

**AFRICAN DEVELOPMENT BANK  
AFRICAN DEVELOPMENT FUND**



**BOARDS OF GOVERNORS**

**FORTY-THIRD ANNUAL  
MEETING OF THE ADB  
MAPUTO, MOZAMBIQUE  
14 AND 15 MAY 2008**

**THIRTY-FOURTH ANNUAL  
MEETING OF THE ADF  
MAPUTO, MOZAMBIQUE  
14 AND 15 MAY 2008**

**OFFICIAL RECORD**

## **OFFICIAL RECORD**

- 1 The Forty-Third Annual Meeting of the Board of Governors of the African Development Bank (ADB) and the Thirty-Fourth Annual Meeting of the African Development Fund (ADF) were held jointly on 14 and 15 May 2008 at the Joaquim Chissano International Conference Center in Maputo, Mozambique, under the chairmanship of **His Excellency Mr. Aiuba CUERENEIA**, Chairperson of the Boards of Governors and Governor for Mozambique. The Annual Meetings were opened in the presence of **Mr. Donald KABERUKA**, President of the African Development Bank Group.
- 1.1 The 2008 Annual Meetings were attended by about 1,500 participants, comprising Governors, Alternate Governors, members of the Boards of Directors, Delegates, Staff and Observers.
- 1.2 The Meetings were preceded on Sunday, 11 May 2007, by a thematic seminar on “Aid Effectiveness” and the presentation of the 2007 African Development Report. Other key events organized within the framework of the Annual Meetings included the financial presentation, the seminar on rural financing and the Ministerial Round Table on “Fostering Shared Growth: Urbanization, Inequality and Poverty in Africa”. Related high-level seminars held included: (i) “Cities and Growth Poles: Implications for Rural Development”, (ii) “Financing Urban Development”, (iii) “Decentralization and Urban Governance”, and (iv) “Upgrading Informal Settlements in African Cities”. Also, a working lunch was organized on Wednesday, 14 May 2008, to consider the “Regional Dimensions of Fragile States”.

### **OPENING CEREMONY**

2. The formal opening ceremony was held in the main Conference Hall of the Joaquim Chissano International Conference Center in Maputo, Mozambique, on Wednesday, 14 May 2008, with **His Excellency Armando GUEBUZA**, President of Mozambique, chairing. **His Excellency Denis SASSOU NGUESSO**, President of the Republic of Congo, was also present.
- 2.1 In his address, **Mr. Eneas COMICHE**, Mayor of Maputo, welcomed the delegations to the historic city of Maputo and expressed the hope that at the end of their deliberations, they would have time to visit tourist attractions in the city and elsewhere in the country. In his view, the Bank Group’s Annual Meetings in Maputo came at an opportune moment, as they coincided with the commencement of the urban development program aimed at improving the quality of living in the agglomeration and strengthening Maputo’s human, financial and institutional capacities, in order to live up to its reputation as a city of vision.
- 2.2 **His Excellency Mr. Aiuba CUERENEIA**, Chairperson of the Boards of Governors and Governor for Mozambique, extended a very warm welcome to his peers, their respective delegations and all other participants in the Annual Meetings. He acknowledged the presence of the former President of

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Mozambique, His Excellency Mr. Joaquim CHISSANO as well as the former Presidents of the African Development Bank, Messrs. Kwame Fordwor, Willa Mung'omba, Babacar N'Diaye and Omar Kabbaj who had accepted the Bank's invitation to attend the meeting. He was particularly honoured by the presence of two heads of state, His Excellency Mr. Denis SASSOU-NGUESSO, President of the Republic of Congo, and His Excellency Mr. Armando Emilio GUEBUZA, President of the Republic of Mozambique. Their presence was a source of inspiration and encouragement for the Bank's Management as well as a mark of confidence in the institution.

- 2.3 **His Excellency Mr. CUERENEIA** underlined the personal involvement of the President of Mozambique in the preparations for the 2008 Bank Group Annual Meetings, even though they were being held in the difficult global socio-economic context of dramatic increases in food and oil prices with their negative impact on the development efforts of regional member countries. Given those circumstances, the Governor felt that the Bank should adopt innovative measures to assist regional member countries to meet the challenges by accelerating the ongoing process of effective decentralization of its operational activities and positioning itself as the regional development finance institution of choice.
- 2.4 In his statement, **Mr. Donald KABERUKA**, President of the Bank Group expressed his gratitude to the Government and people of Mozambique for the successful hosting of the Annual Meetings. The High Level Panel of Eminent Persons had produced an optimistic and ambitious vision for the Bank to operate as a strong and efficient development bank, and not solely as an aid conduit. The Medium-Term Strategy for 2008-2012 spelled out a shared and sustained growth strategy for regional member countries. They could therefore count on the Bank Group as a reliable partner, given its solid financial base coupled with its determination to become more focused and selective in its operations. The ADB President assured the Bank's shareholders that efforts in making the Institution more accountable for greater quality and responsiveness were bearing fruit. The Bank had taken decisive steps to ensure greater institutional and operational integrity, transparency, accountability and information disclosure and to decentralise its operational activities. A recent study had also shown that the Bank Group had significant unused risk capital.
- 2.5 The President expressed gratitude to State participants of the Fund for the substantial increase in the resources of the ADF under the eleventh replenishment exercise (ADF-11). In his view, the Post-Conflict Country Facility was a sound innovation and the establishment of the Fragile States Facility was a welcome enhancement. Provision of safe water would make a significant contribution to enable regional member countries to attain the Millennium Development Goals (MDGs). The expansion in 2007 in Bank Group private sector operations, its investments in middle-income countries and its commitment to boosting infrastructural development for the enhancement of regional integration, were strong signals that the Bank Group is determined to focus on areas that could accelerate growth.
- 2.6 As for the food crisis, the President pointed out that the role of multilateral development banks must include support for long-term issues of food security. In that context, he felt that that there must also be greater private investment in

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sectors that could impact on food production, distribution and marketing. He emphasized the need for a greater role for the State as well.

- 2.7 In his intervention, **His Excellency Denis SASSOU NGUESSO**, President of the Republic of the Congo focused on four challenges to Africa: the energy crisis, the sudden rise in food prices, increasingly accelerating urbanization and increased poverty. Africa must strive for sustainable energy production, and national and regional projects must produce and transport electricity through networks and interconnections. Governments and financial institutions had the obligation to promote food security in order to consolidate peace on the continent through credits for agriculture, increased food production, promotion of efficient agricultural practices and the financing of infrastructure for marketing farm products. Accelerating Urbanization could hinder development in Africa, and anarchical development of cities produced disruptive and harmful effects. Good governance promoted sustainable growth and preserved the environment.
- 2.8 In his opening statement, **His Excellency Armando GUEBUZA**, President of the Republic of Mozambique, emphasized the importance of massive public investment for the development of African countries. He emphasized that this accounted for his Government's support for the Bank Group's strategic focus on infrastructure, education, health and the empowerment of the rural population. He underlined the participative approach to rural development with the effective involvement of the beneficiaries for enhanced ownership of programs financed by the Bank Group. He welcomed the positive impact of the Bank Group financed programs on the development efforts of his country and made an appeal to the international community to assist the African countries to attain the millennium development goals.
- 2.9 Concluding, the President of the Republic of Mozambique declared the meeting open and wished Governors success in their deliberations.

### **CONSIDERATION OF AGENDA ITEMS**

- 3 The Rapporteur, the Governor for the Republic of Congo, read out the Report of the Joint Steering Committee of the Boards of Governors of the African Development Bank and the African Development Fund, which met on Monday, 12 May 2008, at the Joaquim Chissano International Conference Center in Maputo, Mozambique.
- 3.1 The Boards of Governors thanked the Governor for Congo for the report, and noted that the United States of America opposed the proposals in the report concerning the allocation proposals from the Net Income of the Bank in favour of the Middle Income Countries' Trust Fund and the African Fertilizer Financing Mechanism, as well as the proposal concerning the Bank's administration and Management of the Resources of the Special Fund for Reconstruction and Development (SFRD) of the Great Lakes Region (GLR)
- 3.2 The Boards of Governors then recalled the Joint Steering Committee's recommendation that allocations should be made from the Surplus Account in appropriate amounts to provide assistance to regional member countries faced with food crisis and escalating prices of crude oil as well as the request that the President of the Bank and the Board of Directors study the matter and submit proposals to the Boards of Governors for consideration.

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- 3.3 Furthermore, the Boards of Governors noted the opposition of France to the proposal for amendment of the procurement provisions contained in the Agreement establishing the African Development Fund.
- 3.4 The Boards of Governors approved the recommendations put forward by the Committee and adopted the relevant resolutions.

#### **Report of the Governors Consultative Committee (GCC)**

- 3.5 The Boards of Governors considered and approved at their third joint session held on 15 May 2008, the Report of the Governors' Consultative Committee (GCC), as well as the related recommendations concerning the documents mentioned below :
- Consolidated Assessment of the Host Country and Review of the Temporary Relocation Period
  - Review of the Terms of Reference of the Steering Committee for the Election of the President and the Eligibility Criteria for Candidatures for the Office of the President of the Bank
  - Resolution regarding the Application of the Code of Conduct for Executive Directors of the African Development Bank and the African Development Fund to the President of the Bank
  - Recommendations on the Report of the High Level Panel

#### **Report of the Steering Committee for the Election of the President concerning the Review of the Procedure for Internal Candidatures for the Election of the President of the African Development Bank**

- 3.6 The Boards of Governors considered and approved the above report and the relevant recommendations at their third session held on 15 May 2008.

#### **Other Business**

- 3.7 Under "Other Business", the Board of Governors took note of the request by the Governor for Egypt and supported by several other Governors to extend the deadline on the postal ballot concerning the revision of the conditions of service and remuneration package of the Executive Directors of the Bank. The Board of Governors therefore decided to extend the said deadline to 31 May 2008.

#### **RESOLUTIONS ADOPTED**

- 3.8 The Resolutions and vote of Thanks adopted are contained in Annex 1 of this and they concern the following issues:
- (i) Dates and Venue of the next Annual Meetings;
  - (ii) By-Election of Executive Directors;
  - (iii) Temporary Relocation of the Operations of the African Development Bank to the Temporary Relocation Agency in Tunis, Tunisia;
  - (iv) Participation of Turkey in the African Development Fund and Accession of Turkey to the African Development Bank;

- (v) Annual Report, Audited Financial Statements, Allocation and Distribution of Part of the Net Incomes for the Financial Year Ended 31 December 2007;
- (vi) Application of the Code of Conduct of Executive Directors to the President of the Bank Group;
  
- (vii) Extension of the Duration of the Nigeria Trust Fund;
- (viii) Administration and Management of the Financial Resources of the Special Fund for Reconstruction and Development of the Great Lakes;
- (ix) Amendment of Article 15 (4) of the Agreement Establishing the African Development Fund concerning Procurement;
- (x) Votes of Thanks in favour of several Personalities and governing bodies, particularly, His Excellency Armando Emilio GUEBUZA, President of the Republic of Mozambique, His Excellency Denis SASSOU NGUESSO, President of the Republic of Congo, Her Excellency Luisa DIOGO, Prime Minister of the Republic of Mozambique and Mr. Eneas COMICHE, Mayor of Maputo; the outgoing Chairperson, the Bureau, the Joint Steering Committee, the Steering Committee on the Election of the President and the Governors' Consultative Committee; the Inter-Ministerial Committee of the Republic of Mozambique for Major National and International Events (CIGENI); and the Boards of Directors, Management and Staff of the Bank.

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**SUMMARY OF THE KEY POINTS OF GOVERNORS' STATEMENTS**

- 4 The Governors individually expressed their strong appreciation to the Government and people of the Republic of Mozambique for the hospitality and warm welcome given them.
- 4.1 The Governors stressed that the 2008 Annual Meetings were being held in a context marked by a sudden rise in the price of oil and a record rise in the price of food, which had created tensions in the economies of countries in Africa. They also stressed the need to mobilize quickly and for the international community to carry out coordinated activities in order to provide African countries with the assistance required at this crucial time. They welcomed the urgent measure planned by the Bank to provide an appropriate response to that situation. The Governors also pointed out that 2008 was half way towards the achievement of the Millennium Development Goals and that much remained to be done in order for the African countries to achieve those goals. That was why, while expressing satisfaction at the implementation of the Bank's institutional reforms in order to allow it to have a greater impact on the development of the regional member countries, the Governors stressed the areas on which the institution must be reinforced in order to deliver the expected results.
- 4.2 The Governors expressed their support for the Bank's approach towards greater selectivity by focussing on infrastructure, regional integration and good governance. They also called for suitable attention to be given to health, education and agriculture as well as greater emphasis on gender issues; increased attention to climate change with a strong accent on combating deforestation through the development of clean energies; the mobilization of resources to provide priority budgetary support to countries in need by establishing objective criteria for allocation together with the other multinational partners such as the IMF; initiating reflection on the creation of an instrument for quick reaction to exogenous shocks; rationalization of regional economic communities (RECs); an increase in private sector operations because that was the sector that created employment and resources; enhancement of the delegation of authority to country offices; the strengthening of systems and reinforcement of the Bank staff's capacities by identifying gaps in order to redeploy them to positions where they would be more effective.
- 4.3 The Governors welcomed the conclusions of the High Level Panel, which had provided a strategic vision for the Bank that was shared by all partners. They also expressed satisfaction at the record level of the eleventh replenishment of the resources of the ADF (ADF-11).
- 4.4 They welcomed the reinforcement of peace, reconciliation and stability in Cote d'Ivoire, the Bank's host country, and expressed the desire that the calendar set could be respected in order to facilitate the orderly return of the Bank's operations to its headquarters in Abidjan. They also took the opportunity to thank Tunisia for hosting the Bank's Temporary Relocation Agency since 2003 and for all the measures taken by that country to enable the Bank to carry out its operations in the best possible conditions.

- 4.5 The Governors also congratulated Turkey for the adoption of the Resolution on its membership of the Bank Group, becoming the 78th member of the Bank Group. They also took note of the appreciation of the Governor for Turkey, who stated that the Government of Turkey would not spare any effort to make a significant contribution to the development efforts of the Continent.
- 4.6 The Governors commiserated with the Government and people of China following the earthquake that occurred in the Sichuan Province in China. On behalf of the Boards of Governors, the Chairperson of the Boards of Governors conveyed a message of solidarity and support to the people of China in this difficult situation.
- 4.7 In conclusion, the Governors welcomed the considerable progress made by the Bank as well as the good financial results obtained during the 2007 financial year. They urged the management team to continue to position the Bank as the financial institution of reference for the development of Africa. They were confident that the Bank Group could meet that new challenge. They reiterated their confidence and support for the Bank and its President.

