

STATEMENT BY KOPP
GOVERNOR FOR GERMANY

Chairman,
President Kaberuka,
Fellow Governors,
Delegates,
Ladies and Gentlemen

I would like to begin by joining the previous speakers in thanking the host country Cote d'Ivoire and the AfDB management for the hosting and organization of the Annual Meetings.

Overall view: Let me take a brief look back at the past few months. As President Kaberuka rightly stated in the Annual Report, 2009 was a year of “unique challenges for the institution, its member countries, and the African economy”. It would seem now that we have turned the corner and that the “toughest hurdles” have been taken.

Looking at Africa: Economically, the continent was hit hard by the recent crises, reversing the progress made on human development. Most countries have now experienced a cautious return to growth, thanks to more stable economic conditions and sounder political decisions than in previous decades. Some observers conclude that the “acute phase of the crisis” in Africa is over, and I very much hope they are right. That resilience is an achievement in itself! I hope that growth will further rebound and contribute to the achievement, or faster achievement, of the MDGs in Africa.

Progress on economic and social development is largely dependent on state governance. Free elections for a legitimate government are key for the development of a welfare state. There are policy choices to be made! Good governance plays a key role in the economic development of a nation, but also in the political, social and environmental conditions in which people live. The promotion of democracy, the fight against corruption and a transparent public financial management system – are of particular importance in a continent where many countries are rich in natural resources and yet a large proportion of the population still lives in poverty. Germany is strongly committed to supporting Africa.

Even in these difficult times we stand by our international commitments. Achievement of the MDGs is central to our work. In the current process of preparing the MDG High Level Plenary Meeting in September in New York, we support a strong political declaration containing a renewed commitment to achieving the MDGs by 2015. Particular emphasis has to be put on the most off-track countries – most of which are situated in Sub-Saharan Africa.

Looking at the ADB: The Bank has reacted in many way, both quickly and effectively, to the crises and has provided countries – both governments and private entities – with a record amount of funding (more than 9 billion Euros in 2009). The AfDB, along with other multilateral and regional development banks, was part of the globally coordinated countercyclical response to the crisis. The Bank played an important role as a development financier at a time when credit was in scarce supply.

While managing this tremendous task, the Bank did not only continue its administrative reform programme (e.g. decentralization, employment of staff). Above all, it also prepared and organized several challenging and comprehensive discussion processes: the General Capital Increase and the Replenishment of the Fund (the latter being still ongoing). All in all, President Kaberuka, Vice-Presidents and staff members, that deserve a word of thanks!

One brief comment on the Board Reform. I congratulate South Africa on now being more strongly represented, as it deserves. However, as the Report of the Governors' Consultative Committee (GCC) indicated, there are concerns as regards the budgetary impact of the board enlargement, and the observation was made that the process could have been more inclusive and transparent. The lesson we should learn from this experience for the future is that decisions with a long-term impact should be based on more participatory and balanced negotiations. The AfDB is also a standard-setter in this sense and should remain a trusted partner for all its members.

Looking to the future: Today we are here, among other things, to finalise the General Capital Increase. The expected financial injection will allow the Bank to grow further, steadily, on its way to becoming the “premier development institution of Africa”, while cooperating closely with other relevant international stakeholders. Domestic resource mobilization is another important source. Germany supports this direction and thus a strong African Development Bank. The capital increase and the replenishment of the Fund will be accompanied by a long-term strategy.

This will be based on existing strategies plus a new ambitious reform package. The key actions have been sketched out in the course of the negotiations. In fact, many important issues have already been tackled (e.g. comprehensive bank income policy, establishment of a new energy division). Others are on the agenda (e.g. guidelines on how to react to political challenges, strategy for policy-based loans, energy policy and climate facilities). I am particularly glad that the Bank has become the continent's largest provider of private sector financing; it's important to link public and private sector financing. I am content that it is consolidating its role and knowledge concerning fragile states and that a best-practice energy policy is under way.

As a crosscutting issue, I would like to underline the importance of quality and standards, both environmental and social. Also, principles for sustainable investments in agriculture become more and more important.

Last, but not least, I would like to remind all stakeholders that effective and efficient Bank Governance is required to ensure the best use of scarce public money which is meant to contribute to poverty reduction. Ways and means how to increase efficiency and to reduce costs, in particular on the background of the Board enlargement, is crucial.

Conclusion: The Bank is indeed on its way to becoming the “Premier Development Institution of Africa”. I am confident that it will further seize the opportunity to set best standards in manifold ways, for Africa, for the countries and their people, and for other development institutions.

Thank you for your attention.

Our positive votes are of course dependent on the German Parliamentary approvals and the budget for 2011.