with other development partners. Harmonizing ADB's operational practices and procedures with those of other MDBs is critical to make ADB a more cost-effective and efficient institution. The effective cooperation and coordination will enable better synergies, reduce overlaps, optimize the use of resources, and ensure coherence between the relevant strategy and policies.

ADB has been involved in a full range of governance activities and has collaborated with other MDBs in developing a common framework for fighting corruption. The high development cost of corruption is very well recognized by international community, and collective action is required to help countries in dealing with this problem. In this respect, I would like to stress that strengthening governance and combating corruption should continue to be the focusing area of ADB in the long term.

We strongly encourage ADB to continue with the efforts to promote private sector development in the region. Expanding the role of ADB to mobilize private sector financing and promoting structural reforms to improve the enabling environment for private investment are vital in serving the needs of the developing member countries. However, ADB's ability in assessing and managing the risks of various financing instruments and modalities, such as nonsovereign operations, should be increased.

I am confident that under the able guidance of the President, Mr. Kuroda, and with the ongoing dedication and competence of ADB's Management and staff, ADB will carry out the tasks and duties assigned by us in an efficient manner. The Government of Turkey greatly values its membership in the Asian Development Bank and assures its continued support in achieving the vision of a region free of poverty.

Before concluding, I would like to extend my congratulations to the esteemed donors and ADB Management on the successful finalization of the ninth replenishment of the Asian Development Fund (ADF X).