

ADF-13 Third Replenishment Meeting

Common statement on the proposed adjustments to the PBA system

Ministers from Cote d'Ivoire, Ghana, Kenya and Malawi

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Two of the African Development Bank's strengths are its closeness to its Regional Member Countries and its clear and focused regional mandate. They form the basis for one of the AfDB's comparative advantages, namely, that its strategies reflect our needs, and that both its policies and operations evolve accordingly. The proposed adjustments to the Performance Based Allocation (PBA) system are a clear illustration of the Bank's commitment to its RMCs and its responsiveness to our priorities in a context of rapid changes and transformation.

There is a consensus that infrastructure development has to be significantly stepped up in order to sustain African countries' economic growth, and the estimate of infrastructure financing needs of USD 93 billion per year is well known (*Africa's Infrastructure: A Time for Transformation*, 2012). The infrastructure development imperative has already been recognized under multiple initiatives including the Programme for Infrastructure Development in Africa (PIDA) and the New Partnership for Africa's Development (NEPAD). It was also clearly reflected during the last G8 summit and President Obama's recent visit to the continent. To ensure that infrastructure development benefits the entire continent, regional integration approach is critical. The AfDB recognizes this and addresses this issue through its Strategy for 2013-2022, which rightly focuses on these two key areas – infrastructure and regional integration.

Against this backdrop, we consider the proposed adjustments to the PBA as one way of operationalizing the Strategy for 2013-2022 while preserving the balance between performance and needs in the allocation system. In a context characterized by scarcity of resources, effectiveness should be maximized by channelling ADF resources towards those sectors where they can make the greatest difference, both at the country and regional levels, and where well-performing policies and institutions ensure the best quality impact possible. We believe that the proposed Country Policy and Institutional Assessment (CPIA) Cluster E and inclusion of the Africa Infrastructure Development Index (AIDI) help to achieve this objective. The proposed adjustments also have the advantage of preserving the basic principles shared by all MDBs – addressing needs and rewarding performance - while adapting the ADF system to Africa's specific circumstances and the AfDB's mandate.

The political implications of the adjustments and the incentives they offer will be significant. We appreciate the dialogue that we have with the Bank on policy, which the PBA system and the CPIA tool will strengthen. The proposed adjustments allow for greater consideration to be given to the current context of Africa's transformation while emphasizing the key drivers of Africa's development in the resource allocation process. We, therefore, call for the adoption of the adjustments to the ADF PBA system as a strong reflection of our priorities, performance and needs on the ground.