

REMARKS AT THE EXECUTIVE BOARD

SEPTEMBER 6, 2006

Donald KABERUKA, President

- 1. On behalf of management and staff, and on my own behalf, I would like to express our delight at seeing you back, after what I hope has been reinvigorating vacations.**
- 2. Over the last 12 very busy months, we have been able to accomplish some important tasks but there is plenty of unfinished business. We, most probably, have also made many errors, of commission or omission – in good faith. We will correct them and adjust as necessary.**

But on balance, I am of the view that while plenty remains to be done, we are on track. Let me therefore express my deep appreciation to you for your support and the sound advice, based on your knowledge of the institution.

- 3. I understand one hundred percent agreement is not always possible, and in any case it may not be even desirable, but we have no luxury of complacency or frustration. Decisions which need to be made must be made once we have exhausted a review of all sides of the argument.**
- 4. The next four months promise to be equally busy. There are many projects to consider and a number of key policy documents to deliberate upon. I fully realize some of them raise complex issues requiring time and careful consideration.**

Given this tight agenda, I am certain there will be bunching. Please bear with us. Management will do its utmost to ensure at least it is “organised bunching” and hopefully we can, and should do better in the coming year.

5. I have just completed my 12 months in office. Well before I assumed office, I had been determined to learn as much as possible about Bank activities and its actual delivery in the field very early in my tenure. This last month I completed my visit to 15 countries and inspected about 42 projects. I believe the group of countries I have visited account for nearly 50% of ADF allocation.

I have been to :

Nigeria	Kenya	Tanzania
Senegal	Mozambique	
Ethiopia	Lesotho	
Burkina Faso	Swaziland	
Gabon	Liberia	
Ivory Coast	Sierra Leone	

In addition, I have briefly been into the Sudan, Gambia and Mali on the margins of AU Summit. I took advantage, in the process, to also solemnly inaugurate four of our Field Offices to mark our effective return into the field.

6. During these field visits, I have learnt many lessons; those which are generic and those that are country specific. Some issues will be familiar, others quite surprising. I have interacted with Government leaders, Private Sectors, Development Partners, Stakeholders and our field staff to listen to their perspective.
7. I am taking time to reflect on what I have seen in these early days and what it means for us at the Bank. Clearly, one has more questions than answers. I have been impressed by the potential of our field offices, the enthusiasm of staff we sent to the field and the extremely high quality of our locally recruited staff. But, also a concern that, unless we got it right in terms of fine-tuning the functioning of these field offices, we could be foregoing an incredible opportunity and even probably a waste of resources, a harbinger of future disappointments.

8. **Our clients prize this institution even while expressing frustrations with what is perceived as its excessive bureaucracy. They – as well as partners – overwhelmingly would like to see a greater effective presence in the field. In my interactions, I did indicate the potential risks based on our past experience, but as they told me, from their own experience, the benefits far outweigh the risks.**

9. **Stakeholders are aware, and acknowledge, the AfDB does not have all the resources to respond to every challenge – a point I repeatedly emphasized. But it was also clear to me, RMCs are looking for more than resources. As a group of donors in Nigeria said to me, “countries also expect vigorous policy discussions – and a different perspective”.**

10. **I come back also slightly more aware why MDBs find it difficult to be ‘selective’. There is pressure from all sides to contribute to a wide array of challenges. There is limited distinction between the general problems, of poverty – and that what the Bank can do.**

I come back therefore ever more convinced that unless we take a bold decision on selectivity which is as pressing as ever, our success will remain limited.

