

**THE ECA GOLDEN JUBILEE AND
JOINT ECA/AU FINANCE MINISTERS' CONFERENCE**

STATEMENT BY

**Donald KABERUKA
President of the African Development Bank**

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(By Video Conference)

Your Excellency Prime Minister MELES ZENAWI
Mr. Chairman
Your Excellencies
Ministers, Friends, Participants

Good morning from Tunis

1. On behalf of the African Development Bank, and on my own behalf, let me express my pleasure at being able to speak to you at this august event in celebrating the achievements of ECA for 50 years. I thank my good friend Abdoulie Janneh for this invitation and for the quality of our collaboration. I would have very much liked to be present in Addis but I am unable to do so for reasons entirely beyond my control. I have nonetheless delegated two senior colleagues, Modibo Toure and Lucy Fye to join in your deliberations: to celebrate the ECA Golden Jubilee and to reinforce our triple partnership – AU/ECA/ADB.
2. Despite turbulence in the world markets, our economies have, to a large degree remained resilient, among well endowed natural resources rich countries; among strongly reforming ones; among those emerging from conflicts. Of course, we still have pockets, often large pockets of political and economic challenges and we still have massive poverty. But that is not surprising. Population is growing and we come from a very low base. In addition, we are experiencing from time to time internal and external shocks that make our growth patterns sometimes volatile. I am certain you all agree that what is critical is to sustain the current growth phase. I fully realize growth on its own is not enough to reduce poverty but it is an essential condition. This is the major lesson from Asia.
3. But that growth must be sustained. Far too often in the past, progress has been made only to be followed by setbacks, reversals and decline. But it must also be shared, in the absence of which it generates social tensions and therefore unsustainability.

What are the other conditions of sustainability? Look at each one of our countries today. It is clear we need to improve and invest in our logistics, infrastructure of all types, in particular energy. At this time, infrastructure is very much at the centre of our activities at the AfDB. Today we face a situation of skyrocketing food prices; we have a huge agricultural potential, but our capacity to manage water – whether we have too much or too little of it is a constraint. Hence why we are putting emphasis today on irrigation, large and small as well as rural infrastructures.

4. You will not be surprised to learn of the renewed emphasis on regional integration programmes; corridors, transit systems, energy power pools, regional IT centers and policy coordination and harmonization.

We have learnt lessons of the past – we know better how opportunities have been lost in countries with weak capacities to design and to deliver quality policies; to combat abuse of office; to ensure natural resources are well managed; to ensure debt is proactively managed.

We are therefore determined to support our countries in progressively building institutions and capable states to do so. as we are renewing emphasis on Science and Technology. It has been said frequently, in 20 years' time, our continent will be as populous as China or India, a population that will be mostly young and urbanized. We must prepare that generation to be a skilled one living in peaceful nations that multiply opportunities.

5. I have spoken at length about our potential at this time. I am fully aware of the risks, the threats: external shocks; internal sustainability. The global economy and its uncertainties, the financial turbulence, which way will commodity prices go, the impact of food prices on the poor; the consequences of climate change. I do not underestimate what that means for our countries capabilities to adjust, to adapt.

6. In all these challenges and the threats we face, I want to assure you of the full support of the African Development Bank and our partners. You are right to expect that Africa's three leading institutions increase their ability to work together in strategic partnerships. Myself and my two good friends, Abdulie and Alpha have been working in that direction, each one of us in their domains of competence and division of labour.

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7. We have come a long way from being a marginalized continent to the era of the new scramble for Africa. How we manage this new landscape is critical. You are right to expect us – AfDB, ECA and AU to work closely with you in this process. At the AfDB, we are steadily increasing our capacity to do so. Let me take the opportunity to thank our partners, in the donor community, who have recently replenished our soft window – the African Development Fund with the largest increase ever in the history of the Bank – 52 per cent, thereby providing the Bank with close to 9.5 billion dollars over the next three years to support you.

I am particularly pleased at the decision by the partners to earmark a significant portion of those resources for regional integration, regional infrastructures and to support countries emerging from conflicts and other crises.

Let me hereby, in particular, acknowledge and commend South Africa, the only African country to contribute to the Fund and for doubling its contribution. It is also in order to thank the Nigerian authorities for renewing the Nigerian Trust Fund for another 10 years. Let me hope that in the future we can see more and more African countries doing the same in African solidarity.

8. As I come to the end of my remarks, let me assure that the African Development Bank is poised to increase its support. We have almost tripled our support to the private sector in the last two years and we have, last year alone, increased our sovereign operations by 20 per cent.

The Bank has maintained its very robust financial condition, retaining the highest possible rating, from all rating agencies. All windows of the Bank are reporting sound results. We are steadily improving the quality of our portfolio, thanks to our newly opened offices to be followed shortly by one in Algiers and Luanda bringing us to 25 offices in our decentralization exercise.

Prime Minister
Mr. Chairman
Excellencies

Our continent is at a moment of promise but also that of risks and threats. But I am optimistic that together we can sustain the promise and turn risks into opportunities. Let me commend the ECA and the AU for the growing collaboration. Let me wish you successful deliberations and look forward to seeing many of you at our Annual General Meeting in Maputo, Mozambique.