**Kordjé BEDOUMRA**  
**Secretary-General**

## **ANNEXES**

- Annex 1      Resolutions adopted at the 2008 Annual Meetings**
  
- Annex 2      Report of the meeting of the Joint Steering Committee, held on 12  
May 2008**
  
- Annex 3      Report of the Steering Committee on the Election of the President of  
the Bank, held on 12 May 2008**
  
- Annex 4      Report of the eighth meeting of the Governors' Consultative  
Committee, held on 13 May 2008**

<b><u>(I) Resolutions</u></b>	<b><u>List of Resolutions adopted</u></b>	<b><u>Page</u></b>
(i)	Dates and Venue of the Forty-Fourth Annual Meeting of the Board of Governors of the Bank and the Thirty-Fifth Annual Meeting of the Board of Governors of the Fund (B/BG/2008/03 – F/BG/2008/02);	1
(ii)	By-Election of Executive Directors of the African Development Bank (B/BG/2008/04);	2
(iii)	Selection of Executive Directors of the African Development Fund (F/BG/2008/03);	4
(iv)	Temporary Relocation of the Operations of the African Development Bank to the Temporary Relocation Agency in Tunis, Tunisia: Twelve (12)-Month Review of the Temporary Relocation Period (B/BG/2008/05);	5
(v)	Temporary Relocation of the Operations of the African Development Bank to the Temporary Relocation Agency in Tunis, Tunisia: Twelve (12)-Month Review of the Temporary Relocation Period (F/BG/2008/04);	7
(vi)	Accession of the Republic of Turkey to the Agreement Establishing the African Development Bank (B/BG/2008/06);	9
(vii)	Participation of Turkey in the African Development Fund (F/BG/2008/05);	11
(viii)	Authorization of a Special Capital Increase (B/BG/2008/07);	12
(ix)	Annual Report and Audited Financial Statements for the Financial Year Ended 31 December 2006 (B/BG/2008/08);	13
(x)	Allocation and Distribution of Part of the Net Income of the African Development Bank for the Financial Year Ended 31 December 2007 using Allocable Income as the Basis of Allocation and Distribution (B/BG/2008/09);	14
(xi)	Distribution of the Net Income of the Nigeria Trust Fund for the Financial Year Ended 31 December 2007 (B/BG/2008/10);	16
(xii)	Application of the Code of Conduct for Executive Directors of the African Development Bank and the African Development Fund to the President of the Bank Group (B/BG/2008/11);	17
(xiii)	Extension of the Duration of the Nigeria Trust Fund (B/BG/2008/12);	19
(xiv)	The Administration and Management of the Financial Resources of the Special Fund for Reconstruction and Development of the Great Lakes (B/BG/2008/13);	21
(xv)	Annual Report and Audited Special Purpose Financial Statements for the Financial Year Ended 31 December 2007 (F/BG/2008/06);	22

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(xvi)	Amendment of Article 15 (4) of the Agreement Establishing the African Development Fund concerning Procurement (F/BG/2008/07);	23
<b>(II)</b>	<b><u>Votes of Thanks</u></b>	
(i)	Vote of Thanks of the Boards of Governors to the outgoing Chairperson, the Bureau, the Joint Steering Committee, the Steering Committee on the election of the President and the Governors' Consultative Committee (B/BG/2008/14 – F/BG/2008/08);	24
(ii)	Vote of Thanks of the Boards of Governors to His Excellency Armando Emilio GUEBUZA, President of the Republic of Mozambique, Her Excellency Luisa DIOGO, Prime Minister of the Republic of Mozambique and Mr. Eneas COMICHE, Mayor of Maputo (B/BG/2008/15 – F/BG/2008/09);	25
(iii)	Vote of Thanks of the Boards of Governors to His Excellency Denis SASSOU NGUESSO, President of the Republic of Congo (B/BG/2008/16 – F/BG/2008/10);	26
(iv)	Vote of Thanks of the Boards of Governors to Inter-Ministerial Committee of the Republic of Mozambique for Major National and International Events (CIGENI) (B/BG/2008/17 – F/BG/2008/11);	27
(v)	Vote of Thanks of the Boards of Governors to the Boards of Directors, Management and Staff (B/BG/2008/18 – F/BG/2008/12).	28

**AFRICAN DEVELOPMENT BANK  
AFRICAN DEVELOPMENT FUND**



**BOARDS OF GOVERNORS**

**FORTY-THIRD ANNUAL  
MEETING OF THE ADB**

**THIRTY-FOURTH ANNUAL  
MEETING OF THE ADF**

**MAPUTO, REPUBLIC OF MOZAMBIQUE  
14 AND 15 MAY 2008**

**RESOLUTIONS ADOPTED AT THE 2008 ANNUAL MEETINGS**

**BOARDS OF GOVERNORS**

**Resolution B/BG/2008/03– F/BG/2008/02**

Adopted at the First Sitting of the Forty-Third Annual Meeting of the African Development Bank (the "Bank") and the Thirty-Fourth Annual Meeting of the African Development Fund (the "Fund"), on 15 May 2008

**Dates and Venue of the Forty-Fourth Annual Meeting of the Board of Governors of the Bank and the Thirty-Fifth Annual Meeting of the Board of Governors of the Fund (2009)**

**THE BOARDS OF GOVERNORS,**

**HAVING REGARD** to Article 31(1) of the Agreement establishing the Bank and Article 25(1) of the Agreement establishing the Fund;

**HAVING CONSIDERED:**

- (i) Resolution B/BG/92/07 concerning the venue of Annual Meetings;
- (ii) Document ADB/BG/WP/2008/17 - ADF/BG/WP/2008/09 (the "Proposal") on the Dates and Venue of the Forty-Fourth Annual Meeting of the Board of Governors of the Bank and the Thirty-Fifth Annual Meeting of the Board of Governors of the Fund, (collectively, the "2009 Annual Meetings");
- (iii) The invitation of the Government of the Republic of Senegal, expressing its desire to host the 2009 Annual Meetings in Dakar, Senegal; and
- (iv) The recommendation of the Boards of Directors contained in the Proposal;

**RESOLVE** to hold the 2009 Annual Meetings in **Dakar, Senegal**, from **13 to 14 May 2009**.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/04**

Adopted at the First Sitting of the Forty-Third Annual Meeting  
of the African Development Bank, on 14 May 2008

**By-election of Executive Directors of the African Development Bank**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD to:**

1. The Agreement Establishing the African Development Bank (the "Bank Agreement"), in particular Articles 29(1) (Board of Governors: Powers), 33(1) (Board of Directors: Composition), 35(3) (Voting), and Annex B to the Bank Agreement, containing the Rules of Procedure Governing the Election of the Members of the Board of Directors of the African Development Bank (the "Bank");
2. The Rules for the Election of Executive Directors of the African Development Bank; and
3. The maximum term limits for members of the Board of Directors of the Bank, set forth in Article 33(4) of the Bank Agreement;

**RECALLING** Resolution B/BG/2007/06 adopted by this Board on 16 May 2007, on the General Election of Executive Directors of the Bank;

**NOTING** that Governors have nominated only one candidate for each electoral seat, and that each of the said candidates is duly qualified to discharge the functions of Executive Director of the Bank;

**DECLARES** that the persons, whose names appear below in the order of magnitude of the total shareholding that counted towards their election, are duly elected as members of the Board of Directors of the Bank, with effect from the date specified for that purpose:

<u>Executive Director</u>	<u>Countries Represented</u> *	<u>Voting Power</u> **	<u>Date of Assumption of Duty</u>
Mr. Abdelhak BENALLEGUE	<u>Algeria</u>	3.786	29 April 2008
	Guinea Bissau	0.055	
	Madagascar	<u>0.668</u>	
	Total	4.509	
Mr. Abdul-magid GADAD	<u>Libya</u>	3.637	10 September 2008***
	Mauritania	0.173	
	Somalia	<u>0.116</u>	
	Total	3.926	
Ms Birgit GERHARDUS	<u>Germany</u>	4,078	15 August 2008
	Portugal	0,264	
	United Kingdom	1,680	
	The Netherlands	<u>0,854</u>	
	Total	6,876	
Mr. Clay LOWERY	<u>United States</u>	6.361	.... 2008***
Mr. Bruce MONTADOR	<u>Canada</u>	3.718	15 September 2007
	China	1.126	
	Korea	0.467	
	Kuwait	0.467	
	Spain	<u>1.069</u>	
	Total	6.847	

**DECIDES** for the purpose of the present by-election of the Board of Directors, to waive the requirement, that no person who receives less than six (6) per cent of the total voting power of regional members shall be considered as elected.

- (1) \* The Executive Director's country of origin is underlined.
- (2) \*\* ADB Voting powers as at 31st March 2008.
- (3) \*\*\* Exact date to be confirmed.

**AFRICAN DEVELOPMENT FUND**

**BOARD OF GOVERNORS**

**Resolution F/BG/2008/03**

Adopted at the First Sitting of the Thirty-Fourth Annual Meeting  
of the African Development Fund , on 14 May 2008

**Selection of Executive Directors of the African Development Fund**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to: (i) the relevant provisions of the Agreement Establishing the African Development Fund (the "Fund Agreement"), in particular Articles 23(1) (Board of Governors: Powers), 27 (Board of Directors: Composition) and 29 (Voting); and (ii) Annex B of the Fund Agreement;

**RECALLING** Resolution F/BG/2007/05, adopted by this Board on 16 May 2007 on the Selection of Executive Directors for the African Development Fund (the "Fund");

**NOTING** that the following persons have been duly selected as members of the Board of Directors of the Fund;

**HEREBY CONFIRMS** the said selection, as indicated below, with effect from the date of his/her assumption of duty:

<u>Executive Director</u>	<u>Countries Represented*</u>	<u>Voting Power**</u>	<u>Date of Assumption of Duty</u>
Mrs. Birgit GERHARDUS	<u>Germany</u> Portugal United Kingdom The Netherlands	4.963 0,381 2,965 <u>1,761</u> 10,071	15 August 2008
Mr. Clay LOWERY	<u>United States</u>	6.347	... 2008***
Mr. Bruce MONTADOR	<u>Canada</u> China Korea Kuwait Spain Total	3.966 0.906 0.408 0.565 <u>0.996</u> 6.842	15 September 2007

**NB:**

- (1) \* The Executive Director's country of origin is underlined.
- (2) \*\* ADF Voting powers as at 31<sup>st</sup> March 2008.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/05**

Adopted at the First Sitting of the Forty-Third Annual Meeting  
of the African Development Bank, on 14 May 2008

**Temporary Relocation of the Operations of the African Development Bank to the Temporary  
Relocation Agency in Tunis, Tunisia: Twelve (12)-Month Review of the  
Temporary Relocation Period**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to: (i) the Agreement Establishing the African Development Bank (the "Bank"), in particular Articles 1 (Purpose), 2 (Functions), 29 (Board of Governors: Powers); 32 (Board of Directors: Powers), 37 (The Office of the President), and 39 (Office of the Bank); (ii) the General Regulations of the Bank, in particular Article 4 (Powers, Functions and Responsibilities of the Board of Directors and the President); and (iii) the Terms of Reference of the Governors' Consultative Committee (GCC);

**RECALLING:**

- (i) Resolution B/BD/2002/09-F/BD/2002/08, adopted on 27 February 2002 by the Boards of Directors of the Bank and the African Development Fund (the "Fund"), confirming the selection of Tunisia as the Regional Member Country to host the Temporary Relocation Agency for the African Development Bank Group (TRA);
- (ii) Resolution B/BD/2003/03-F/BD/2003/02, adopted on 19 February 2003 by the Boards of Directors of the Bank and the Fund, authorizing the temporary relocation of operations of the Bank to the TRA;
- (iii) Resolution B/BG/2003/02-F/BG/2003/02, adopted on 30 April 2003 by the Boards of Governors of the Bank and the Fund, authorizing the temporary relocation of the Boards of Directors of the Bank and the Fund to the TRA; and
- (iv) Resolution B/BG/2003/04, adopted by this Board on 3 June 2003, fixing the timeframe of the temporary relocation of operations to the TRA as twenty-four (24) months from 3 June 2003 (the "Temporary Relocation Period"), and providing the related review process of the Temporary Relocation Period as well as the required notice period for an orderly and planned return of the Bank's operations to its Headquarters;

**FURTHER RECALLING** the decisions of this Board since 2005 with the most recent being Resolution B/BG/2007/07 adopted on 16 May 2007, by which this Board resolved, inter alia, that the situation in the Host Country of the Headquarters was not yet conducive for a return of the operations of the Bank to its Headquarters, and therefore extended the Temporary Relocation Period for another twelve (12)-month period;

**HAVING CONSIDERED:**

- (i) The Report of the eighth meeting of the GCC, in particular the recommendations contained therein regarding the Temporary Relocation Period; and
- (ii) The importance of ensuring the safety and welfare of the Officers and Staff of the Bank, as well as preserving the effective functioning of the Bank while consolidating the gains accomplished thus far;

**HEREBY:**

- (i) Reaffirms that the Headquarters of the Bank shall remain in Abidjan, Côte d'Ivoire;
- (ii) Takes note of the progress made by the Host Country towards achieving peace and stability, but decides that the situation in the Host Country is not yet conducive for an immediate return of the operations of the Bank to its Headquarters;
- (iii) Extends the Temporary Relocation Period for twelve (12) months from 3 June 2008;
- (iv) Directs the Board of Directors to closely monitor the situation in the Host Country in accordance with the following: (a) the normalization of the political and security situation; and (b) the existence of the basic facilities and infrastructure necessary for the effective operations of the Bank;
- (v) Further directs the GCC to meet at an appropriate date before the 2009 Annual Meetings to provide guidance to the Board of Governors on the issues referred to in paragraph (iv) above relating to the Bank's return to Abidjan and anything else judged relevant, and to recommend a decision to be taken by the Board of Governors at the 2009 Annual Meetings;
- (vi) Decides that there shall be a twelve (12)-month notice period, to ensure proper planning and orderly return of the operations of the Bank to its Headquarters after a final decision is taken by the Board of Governors; and
- (vii) Authorizes the Board of Directors and the President to take such administrative measures, as may be necessary or expedient for the implementation of this Resolution, having regard to the functions and powers of the Board of Directors and the President, as set out in the Agreement establishing the Bank, the General Regulations, and other subsidiary instruments of the Bank.

