

**FRANCE\***

**RAMON FERNANDEZ, Head of Delegation**

First of all, I would like to warmly thank the Republic of Korea for its kind hospitality. First in Seoul, and then in Jeju, we have been able to gauge the richness of this country which is a model for all those working for development.

I would like to congratulate Luxembourg and Palau for becoming new members of the Asian Development Bank (ADB).

Meeting here is therefore very relevant, at this moment of truth for the international community, gathered around a very ambitious objective: namely, achieving the Millennium Development Goals (MDGs).

**The region in which we currently find ourselves allows us to hope that the deadline set for 2015 will not be missed.**

In 2003, despite a weak regional and international environment, Asia was once again the zone with the highest growth rate in the world. There are nevertheless some risk factors which were outlined in Asian Development Outlook. Some of the risks come from outside the region, others from within. The responsibilities are therefore divided, but for the most part, Asia holds the key to its future. Reforms must be pursued and accelerated in order to reach a new level. President Tadao Chino already mentioned yesterday the extent of the progress achieved so far.

A lot needs to be done to reduce poverty. Progress towards the MDGs remains uneven and insufficient, in particular in all those areas that are not directly related to income level. We know that "almost two thirds of the world's poor live in Asia."

Sustained poverty reduction is not possible without sustained economic growth or reduction of inequalities within coherent strategies.

The countries in the region must make better use of their resources. The development of a regional bond market and of financial instruments designed to make the business community and households less dependent upon the banking system are moves in that direction, as is the trade facilitation program approved in 2003, together with the support for small and medium-sized enterprises and microfinance, which must be used more but without crowding out the private sector. In general, ADB's private sector development strategy must be implemented with a renewed awareness.

**In addition to the efforts made by countries in the region, it is the responsibility of its partners to do all they can to support and back these growth and development strategies.**

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\* Statement delivered in French. Translation supplied by the delegation.

a) ADB is in the forefront and has a special responsibility. I welcome the very positive outcome of the discussions on the Asian Development Fund (ADF) which open the way to mobilize \$7 billion to help the poorest countries in the region, a 24% increase compared to the previous fund. France will join the effort. This shows the confidence that we have in ADB, enhanced by President Chino's commitments. Because ADB must be more efficient in helping countries in the region, and to this end ADB must implement the ambitious agenda that it has set for itself for the coming years.

Mr. President, I would like to pay tribute to the persistence with which you continue to improve the effectiveness of ADB to achieve better results. You have shown us the way. Like other institutions of development, the ADB must commit itself to results-based management in order to strengthen the impact of its operations.

The success of such a strategic orientation hinges on the human resource policy of ADB. The policy must be revamped in order to motivate ADB staff while rationalizing and keeping down costs.

An international financial institution such as ADB must also respect international laws and standards during its operations. With regard to fighting corruption, France would like to salute the decision made in Seoul on this matter, to increase the weight of governance in all decisions pertaining to allocation of the ADF. This is great encouragement to those countries which have made this a priority. With regard to anti-money-laundering or combating financing terrorism, ADB must be alert.

Of course, this implies strengthening the capacities of the countries. The ADF donors acknowledged the importance of technical assistance, contributing to its financing through the grant framework previously agreed on.

b) Donor countries must also make an increased effort in official development aid, with a spirit of volunteerism and imagination.

After several years of decline, official development aid is increasing. The negotiations to replenish the ADF are an indication of this renewed mobilization. However, the budgetary constraints of numerous donors are not compatible with the need to step up our efforts in order to achieve the MDGs. We must, therefore, together think of some innovative solutions which will allow us to raise the necessary resources as quickly as possible.

The Ministerial Conference on Financing for Development held on April 8 in Paris helped to make progress on the International Financing Facility proposed by the United Kingdom and on the proposal on international taxation, an idea about which France would like to promote further discussions. We encourage Asia to actively participate in these debates.

Naturally, for this increased aid to be used to its fullest, we need to have not only good policies but also an increased effort in harmonization. In this matter, ADB also plays an active role. This summer regional forum on harmonization, to be followed by a high-level forum in Paris in early 2005, will enable us to boost efforts.

In conclusion, France want to continue working in close collaboration with ADB and will support its efforts for the development of countries in the region. The agenda is clear and ambitious. All that is left to do is to simply implement it.