

**Communiqué of the Regional Governors Consultative Forum on the  
Sixth General Capital Increase of**

**The African Development Bank**

**Tunis, 12 February 2010**

---

1. We, the Governors representing Regional (African) Member Countries of the African Development Bank (the "Bank") met on 12 February 2010, in Tunis, under the Chairmanship of Mr. Paul-Antoine BOHOUN BOUABRE, Governor for Côte d'Ivoire and Chairperson of the Boards of Governors. The purpose of our meeting was to: i) assess progress on the proposed Sixth General Capital Increase of the Bank (GCI-VI) since the last meeting of the Governors Consultative Committee (GCC) in September 2009 and ii) provide strategic guidance for the way forward.

2. We examined Management's proposals outlining the strategic context for the General Capital Increase (GCI), the analysis of demand, as well as various terms and modalities related thereto. We commended the Bank for its timely and effective response to the needs of our countries in respect to the global financial and economic crisis, actions consistent with the G20 demands for a counter-cyclical response. We appreciated the speed, innovation, level of commitment and genuine attempt to make full use of the strength of its balance sheet in complementarity with other development partners. We noted the significant improvement in promoting economic growth and poverty reduction, as well as the quality of delivery bolstered by the institutional reforms, including decentralization. We strongly endorse the areas of focus of infrastructure, private sector, governance, higher education and science and technology. We also note the importance of food security and support to fragile states as well as the crosscutting issues of regional integration and climate change.

3. We welcome the increased relevance of Bank activities across the spectrum of all our countries, middle income, low income and fragile states. We note the significant growth in sovereign lending including the increasing proportion of private sector lending going to both middle and low income countries. We endorsed management's intention to ensure that private sector operations cover all Regional Member Countries. In this regard, we urged Management to expand its use of innovative instruments such as enclave project financing and credit enhancements with a view to bolstering private sector operations in lower income countries in the spirit of the "One Bank" approach.

4. We greatly appreciated the relevance of the Bank's role in regional integration a domain which requires strong collaboration amongst us, and call on the Bank to intensify its activities in this domain.

5. Our confidence in the Bank Group has increased as it continues to deepen its role as Africa's leading development finance institution. We view the Bank Group as a lender of choice, a strong, relevant bank which has demonstrated its ability to respond both in times of crisis as well as in normal circumstances. We further appreciate the increasing advocacy role of the Bank, and in this regard, its effective African voice in international fora and its convening power exercised to advance the cause of our countries.

6. We recognized that the scaling up of Bank lending and the stretching of its balance sheet has put pressure on the Bank's prudential ratios. We therefore commended Canada and South Korea for their offer to infuse contingent capital, announced in November 2009, which would allow the Bank to remain within prudential limits through 2010. However, we considered that much remains to be done in our countries to continue the growth trajectories to which we are committed, including achieving the MDGs. We confirmed that the Bank's assessment of demand in our countries is consistent with our own priorities and borrowing requirements.

7. In light of the foregoing and with particular reference to the declaration of the AU heads of states and government adopted by the fourteenth ordinary session of the Assembly in Addis Ababa, Ethiopia on 2 February 2010, we the Governors representing Regional Member Countries of the Bank, are strongly convinced that the Bank requires a GCI commensurate with the demand. We agreed that this increase is required to address the capital constraints that the Bank faces, the needs of our development programs, especially those within the strategic areas of focus of the Bank. We also considered the importance of ensuring that resources are available to deal with global warming which has the potential of affecting significantly Africa's development prospects. We took note of the fact that without such a GCI, the Bank would have to limit its lending activities by making substantial adjustments to its lending programs to the detriment of our countries.

8. We recognize that an adequate GCI places the African Development Bank on a trajectory that enables it to consolidate its position as the premier development institution for Africa, especially in areas where it has a comparative advantage.

9. Consequently, we unanimously endorse the proposal for a GCI of 200% with a 6% paid-in portion. We agreed that the 200% increase would allow the Bank to serve client countries and entities within them. We all committed, including our lower income countries with limited budget resources, to take all necessary action to subscribe and pay for our respective shares, and welcomed the modalities which have been proposed to facilitate such subscription and payment, including the differentiated payment terms and the creation of a dedicated trust fund.

10. We are mindful of the fundamental importance for the Bank to maintain its triple A rating. We agreed therefore that pricing of loans should be set at a reasonable and competitive level. We also support adherence to the policy of the Bank to make net income transfers to the African Development Fund, taking into account the financial position of the Bank and the overall needs of the Bank Group.

11. We call on our partners, the non-regional members, to join us in this effort to strengthen our institution and support the Sixth GCI.

12. We express our deep appreciation to the Government and People of the Republic of Tunisia for their hospitality

Tunis, February 12, 2010