

**STATEMENT BY H.E. MR. PATRICK PILLAY  
GOVERNOR FOR SEYCHELLES**

**Chairperson,  
Honorable Governors,  
Mr. Kaberuka, President of the ADB  
Excellencies,  
Ladies and Gentlemen,**

On behalf of the Government of Seychelles, it is an honor for me to address the 43<sup>rd</sup> Annual Meeting of the African Development Bank and the 34<sup>th</sup> Annual Meeting of the African Development Fund.

Firstly, allow me to extend my sincerest appreciation and gratitude to our host, the Government of the Republic of Mozambique, for their warm welcome and excellent hospitality. We are in one of Africa's exemplary and fast growing economies that are moving confidently towards a much higher level of socio-economic existence. Your country is a source of admiration for many that have also experienced the long and hard struggle towards liberation and emancipation as a nation-state.

**Ladies and Gentlemen**

I would also like to express my satisfaction with the encouraging developments taking place in the Bank's Host Country, Cote D'Ivoire. This *predominantly* African solution to an African problem is very inspiring. The Government of Seychelles joins all to express gratitude to the main stakeholders that have made the 'road to peace, stability and security' an irreversible process that will eventually lead to the Bank's return home, to Abidjan.

*The Tunisian authorities' critical role in ensuring the continuity of the Bank Group's operations in safety, security is most appreciated. It is indeed a critical element in the African solution formula.*

**Distinguished Chairperson,**

2007 was *another* solid year for the Bank with strong operational and financial results. Total approvals for 2007 reached a record high of 3.1 billion Units of Account signifying a 19.3% rise from the preceding year.

The Bank's reforms may not have progressed as fast as was initially projected, but these reforms are firm and right on track - particularly in terms of *enhancing effectiveness and* delivery of tangible results on the ground.

*Given the remarkable progress registered in the reform agenda, the progress in Business process streamlining, Human Resource development and decentralization agenda of the Bank's operation in 2007 ought to be applauded. This is testimony of the Bank's firm commitment to enhance its performance as it strives to achieve maximum development impact on one of the most volatile, diverse, risky and poorest continent of the planet.*

**Distinguished Chairperson,**

The African continent is home to countries that are at different stages of development *ranging* from the 'resource endowed' to the 'resource poor', the 'very large to the very small', 'the coastal to the landlocked', 'conflict stricken or emerging thereof' to 'the peaceful and stable emerging' states. There are also the 'African Small Island Developing States', littered in the Atlantic and the Indian Ocean. Time and time again the plights and significance of this group of countries in the world economy have been reiterated and debated at many international fora.

Apart from the United Nations, there is hardly any international organization or framework within which small island middle income countries could spell out and get their specific challenges comprehensively addressed. Evidently, our partner, the Commonwealth secretariat, should be singled out and highly praised for its consistency in attempting to attend to the case of small island developing states that are often disqualified and marginalized.

*Yet, Island states are the frontline victims of the increasing negative effects of Climate Change. Our small island countries can be transformed radically overnight from a tourism paradise to the tragic remains of the aftermath of the December 2004 Tsunami that we all witnessed on our TV screens. The International Panel on Climate Change has reported that climate change will continue to be of grave concern. The time has come for us to re-double our efforts in calling for greater attention. We need to work together to establish the necessary mechanism to provide adequate resources and technical assistance for mitigation and adaptation policies.*

Exogenous economic shocks brought about by the high level of narrow resource base dependence, limited capacity and economies of scale, give rise to increasing pockets of poverty and macroeconomic instability in small island middle income countries. High per capita costs of infrastructure as well as the cost of insularity due to isolation and distances from the main markets pose constant and consistent constraints and challenges. This extends to those related to our efforts in a serious attempt at Regional Integration.

**Ladies and Gentlemen,** despite glaring evidences, this group remains hampered by lack of access to affordable development assistance as well as the unavailability of a proper framework aimed at mitigating some of the most pressing concerns.

**Ladies and Gentlemen,**

One of the most pressing issues that the world is facing today is the rise in commodity prices. The inflation in the price of food has made headlines in world wide media. Latest statistics show that food prices have risen by 40% between 2006 and 2007. The old saying “**One should put one’s money where one’s mouth is**” has never been more true than the realities we are currently facing.