**AFRICAN DEVELOPMENT FUND**

**BOARD OF GOVERNORS**

**Resolution F/BG/2008/04**

Adopted at the First Sitting of the Thirty-Fourth Annual Meeting  
of the African Development Fund , on 14 May 2008

**Temporary Relocation of the Operations of the African Development Bank to the  
Temporary Relocation Agency in Tunis, Tunisia: Twelve (12)-Month  
Review of the Temporary Relocation Period**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to: (i) the Agreement Establishing the African Development Fund (the "Fund"), in particular Articles 2 (Purpose), 23 (Board of Governors: Powers); 26 (Board of Directors: Functions), 30 (The President), 31 (Relationship to the Bank); and 32 (Office of the Fund); and (ii) the General Regulations of the Fund, in particular Article 4 (Delegation of Powers);

**RECALLING:**

- (i) Resolution B/BD/2002/09-F/BD/2002/08, adopted on 27 February 2002 by the Boards of Directors of the African Development Bank (the "Bank") and the Fund, confirming the selection of Tunisia as the Regional Member Country to host the Temporary Relocation Agency for the African Development Bank Group (TRA);
- (ii) Resolution B/BD/2003/03-F/BD/2003/02, adopted on 19 February 2003 by the Boards of Directors of the Bank and the Fund, authorizing the temporary relocation of operations of the Bank to the TRA;
- (iii) Resolution B/BG/2003/02-F/BG/2003/02, adopted on 30 April 2003 by the Boards of Governors of the Bank and the Fund, authorizing the temporary relocation of the Boards of Directors of the Bank and the Fund to the TRA; and
- (iv) Resolution B/BG/2003/04, adopted by the Board of Governors of the Bank on 3 June 2003, during the 2003 Annual Meetings, fixing the timeframe for the temporary relocation of operations of the Bank as twenty-four (24) months from 3 June 2003 (the "Temporary Relocation Period"), and the concurrence of this Board, with the decisions contained in that Resolution, as indicated in its Resolution F/BG/2003/04, adopted on 3 June 2003;

**FURTHER RECALLING:**

- (i) The decisions of the Board of Governors of the Bank, since 2005 with the most recent being Resolution B/BG/2007/07 adopted on 16 May 2007, by which that Board resolved, inter alia, that the situation in the Host Country of the Headquarters was not yet conducive for a return of the operations of the Bank to its Headquarters, and therefore extended the Temporary Relocation Period for another twelve (12)-month period; and the concurrence of this Board, with such decisions; and
- (ii) Resolution B/BG/2008/06 adopted on 15 May 2008 by the Board of Governors of the Bank concerning the twelve (12)-month review of the Temporary Relocation Period (the "2008 Temporary Relocation Period Resolution");

**HAVING CONSIDERED:**

- (i) The Report of the eighth meeting of the Governors' Consultative Committee of the Bank, in particular the recommendations contained therein regarding the Temporary Relocation Period; and
- (ii) The importance of ensuring the safety and welfare of the Officers and Staff of the Bank, as well as preserving the effective functioning of the Bank while consolidating the gains accomplished thus far;

**CONCURS** with the decision of the Board of Governors of the Bank, as set out in the 2008 Temporary Relocation Period Resolution;

**AUTHORIZES** the Board of Directors and the President to take such administrative measures, as may be necessary or expedient for the implementation of this Resolution, having regard to the functions and powers of the Board of Directors and the President, as set out in the Agreement establishing the Fund, the General Regulations, and other subsidiary instruments of the Fund.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/06**

Adopted at the First Sitting of the Forty-Third Annual Meeting of the  
African Development Bank on 14 May 2008

**Accession of the Republic of Turkey to the Agreement Establishing  
the African Development Bank**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to: (i) Articles 3(3), 5, 6(1), and 7 of the Agreement Establishing the African Development Bank (the "Bank Agreement"); to (ii) Article 13 of the Bank's General Regulations; and the General Rules Governing the Admission of Non-Regional Countries to the Bank adopted by Resolution 07-79 of this Board, as amended;

**CONSIDERING:** (i) the Declaration of Intent presented by the Government of the Republic of Turkey to the Bank dated 14 February 2008, by which the said Government confirmed its decision to seek membership of the Bank; and (ii) the Report of the Board of Directors (Doc. ADB/BG/WP/2008/02) on the exchange of views and negotiations with the Government of the Republic of Turkey;

**WELCOMING** the said Declaration of Intent;

**RECALLING** Resolution F/BG/200802 adopted on 15 May 2008 by the Board of Governors of the African Development Fund pursuant to which that Board granted the application of the Republic of Turkey to become a State participant in the Fund;

**DESIROUS**, for its part, of aiding the Republic of Turkey to become a member of the Bank at the earliest opportunity;

**RESOLVES** that the Republic of Turkey shall become a member of the Bank on the following terms:

1. The Republic of Turkey shall initially subscribe to 6,779 Shares of the capital stock of the Bank; such shares to consist of 407 paid-up shares and 6,372 callable shares to be issued at par;
2. The payment of the amount initially subscribed to the paid-up capital stock shall be made in eight (8) equal annual installments; the first of which shall be paid by the Republic of Turkey on or before the date it deposits its Instrument of Accession;
3. The second and subsequent installments payable under this Resolution shall fall due on the anniversary dates of the payment made in the first year;
4. At the option of the Republic of Turkey, payment for the paid-up portion of its subscription shall be made on either of the following terms:
  - i. 13,077.70 Euro or 12,063.50 US dollars per share; or
  - ii. 10,000 SDR per share in any of the currencies used for the valuation of the SDR, with the SDR being translated into currencies at the average of the conversion rates (rounded up to six digits) prevailing during the 30-day period ending seven (7) days before the date of subscription in the case of the first payment, and seven (7) days before the date of payment in the case of subsequent payments;

5. All other conditions of subscription shall, except to the extent of any inconsistency with the provisions of this Resolution, be as set out in Resolution B/BG/98/05 authorizing the Fifth General Capital Increase (GCI-V) adopted on 29 May 1998;

**AUTHORIZES** the Board of Directors to complete the Bank's internal formalities for admitting Turkey to membership of the Bank, as soon as the Republic of Turkey shall have declared itself ready to complete the formalities provided in Article 3(3) of the Bank Agreement and in the General Rules Governing the Admission of Non-Regional Countries to Membership of the Bank (Annex to Resolution 07-79), as amended, and to pay its initial subscription.

## **AFRICAN DEVELOPMENT FUND**

### **BOARD OF GOVERNORS**

#### **Resolution F/BG/2008/05**

Adopted at the First Sitting of the Thirty-Fourth Annual Meeting of  
the African Development Fund, on 14 May 2008

#### **Participation of the Republic of Turkey in the African Development Fund**

#### **THE BOARD OF GOVERNORS,**

**HAVING REGARD** to the relevant provisions of the Agreement Establishing the African Development Fund (the "Fund Agreement"), in particular Articles 3(3) (Participation: New State Participants), 55(1) (Ratification, Acceptance or Approval) and 57(2) (Participation: Effective Date of Participation), and the General Regulations of the African Development Fund (the "Fund"), in particular Article 13 (Application for Participation);

#### **HAVING CONSIDERED:**

- (i) The Declaration of Intent presented by The Republic of Turkey ("Turkey") to the Fund dated 14 February 2008, by which Turkey confirmed its desire to become a State participant (as defined in Article 1 of the Fund Agreement); and
- (ii) Resolution F/BG/2008/01 adopted by the Board of Governors of the Fund on 28 March 2008, concerning the Eleventh General Replenishment of the Fund, (the "ADF-11 Resolution");

**RESOLVES** to grant the application of Turkey to become a State participant on the following terms:

- (i) Except as otherwise provided in this Resolution, the terms and conditions governing the participation and subscription of Turkey shall be the same in all respects as those applicable to the participation and subscriptions of original participants in the Fund;
- (ii) The initial subscription of Turkey shall be Forty Million Six Hundred and Ninety Three Thousand and Four Hundred and Sixty-Eight Units of Account (UA 40,693,468)\* as defined in the Fund Agreement (the "Initial Subscription");
- (iii) The Initial Subscription shall be payable in full on the date on which Turkey shall comply with the provisions of paragraph (v) of this Resolution, or not more than thirty (30) days thereafter;
- (iv) Save and to the extent that the present Resolution specifically modifies the terms of the ADF-11 Resolution, the ADF-11 Resolution shall apply in all respects to Turkey, after its admission to participation in the Fund; and
- (v) Turkey shall become a party to the Fund Agreement and a State participant of the Fund pursuant to this Resolution, by signing the Fund Agreement and depositing its Instrument of Acceptance with the African Development Bank.

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\* The applicable UA : Euro and UA : US\$ exchange rates are those of December 2006 i.e. UA1 = €1.14229 and UA1 = US\$ 1.50440. The Initial Subscription, accordingly, will be €46,483,742 or US\$ 61,219,253 or, subject to a domestic inflation rate of less than 10% for the period 2005 - 2007, the equivalent in Turkish lira.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/07**

Adopted at the First Sitting of the Forty-Third Annual Meeting  
of the African Development Bank on 14 May 2008

**Authorizing a Special Capital Increase**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD TO:**

- (i) The Agreement Establishing the African Development Bank (the "Bank Agreement"), in particular Articles 5(3) and (4) (Authorization for a Capital Increase and Allocation of Capital Stock), 6 (Subscription of Shares), 7 (Payment of Subscription) and 29 (Board of Governors: Powers);
- (ii) Resolution B/BG/98/04 pursuant to which this Board approved, *inter alia*, the amendment to Article 5(4) of the Bank Agreement to provide that the authorized capital stock and any increase thereof shall be allocated for subscription to regional and non-regional members so that the regional Members shall hold sixty percent (60%) of the total voting power and the non-regional Members forty percent (40%) of the total voting power; and
- (iii) Resolution B/BG/98/05 pursuant to which the authorized capital stock of the Bank was increased to Twenty-one Billion Eight Hundred and Seventy Million Units of Account (UA21,870,000,000), with a par value of Ten Thousand Units of Account (UA10,000) for each share (the "Fifth General Capital Increase");

**RECALLING** Resolution B/BG/2008/03 on the Accession of the Republic of Turkey to the Agreement Establishing the African Development Bank adopted by this Board on 15 May 2008;

**HAVING CONSIDERED** the recommendations contained in the Report of the Board of Directors (Document ADB/BG/WP/2008/02);

**HEREBY:**

1. Authorizes a Special Increase of the authorized share capital of the Bank to allow for: (i) subscription by a non-regional country (the Republic of Turkey) of the minimum number of shares required for it to become a member; and (ii) subscription by regional members of the number of shares necessary to comply with the 60/40 ratio requirement between the shareholding of regional and non-regional members;
2. Increases the authorized capital of the Bank from UA 21,870,000,000 to UA 22,039,480,000, with a corresponding increase of the number of shares from 2,187,000 to 2,203,948, with a creation of 16,948 new shares, out of which 6,779 shall be available for subscription by the Republic of Turkey and 10,169 shall be available for subscription by regional members. The additional shares shall be of a par value of Ten Thousand Units of Account (UA10,000) for each share and shall be subject to the same terms and conditions as the shares authorized in the Fifth General Capital Increase of the Bank (GCI-V); and
3. Authorizes the Board of Directors, in close consultation with the President of the Bank, to take the necessary measures for the timely implementation of this Resolution.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/08**

Adopted at the First Sitting of the Forty-Third Annual Meeting  
of the African Development Bank, on 14 May 2008

**Annual Report and Audited Financial Statements  
for the Financial Year ended 31 December 2007**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to: (i) the Agreement Establishing the African Development Bank (the "Bank"), in particular Articles 13(4) and (5) (Ordinary and Special Operations), 29(2)(g) (Board of Governors: Powers – Approval of the General Balance Sheet and Statement of Profit and Loss), and 41(3) (Annual Report); (ii) the General Regulations of the Bank, in particular Article 8 (Annual Report and Financial Statements); and (iii) the Financial Regulations of the Bank, in particular Regulation 13.2 (Financial Statements);

**HAVING CONSIDERED:**

- (i) The 2007 Annual Report of the Board of Directors, contained in Document ADB/BD/WP/2008/52/Rev.1/Approval;
- (ii) The Report of the External Auditors for the Financial Year ended 31 December 2007;
- (iii) The Audited Financial Statements of the Bank for the Financial Year ended 31 December 2007, contained in Document ADB/BD/WP/2008/45 as well as the Corrigendum thereto;
- (iv) The Audited Financial Statements of the Special and Trust Funds for the Financial Year ended 31 December 2007, contained in document ADB/BD/WP/2008/41; and
- (v) The Audited Financial Statements of the Nigeria Trust Fund for the Financial Year ended 31 December 2007, contained in document ADB/BD/WP/2008/44;

**APPROVES** the 2007 Annual Report of the Board of Directors as well as each of the above-mentioned Audited Financial Statements for the Financial Year ended 31 December 2007.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/09**

Adopted at the First Sitting of the Forty-Third Annual Meeting  
of the African Development Bank, on 14 May 2008

**Allocations and Distributions of Part of the Net Income of the African Development Bank for  
the Financial Year Ended 31 December 2007 Using Allocable Income as  
the Basis of Allocation and Distribution**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to: (i) the Agreement Establishing the African Development Bank (the "Bank"), in particular Articles 29 (Board of Governors: Powers) and 42 (Allocation of Net Income); and (ii) the Financial Regulations of the Bank, in particular Regulations 3.1(5) (Use of Resources - Allocation of Net Income) and 4.6 (Content of Proposals for Allocations of Part of the Net Income);

**RECALLING:**

- (i) Resolution F/BG/2008/01, adopted by the Board of Governors of the African Development Fund (the "Fund"), authorizing the Eleventh Replenishment of the resources of the Fund ("ADF-11"), and considering the continued urgent need for concessional resources to assist those regional member countries of the Bank eligible for financing only on concessional terms, in achieving their development objectives; and
- (ii) Resolution B/BG/2007/02 of this Board, adopted on 16 May 2007, by which this Board: (a) authorized the distribution of part of the net income of the Bank for the year ended 31 December 2006; and (b) authorized the Board of Directors to adopt the necessary modalities for distributions by this Board from the Surplus Account;

