

As of May 27, 2010
Annual Meeting of the Board of Governors of the African Development Bank
Abidjan, May 27th-28th, 2010
Statement for Canada
Ken Sunquist, Temporary Governor for Canada

Mr. Chairman
President Kaberuka
Honourable Governors
Ladies and Gentleman

Introduction

I would like to begin by thanking the Government of Côte d'Ivoire and the City of Abidjan for their warm welcome. I am grateful for the courtesy you have extended to make our stay enjoyable.

Over the past few years the African Development Bank has faced enormous challenges and I congratulate you, President Kaberuka, and your team for your work in helping our institution surmount them. This year's Annual Meeting is a special one, since the year 2010 corresponds to the 50th anniversary of independence for 17 African countries, including Côte d'Ivoire. This year is also a landmark for the AfDB, since it will see approval of the 6th General Capital Increase of the Bank, the 12th Replenishment of the African Development Fund and the re-election by acclamation of President Kaberuka. This meeting provides a special opportunity to help clarify the Bank's place in the future of the region and the institutional reforms needed to get us there.

In my remarks today, I would like to focus on three of these reforms that are especially valued by Canada: first, what I would call the “One-Bank Approach”; second, the Bank’s role in assisting low-income countries and fragile and conflict-affected states; and finally private sector development operations.

One Bank Approach

The Bank knows the continent better than anyone and has the potential to become the “premier development institution” for Africa. However, achieving that status depends on the relevance of our programming and its ability to generate meaningful results, and thus on the Bank’s ability to match its resources with the absorptive capacity of regional member countries. Common objectives, rules and procedures across the different components of the AfDB Group, and in particular the African Development Bank and the African Development Fund, would greatly enhance the Bank Group’s coherence and performance. Specific examples of useful changes would be common objectives and areas of focus for the AfDF and the AfDB, a common Board of Directors, and a better approach to the challenges of regional integration to allow regional programming to involve AfDB countries as well as AfDF ones.

Low-Income Countries and Fragile and Conflict-Affected States

We all recognize the fact that low-income countries and fragile and conflict-affected states face significant challenges. The global economic crisis has made matters worse, even if its impact on the continent has been somewhat less than the most pessimistic of forecasts.

For low-income countries, we welcome the Bank's commitment to devote at least 75 percent of net income after reserve allocation to development initiatives, including substantial net income transfers to the African Development Fund. We support the Bank's commitment to continue to ensure that over 50% of private sector operations benefit AfDF countries.

Africa is home to the majority of fragile states in the world. They need the support of all partners to transition towards peace and prosperity. The Bank's Fragile State Facility is a key instrument for responding to the needs of these countries. We strongly support its continued funding in the 12th replenishment of the African Development Fund. Fragile and conflict-affected states are also particularly in need of a strong Bank presence on the ground and we should capitalize on next steps in decentralization to address this critical need.

I am sure we all agree that we cannot and should not leave these countries behind. Vision and innovation will be required to ensure that AfDF countries achieve sustainable growth and equitable development. The Fund replenishment is only a partial answer to the challenges. We must also pursue our dialogue in search of additional solutions.

Private Sector Development

On private-sector development operations, we are pleased to see the Bank enhancing its private sector operations. The Bank has a key role in assisting member countries to

foster a favourable business climate and in ensuring positive development impact of private sector operations.

Capitalizing on its regional character, the Bank can play an important role in helping members establish the appropriate enabling environment for private sector-led sustainable economic growth, but it must do so in close collaboration with the many other players.

We welcome the growing role of private sector operations within the AfDB window. We agreed to a significant increase in risk capital from the sixth general capital increase to precisely support more such operations, particularly in AfDF countries. Our support presumes that the Bank Group will develop a comprehensive private sector development strategy.

Canada and Africa

Mr. Chairman, Canada is a friend of Africa and considers the Bank a trusted partner. Last year, Canada advocated that the Bank include in its GCI paper the option of temporary callable capital as one interim measure to support the Bank's ability to borrow in order to fund its strong response to the global crisis. Following through on our idea, Canada committed to provide US\$2.6 billion in temporary callable capital and we are happy that the Republic of Korea undertook the same type of initiative in support of the Bank. Now, we are pleased to endorse a tripling of the Bank's capital base, in recognition of the needs of the region and the significant progress in institutional

reforms. This also reflects the G20 commitment to ensure regional development banks, such as the African Development Bank, have adequate resources with which to fulfill their mandates. We are also providing CDN\$36 million in support of the Rural Water Supply and Sanitation Initiative and we will contribute CDN\$15 million in support of the Bank's Aid for Trade activities to create jobs and prosperity in the region.

In his Opening Remarks in Dakar last year, President Kaberuka underlined two things: a message of urgency with optimism, and the fact that Africa is looking to become a partner in the global response to our world's current challenges.

We agree with the President's sense of urgency. There are only five years left to achieve the Millennium Development Goals.

Progress requires strong leadership and partners. We have strong leadership in the Bank. We welcome President Kaberuka's re-election. He and his team have steered the institution well and have ably represented Africa on the international stage. We applaud them for committing to the full implementation of the term sheet on key institutional reforms that promise to strengthen the One Bank's contribution to growth and prosperity in Africa. We look forward to working with the Bank to improve business environments and transparency across the continent.

As a partner, Canada will be there for Africa and Africans every step of the way.

Canadian businesses have been active in Africa, including by securing contracts with

the Bank in the agriculture, energy, education, and transport sectors. And we look forward to hosting the G20 Summit in Toronto next month, which will focus on “Recovery and New Beginnings”. In Toronto, the G-20 needs to meet past commitments to ensure recovery of the global economy and also has a responsibility to usher in a new era of economic cooperation - one that will result in stronger, more balanced and sustainable global growth. This includes reforming the international financial institutions to increase their legitimacy, credibility and effectiveness; and ensuring international financial institutions have the resources and tools they need.

We look forward to working with our G20 partners in the weeks ahead to ensure the success of the summits in 2010, and of the G20 as a forum. Canada believes it is important to consider the views of non-G20 countries in the lead up to the Toronto Summit. In this regard, we are actively engaged in a robust program of outreach activities through our Sherpa.

Of particular importance to Africa, the G20 will be working towards ambitious African Development Fund and IDA16 replenishments.

To conclude, for Africa and Africans, the AfDB Group needs to be One Bank, strongly uniting AfDB and AfDF countries in support of economic development and regional integration. It needs collective action to help fragile and conflict-affected states and low-income countries. And after the GCI, it needs an ambitious 12th replenishment of the African Development Fund. Canada is a friend of Africa during good times and times of

crisis - in the past, the present and the future. Canada sees Africa as a serious and credible partner and the African Development Bank as an excellent instrument for supporting that partner.

Thank you.