

CLOSING REMARKS
AT THE NON-REGIONALS GOVERNORS' FORUM
ON THE SIXTH GENERAL CAPITAL INCREASE
OF THE AFRICAN DEVELOPMENT BANK

Donald KABERUKA
President – African Development Bank

CAPE TOWN– 24 February 2010

1. Thank you Chair.

Let me thank you all for what you have done today and in the last two days. I think these three days in the Cape have been extremely productive. As Petra and our Canadian colleague have said, the fact that we could spend three days talking about the Bank is encouraging for the people we serve.

2. I think your regional colleague will very much welcome this outcome. For us we see it as very strong support and we are confident that the General Capital Increase will be a substantial one which will allow us to increase our lending.

3. Now we are also fully aware of the list of things we have to do, both institutional and operational to make this General Capital Increase effective. We have already begun this work.

4. I will highlight a few points though, with the permission of our French colleague because I mentioned this to him in a private conversation. I think people underestimate the pressure under which this Bank operates. This is the only MDB to have relocated from its headquarters in a short time period and to operate in temporary and uncertain conditions for almost seven years. I am not making a plea for special treatment. Even under these conditions, the bank has continued to operate quiet well. However, the temporary relocation has impact on some of our work. For example, when we recruit younger staff they ask us where we are heading. So when you say the Bank has high turnover, bear in mind that it is related to some of the challenges we face. Those of you who have been to Tunis have seen that the conditions we work under are sometimes not optimal in the sense that we cannot invest long-term and neither can the Tunisian authorities because there are uncertainties surrounding the institution's precise date of return to Abidjan.

5. The second thing I wanted to say is that the Bank is also the only MDB in the 1990s to have lost its AAA credit rating because of weak financials. It has taken almost ten year to rebuild the reputation and solid nature of the institution, from its financial perspective. The bank got back all the ratings in 2003. Since then your shareholder support, the single biggest influencing factor for rating agencies, has given us the capacity to serve our institution. It is therefore very important that you continue to demonstrate that support to the Bank so that we can move forward in confidence, bearing in mind the history of the institution.

6. I say this to remind you when you compare us to other regional institutions. We have a history and a context which still has not prevented us from doing the work we have set out to do.
7. Now, a word on the vision and strategy of the Bank. As VP De Longuemar stated, in 2007 in Maputo you adopted the vision for the Bank emanating from the High Level Panel Report. I think that was a substantive piece of work from eminent people, from Africa and abroad, spelling out the long-term path of Bank. My own view is that the vision has not changed, what has changed is the landscape around us and so you are right to say we have to go back and look at the medium term strategy in light of the changing circumstances. That we shall do. Now the question is, between now and May, what can we do and do well? We shall look at the role of the Bank in light of this new landscape, our role in the aid architecture and the “One Bank” approach and so on. We need reasonable time to do this work properly but in the mean time we shall proceed with that revision.
8. I would like to thank you for the work you have done. I think senior management and our staff are appreciative of the outcome from the last two days. We shall take forward our work plan for April and May. Thank you very much and safe return to your countries.