

**AFRICAN DEVELOPMENT BANK**

**STATEMENT BY H.E. KERFALLA YANSANE  
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ADB GOVERNOR FOR GUINEA  
AT THE ADB ANNUAL MEETING  
ABIDJAN (COTE D'IVOIRE)  
27 - 28 MAY 2010**

**MAY 2010**

Mr. Chairman of the Boards of Governors  
Honourable Governors,  
The President of the African Development Bank Group  
Executive Directors,  
Ladies and Gentlemen,

It is a great honour for me to participate in the African Development Bank Group's 2010 Annual Meetings being held this year here in Cote d'Ivoire, in this pleasant city of Abidjan renowned for its legendary "Akwaba".

On behalf of the Government and people of Guinea, I would like to express my profound gratitude to the Ivorian Government and people for the warm welcome and commendable arrangements to ensure the success of our meeting despite the numerous constraints facing the country.

I take this opportunity to pay a well-deserved tribute to Dr. Donald Kaberuka, President of the African Development Bank Group, the Boards of Directors, Management and the entire staff of the Bank for the excellent organization of these Annual Meetings.

Mr. Chairman,  
Honourable Governors,  
The President of the ADB Group,  
Ladies and Gentlemen,

My delegation greatly appreciates the Bank's highly positive and constantly improving financial and operational performance. We are particularly delighted to note that over the 2007-2009 period, the Bank Group's net transfers increased from USD 673 million to over USD 4 billion. Over the same period, the transfer of concessional resources, namely those provided by the African Development Fund (ADF) and the Nigeria Trust Fund (NTF) rose from USD 608 million to about USD 2.533 billion in 2009.

These figures are certainly impressive and reassuring in a context still marked by the effects of the major global financial crisis, particularly the scarcity of financial resources. Consequently, my delegation would very much like to sincerely congratulate President Kaberuka, the Boards of Directors and the entire staff of the ADB for their timely and positive response to the crisis. We would however urge

the ADB to remain vigilant because a fresh financial turmoil is looming over the international environment.

If care is not taken, this could quickly spread to our continent and jeopardize the fragile recovery of African economies.

Mr. Chairman,  
Honourable Governors,  
The President of the ADB Group,  
Ladies and Gentlemen,

On behalf of the Government of Guinea, I would like to highlight the exemplary nature of the cooperation between Guinea and the African Development Bank which goes back several decades. From the Bank's first intervention in Guinea in 1974 to March 2010, the Bank Group financed over seventy operations amounting to over UA 500 million of net commitments. These comprised projects and programmes in all areas of our country's economic and social life, including infrastructure, institutional support, technical assistance and studies.

Mr. Chairman,  
Honourable Governors,  
The President of the ADB Group,  
Ladies and Gentlemen,

However, I need to draw your attention to the extremely fragile political, economic and social situation Guinea has been facing for many years. Over the 1987-2007 period, Guinea's annual per capita GDP growth averaged 0.9%. However, it spiralled downward from 2000 onwards. Between 2000 and 2007, the annual per capita income averaged 0.5%. Thus, despite its considerable economic potential, Guinea is still classified by the UN among the Least Developed Countries (LDCs) of the world, with nearly 55% of the population living below the poverty line in 2009 compared to 49% in 2002!

Admittedly, this situation is largely attributable to poor governance; but the underlying causes are rooted in the armed conflicts that have been raging in the West African sub-region since the early 1990s, resulting in an unprecedented influx of refugees into the country and recurrent incursions by rebel groups.

In recent years, the political, economic and social situation has deteriorated with its well known trail of woes namely:

- ✓ January 2007, a general strike followed by a popular uprising against dictatorship, corruption and the high cost of living that was severely quelled resulting in bloodshed (over 150 dead);
- ✓ December 2008, a military takeover following the demise of the President of the Republic;
- ✓ 2009, a deadlock in negotiation between the army, political parties and the civil society;
- ✓ 28 September 2009, a massive peaceful demonstration by the general population followed by a brutal clamp down (over 200 persons dead and missing) in the stadium of the same name;
- ✓ December 2009, assassination attempt against the Head of the Junta.

This downward spiral was halted by the Ouagadougou Accords facilitated by the President of Burkina Faso under the auspices of the international community represented by an International Contact Group. Since January 2010, Guinea has embarked on a courageous and difficult democratic transition with significant progress both politically, and in terms of economic management.

Mr. Chairman,  
Honourable Governors,  
The President of the ADB Group,  
Ladies and Gentlemen,

I also take the opportunity to commend the efforts of regional and sub-regional African organizations and the international community on the whole for supporting Guinea's political transition, notably with regard to the electoral process and military and security force reforms. However, fewer initiatives have been made to assist Guinea in the area of economic reforms, although the country is confronted with a challenging financial situation characterized, among other things, by huge external debt and arrears as well as weak basic services. Although some of the development partners, including the ADB and the French Development Agency (ADF) have provided limited support, the international community has hidden behind strait jacket legality to deny the country of any aid (apart from humanitarian assistance) if the country does not have democratic institutions: **in short elections or nothing!**

This paradox draws attention to the issue of the management of Fragile States by the international financial community. It is undeniable that Guinea meets all the criteria of a Fragile State and therefore deserves special treatment commensurate

with the aspirations of its courageous people, who have endured so many years of deprived freedoms and inhuman living conditions.

On behalf of the Government of Guinea, and on behalf of General Sekouba Konate, President of the Transition (who took enormous risks in leading the transition), I would like to appeal to the ADB and the entire international financial community to develop more rapid and flexible intervention instruments for Fragile States, void of any rigid legal conditionalities, notably in the form of balance of payments and budgetary support, to enable them clear their external arrears and meet pressing social demands as well as facilitate the recovery of their economies.

In this regard, it would be desirable for the ADB to consider opening a Field Office in Guinea to help maintain dialogue and closely support the difficult economic reforms that need to be implemented during and after the transition. For the record, I would like to stress that Guinea highly appreciated the opening of an ADB Country Office in Conakry back in 1990 although, unfortunately, it was closed in 1994.

The ADB's decentralization policy, which I strongly support, pre-supposes an increase in the financial resources of the Bank. It is for this reason that I would seize this opportunity to urge the regional and non-regional governors to approve, the Sixth Capital Increase of the ADB without hesitation, which should enable the Bank to meet the major challenges of the 21<sup>st</sup> century.

Thank you for kind attention.