

AFRICAN DEVELOPMENT BANK GROUP



Statement by
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At the Launching Ceremony of the Congo Basin Forest Fund

London, June 17, 2008

1. It is a great pleasure for me and the African Development Bank to participate in this launch. This is an important venture for Africa and for humanity. I commend Prime Minister Gordon Brown and the UK Government for the initiative and this generous contribution. Let me also sincerely thank the Norwegian Government and Prime Minister Stoltenberg for expressing such enthusiastic support immediately and for providing additional support announced today. Our particular commendation to Paul Martin and Wangari Maathai for assuming the mission of co-chairs. I could not imagine a better team for this laudable venture.
2. But above all we must salute leaders and Governments of the Congo Basin Forest Region, grouped in the COMIFAC and ECCAS for their leadership and commitment. These are the prime stakeholders and those for whom the Basin is a source of livelihood.
3. We, at the AfDB, are pleased to play the role expected of financial custodian of this basket fund for the world's second largest forest, not only home to millions of people, but also biodiversity including over 10,000 plant species. The survival of this delicate ecosystem is critical for us all and I can only say that, we at the AfDB, take such endeavor seriously.
4. Everyone knows Africa emits the least greenhouse gases and suffers the most. Forest loss and degradation of the Basin would add more carbon emissions to the atmosphere than any other land practices at this time.

5. This week, the UNEP issued a report which shows Africa losing 4 million hectares of forest per year. This is twice the rate for the rest of the world. Some parts of the continent are, in addition and as a result, losing up to 50 metric tons of soil/ha/year in erosion. This erosion has degraded about 65% of the continent's farmlands and severely depleted its capacity to produce adequate food, at this time when ability to produce food has become an urgency for the world.

6. Many of you will be familiar with the tremendous progress made in the last decade in Africa. It is true there have been large variations between and among countries, but progress there has been 6% per year. But one thing worth pointing out is that agriculture, to which the majority of the people depend, did less well, with growth limited to only 3% per annum, barely keeping pace with population increase. What has been an element of even greater concern has been the fact that, even thus modest most agricultural growth has come about, not by productivity increase, but mainly expansion in surface area planted sometimes forest slash and burn. The pressure exerted by this type of agriculture, as rural communities search for livelihood in the context of current food crisis, is quite intense and means this is an issue we must deal with yesterday, not tomorrow. It is important that, as we look forward to Copenhagen for an agreement on reducing current and future emissions on how to find resources for mitigation and associated technologies, low income countries indeed assume their shared but differentiated responsibilities, and are supported in adapting and spurring their growth in a context of low carbon economies. And this must include development of the considerable hydropower potential of Africa, of which only 4% is exploited in spite of the massive energy shortages.

7. In May and July 2007, I visited the region, Cameroon, Equatorial Guinea, Congo and the DRC and discussed with the leaders how the AfDB could support the countries of the region implement the Congo Basin Forest Conservation Treaty and the convergence plans.
8. In February this year, the Bank, in partnership with the Central Africa Forest Commission and DFID, organized in Tunis an event on financing sustainable management of the Congo Basin Forest. The Bank was mandated to establish the Congo Basin Forest Fund and host its Secretariat. We responded positively. Our Board of Directors last week gave formally the approval. We are extremely pleased with the financial support of DFID and Norway, which enables the Fund to take off without delay. This basket fund which we will manage is most welcome indeed by CBF countries and I urge other donors to join rather than multiply the number of funds.
9. We assume this role with the determination to make it a success. We have a long standing experience in this type of activity. Today, we have \$300 M portfolio in forest management projects. In total, we have financed \$710 M in about 21 countries. We are committed to do more to protect our forests, our rivers, and lakes such as Lake Victoria and Lake Chad.
10. We have extensive experience in managing this type of funding arrangements; an example includes the African Water Facility, the Infrastructure Consortium for Africa, now the African Fertilizer Financing Mechanism and many other similar trust funds. Our high fiduciary standards have consistently reassured and proved

satisfactory to donors for this type of initiatives. I want to assure the countries of the region and the co-chairs, we will be looking for more effective ways, always to provide the kind of services the Governing Council expects. We stand ready to provide the Council, the Co-Chairs our full support as they provide the necessary strategic guidance. It is my sincere hope that we can expand stakeholders' participation by bringing in more donors to the CBF Fund. The role of the Congo Basin Forest partnerships remains a strong reference point for the Fund, for consultations, for drawing lessons and for sharing experiences.

11. Our shared intention is to slow the deforestation of the Congo Basin; but at the same time, providing the people and the institutions capacity to manage and find a livelihood. If we succeed, and we must, the people of the Congo Basin will have made a major contribution to humanity which should be so recognized and I joint Prime Minister Stoltenberg in expressing our fervent hope that Copenhagen can put value to the Congo forests. I wish to thank all who enable this venture to take off and join Minister Djombo (Congo) in encouraging contributions to this multi-donor trust fund.
12. Let me conclude by, once again, thanking sincerely Gordon Brown, the prime initiator, the Norwegian Prime Minister, leaders and Governments of the Congo Basin, the co-chairs, and assure of our support in this endeavor.
13. Thank you for your attention.

