



AFRICAN DEVELOPMENT BANK GROUP

Second Meeting of ADF 13 Replenishment Closing Remarks

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President

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As we come to the end of this, the penultimate session for this replenishment it remains for me to express my appreciation and that of Staff and Management for our constructive dialogue over these two and a half days.

I believe it has enabled us to close in on a number of key issues and a better understanding of your preoccupations and concern, but what is it we are trying to achieve. In large measure, this is thanks to our very capable coordinator, Richard Manning, a man of such knowledge and experience on these issues.

I want to thank the RMC Ministers who joined and who were able to articulate in such passionate ways what the Fund is doing in their countries. We have listened carefully to what your expectations are over the next three months or so and we will reflect that in the forthcoming papers.

Take aways and next steps

We all understand this is a very unique time to be doing fundraising. Resources are scarce and budgets are tight everywhere. In addition there are multiple fund raising activities going on. That we fully appreciate.

As we prepare for our final meetings in autumn, and as we all undertake budgetary arbitrations, I would like to offer three additional thoughts.

First, as I have previously mentioned to some of you, in the past – in the years of Afro-pessimism and aid fatigue – the African Development Fund was highly marginalized and it showed on the ground. As a former Governor of three international financial institutions I am witness to that. While other, better branded funds were experiencing strong replenishments, the ADF was treated in reality as a gap filler. Thanks to your commitment, the attempt was made to reverse this and give the Fund a comparable treatment, beginning with the ADF 10.

As you heard from the Ministers, the Fund has now become a major actor and is no longer a gap filler. From its highly focused work on infrastructure, integration and, in particular, on fragile states (as President Sirleaf mentioned to you the last time), the Fund has come of age. My appeal to you now, as I did at the opening, is to remain steadfast on that path. As the Fund's work gained credibility, expectations too have grown, especially as it also became more selective and demonstrated impact.

The second point I want to come back to is to re-emphasize what Regional Member Countries themselves are prepared to do. Many of you have urged

stronger policy dialogue. The areas of domestic resource mobilization, high quality public expenditure and strong debt management will receive special attention.

A special effort will be made in fragile states. On this count I would like to call upon you to strengthen collaboration with us in the entire area of natural resource management. I know all of us much welcome the emphasis on this matter by the G8 Summit next week: the emphases on tax evasion, transparency and to ensure that as African countries strengthen their natural resource governance they also get what is due to them to finance their development.

I thank those of you who are participants in the ALSF as I believe it is set to do more in the future.

Thirdly, I am very pleased by your open mind and support for innovation. The two instruments under discussion in these two days, the Partial Credit Guarantee and PCS, will go a long way.

But we must continue to innovate. It is difficult. It is complex. But there is no other way. The aid architecture we have known over the past 50 years has done very well, has achieved a lot, but will now enter a zone of flux. We must get our heads together. At the moment, Sub-Saharan African countries are charging ahead. You can see it on the ground. You can see it in the numbers. You can feel it in the mood of business.

However there is no way Sub-Saharan African countries will cross the barrier of 7% GDP growth on a lasting basis unless and until the infrastructure gap – especially energy power pools and regional trade corridors – is addressed. Like the Middle Income Country trap around inclusion and innovation, the trap for low income countries is incontestably infrastructure.

That is the spirit of the Africa50Fund – for which I much welcome your open minds and endorsement of this line of thinking – for African countries to pool some of their resources and invest in bankable projects in partnership with the Bank and Fund. As some of you observed, this type of undertaking is never easy and the good ideas do not necessarily translate into automatic good outcomes. But let us try to work over the potential obstacles. There is work cut out for us and I know we can count on you.

OPEV

Fourthly, it is indeed right that the Fund continues to focus its work and response on evidence, on what works. That is how we will improve our effectiveness. I understand some of you would like OPEV to conduct an evaluation like the one recently done at the Inter-American Development Bank and IFAD.

We are strong believers in the independent function of external evaluation. We have, over the years, done all that was needed to strengthen that organ's independence from ring-fenced budgets, the appointment of the director and the reporting line. We will always continue to explore further ways of doing so. We have no philosophical differences. I am certain that OPEV and the CODE Committee will look at options for the Board to consider.

Finally, let me much commend your endorsement of our plea for Management to focus in a unique way on the two road maps before us: the Return to Headquarters and decentralization. Together with the Board of Directors, we will do all that is needed to ensure the interests of the Bank and its stakeholders are secured and preserved.

Conclusion

Let me conclude where I began on Wednesday. This is an exciting time for Africa. The most promising in a long time. But we have not gone beyond tipping point. As your governments consider the budget allocation and the multitude of competing international obligations, bear in mind, this is the time for Africa's friends and partners to join hands, not to let down the efforts. We will work together on this and I hope when we reconvene the Fund can emerge stronger.

I thank you and wish you safe return home.