**HAVING CONSIDERED:**

- (i) The Financial Statements for the financial year ended 31 December 2007, and confirmed that such Financial Statements indicate an income before transfers approved by the Board of Governors of Three Hundred and Twenty-Three Million Six Hundred and Sixty-Eight Thousand Units of Account (UA 323,668,000), and an allocable income (*Financial Statements income before transfers approved by the Board of Governors adjusted for certain unrealized gains or losses*) in the amount of Two Hundred and Ninety-Seven Million Seven Hundred and Eighty-Nine Units of Account (UA 297,789,000); and
- (ii) The Report of the Board of Directors contained in Document ADB/BG/WP/2008/21 (the "Report"), and the recommendations therein, relating to the distribution of part of the net income for the year 2007, as well as the fact that the financial statements and the medium-term financial projections, including considerations regarding the adequacy of reserves, indicate that the financial situation of the Bank remains sound;

**HEREBY:**

- (i) Decides to make provision for reserves, in the amount of Fifty Million Units of Account (UA 50,000,000), from the 2007 allocable income;

- (ii) Decides to allocate to the Surplus Account Twenty Million Seven Hundred Thousand Units of Account (UA 20,700,000) from the balance of the 2007 allocable income; and
- (iii) Approves the following distribution from the balance of the 2007 allocable income for the purposes stated below:
  - (a) One Hundred and Nine Million Units of Account (UA 109,000,000) to the ADF-11 (consisting of the contribution of Eighty-Four Million Units of Account (UA 84,000,000) equivalent to the 2007 cash flows attributable to the clearance of interest arrears on Post-Conflict Country loans, and Twenty-Five Million Units of Account (UA 25,000,000), being an additional contribution to the ADF-11);
  - (b) Sixty-Two Million Units of Account (UA 62,000,000) (equivalent to the interest income realized in 2007 on Bank loans to the Democratic Republic of Congo (the "DRC")), for purposes of a Special Account dedicated to the debt service of part of the consolidated loans of the DRC;
  - (c) Twenty-Five Million Units of Account (UA 25,000,000) for the benefit of the Technical Assistance Fund for the Middle Income Countries;
  - (d) Fifteen Million Units of Account (UA 15,000,000) for the benefit of the Heavily Indebted Poor Countries (HIPC) Initiative;
  - (e) Five Million Units of Account (UA 5,000,000) for the benefit of the Africa Fertilizer Development Financing Mechanism;
  - (f) Six Million Three Hundred Thousand Units of Account (UA 6,300,000) for the benefit of the NEPAD Infrastructure Project Preparation Facility; and
  - (g) Five Million Units of Account (UA 5,000,000) for the benefit of the Fund for African Private Sector Assistance.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/10**

Adopted at the First Sitting of the Forty-Third Annual Meeting  
of the African Development Bank, on 14 May 2008

**Distribution of the Net Income of the Nigeria Trust Fund  
for the Financial Year Ended 31 December 2007**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to: (i) the Agreement Establishing the African Development Bank (the "Bank"), in particular Articles 8 (Special Funds), 29 (Board of Governors: Powers) and 42 (Allocation of Net Income); (ii) the Agreement Establishing the Nigeria Trust Fund (the "NTF"); and (iii) the Financial Regulations of the Bank, in particular Regulations 3.1(5) (Use of Resources - Allocation of Net Income), 3.3 (Financial Administration of Special Funds) and 4.6 (Content of Proposals for Allocations of Part of the Net Income);

**RECALLING:**

- (i) The terms of the Protocol Agreement between the Government of the Federal Republic of Nigeria (the "Government") and the Bank, dated 22 September 2003 (the "Protocol Agreement");
- (ii) The desire of the Government, as expressed in the Protocol Agreement, to make additional resources available for debt reduction initiatives and, in that connection, the request of the Government that the Bank distribute ten per cent (10%) of the net income of the NTF, annually, for the benefit of the Heavily Indebted Poor Countries (HIPC) Initiative, commencing with the net income of 2002; and
- (iii) Resolution B/BG/2003/11, adopted by this Board on 3 June 2003, which authorized the President of the Bank to execute the Protocol Agreement with the Government;

**HAVING CONSIDERED:**

- (i) The Financial Statements of the NTF for the financial year ended 31 December 2007, and confirmed that such Financial Statements indicate a net income of Eighteen Million Four Hundred and Fifty-Six Thousand Units of Account (UA 18,456,000) and an income before distributions approved by the Board of Governors (the "allocable income") of Nineteen Million Eight Hundred and Thirty-Six Thousand Units of Account (UA 19,836,000); and
- (ii) The Report of the Board of Directors contained in Document ADB/BG/WP/2008/08, and the recommendation therein, relating to the distribution of the net income of the NTF for the financial year ended 31 December 2007;

**HEREBY:**

- (i) Decides to transfer to the reserves of the NTF, the amount of Sixteen Million Four Hundred and Seventy-Two Thousand Four Hundred Units of Account (UA 16,472,400), from the 2007 net income; and
- (ii) Approves a distribution for the benefit of the HIPC Initiative, of ten percent (10%) of the 2007 allocable income of the NTF, in the amount of One Million Nine Hundred and Eighty-Three Thousand Six Hundred Units of Account (UA 1,983,600).

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution N° B/BG/2008/11**

Adopted at the First Sitting of the Forty-Third Annual Meeting  
of the African Development Bank, on 14 May 2008

**Application of the Code of Conduct for Executive Directors of the African Development Bank  
and the African Development Fund to the President of the Bank Group**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD TO:** (i) the Agreement Establishing the African Development Bank (the "Bank"), in particular Articles 1 (Purpose), 2 (Functions), 29 (Board of Governors: Powers), 31 (Board of Governors: Procedure), 32 (Board of Directors: Powers) and 36 (Appointment of the President); (ii) the Agreement Establishing the African Development Fund (the "Fund"), in particular Articles 26 (Board of Directors: Functions) and 27 (Board of Directors: Composition); and (iii) the General Regulations of the Bank, in particular Article 4 (Powers, Functions and Responsibilities of the Board of Directors and the President);

**RECALLING** Resolution N° B/BD/2001/14–F/BD/2001/10 of 25 April 2001 by which the Board of Directors of the Bank and the Board of Directors of the Fund adopted the Code of Conduct for Executive Directors of the African Development Bank and the African Development Fund;

**CONSIDERING** the crucial role that the President of the Bank Group (the "President") plays in his/her regular functions and the importance of the responsibilities attendant on his/her office;

**FURTHER NOTING** the importance of preventing, detecting and discouraging in an efficient manner certain tendencies capable of damaging the highest standards of loyalty, competence and integrity of the President;

**HEREBY ADOPTS THIS RESOLUTION AND DECIDES AS FOLLOWS:**

**Article 1: Objective of this Resolution**

The provisions of the Code of Conduct for Executive Directors of the African Development Bank and the African Development Fund (the "Code of Conduct") shall apply to the President.

As an exception to the provisions of the preceding paragraph, the provisions of this Resolution shall not apply *ab initio* to the mandate of the President currently underway. However, following the notification made by the incumbent to the Boards of Directors voluntarily proposing to be bound by the provisions of the Code of Conduct during his present mandate, the said Code of Conduct and this Resolution shall apply to the President from the date of entry into force of this Resolution.

**Article 2: Procedures for Lodging a Complaint before the Ethics Committee**

Any complaint or allegation relating to the violation by the President of the provisions of the Code of Conduct shall be submitted in writing to the Ethics Committee provided for in Article 18 of the said Code of Conduct either in person, through the Chairperson of the Audit and Finance Committee (AUFI) of the Boards of Directors, or through the Auditor General of the Bank.

**Article 3: Preliminary Review and Transmittal of a Complaint by the Ethics Committee**

The Ethics Committee shall conduct a preliminary examination of the complaint or allegation to determine whether it is based on apparently solid justifications with a view to submitting it to the Chairperson of the Bureau of the Board of Governors under the following conditions:

- If the preliminary examination of the complaint or allegation shows that it is frivolous or not based on any objective and solid facts it shall be dismissed.
- If the preliminary examination of the complaint or allegation reveals facts that are capable of establishing violations of the Code of Conduct, the complaint or allegation shall be submitted to the Chairperson of the Bureau of the Board of Governors for further examination;

**Article 4: Role of the Bureau of the Board of Governors**

Notwithstanding the provisions of Article 3 of this Resolution, the Chairperson of the Bureau of the Board of Governors, in consultation with other members of the said Bureau, shall have sole competence to finally determine whether or not there exists a reasonable basis for pursuing a complaint or an allegation in relation to the violation by the President of any provision of the Code of Conduct.

In taking his/her decision, the Chairperson of the Bureau of the Board of Governors may require the Ethics Committee and the person that made the complaint or allegation or any Department of the Bank, to provide additional information and clarifications, where necessary.

The Chairperson of the Bureau of the Board of Governors may, in appropriate cases, require the Ethics Committee to conduct more in-depth investigations.

**Article 5: Report following the Investigation of the Ethics Committee**

At the conclusion of the investigation provided for in the last paragraph of Article 4 of this Resolution, the Ethics Committee shall submit a report of its findings to the Chairperson of the Bureau of the Board of Governors to deal further with the complaint or allegation in conformity with the provisions of the Agreement Establishing the Bank.

The report shall be accompanied by supporting documents.

**Article 6: Informing the Board of Governors**

The Chairperson of the Bureau of the Board of Governors shall inform the Board of Governors of the opening of any investigation relating to any complaint or allegation of the violation by the President of the provisions of the Code of Conduct.

**Article 7: Due Process**

No investigation concerning an alleged violation by the President of the provisions of the Code of Conduct shall be conducted pursuant to the terms of this Resolution without the President having been given the chance to be heard or invited to present written evidence in defence of him/herself before the Bureau of the Board of Governors.

In application of the provisions of the preceding paragraph, the President may request any person of his/her choice to assist him/her in the presentation of his/her defence.

**Article 8: Entry into Force**

This Resolution shall enter into force on the date of its adoption and shall become public record as necessary.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/12**

Adopted at the First Sitting of the Forty-Third Annual Meeting of the  
African Development Bank on 14 May 2008

**Extension of the Duration of the Nigeria Trust Fund**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD TO:** (i) the Agreement Establishing the African Development Bank (the "Bank"), in particular Articles 1 (Purpose), 2 (Functions), 8 (Special Funds), 29 (Board of Governors: Powers), and 32 (Board of Directors: Powers); and (ii) the Agreement Establishing the Nigeria Trust Fund, in particular Articles I (Establishment and Purpose of the Fund), III (Administration of the Fund), and XIII (Termination of the Fund);

**RECALLING:**

- (i) Resolution 03-76, adopted by this Board on 25 April 1976, concerning the establishment of the Nigeria Trust Fund (the "NTF"); and
- (ii) Resolution B/BG/2003/11 adopted by this Board on 03 June 2003, concerning the enhancement of the development effectiveness of the NTF;

**COGNIZANT** of the significant contribution of the NTF to the development of the continent of Africa as well as the continued need to mobilize resources to support development activities on the continent;

**HAVING CONSIDERED** Document ADB/BG/WP/2008/20 (the "Report") and the recommendations contained therein for the extension of the NTF;

**HEREBY:**

- (i) Approves the proposal for the extension of the duration of the NTF for ten (10) years commencing 25 April 2008;
- (ii) Approves the following amendments to the NTF Agreement:
  - (a) **Instruments and Terms of Financing** Article VI, Section 6.1 of the NTF Agreement shall be amended to provide that the instruments and terms of financing from the resources of the NTF shall be agreed by the parties and set out in the NTF Operational Guidelines.
  - (b) **Member Countries of the Bank** Wherever the term "member country(ies)" is used in the NTF Agreement to refer to African Countries, it shall be replaced with "regional member country(ies)".
  - (c) **Determination of Currency Exchange Rates (Article V, Section 5.2)** The requirement for consultation with the International Monetary Fund, contained in Section 5.2 is hereby deleted. The revised Section shall read as follows:

"Whenever it shall be necessary under this Agreement to determine the value of any currency in terms of another currency or currencies or of the Unit of Account of the Bank, such valuation shall be reasonably made by the Bank."

- (d) Separation of NTF Accounts and Records (Article VII, Section 7.2)      **The typographical error in the last line of Section 7.2 is hereby corrected by replacing the word "and" with "as". The revised Section shall read as follows:**

"The Bank shall keep separate accounts and records of the resources and operations of the Fund in such a way as to permit the identification of the assets, liabilities, income, costs and expenses pertaining to the Fund as a financial unit independent of all other operations of the Bank."

- (iii) Authorizes the President, on behalf of the Bank, to conclude a Protocol Agreement with the Government of the Federal Republic of Nigeria regarding the extension of the duration of the NTF and setting out the terms and conditions for the extension;

**HEREBY AUTHORIZES** the Board of Directors and the President to take such measures, as may be necessary or expedient for the implementation of this Resolution, having regard to their respective powers and functions.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF GOVERNORS**

**Resolution B/BG/2008/13**

Adopted at the First Sitting of the Forty-Third Annual Meeting of the  
African Development Bank on 14 May 2008

**Concerning the Administration and Management of the Financial Resources of the  
Special Fund for Reconstruction and Development of the Great Lakes Region**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to Articles 8, 10, 11, 13 and 29(2)(b) of the Agreement Establishing the African Development Bank (the “Bank”) and Regulation 8.1 of the Financial Regulations of the Bank;

**CONSIDERING** that the Special Fund for Reconstruction and Development of the Great Lakes Region (the “Fund”) was established by the Pact for Security, Stability and Development in the Great Lakes Region signed by Heads of State and Government of the International Conference for the Great Lakes Region (the “Conference”) to support the implementation of the Conference’s Protocols and Programmes of Action in the priority areas of peace and security, democracy and good governance, economic development and regional integration, and humanitarian, social and environmental issues;

**RECOGNIZING** the potential contribution of the Fund to the security, stability and development of the Great Lakes Region;

**WELCOMING** the establishment of the Fund;

**NOTING** with appreciation that the Conference has proposed to entrust to the Bank the administration and management of the financial resources of the Fund;

**RESOLVES AS FOLLOWS:**

- (i) To accept the administration and management by the Bank of the financial resources of the Fund; and
- (ii) To authorize the President of the Bank to:
  - a) negotiate and execute with the Conference an appropriate Trust Instrument setting forth the terms and conditions governing the Bank’s mandate as trustee of the financial resources of the Fund; and
  - b) take such other actions and measures as shall be necessary or expedient for the proper implementation of this Resolution.

