

African Development Bank Group



Statement by President Donald KABERUKA
On the Occasion of the Inauguration of the Regional Office
for the Democratic Republic of Congo and Republic of Congo
(CDFO)

31 July 2007

**Honorable Minister of Finance, ADB Governor
Honorable Ministers,
Your Excellencies the Ambassadors,
Representatives of Development Agencies,
Former ADB staff members,
Ladies and Gentlemen,**

It is a great pleasure for me to welcome you to the premises of the Regional Office of the African Development Bank in Kinshasa, which covers the Democratic Republic of Congo and the Republic of Congo.

Your presence is testimony of your interest in the Bank and its activities, and we thank you very much for the gesture.

Furthermore, I wish to seize this opportunity to thank the authorities of this country for accepting to host our office and for all the measures taken to facilitate its establishment and, certainly, its future activities in the field.

Ladies and Gentlemen,

The opening of this office forms part of the decentralization policy implemented by the Bank in its efforts to come closer to its customers. The Bank has made this strategic choice, so as to enhance the effectiveness and impact of its operations in the various borrowing countries.

The new Regional Office is expected to facilitate management and regular monitoring of the projects and programmes portfolio in the two countries; the portfolio amounts to about 500 million United States

dollars and is the second largest ADF window portfolio, after Ethiopia. The portfolio has a total of sixteen (16) projects in the agriculture, road infrastructure, water and sanitation sectors.

The portfolio is young, and has a performance level that requires close monitoring, which is particularly necessary in fragile countries, such as Congo and the DRC.

The Office will also enhance coordination with other development partners present in the field, as well as provide support and advisory services to the two Governments in development strategies and policies.

Furthermore, the new Office will also help the Bank in identifying new projects and programmes, as well as developing a pipeline for future operations, taking into account the constraints and priorities of the two countries.

Within this context, the Office will be actively involved in the preparation of 2008-2012 strategy papers in close consultation with the two countries and development partners. In order to address the specific challenges and constraints of the two countries, the future strategy, which will be selective, will give priority to the following five areas of focus:

First, the new Bank policy for fragile countries provides for a specific assistance programme that meets the complex development challenges of these countries. The programme will enable the DRC and Congo to receive, under ADF XI, additional resources in respect of the new policy for fragile countries. This policy, which provides for great flexibility in

resource allocation and utilization for eligible countries, will be submitted to our Board of Directors by the end of September 2007.

Second, in line with its objective of enhancing regional integration, the Bank will pay special attention to projects in the DRC and Congo that support integration efforts in Central Africa in areas as varied as infrastructure, HIV/AIDS control and agriculture. Activities in these areas will be carried out in close collaboration with CEEAC.

Third, conservation and sustainability of forest ecosystems in the Congo Basin will be a priority action for the Bank in the next few years. All countries in the world agree on the importance of preserving this “second lung of the Earth”, which is the Congo Basin. Consequently, the Bank intends to organize a meeting in Tunis, bringing together the States concerned in the region and their development partners, to discuss ways and means of implementing the Contingency Plan adopted by the last summit on the Congo Basin forest.

Fourth, major economic infrastructures will constitute a key pillar of Bank operations in the DRC and Congo. For the DRC, its enormous potential and immense territory require large scale infrastructures for development. The Bank has already financed projects in the road, water and sanitation sectors, and is examining major projects in the energy sector, particularly the rehabilitation of the Inga sites. For the Congo, the palpable lack of road, energy and water infrastructures requires that emphasis should be laid on them.

Fifth, in its assistance programme for the two countries, the Bank will also lay emphasis on private sector development, particularly

improvement of the business climate and financing of private sector projects. The Bank is already examining two large-scale projects in the mining sector. In the DRC, the Tenke Fungureme project will require 100 million US dollars, and in Congo the Potassium Project will require 60 million US dollars. Furthermore, the Bank intends to make more efforts in identifying private sector projects in the various sectors of economic activity in the two countries.

Ladies and Gentlemen,

I wish to point out that cooperation between the Bank, the DRC and Congo started several decades ago. The cooperation was interrupted for nearly a decade because of repeated conflicts. Fortunately, the relations have become normal again, and full cooperation resumed recently following the return to peace and clearance of arrear payments. The way ahead is long, but together we can meet the challenge. We are encouraged by recent positive developments in the two countries, and we hope that the Bank's Office will impose itself as a credible partner that can effectively contribute to this economic and financial revival for which we ardently yearn in the two countries.

Thank you for your kind attention.