11. **As I traversed our RMCs, I have seen old completed projects as well as those ongoing. I have seen:
a rural development project where there is no palpable evidence that it made any impact on the local population. Yet I have also seen an extremely successful similar design project in northern Tanzania, where a feeder road, a new market has reduced traveling time from six to one and half hours and increased value of land several fold in that region. Indeed, at that market, our delegation’s arrival caused a stampede. Such was the joy of farmers of seeing the Head of the Bank which has made a difference in their everyday lives.**

12. **But, I have also been to a Health Centre where we forgot to put mosquito nets on the windows and neither the Ministry of Health, nor other donors have corrected for this by providing mosquito nets on the beds – and this is mainly a maternal clinic in a region where malaria is the number one killer. I have seen a road which has all but disappeared for lack of maintenance. In Lesotho, I saw a high performing country struggling with such a small allocation it is not sure where it should do a school or a road – much needed in that country with Northern Europe winter-like conditions at this time of the year. I spoke to a Headmistress of a school, where attendance was low and absenteeism so high due to the absence of a possibility for lunch for the learners. On the other hand I was very impressed by an alternative learning centre in Zanzibar permitting young mothers to come back to school as I was with a first class hospital in Kaduna, Northern Nigeria which is clearly making the difference. The ED for Nigeria and I visited a centre providing education and water along the nomadic belt in Northern Nigeria. This provides the needed sedentarization to enable kids go to school.**

I could not understand these children's language, but their faces said it all. The combined efforts of the Government and the AfDB was enabling children of nomads to access education, which would otherwise not have been accessible. In Liberia I saw our limited ability to respond given our narrow range of instruments, and in Sierra Leone, how we were able to be part of the reconstruction effort of that war ravaged country. I traveled on a road four hours between Tanzania and Kenya, where shortly, the Bank will be financing the rehabilitation of that all too important regional highway. I was perplexed to see little Masai herds boys holding small plastic bottles along the road; they were not asking for money, they were asking for water from passersbys! I was glad to hear from our engineers, that one of the indirect by products of the road project, might be to leave behind water boreholes in this semi

arid region. I found countries, where working with partners, remains a challenge, yet elsewhere such as Burkina Faso and Tanzania harmonization is reasonably advanced. I was excited to visit one of Africa's buoyant stock exchanges in Lagos and "ring the bell", but also witnessed what must be one of Africa's most challenging urban phenomenon.

13. As I reflect on what I have seen, it is clear as one expects that Africa's challenges are many, and while selectivity is very taxing for MDBs, the hard choices must be made, and we should do so. Equally, none of us donors, MDBs, bilaterals, will succeed, unless we work together more effectively, and I do not mean simply harmonization.
14. In the coming eight months, I would like to principally, concentrate on internal issues at the Bank, to consolidate on what we have done and complete the unfinished business. I see a number of key areas:
 - i. **Staffing Issues: Fill the vacancies and complete the recruitment exercise which is clearly a major constraint on operational capacity.**
 - ii. **Opening up our last batch of offices in Ghana, DRC, Kenya, Cameroun, Zambia, Malawi, Angola, Sierra Leone, Algeria and hopefully, the Sudan.**
 - iii. **Begin the work of cleaning up the portfolio and building a quality pipeline;**
 - iv. **Adoption of HR and Enhanced Decentralization policies;**
 - v. **Adopt a Budget Enhancement Paper, Budget Framework Paper, and the Budget itself;**

- vi. **Preparing adequately for ADF X mid-term review and the Annual Meetings.**

 - vii. **Approval by the Board for the Terms of Reference of the High Level Panel, which, I would hope, can hold its first meeting early October, now that I am confident the technical ground is ready. Indeed, yesterday, we had our last technical consultations. I would therefore hope to come to the Board around the 20th, and I look forward to your support.**
15. **Nothing can be accomplished unless we work constructively together in an open spirit. In the course of last year, there were occasions of concern. But this was in some ways, a period of adjustments. I count on your understanding and your counsels to ensure together we can deliver in the coming weeks and months. It will not be easy – and why should it be – but with your collaboration, it is doable.**
16. **Let me hope that with the Dean, the Vice Dean and Committee Chairs, our consultation process can be smoother and much more regular.**
17. **I want to assure you Management will remain open, certainly my door will always be open to discuss any issue. We have exciting next 12 months, to consolidate what is the beginning of a long reform process – which we all agree is needed – and can be done.**
18. **Once again, I welcome you all back to desk and wish you satisfaction and fulfillment in the coming 12 months.**

Thank you.