**AFRICAN DEVELOPMENT FUND**

**BOARD OF GOVERNORS**

**Resolution F/BG/2008/06**

Adopted at the First Sitting of the Thirty-Fourth Annual Meeting  
of the African Development Fund , on 14 May 2008

**Annual Report and Audited Special Purpose Financial Statements  
for the Financial Year ended 31 December 2007**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD** to the Agreement Establishing the African Development Fund (the "Fund"), in particular Article 23(2)(vii) (Board of Governors: Powers), and the General Regulations of the Fund, in particular Article 8 (Annual Report and Financial Statements);

**HAVING CONSIDERED:**

- (i) The 2007 Annual Report of the Board of Directors, contained in Document ADF/BD/WP/2008/25/Rev.1/Approval;
- (ii) The Report of the External Auditors for the Financial Year ended 31 December 2007; and
- (iii) The Audited Special Purpose Financial Statements of the Fund for the Financial Year ended 31 December 2007, contained in Document ADF/BD/WP/2008/23 as well as the Corrigendum thereto;

**APPROVES** the 2007 Annual Report of the Board of Directors and the Audited Special Purpose Financial Statements of the Fund for the Financial Year ended 31 December 2007.

**AFRICAN DEVELOPMENT FUND**

**BOARD OF GOVERNORS**

**Resolution F/BG/2008/07**

Adopted at the First Sitting of the Thirty-Fourth Annual Meeting  
of the African Development Fund, on 14 May 2008

**Amendment of Article 15(4) of the Agreement Establishing the  
African Development Fund concerning Procurement**

**THE BOARD OF GOVERNORS,**

**HAVING REGARD TO** the Agreement Establishing the African Development Fund (the "Fund Agreement"), in particular Articles 2 (Purpose); 4 (Resources); 15(4)(a) (Conditions of Financing); 23 (Board of Governors: Powers); 25 (Board of Governors: Procedure); 29 (Voting) and 51 (Amendments);

**RECOGNIZING** that donor coordination and harmonization of procedures is essential in the context of the Paris Declaration on Aid Effectiveness;

**AWARE** of the need to harmonize the procurement rules of the Fund with those of other development partners with a view to increasing competitiveness and development effectiveness of the Fund;

**HAVING CONSIDERED** Document ADF/BG/WP/2008/11, in particular the recommendations contained therein for the amendment of Article 15(4)(a) of the Fund Agreement;

**HEREBY DECIDES** to amend the Fund Agreement by deleting Article 15(4)(a) of the Fund Agreement, and that the amended Article 15(4) shall read as follows:

- 4. Procurement shall be on the basis of international competition among eligible suppliers except in cases where the Board of Directors determines that such international competition would not be justified.**

**FURTHER DECIDES** that the amendment to the Fund Agreement provided for in this Resolution shall enter into force on the date set forth in Article 51(1) of the Fund Agreement, following the adoption of this Resolution and the acceptance of the amendment therein by the participants (including State participants) in accordance with Article 51 of the Fund Agreement.

**BOARDS OF GOVERNORS**

**Resolution B/BG/2008/14 – F/BG/2008/08**

Adopted on 15 May 2008 at the Closing Session of the Forty-Third Annual Meeting of the African Development Bank (the "Bank") and the Thirty-Fourth Annual Meeting of the African Development Fund (the "Fund") (collectively, the "Annual Meetings")

**Vote of Thanks of the Boards of Governors to the Outgoing Chairperson, the Bureau, the Joint Steering Committee, the Steering Committee on the Election of the President and the Governors Consultative Committee**

**THE BOARDS OF GOVERNORS,**

**AT THE END OF THE DELIBERATIONS** of the Annual Meetings held in **MAPUTO, REPUBLIC OF MOZAMBIQUE**, from 14 to 15 May 2008;

**GRATEFUL** to the Honorable **Dr. AIUBA CUERENEIA**, Minister for Planning and Development of Mozambique, who served as Chairperson of the Boards of Governors during the period from the closure of the 2007 Annual Meetings to the closure of the 2008 Annual Meetings, for the leadership, wisdom, clear-sightedness and keen sense of consensus with which he directed all deliberations, and conducted the work of the Bureau as well as (i) the Joint Steering Committee of the Boards of Governors; (ii) the Steering Committee on the Election of the President; and (iii) the Governors Consultative Committee;

**COGNISANT** of the keen sense of responsibility with which the Vice-Chairpersons of the Bureau and Members of the Joint Steering Committee, the Steering Committee on the Election of the President and the Governors Consultative Committee performed their duties as well as their valuable contribution;

**EXTEND** this Vote of Thanks to the Chairperson, Vice-Chairpersons of the Bureau and Members of the Joint Steering Committee of the Boards of Governors, the Steering Committee on the Election of the President and the Governors Consultative Committee;

**SINCERELY WISH** these eminent personalities every success in all their undertakings in the interest of their respective countries, the Bank, the Fund, and the entire continent.

**BOARDS OF GOVERNORS**

**Resolution B/BG/2008/ 15 – F/BG/2008/09**

Adopted on 15 May 2008 at the Closing Session of the Forty-Third Annual Meeting of the African Development Bank (the "Bank") and the Thirty-Fourth Annual Meeting of the African Development Fund (the "Fund") (collectively, the "Annual Meetings")

**Vote of Thanks of the Boards of Governors to**  
**His Excellency Armando Emilio GUEBUZA, President of the Republic of Mozambique,**  
**Her Excellency Luisa DIOGO, Prime Minister of the Republic of Mozambique and**  
**Mr. Eneas COMICHE, Mayor of Maputo**

**THE BOARDS OF GOVERNORS,**

**AT THE END OF THE DELIBERATIONS** of the Annual Meetings held in **MAPUTO, REPUBLIC OF MOZAMBIQUE**, from 14 to 15 May 2008;

**EXPRESS** their most profound gratitude to:

1. His Excellency **Armando Emilio GUEBUZA**, President of the Republic of Mozambique;
2. Her Excellency **Luisa DIOGO**, Prime Minister of the Republic of Mozambique; and
3. Mr. **Eneas COMICHE**, Mayor of MAPUTO;

for having graciously honored the Bank Group by their presence and participation at the opening ceremony of the Annual Meetings, the cordial and fraternal reception as well as the true African hospitality and for the excellent facilities generously provided to ensure the success of the Annual Meetings;

**COGNISANT** of the unwavering and strong support of the Republic of Mozambique to the Bank Group;

**EXTEND** to His Excellency, **Armando Emilio GUEBUZA**, President of the Republic of Mozambique and to the Government of the Republic of Mozambique their profound gratitude for the continued support to the Bank Group; and

**SINCERELY WISH** the people of the Republic of Mozambique and their illustrious leaders the highest degree of success in all their development endeavours.

**BOARDS OF GOVERNORS**

**Resolution B/BG/2008/16 – F/BG/2008/10**

Adopted on 15 May 2008 at the Closing Session of the Forty-Third Annual Meeting of the African Development Bank (the "Bank") and the Thirty-Fourth Annual Meeting of the African Development Fund (the "Fund") (collectively, the "Annual Meetings")

**Vote of Thanks of the Boards of Governors to  
His Excellency Denis SASSOU NGUESSO, President of the Republic of Congo**

**THE BOARDS OF GOVERNORS,**

**AT THE END OF THE DELIBERATIONS** of the Annual Meetings held in **MAPUTO, REPUBLIC OF MOZAMBIQUE**, from 14 to 15 May 2008;

**EXPRESS** their profound gratitude to His Excellency **Denis SASSOU NGUESSO**, President of the Republic of Congo, for having graciously consented to honour the Bank Group by his presence at the opening ceremony of the Annual Meetings, and for his inspiring speech;

**SINCERELY WISH** His Excellency, President **Denis SASSOU NGUESSO** and the people of Congo the most resounding success in their noble task of economic development and the social progress of their country and the continent of Africa.

**BOARDS OF GOVERNORS**

**Resolution B/BG/2008/17 – F/BG/2008/11**

Adopted on 15 May 2008 at the Closing Session of the Forty-Third Annual Meeting of the African Development Bank (the "Bank") and the Thirty-Fourth Annual Meeting of the African Development Fund (the "Fund") (collectively, the "Annual Meetings")

**Vote of Thanks of the Boards of Governors to the Inter-ministerial Committee of the Republic of Mozambique for Major National and International Events (CIGENI)**

**THE BOARDS OF GOVERNORS,**

**AT THE END OF THE DELIBERATIONS** of the Annual Meetings held in **MAPUTO, REPUBLIC OF MOZAMBIQUE** from 14 to 15 May 2008;

**GRATEFUL** for the quality of the organization of all the activities of the 2008 Annual Meetings as well as the generosity with which the Mozambican Authorities made available all the facilities required by the Bank Group for the Annual Meetings;

**NOTING** that the commitment, efficiency, and generosity with which the Mozambican Authorities and the Inter-ministerial Committee of the Republic of Mozambique for Major National and International Events ("CIGENI") conducted their responsibilities, assured the success of the Annual Meetings;

**EXTEND** this vote of thanks to the Chairperson and members of CIGENI as well as the various sub-committees.

**BOARDS OF GOVERNORS**

**Resolution B/BG/2008/18 – F/BG/2008/12**

Adopted on 15 May 2008 at the Closing Session of the Forty-Third Annual Meeting of the African Development Bank (the "Bank") and the Thirty-Fourth Annual Meeting of the African Development Fund (the "Fund") (collectively, the "Annual Meetings")

**Vote of Thanks of the Boards of Governors to the Boards of Directors,  
Management and Staff**

**THE BOARDS OF GOVERNORS,**

**AT THE END OF THE DELIBERATIONS** of the Annual Meetings held in **MAPUTO, REPUBLIC OF MOZAMBIQUE**, from 14 to 15 May 2007;

**NOTING** the competence and dedication with which the Boards of Directors, Management and Staff have conducted the work of the Bank and the Fund in fulfillment of their development mandate, and the significant decisions of the Boards of Directors, which will positively contribute to the social and economic development of the regional members of the Bank;

**EXTEND** this Vote of Thanks to the Boards of Directors, Management and Staff.

**AFRICAN DEVELOPMENT BANK  
AFRICAN DEVELOPMENT FUND**



**BOARDS OF GOVERNORS**

**FORTY-THIRD ANNUAL  
MEETING OF THE ADB  
MAPUTO, MOZAMBIQUE  
14 AND 15 MAY 2008**

**THIRTY-FOURTH ANNUAL  
MEETING OF THE ADF  
MAPUTO, MOZAMBIQUE  
14 AND 15 MAY 2008**

**REPORT OF THE MEETING OF THE JOINT  
STEERING COMMITTEE HELD ON 12 MAY 2008**

**BOARDS OF GOVERNORS**  
**REPORT OF THE JOINT STEERING COMMITTEE**

- 1 The Joint Steering Committee of the Boards of Governors of the African Development Bank (ADB) and the African Development Fund (ADF) met on 12 May 2008, at the Joaquim Chissano International Conference Center, in Maputo, Mozambique, in the presence of Mr. Donald KABERUKA, President of the African Development Bank Group. The Governors for Djibouti, Korea, Mali and Mauritania did not take part in the deliberations.
- 2 The Governor for Mozambique, Mr. Aiuba CUERENEIA, Minister for Planning and Development for Mozambique, Chairperson of the Boards of Governors, presided over the meeting. He was assisted by the two Vice-Chairpersons of the Bureau, the Governors for The Netherlands and Ghana. The Governor for Congo (Brazzaville) was designated as Rapporteur.

**I- JOINT DOCUMENTS**

**ITEM 1.2 Adoption of the Provisional Agenda (ADB/BG/AG/2008/43/Prov.3 – ADF/BG/AG/2008/34/Prov.3)**

- 3 The Joint Steering Committee considered and took note of the Provisional Agenda of the 2008 Annual Meetings and recommended that the Boards of Governors adopt it.

**ITEM 1.3 Adoption of the Summary Records of the Forty-Second (42nd) Annual Meeting of the ADB and Thirty-Third (33rd) Annual Meeting of the ADF (Shanghai, China, 2007)**

- 4 The Joint Steering Committee recalled that the Summary Records of the 2007 Annual Meetings of the ADB and the ADF (collectively the “Bank Group”) had been transmitted to Governors on 6 March 2008 for comments, with a deadline of 21 April 2008. The Committee noted that no comments were received by the stipulated deadline and, therefore, recommended that the Boards of Governors adopt the Summary Records.

**ITEM 1.4 Dates and Venue of the 2009 Annual Meetings of the Boards of Governors of the African Development Bank Group (ADB/BG/WP/2008/17 – ADF/BG/WP/2008/09)**

- 5 The Joint Steering Committee recalled Article 31(1) of the ADB Agreement, Article 25(1) of the ADF Agreement as well as Resolution B/BG/92/07 concerning the dates and venue for holding of the Annual meetings of the Bank Group, and noted that the Government of Senegal had offered to host the 2009 Bank Group Annual Meetings in Dakar. The Joint Steering Committee further recalled that the Boards of Directors had endorsed the offer from Senegal, following a satisfactory assessment by a Bank delegation of the infrastructure and facilities required for the successful hosting of the Annual Meetings in Dakar.
- 5.1 The Joint Steering Committee, therefore, recommended that the Boards of Governors adopt the relevant Resolution approving the holding of the 2009

Annual Meetings of the Bank and the Fund on 13 and 14 May 2009 in Dakar, Senegal.