I am pleased to note that ADB has not remained idle on the issue and welcome the announcement and initiative to curb the on-going food crisis. **The USD 1 billion addition to its agriculture portfolio, demonstrates the Bank’s commitment to help address the food crisis in Africa.** I would like to take this opportunity to convey to President Kaberuka my deep appreciation for this initiative.

*Going forward however, it is vital that countries are advised on how to expediently benefit from this fund. It is important to know the criteria and procedures in the short, medium and long term. The Fertilizer Financing Mechanism about to be rolled-out to enhance agricultural capacities of our countries, is a welcomed complementary initiative. If it is to contribute positively to attenuate the socio-economic effects of the impending food crisis, it requires to be fast-tracked.*

In the case of small island states we stand once again at a great disadvantage due to our small size and shortages of fertile arable land for food production. We can indeed do very little in our power to promote agricultural growth to ensure food self sufficiency. We need ground-breaking solutions - additional support be it technical, financial or otherwise to ensure that our people has food readily available to eat.

*“A hungry man is an angry man” – if not timely and adequately contained, the galloping food prices and shortages could be the kerosene that will light the flames of unrests.*

**Ladies and Gentlemen,**

The Bank should be commended in its efforts to more effectively assist fragile states in Africa. The development of the Fragile States Facility by the ADB has clearly set forth a new momentum in recognition of the weak and vulnerable economies of Africa. The Facility is a starting point to positively inspire the vulnerable states of Africa to progress towards more stable political and economic developments on the ground. It is our hope that other international agencies will follow the paradigm with the goal to strengthen this global effort.

**Distinguished Chairperson,**

I would also like to express appreciation in the Bank’s efforts to address the emerging requirements of Middle Income Member Countries. The African Middle Income Countries Conference held in Cairo earlier this year was a good initiative on the

part of the Bank and the World Bank, where discussions centered on the improvement of the Banks' services to meet the needs of the middle income countries in Africa. At this juncture, there is a narrow window of opportunity for the Bank to align with other stakeholders to enhance efforts for the application of more specific and robust support and solutions to the challenges faced by the small island middle income countries.

A similar proposal was made to multinational financial institutions at the *Inter-governmental Conference on Middle Income Countries* that was held in Madrid, early 2007. As our colleagues rightly put it during the Conference, it is time that Organizations like the United Nations, the World Bank, the European Commission and the OECD treat middle income countries differently. This applies also to the ADB Group. Another recommendation is that additional criteria, other than the traditional GDP per capita, are used to measure progress in developing countries. So far, the 'Vulnerability Index' for example has not seen light of day as a serious comparator to be even considered as a complement to GDP per Capita. *We request that as an increasingly emerging knowledge Bank – the 'Vulnerability Index' should be given time of day if only to further promote its rationale and possible future use.*

**Distinguished Chairperson,  
Honorable Colleagues,  
Excellencies,  
Ladies & Gentlemen,**

**Now** that there seems to be emerging general consensus that the effects of Climate Change is real, **now** that attention is being paid to our increasingly eroding coastal zones where the majority of our populace seek a living, **now** that we are experiencing the rise of the sea-temperature and the sea-level, **now** that the weather patterns are becoming more and more unpredictable, **now indeed is rightly the time to develop innovative solutions!** Business as usual and a 'one-size fits all' approach will simply not do to address the impending challenges!

The African Development Bank Group and all partners and stakeholders need to actively respond to the threats and challenges in the spirit of striving for better performance on the ground. The concerns, constraints and challenges are diverse and specific to various clusters of ADB member states. In light of the emerging pattern, they should be looked at separately and analyzed thoroughly to allow for **selective and focused interventions** to obtain maximum development impact and tangible results. I make a special plea for the Bank to continue to enhance its focus on the specific constraints continuously faced by the fragile and *vulnerable* states of Africa including our Small African Island States.

**Distinguished Chairperson,**

I would like through you, to reassure President Kaberuka that my Government stands resolute behind his endeavor to transform this institution to a Results-Based – Knowledge Institution of repute and recognition, predominantly when it comes to matters

concerning the development of the African Continent. On behalf of my Government and the People of Seychelles, I would like to convey to the Republic of Mozambique, our warmest wishes of partnership and solidarity.

I thank you for your attention.