

STATEMENT BY HON. MUSTAFA HAIDI MKULO (MP)
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Mr. Chairman,
The President of the African Development Bank Group,
Honourable Governors,
Distinguished Delegates,
Ladies and Gentlemen

On behalf of the Government of the United Republic of Tanzania and on my own behalf, I would like to express my sincere gratitude and appreciation to the government of the Republic of Senegal and its people for hosting this meeting and for the warm reception and hospitality accorded to me and my delegation. I would also like to thank and commend the ADB Group for the excellent arrangements they have made to make these meetings a success.

Mr. Chairman, over the last few days we have had interesting discussions on several important subjects including: the Financial Crisis in Africa; Challenges and Opportunities facing Africa. The occasion of these meetings has provided real opportunity for us to exchange our experiences on these issues. Indeed, we have had a lot to learn and share with each other despite our different socio-economic backgrounds. I urge the ADB group to continue with such innovative arrangements which provide room for broader interaction amongst ourselves.

Mr. Chairman, in the recent years our continent experienced three major shocks; namely the food crisis, increase in fuel prices and most recently the global financial crisis. The financial crisis has reduced demand for Africa's exports, external resource inflows – foreign aid, trade credits, foreign direct investment and tourism. We commend the African Development Bank Group under the very leadership of Dr. Kaberuka, for its swift response to the food and financial crises. We welcome the possibility of temporary flexibility on the "Debt Sustainability Framework" that would allow capable ADF countries to borrow from the ADB window and urge the Bank to take action to explore all possibilities to bring this proposal to fruition.

Mr. Chairman, the total ADF approvals in 2008 stood at UA 1.67 billion compared to UA 1.38 billion the year before. Tanzania is among the top beneficiaries of these resources. The operational activities of 2008 are commendable given the current global challenges. We commend the Bank for that. During the same year, we also noted that the rate of disbursement, on the ground, did not significantly improve despite increases in approvals of projects and programmes. We would urge the Bank to look into ways and means to enhance disbursements to Regional Member Countries.

In connection with this, I would also like to emphasize the need for enhancing the pace of streamlining and adopting more flexible business processes that will empower the Field Offices to play a much more significant role in procurement and disbursement processes in order to further reduce the transaction cost, turn-around time and lengthy bureaucracy. The Bank needs the support of all of us here in order to be able to make further progress and become more efficient, result-oriented and relevant for African Development needs.

Mr. Chairman, I also want to commend the Bank's response in food crisis by establishing the Africa Food Crisis Response initiative. The initiative which aimed to assist the most vulnerable and affected member states with a Short and Medium Term Strategy. This is also to acknowledge that the Bank has an important role to play both in providing finance and assistance to African countries. It is our hope that the Bank will focus on core and mutually

reinforcing operational priorities of Africa, which are infrastructure; governance; higher education, science and technology; and enhance private sector development as stipulated in its Medium Term Strategy 2008 – 2012.

Mr. Chairman, in almost every African country, inadequate energy, transport and communication infrastructure appear at the top of the list of major bottlenecks to growth and development. About 30% of the population of Africa live in landlocked countries and the rest lack adequate links. It is encouraging to note that the Bank is now focusing on infrastructure development, with special emphasis on transport projects. I believe this is the right choice and would want to commend the Bank for focusing on this important sector for our development. I am confident that this intervention by the Bank will contribute significantly to the pace of regional integration.

Mr. Chairman, the financial crisis is negatively impacting the African continent and threatening the achievements of the last decade of sustained economic growth. I commend the Bank for swiftly convening a special meeting of the Ministers of Finance and Governors of Central Banks in Tunis in November 2008 to discuss the potential effect of the crisis and the possible response measures that are needed to mitigate the adverse effect of the crisis, including agreeing on the need for Africa's voice and presence at the G20. We note with satisfaction the Bank's participation at the G20 meeting in Washington D.C. and London.

Mr. Chairman, majority of the African countries recognized the importance of the private sector as the engine of growth and development. Many of these countries are implementing important reforms to create the necessary conducive environment for private sector development. The Bank must enhance its deliberate efforts to promote private sector development in Africa.

Lastly Mr. Chairman, Allow me to conclude my statement by thanking once again the Bank management for the excellent arrangements. I would also like to thank President Kaberuka for his steady and firm leadership which has spearheaded the reforms that the Bank is undertaking. I commend him for his tireless efforts to strengthen the Bank's financial position. I would like to congratulate the incoming Vice – Presidents whom I believe will work very closely with President Kaberuka with a view to making the reforms that he pioneered succeed. We look forward to working closely with him and his team in order to ensure that the Bank can meet the needs and aspirations of the African people.

I thank you very much for your attention.