**ITEM 1.5 Designation of the Members of the Bureau and the Joint Steering Committee for the Period Starting from the End of the 2008 Annual Meetings to the End of the 2009 Annual Meetings (ADB/BG/WP/2008/18 – ADF/BG/WP/2008/10)**

6 The Joint Steering Committee, in light of the proposal to host the 2009 Annual Meetings of the Bank Group in Dakar, Senegal, recommended, in accordance with the Rules of Procedures, that the Boards of Governors approve the following proposal concerning the composition of the Bureau of the Boards of Governors for the period starting from the end of the 2008 Annual Meetings to the end of the 2009 Annual Meetings:

- |     |                         |   |         |
|-----|-------------------------|---|---------|
| 2.4 | Chairperson             | : | Sénégal |
| 2.5 | First Vice-Chairperson  | : | Norway  |
| 2.6 | Second Vice-Chairperson | : | Guinée  |

6.1 The Joint Steering Committee also recommended, in accordance with the Designation Rules, that the Boards of Governors approve the following proposal concerning the composition of the Joint Steering Committee for the period starting from the end of the 2008 Annual Meetings to the end of the 2009 Annual Meetings:

- |   |          |   |              |
|---|----------|---|--------------|
| • | Eritrea  | • | Saudi Arabia |
| • | Gabon    | • | Sierra Leone |
| • | Malawi   | • | Spain        |
| • | Niger    | • | Sudan        |
| • | Portugal |   |              |

**ITEM 1.6 By-Election of Executive Directors of the African Development Bank and Selection of Executive Directors of the African Development Fund (ADB/BG/WP/2008/22 – ADF/BG/WP/2008/12)**

7 The Joint Steering Committee took note that the Bank and the Fund had been notified that two Executive Directors, namely Mr. Ahmed Taher TABIB and Mr. Richard DEWDNEY would be leaving the Bank on 9 September 2008 and 14 August 2008 after serving on the Board of Directors for two terms and one term, respectively. In addition, Executive Directors Mr. François ARSENAULT, Mrs. Cynthia PERRY and Mr. Omar BOUGARA had already left the services of the Bank.

7.1 Article 33(4) of the Bank Agreement provides that no Executive Director of the Bank should serve on the Board of Directors for more than two three-year terms. It will also be recalled that Article 33(3) of the Bank Agreement provides that if the office of an Executive Director becomes vacant more than 180 days before the end of his or her term, a successor should be elected in accordance with the provisions of Annex B of the Agreement for the remainder of the term by the Board of Governors at its next session. Furthermore, Paragraph 21 of the Rules for the Election of Executive Directors of the Bank requires the Board of Governors to confirm the election of the successor at the next Annual Meeting. With respect to

the Fund, Article 27(6)(b) of the Fund Agreement also provides that should the office of an Executive Director become vacant before the expiration of his/her term of office, the vacancy should be filled by a new Executive Director selected by the State Participant whose votes his/her predecessor was entitled to cast. The successor should hold office for the remainder of the term of office of his/her predecessor.

- 7.2 The Joint Steering Committee noted that the countries represented by each of the five Executive Directors, namely Mr. ARSENAULT, Mr. BOUGARA, Mr. DEWDNEY, Mrs. PERRY and Mr. TABIB had notified the Bank of their successors.
- 7.3 The Joint Steering Committee therefore recommended that the Boards of Governors confirm the election or selection, as applicable, of the new Executive Directors as successors to the outgoing Executive Directors, from the date of their assumption of duty and to adopt the relevant draft Resolutions.

**ITEM 1.7 Report of the Governor's Consultative Committee concerning the Consolidated Assessment of the Host Country and Review of the Temporary Relocation Period (ADB/BG/WP/2008/15 – ADF/BG/WP/2008/07)**

- 8 The Joint Steering Committee noted that the Governors' Consultative Committee (GCC) would meet on Tuesday, 13 May 2008, to consider the document and submit recommendations to the Board of Governors as appropriate.

**ITEM 1.8 Application of the Republic of Turkey to Become a State Participant in the African Development Fund and a Member of the African Development Bank and Authorization of a Special Capital Increase for the Purpose Thereof (ADB/BG/WP/2008/02 – ADF/BG/WP/2008/02)**

- 9 The Joint Steering Committee noted that the Boards of Directors had received and considered the application of the Republic of Turkey to become a State participant of the African Development Fund and a member of the African Development Bank, and that the Government of Turkey had agreed to participate in the Fund on the basis of the applicable terms and conditions. Turkey would make an initial subscription of UA 40,693,468.
- 9.1 With regard to the ADB, the Joint Steering Committee took note that the Government of Turkey had agreed to make an initial subscription of 6,779 shares of the stock reserved for subscription by non-regional member countries at a par value of UA 10,000 per share. As there were not enough GCI-V shares available for subscription by non-regional countries to allow the subscription by Turkey of the desired number of shares, it will be necessary to authorize a special increase in the authorized capital of the Bank to allow for (a) Turkey to subscribe such shares as are required as a minimum for a non-regional country to become a member, and (b) subscription by regional members of the number of shares necessary to comply with the 60/40 ratio in shareholding between regional and non-regional members, in accordance with the provisions of Article 5(3) of the Bank Agreement.
- 9.2 The Joint Steering Committee therefore invited the Boards of Governors to approve the following recommendations of the Boards of Directors: (i) the

application of Turkey to become a State participant of the African Development Fund and a member of the African Development Bank; and (ii) to authorize a special increase of the authorized capital of the Bank to allow for (a) subscription by a non-regional country of the minimum number of shares required for it to become a member and (b) subscription by regional members of the number of shares necessary to comply with 60/40 ratio between the shares held by regional and non-regional members, and (iii) to adopt the relevant draft Resolutions to this effect.

**ITEM 1.9 2007 Annual Report of the Independent Review Mechanism (ADB/BG/IF/2008/01 – ADF/BG/IF/2008/01)**

- 10 The Joint Steering Committee recalled that the Boards of Directors had approved the establishment of the Independent Review Mechanism (IRM) in June 2004, following a study undertaken in 2003 of similar mechanisms in other multilateral development banks and international financing institutions. The Joint Steering Committee then took note of the activities undertaken by the IRM in 2007, particularly the (i) strengthening of the IRM's human resources capacity; (ii) compliance review of the Bujagali Hydropower Project and the Bujagali Interconnection Project in Uganda, undertaken during the second semester of 2007 by the Unit (iii) outreach activities, including the organization of national workshops and conferences on international accountability and independent review mechanisms in Kenya, anti-corruption mechanisms in the Democratic Republic of Congo as well as other pertinent issues. The Unit also organized a series of internal meetings, workshops and orientation programs for staff at the Temporary Relocation Agency (TRA) and the Field Offices. Lastly, the Annual Report outlined the outreach events planned and challenges for 2008.
- 10.1 The Joint Steering Committee recommended that the Boards of Governors take note of information submitted to it in the above-cited document.

**ITEM 1.10 Information Paper on Bank Group Water Sector Activities and Initiatives in 2007 (ADB/BG/IF/2008/03 – ADF/BG/IF/2008/03)**

- 11 The Joint Steering Committee considered the above information paper, which provided a snapshot of activities, achievements and challenges faced in 2007 and suggestions for the way forward. It noted with satisfaction that the Bank Group continued to pursue the strategy of: (i) significantly increasing water supply and sanitation financing; (ii) focusing on the poorest segments of the population living in rural areas; (iii) sustaining support for peri-urban areas and small and medium towns, with increasing focus on urban sanitation; (iv) promoting trans-boundary water resources management; (v) supporting an enabling environment to attract more resources; and (vi) building appropriate partnerships. The Joint Steering Committee also took note of the main achievements of the African Water Facility including strengthening water governance in regional member countries, meeting basic water needs through strategic investments and improving water knowledge through information management, monitoring and evaluation. Lastly, members of the Joint Steering Committee noted the challenges facing the Facility including (i) mobilization of additional resources and (ii) extension of activities to the other 24 regional member countries that had not yet benefited from Bank Group-financed water supply and sanitation activities.

11.1 The Joint Steering Committee recommended that the Boards of Governors take note of the information submitted to it in the above-cited document.

**ITEM 1.11 Information Paper on the New Partnership for Africa's Development (NEPAD) – 2007 Annual Report (ADB/BG/IF/2008/02 – ADF/BG/IF/2008/02)**

12 The Joint Steering Committee considered the above information paper, which assessed the work of the Regional Integration and Trade Department (ONRI) of the Bank in 2007 and its future plans and activities in support of AU/NEPAD for 2008 and beyond. It noted with satisfaction that during the period under review, financing of regional infrastructure projects by the Bank and other development partners amounted to approximately US\$ 4.3 billion, representing about 53 per cent of the original total estimated cost of the Short-Term Action Plan (STAP).

12.1 Committee members also took note of: (i) the ongoing Medium to Long-Term Strategic Framework (MLTSF) Study co-financed by the ADF and the Nigeria Technical Cooperation Fund (NTCF); (ii) the overall commitments concerning 15 NEPAD-IPPF funded projects amounting to US\$ 8.254 million as at 31 December 2007; (iii) the new operational guidelines approved by the Boards of Directors on 4 April 2007; (iv) the intensification of resource mobilization efforts resulting in additional contributions from three new donors; (v) regional integration and trade activities during 2007; and (vi) Bank Group efforts to mainstream regional integration and trade activities into Bank Group activities.

12.2 The Joint Steering Committee then recommended that the Boards of Governors take note of the information submitted to it in the above-cited paper.

**ITEM 1.12 Bank Group's Draft Medium-Term Strategy (2008–2012) (ADB/BG/IF/2008/08 – ADF/BG/IF/2008/06)**

13 The Joint Steering Committee recalled that the Boards of Directors had considered the above strategy paper at an informal session held on 7 April 2008.

13.1 Specific issues identified by the Boards of Directors for additional analysis and reflection included: (i) the volume of ADF-12 resources assumed for the purpose of lending projections over the period covered by the medium-term strategy; (ii) sector allocation of future operations; (iii) incorporation of findings from recent independent studies of the Bank's capital adequacy; (iv) further alignment of projected key performance indicators; and (v) business continuity and its potential budgetary implications.

13.2 The Joint Steering Committee therefore recommended that the Boards of Governors take note of the Bank's draft Medium-Term Strategy, together with the issues raised by Executive Directors, and to provide any input deemed appropriate.

**ITEM 1.13 Information Note on the Implementation of the Decentralization Strategy (ADB/BG/IF/2008/05 – ADF/BG/IF/2008/08)**

14 The Joint Steering Committee welcomed the significant progress made by the Bank Group in decentralizing its activities and operations in regional member countries, since the adoption of the policy by the Boards of Directors. It noted, in particular, that all Field Offices, with the exception of Angola and Algeria, were operational and much progress had been made in recruiting staff for the offices.

Steady progress, albeit at different paces, was being made in delegating authority to the Offices, while paying due attention to the related fiduciary controls.

- 14.1 The Joint Steering Committee therefore recommended that the Boards of Governors take note of the above status report.

**ITEM 1.14 Progress Report on Institutional Reforms (ADB/BG/IF/2008/07 – ADF/BG/IF/2008/09)**

- 15 The Joint Steering Committee expressed satisfaction at the successful implementation of most of the major reforms and observed that clear benefits were achievable and provided strong justification for an early completion of outstanding reforms. In this regard, 2008 would mark the last phase of the initial reform process. The key achievements in 2007 included the (i) adoption of the human resources strategy; (ii) enhanced recruitment of professional staff; (iii) alignment of services and benefits for staff based in country and regional offices; (iv) design of new compensation framework and performance management system; (v) completion of a staff survey; (vi) up-dated computer facilities; (vii) customized staffing for Country Offices; (viii) establishment of an operations committee and review process; (ix) simplification and modernization of policies and procedures; (x) revision of procurement and financial management policies; (xi) revision of delegation of authority manual; (xii) establishment of a new budget regulatory framework; and (xiii) creation of an accountability and performance framework. The challenges ahead include ensuring and sustaining effective collaboration and communications and putting in place performance and results measurement benchmarks.

- 15.1 The Joint Steering Committee recommended that the Boards of Governors take note of the above progress report.

**ITEM 1.15 Update on the Implementation and Financing of the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) (ADB/BG/IF/2008/06 – ADF/BG/IF/2008/04)**

- 16 The Joint Steering Committee noted that overall, 19 regional member countries qualified for the Multilateral Debt Relief Initiative (MDRI) as at end of March 2008, with projections that the number of beneficiaries would increase to 29 by the end of 2010. The ADF would forgo an estimated UA 5.57 billion of credit flows from the 33 potentially eligible HIPCs over the 2006–2054 MDRI period. Furthermore, the ADF had cancelled an estimated UA 4.40 billion of loan reflows from the current 19 HIPCs over the 50-year MDRI period that started on 1 January 2006.

- 16.1 For the ADF-11 disbursement period (2008-2020), the Fund had received from donors, MDRI commitments covering 78 per cent of the loans canceled for the period. Lastly, Committee members welcomed the Bank's undertaking to support initiatives aimed at strengthening debt management capacity in Africa through its governance programs and projects.

- 16.2 The Joint Steering Committee therefore invited the Boards of Governors to take note of the update on implementation and financing of HIPC and MDRI.

## II. ADB DOCUMENTS

### ITEM 2.1 **Designation of Two Members of the Standing Committee on the Conditions of Service of Elected Officers to Serve from the End of the 2008 Annual Meetings to the End of the 2011 Annual Meetings (ADB/BG/WP/2008/12)**

- 17 The Joint Steering Committee noted that in compliance with the terms of reference of the Standing Committee on the Conditions of Service of Elected Officers, particularly the provisions governing the mandate of its members, Burundi and Denmark would be completing their three-year term by the end of the 2008 Annual Meetings, and, accordingly, both countries should be replaced.
- 17.1 The Joint Steering Committee observed that the criteria for identifying the two incoming members had been correctly applied and therefore requested that the Board of Governors endorse the recommendation of the Board of Directors to designate **Egypt** and **Brazil** as new members of the Standing Committee to serve from the end of the 2008 Annual Meetings to the end of the 2011 Annual Meetings.

### ITEM 2.2 **Annual Report and Audited Financial Statements for the Financial Year Ended 31 December 2007 (ADB/BG/WP/2008/13)**

- 18 The Joint Steering Committee noted with satisfaction the unqualified opinion of the external auditors on the Bank's financial statements and therefore recommended that the Board of Governors approve the Bank's annual report and audited financial statements for the year ended 31 December 2007 and adopt the relevant resolution.

