

STATEMENT BY THE GOVERNOR  
FOR SAUDI ARABIA

In the name of God, the Beneficiary, the Merciful

Honourable Chairperson of the Board of Governors,  
Excellencies,  
Ladies and Gentlemen

I would like to start by expressing my appreciation for the generous hospitality that was extended to us by both the Government and the people of the Republic of Senegal, and the facilities put at our disposal in this meeting, and my gratitude is extended to all those who contributed in the preparation for hosting it.

Honourable Chairperson,  
Distinguished Delegates

Reflecting on last year's Annual Meetings, we were faced with the twin crises of food and energy. This year, we gather facing a crisis of a different kind, in its root causes, nature, complexity and magnitude "The International Financial Crisis". Its significance emanates from its dual effect, i.e. affecting both developed and developing countries reinforced by the unpredictable degree of its duration, severity and penetration.

Therefore, it can be said that these meetings take place at difficult times accompanied by uncertainty in the world economy fueled by instability in financial markets. However, it is not that we are not left without a choice, as choices and alternatives are always part of crisis management. We are left with the difficult task of choosing the right ones as they can affect our journey towards success. Hence, for purposes of our meeting today and to pave the way for receiving positive tangible results, our focus this year is on Bank Group policies and initiatives, putting priorities into clear perspective, and a great deal in this respect rides on countries of the African Region and their willingness to embrace the opportunity of creating a special conducive environment for collective efforts to emerge in favour of the particular needs of each country, while at the same time satisfying the ultimate and common goal of overcoming the crisis.

Honourable Chairperson,

Having said that, we have to ensure that short-term pressures do not jeopardize the long-term common interest in effective development, an outcome that materializes through a balanced approach of prioritizing towards the highest development impact, balancing quick gains with longer-term objectives and initiatives. I commend the Bank Group for its efforts in applying measures to enhance its governance structures and internal capacity while making extended efforts which are apparent in the area of broad initiatives. Nevertheless, I would like to place great emphasis on the need to support

those who are most affected especially post-conflict countries and Fragile States, as the situation clearly indicates the challenges involved.

Harnessing international trade and investment linkages is one path to take which includes multiplying our efforts to help boost agricultural productivity by bringing rural development and sustainable agricultural growth more into the focus of international cooperation. This entails enhancing trade justice and building food security, striving to create a conducive environment for the private sector – the major contributor for growth and job creation.

Experience has shown that SMEs are regarded as the cornerstone of social and economic development due to their huge impact on all levels of productive sectors in the economy. These enterprises exercise a leading role in broadening the economic base and creating synergies between sectors, not to mention its sizeable contribution in the Gross Domestic Product. Therefore, a regulatory framework is needed to be put in place to create an enabling environment for investment and entrepreneurship in order for SMEs to flourish.

It is to be noted that this will require high quality support systems in order to bridge any gaps that may obstruct the achievement of broad-based and pro-poor growth, a matter which additional resources would not individually achieve as developing human resources and building the organizational and institutional capacity come at the forefront of such efforts which are, in a broader sense, also vital in reaching the MDGs.

MDGs have been extremely useful in the development debate. They have made development targets much more concrete focusing the efforts of developing and donor countries alike.

Foremost, among remarkable efforts undertaken by the Bank is the importance given to the water and sewage sector in Africa to attain the MDGs. We are confident that investing in this sector will yield a high social and economic rate of return, we speak this from experience accumulated through the Kingdom of Saudi Arabia's programme for digging wells and promoting rural development in the countries of the Sahel implemented by the Saudi Fund for Development (SFD), the main channel through which the Kingdom provides bilateral development assistance. The Programme is designed to help countries of that region to reduce the effects of drought and has served millions of people to provide them with much needed clean potable water. The amount allocated to the programme since it was launched reached about USD 230 million benefiting more than three million African people living in rural areas.

Honourable Chairperson,  
Distinguished Delegates

In essence, Saudi Arabia has been and remains an active player in the collective efforts directed towards development support especially in the African continent. Clearly, accomplishments realized by Saudi Arabia in the domain of collective efforts towards

development support in general is a product of what it was able to achieve regarding levels of the ratio of official assistance to Gross Domestic Product (GDP) as Saudi Arabia maintained in the past recent years a ratio of 1.2 per cent which exceeds the level of 0.7 per cent set by the U.N. Moreover, African countries constitute the majority of those benefiting from the assistance provided by the Kingdom of Saudi Arabia especially assistance through its main channel, the Saudi Fund for Development (SFD). Targeting continuation will mark the grounds on which Saudi Arabia places its vision to maintain its development effectiveness at this critical stage, giving men and women across Africa the opportunity to escape poverty, improve their lives and pull through to overcome the crisis.

Honourable Chairperson,

I would like to stress that the role of technical assistance should represent a main channel through which the Bank utilizes its capacity as a catalyst for growth. Cases which are indeed worthy of consideration on a wider basis are those categorized as ineligible for loans, while at the same time are in need of such assistance. A mechanism that could contribute in the proliferation of such activities is extending technical assistance in these cases on a cost recovery basis.

Honourable Chairperson,  
Distinguished Delegates

I should not end these remarks without commending ADB for its positive efforts in maintaining the financial position of the Bank and its good standing status. To that end, we encourage the Bank to continue exploring options to make the best use of its existing capital to sustain its sound financial position along with its ability to achieve its development agenda. This may be achieved by enhancing the catalytic role of the Bank as the main driver of Development and Poverty Reduction in Africa.

Honourable Chairperson,

Finally, I would like to welcome the Grand Duchy of Luxembourg as a member of the ADB Group, and the progress made by the Republic of Turkey since the last meeting in this respect. And would once again like to thank the Authorities of the Republic of Senegal for hosting this meeting and wish you all success and prosperity.