### ITEM 2.3: **Allocation and Distribution of Part of the Net Income of the ADB for the Financial Year Ended 31 December 2007 (ADB/BG/WP/2008/21)**

- 19 The Joint Steering Committee noted that the Bank earned a net income of UA 203,766,000 for the financial year ended 31 December 2007. The Committee also took note of the Bank's sound financial health, reflected in the growth of its reserves from UA 2.31 billion as at December 2006 to UA 2.53 billion at the end of 2007, while the Bank's risk capital increased from UA 4.45 billion in 2006 to about UA 4.71 billion at the end of 2007 and its risk capital utilization rate dropped from 47 per cent at the end of 2006 to 45 per cent as at 31 December 2007.
- 19.1 In the light of the Bank's financial solidity, balanced against the development needs of its regional member countries, the Joint Steering Committee recommended that the Board of Governors approve the proposals of the Board of Directors regarding the allocation and distribution of the 2007 net income as follows :
- (i) Retain UA 50,000,000 in reserves;
  - (ii) Allocate to the surplus account UA 20,700,000 from the balance of the 2007 allocable income;
  - (iii) Distribute the amount of UA 109,000,000 to ADF-11 (consisting of the contribution of UA 84,000,000 equivalent to the 2007 cash flows attributable to the clearance of interest arrears on Post-Conflict Country loans and UA 25,000,000 being an additional contribution to the ADF-11);
  - (iv) Distribute an amount of UA 62,000,000 equivalent to the interest income realized in 2007 on Bank loans to the Democratic Republic of Congo (DRC) to a special account dedicated to the debt service of part of the DRC's

consolidated loans;

- (v) Distribute an amount of UA 25,000,000 for the benefit of the Technical Assistance Fund for the Middle Income Countries;
  - (vi) Distribute an amount of UA 15,000,000 for the benefit of the Heavily Indebted Poor Countries (HIPC) Initiative;
  - (vii) Distribute an amount of UA 5,000,000 for the benefit of the African Fertilizer Development Financing Mechanism;
  - (viii) Distribute an amount of UA 6,300,000 for the benefit of the NEPAD Infrastructure Project Preparation Facility; and
  - (ix) Distribute an amount of UA 5,000,000 for the benefit of the Fund for African Private Sector Assistance.
- 19.2 The Joint Steering Committee recalled that the allocation to surplus was in line with Article 42(1) of the Bank Agreement, as well as that the first such allocation was made from the 2006 net income. The Joint Steering Committee also noted that recommendations for subsequent distributions of amounts allocated to surplus would be submitted for approval by the Board of Directors. It therefore recommended that the Board of Governors approve the above proposals and adopt the relevant resolution.
- 19.3 The Joint Steering Committee took note of the opposition of the United States of America to the allocation proposals in favor of the Middle Income Countries' Trust Fund and the African Fertilizer Financing Mechanism.
- 19.4 At the suggestion of the second Vice-Chairperson, the Joint Steering Committee recommended that allocations be made from the Surplus Account in appropriate amounts to provide assistance to regional member countries faced with food crisis and escalating prices of crude oil.
- 19.5 The Joint Steering Committee recommended to the Boards of Governors that the President of the Bank and the Board of Directors should study the matter and submit proposals on it to the Boards of Governors for their consideration.

**ITEM 2.4 Allocation of the Net Income of the Nigeria Trust Fund for the Financial Year ended 31 December 2007 (ADB/BG/WP/2008/08)**

- 20 The Joint Steering Committee took note that the Financial Statements of the NTF indicated a net income of UA 18,456,000 and an income before distribution approved by the Board of Governors of UA 19,836,000. It endorsed the recommendations of the Board of Directors to allocate the 2007 net income of the NTF as follows:
- (i) UA 16,472,400 from the 2007 net income to be retained in the reserves of the NTF; and
  - (ii) An allocation to the HIPC Initiative, of 10 per cent of the 2007 net income of the NTF, in the amount of UA 1,983,600.
- 20.1 The Joint Steering Committee recommended that the Board of Governors approve these proposals and adopt the relevant resolution.

**ITEM 2.5 Report of the Governors' Consultative Committee concerning the Review of the Terms of Reference of the Steering Committee for the Election of the President and the Eligibility Criteria for Candidatures for the Office of the President of the Bank (ADB/BG/WP/2008/09)**

21 The Joint Steering Committee noted that the Governors' Consultative Committee will meet on 13 May 2008 to consider the above-cited document.

**ITEM 2.6 Report of the Steering Committee for the Election of the President concerning the Review of the Procedure for Internal Candidatures for the Election of the President of the African Development Bank (ADB/BG/IF/2008/10)**

22 The Joint Steering Committee noted that the Steering Committee will meet on 12 May 2008 to consider the above-cited document.

**ITEM 2.7 Report of the Governors' Consultative Committee concerning the Draft Board of Governors Resolution regarding the Application of the Code of Conduct for Executive Directors of the African Development Bank and the African Development Fund to the President of the Bank Group (ADB/BG/IF/2008/14)**

23 The Joint Steering Committee took note that the Governors' Consultative Committee will meet on 13 May 2008 to consider the above-cited document.

**ITEM 2.8 Report of the Governors' Consultative Committee concerning the Recommendations on the Report of the High Level Panel (ADB/BG/IF/2008/19)**

24 The Joint Steering Committee took note that the Governors' Consultative Committee will meet on 13 May 2008 to consider the above-cited document.

**ITEM 2.9 Report on the Conclusion of the Consultations for the Extension of the Nigeria Trust Fund (NTF) (ADB/BG/IF/2008/20)**

25 The Joint Steering Committee recalled that the Bank concluded the Agreement establishing the NTF with Nigeria, which set out the terms for the administration of the NTF by the Bank. In accordance with Article XIII of that Agreement, the NTF had a duration of 30 years, which expired on 25 April 2006. Accordingly, the Board of Governors, during the 2005 Annual Meetings in Abuja, Nigeria, authorized the President of the Bank to commence consultations with the Government of the Federal Republic of Nigeria under the guidance of the Board of Directors on the extension of the duration of the NTF.

25.1 As requested, the President initiated consultations immediately after the 2005 Annual Meetings, during which the Nigerian Authorities indicated their agreement in principle to extend the duration of the NTF. However, they requested that the specific terms and modalities of such an extension be based on the outcome of an independent evaluation of the Fund's operations. The consultants engaged to undertake the independent evaluation delivered the final draft of the report in March 2007. The Bank and Nigeria consented to the findings and recommendations of the report. By letter dated January 14, 2008, the Nigerian Authorities formally indicated their willingness to extend the duration of the NTF for 10 years.

25.2 In accordance with Article XIII, section 13.1 of the NTF Agreement and Articles 8 and 29(2)(b) of the Bank Agreement, the Joint Steering Committee invited the Board of Governors to adopt the relevant resolution authorizing the extension of the

NTF and the terms of the extension.

25.3 Lastly, the Joint Steering Committee noted with satisfaction the confirmation by the Alternate Governor for Nigeria that the relevant Agreement will be signed during the current Annual Meetings. In this regard, both the Joint Steering Committee and the President of the Bank Group expressed gratitude to the Government and people of Nigeria for the Fund aimed at supporting the development efforts of regional member countries.

**ITEM 2.10 Administration and Management of the Resources of the Special Fund for Reconstruction and Development (SFRD) of the Great Lakes Region (GLR) (ADB/BG/WP/2008/03)**

26 The Joint Steering Committee recalled that the above Special Fund was created by the Heads of States and Governments of the Member States of the International Conference of the Great Lakes Region at their second summit in Nairobi, Kenya, in 2006, as the principal financing mechanism for realization of the Pact on security, stability and development in the region. The Nairobi Summit requested that the Bank assist it to manage and administer the financial resources of the SFRD on behalf of member States.

26.1 Subsequently, the Bank assisted the secretariat in the preparation of a technical note adopted by that Conference concerning the legal status and the steps required to make the SFRD operational. The Bank will hold in trust for the member states, the financial resources of the Special Fund and administer them in accordance with the provisions of Article 8 of the Agreement establishing the Bank, the financial regulations, and the terms of the Trust Agreement. The Bank will charge an administrative fee fixed as a percentage of the resources held by the Special Fund.

26.2 The Joint Steering Committee took note of the opposition of the United States of America to the proposal, on the grounds that the creation of new Facilities and Mechanisms would divert focus from the Bank's core strategic priorities.

26.3 The Joint Steering Committee recommended that the Board of Governors endorse the recommendation of the Board of Directors and adopt the relevant resolution.

**III. ADF DOCUMENTS**

**ITEM 3.1 Annual Report and Audited Special Purpose Financial Statements for the Year Ended 31 December 2007 (ADF/BG/WP/2008/06)**

27 The Joint Steering Committee took note of the above financial statements and expressed satisfaction at the good financial performance of the Fund during the 2007 financial year.

27.1 The Joint Steering Committee endorsed the Annual Report and Audited Special Purpose Financial Statements of the ADF for the financial year ended 31 December 2007 and recommended that the Board of Governors approve the said Statements and adopt the relevant Resolution.

**ITEM 3.2 Proposal for Amendment of the Procurement Provisions contained in the Agreement Establishing the African Development Fund (ADF/BG/WP/2008/11)**

- 28 The Committee considered the above document, in particular the view of the Board of Directors that application of the rule of origin imposed significant constraints and challenges on the Fund and its client countries, including increased procurement and administrative costs, reduced competitiveness of the Fund, the inability to adopt policies that satisfy the objectives of coordinated, efficient and flexible engagement and reduced aid impact. Furthermore, empirical studies of the impact of bilateral tied aid on African countries indicated that such aid raised the cost of procurement by 15 to 30 per cent. Lastly, a review of the charters of other MDBs confirmed that they applied more flexible procurement rules for the origin of goods and services financed by those institutions.
- 28.1 Accordingly, the Joint Steering Committee noted that the benefits to the Fund and its beneficiaries of allowing competitive universal procurement far outweighed any risk of reduction in donor resources. Besides, flexibility would enhance the Fund and its attractiveness for donors as a channel for providing assistance.
- 28.2 The Joint Steering Committee noted the opposition of France to the proposed amendment, but recommended to the Board of Governors to approve the proposal to amend Article 15(4) and the relevant Resolution.

**ITEM 3.3 Report on the Eleventh Replenishment of the General Resources of the African Development Fund (ADF-11) (ADF/BG/WP/2008/07)**

- 29 The Joint Steering Committee recalled that at the end of the ADF-11 consultations and in compliance with the recommendations of the Board of Directors, the following documents were transmitted to the Board of Governors for consideration as spelt out in Article 23(2) of the Fund's Agreement : (i) the report of the consultative meetings for the Eleventh General Replenishment of the resources of the Fund; and (ii) the draft resolution authorizing the Eleventh General Replenishment of the resources of the Fund. The Board of Directors recommended that the Board of Governors approve the report and adopt the resolution. The status of votes received as at the voting deadline of 28 March 2008 indicated that the required condition under Article 7(4) of the Fund Agreement for the adoption of the above-mentioned resolution had been met and that the ADF-11 Resolution had been adopted.
- 29.1 The Joint Steering Committee then invited the Boards of Governors to take note of the formal closure of the postal ballot and to kindly provide the necessary assistance to expedite the deposit of the instruments of subscription by State participants so as to ensure the speedy effectiveness of the replenishment and prevent interruptions in the operational activities of the Fund.

**ITEM 3.3 Progress Report on Proposals for Enhancing the Governance Structures of the African Development Fund (ADF/BG/IF/2008/05)**

- 30 The Joint Steering Committee recalled the discussions in the Board of Directors of the Fund relating to the Proposals for Enhancing the Governance Structures of the Fund It noted the emerging consensus on Option 2 of the proposals and that Management will prepare a revised proposal which will clarify the technical

modalities, legal and financial implications for further consultations with the Board of Directors, before submission to the Board of Governors for approval.

- 30.1 The Joint Steering Committee recommended that the Board of Governors take note of the progress report on the Governance Structure of the Fund.

**The Rapporteur  
Governor for Congo (Brazzaville)**

**AFRICAN DEVELOPMENT BANK**

**ADB/BG/SCEP/2008/01**

**12 May 2008**

**Prepared by: SEGL**

**Original: ENGLISH/FRENCH**

**REPORT OF THE MEETING OF THE  
STEERING COMMITTEE ON THE ELECTION OF THE PRESIDENT OF THE  
BANK**

**12 MAY 2008**

**JOAQUIM CHISSANO INTERNATIONAL CONFERENCE CENTER  
MAPUTO, MOZAMBIQUE**

## REPORT OF THE MEETING OF THE STEERING COMMITTEE ON THE ELECTION OF THE PRESIDENT OF THE BANK

- 1 The Steering Committee for the Election of the President of the Bank met at the Joaquim Chissano International Conference Center in Maputo, Mozambique, on 12 May 2008, under the Chairmanship of **His Excellency Mr. Aiuba CUERENEIA**, Governor for Mozambique and Chairperson of the Board of Governors and in the presence of **Mr. Donald Kaberuka**, President of the African Development Bank Group. The Governors for Congo (Brazzaville), Djibouti, Kuwait, Nigeria and Norway were also in attendance. Korea, Lesotho, Mali and Mauritania were not represented.

### Adoption of the Agenda

- 2 The Steering Committee for the election of the President of the Bank adopted the following agenda:
  - o Consideration of the Working Paper:
    - ❖ Review of the Procedures for Internal Candidatures for the position of the President of the Bank
  - o Other Business

### Review of the Procedures for Internal Candidatures for the election of the President of the African development Bank (ADB/BG/WP/2008/10)

- 3 The Bank's General Counsel reminded the Steering Committee for the Election of the President of the Bank that during the Annual Meeting of the Bank at Abuja, Nigeria, in May 2005, the Board of Governors of the Bank adopted Resolution B/BG/2005/03, which (i) expanded the mandate of the Steering Committee for the Election of the President of the Bank to include consideration of matters related to the procedure for the Office of the President of the Bank; (ii) requested the Steering Committee to submit proposals for improvement, following a review of procedures for internal candidatures, for consideration by the Board of Governors at the 2006 Annual Meetings; and (iii) requested the Governors' Consultative Committee (CCG) to examine the terms of reference of the Steering Committee and the eligibility criteria for candidatures for the Office of President of the Bank.
- 4 He also recalled that by resolution B/BG/2006/06, adopted at the 2006 Annual Meetings held on 17 May 2006 at Ouagadougou, Burkina Faso, the Board of Governors deferred consideration of those questions to the 2007 Annual Meetings at Shanghai, China. After reviewing those questions at its meeting on 14 May 2007, the Steering Committee requested that the Board of Directors make a comprehensive review of the proposals made by the consultant and submit to it recommendations for study and a decision. The Board of Directors of the Bank met on 10 January 2008 to consider the proposals and then submitted the report on the study of the procedures governing internal candidatures for the Office of President of the Bank to the Board of Governors for approval.

- 5 After having taken note of the clarifications made by the General Counsel, the Steering Committee welcomed the detailed study and pertinent comments that were submitted to it, as well as the comprehensive review made by the Board of Directors.
- 6 The Steering Committee for the Election of the President of the Bank then endorsed the recommendations that had been submitted to it and recommended that they be submitted to the Board of Governors for consideration and approval, as follows:
  - (i) To maintain the status quo with respect to Executive Directors and Alternate Executive Directors, namely the non-application of Rule 38.00 of the Staff Rules of the Bank, considering the terms and conditions of service which bind them to the Bank. The Steering Committee was also of the view that there was no need at present to establish internal machinery or procedures to regulate candidatures of Executive Directors or Alternate Executive Directors for the Office of President of the Bank;
  - (ii) With respect to the President, the recommendation was not to change the existing situation, considering that the 1995 Resolution of the Board of Governors on term limitation had been incorporated in the Charter of the Bank. Therefore, there was no need to introduce any new rule to govern the circumstances of an incumbent President seeking re-election;
  - (iii) As regards the date, duration and terms of separation of staff members concerned, (a) to consider that the time of separation from the service of the Bank should be the date on which a particular staff member has presented to his/her Government a desire to seek its endorsement as a candidate, regardless of whether that endorsement has been obtained or not; (b) the separation period should be for a total of three (3) months with pay; but, upon being informed of his/her Government's endorsement, the staff member would inform the Bank and go on leave of absence without pay; however, if the staff fails to secure the endorsement of his/her Government, he/she must also inform the Bank and would be re-integrated in service; and (c) upon being elected, the staff member must resign from the service of the Bank as staff member.
- 7 The Steering Committee also recommended to the Board of Governors to take note of the fact that :
  - (i) Rule 38.00 of the Staff Rules on political activities will be amended as stated in the document in conformity with the Bank's existing procedures;
  - (ii) The application of the Rule as amended will be extended to Senior Advisers and Advisers to Executive Directors;
  - (iii) The amendment of Rule 38.00 will take into account the provision of an option for mutually agreed separation to a staff member who after

presenting his/her candidature for an office of a political character,  
decides not to remain in the service of the Bank as a staff member

**Other Business**

8 No issues were raised under other business.

**Maputo, Mozambique, 12 May 2008**

**Mr. Aiuba CUERENEIA**  
**Chairperson of the Boards of Governors**

**AFRICAN DEVELOPMENT BANK**

**ADB/BG/GCC/2008/08  
14 May 2008  
Prepared by: SEGL  
Original: ENGLISH**

**REPORT ON THE EIGHTH MEETING OF THE  
GOVERNORS' CONSULTATIVE COMMITTEE**

**13 MAY 2008**

**JOAQUIM CHISSANO INTERNATIONAL CONFERENCE CENTER  
MAPUTO, MOZAMBIQUE**

**REPORT ON THE DISCUSSIONS**

**REPORT OF THE EIGHTH MEETING OF THE  
GOVERNORS' CONSULTATIVE COMMITTEE (GCC), MAPUTO, MOZAMBIQUE**

- 1 The Governors' Consultative Committee (GCC) held its eighth meeting at the Joaquim Alberto Chissano International Conference Centre in Maputo, Mozambique, on 13 May 2008, with **His Excellency Mr. Aiuba CUERENEIA**, Minister for Planning and Development for Mozambique and Chairperson of the Boards of Governors, chairing and in the presence of **Mr. Donald KABERUKA**, President of the African Development Bank Group. Members of the Committee present were Algeria, Burkina Faso, Canada, Congo (Brazzaville), Cote d'Ivoire, Egypt, France, Japan, Liberia, Libya, Malawi, Morocco, Nigeria, Seychelles, Switzerland, United Kingdom, United States of America and Zimbabwe.

**Adoption of the Agenda (Item 1)**

- 2 The Governors' Consultative Committee adopted the following agenda.
- 1 Adoption of the Agenda (ADB/BG/AG/2008/GCC.8/Prov.1);
  - 2 Introductory Remarks by the President of the Bank Group;
  - 3 Consideration of the Working Papers:
    - 3.1 Management Response to the Recommendations of the Report of the High Level Panel (ADB/BG/WP/2008/19);
    - 3.2 Consolidated Ninth and Tenth Six-Monthly Assessment of the Situation in the Host Country (ADB/BG/WP/2008/15 – ADF/BG/WP/2008/07);
    - 3.3 Review of the Terms of Reference of the Steering Committee for the Election of the President and the Eligibility Criteria for Candidatures for the Office of President of the Bank Group (ADB/BG/WP/2008/09);
    - 3.4 Draft Board of Governors' Resolution regarding the Application of the Code of Conduct for Executive Directors of the African Development Bank and the African Development Fund to the President of the Bank Group (ADB/BG/WP/2008/14);
  - 4 Other Business.

**Management Response to the Recommendations of the Report of the High Level Panel (ADB/BG/WP/2008/19);**

- 3 In his opening remarks, the Chairperson welcomed to the meeting both His Excellency President Joachim CHISSANO and Mr. Callisto MADAVO, respectively Co-Chair and member of the technical team of the High Level Panel, and through them thanked the Panel for its professional work. He also welcomed the GCC members and their respective delegations to Maputo and wished them successful meetings and a pleasant stay.
- 4 The Chairperson recalled that the President of the Bank Group convened the High Level Panel of Eminent Persons to advise him on the strategic role of the

Bank and its response to the challenges facing Africa in the decades ahead. The Panel was co-chaired by President Joaquim CHISSANO and Prime Minister Paul MARTINS. A progress report on the work of the High Level Panel had been provided at the 2007 Annual Meetings of the Bank Group in Shanghai, China. The final report was submitted to the President of the Bank in January 2008 and the document being considered was Management's initial response to the recommendations of that Panel. The Chairperson pointed out that the Board of Directors had considered it and given its support to Management's response.

- 5 The ADB President also expressed the profound appreciation of the Boards, Management and staff to the High Level Panel of Eminent Persons for the report, which was a major contribution to the all-important question of how the Bank Group could be strategically repositioned to respond more effectively to the development aspirations of its regional member countries, after forty-four years of existence. Management welcomed the emphatic recommendation for the Bank to focus on areas that were critical for growth. President KABERUKA then thanked the Panel's Co-Chairpersons and members for their dedication and sincerity of purpose. He underlined the importance of the GCC in setting the Bank Group's strategic priorities. He recalled that the Panel had submitted a status report during the Bank Group Annual Meetings in Shanghai in 2007. The final report had been submitted to senior Management in January 2008.
- 6 His Excellency President CHISSANO, on behalf of his Co-Chair, His Excellency Mr. Paul MARTINS, and other Panel members, explained how the Panel proceeded with its work, particularly the extensive consultations undertaken amongst stakeholders in order to obtain a broad spectrum of views. President CHISSANO urged the Bank to help enhance the productive capacity and economic integration of its member countries by investing in infrastructure, building capable states, promoting the private sector and assisting them to develop the requisite skills. He underlined that for the Bank to become the premier institution and voice of the continent, its shareholders should endow it with the required tools and resources.

### **Deliberations**

- 7 The GCC commended the Panel members for the good quality of the report and the pertinent and well-thought-out recommendations put forward. Committee members unanimously welcomed the recommendation on selectivity in the areas of Bank Group operations and Management's acceptance of that recommendation. This, in the view of Committee members, would enable the Bank to focus on what it does best and hence become more efficient and effective in its operational activities. Furthermore, selectivity would permit other partners to participate much more effectively in the development process through greater coordination of efforts.
- 8 From the sectoral point of view, the GCC insisted that the Bank should give priority to infrastructure. The current food crisis requires that the Bank give greater priority to rural infrastructure, particularly roads, to promote sustainable development of agriculture and help boost food production and enhance access to markets.

- 9 The Committee also urged the Bank to improve its competitiveness and the quality of its services to regional member countries. It should: (i) develop innovative instruments to promote sustainable development in Africa, including the private sector; (ii) support fragile states; (iii) sustain its decentralisation efforts to achieve better client outreach; and (iv) encourage African countries to develop skills, strategies and the political will to solve their problems together.

### **Conclusions and Recommendations**

- 10 The GCC noted that the Panel had provided a balanced and considered report, recommending a strategic focus for the Bank, calling on shareholders to build the Bank's capacity to enable it to confront old and emerging challenges. The Committee therefore recommended that the Board of Governors approve Management's proposal to reflect in the Bank's medium-term strategy the recommendations of the High Level Panel that were in line with the current strategic direction of the Bank and on which there was consensus. For areas already under discussion but on which consensus had not yet been reached the debate would continue. As for proposals that might give rise to more fundamental questions, Management will be guided by the views of shareholders and the competent bodies of the Bank.

### **Consolidated Ninth and Tenth Six-Monthly Assessment in the Host Country (ADB/BG/WP/2008/15 – ADF/BG/WP/2008/07)**

- 11 The Chairperson recalled Resolution B/BG/2003/04 of the Board of Governors, which called for a substantive review of the situation in the host country every twelve months, beginning from the 2004 Annual Meetings as well as substantive reviews at six-monthly intervals to assess whether the situation was conducive for the return of the Bank's operations to its Headquarters. The Board of Directors should submit six-monthly reports to the the Board of Governors and, if necessary, convene a meeting of the GCC. The Chairperson observed that substantial progress had been made by the host country since the signing of the Ouagadougou Political Agreement. That information was confirmed by the Governor for Burkina Faso, whose President was the Facilitator of the peace process.

### **Conclusion and Recommendations**

- 12 Based on the information provided in the report, the Committee proposed that the Boards of Governors approve Management's recommendations and adopt the relevant Resolutions.

### **Agenda item 3.3 Review of the Terms of Reference of the Steering Committee for the Election of the President and the Eligibility Criteria for Candidatures for the Office of President of the Bank Group (ADB/BG/WP/2008/09)**

- 13 At its Annual Meeting at Abuja, Federal Republic of Nigeria, in May 2005, the Board of Governors set in motion a process for establishing a procedure for internal candidatures for the Office of the President of the Bank Group. The GCC had been asked to examine the terms of reference of the Steering Committee and the eligibility criteria for candidatures for the Office of President and to submit relative proposals. A comprehensive study had been made by a

consultant and submitted to the seventh meeting of the GCC at the 2007 Annual Meetings. That study had been referred to the Board of Directors for review.

- 14 In an informal session of 10 January 2008 and later on a non-objection basis, the Board of Directors of the Bank formally considered the main proposals related to the issues under consideration. The Board of Directors had decided to recommend replacing the expression "conditions of eligibility" by "criteria of eligibility" and not to recommend conferring on the Steering Committee the power to evaluate individual candidatures prior to the commencement of the electoral process. The Board had found that there was no need to amend the eligibility criteria for candidatures for the Office of President of the Bank Group.
- 15 The Board of Directors had fully endorsed the views of the consultant that the Steering Committee's functions remain as stipulated and that its function to publish the list of duly registered candidatures also remain unchanged. The Board of Directors had considered it inappropriate for the Steering Committee to comment on or to assess the dossiers of candidates. Concerning the question of multiple secondments and withdrawals of a secondment, the Board of Directors had recommended that no amendment be made to the election rules that might limit or restrict the sovereign choices of member States of the Bank in the election of the President.
- 16 Concerning the consultant's proposal to provide for consultations with the last two candidates in the event of a deadlock, the Board of Directors had recommended that the Board of Governors not approve that proposal in order not to erode the foundations of the democratic election process. The Board of Directors had also recommended not adopting the consultant's recommendation to disqualify persons who were candidates in a failed election.
- 17 In addition, the Board of Directors had made considerable proposals and provided comments concerning the proposed revision of the rules of procedure governing the election of the President of the Bank Group.
- 18 The Governor for the Congo suggested that consistent with the African character of the Bank, only a Vice-President from an African country should be considered eligible to serve as acting President. The General Counsel assured the GCC that this was exactly the case in the proposal that had been submitted for approval.

**Agenda item 3.4 Draft Board of Governors' Resolution regarding the Application of the Code of Conduct for the Executive Directors of the African Development Bank and the African Development Fund to the President of the Bank Group (ADB/BG/WP/2008/14)**

- 19 The GCC reviewed the proposal submitted by the Board of Directors, in particular the related draft Resolution prepared by the Ethics Committee of that Board. The GCC noted that the President is elected in accordance with Article 36 of the Agreement establishing the Bank, and in accordance with the provisions of the Code of Conduct for Staff of the Bank is required to submit to a committee of the Board of Governors a confidential statement of all financial

and business interests. Given the vacuum in the Bank's instruments in this regard, the President of the Bank Group also voluntarily agreed in writing to be bound by the provisions of the Code of Conduct applicable to members of the Board of Directors. The proposal of the Board of Directors seeks to formalize the decision of the President through the draft Resolution confirming the application to the President of the Code of Conduct for Executive Directors, as well as sets out the procedure for a preliminary investigation of complaints. The GCC noted the practice in other institutions and recommended the approval of the proposal and the related draft resolution by the Board of Governors.

- 20 The President provided certain clarifications, specifically:
- (i) That on the commencement of his term of office, he was advised that there was a Code of Conduct for the staff and a Code of Conduct for members of the Board of Directors, each of which has its own enforcement mechanism. However, the Bank did not have a Code of Conduct for the President.
  - (ii) Although the General Counsel and the Board of Directors had advised him that the application of the Code of Conduct to him was not part of his terms and conditions of service, and as such that the Code of Conduct could only apply to him with his consent, he voluntarily decided: (a) to adhere to the Code of Conduct applicable to the Board of Directors; and (b) to subject himself to the enforcement mechanism that will be set up under the Resolution that the Board of Governors were going to approve.
  - (iii) He noted that future Presidents will be bound by the Code of Conduct for the Board of Directors should the Board of Governors approve the draft Resolution under consideration, but that such Presidents may request to be submitted to such different enforcement mechanism as may be established by the Board of Governors, in accordance with the provisions of Article 36 of the Agreement Bank.
- 21 The Chairperson of the GCC took note of those clarifications and requested that they be included in the record.

**Maputo, Mozambique, 14 May 2008**

**Mr. Aiuba CUERENEIA**  
**Chairperson of the Boards of Governors**