

**STATEMENT BY THE ALTERNATE GOVERNOR FOR
THE GREAT LIBYAN ARAB PEOPLE'S JAMAHIRIYA**

In The Name Of God, the Beneficent, the Merciful

Honorable Chairperson of the Board of Governors,
Honorable Governors and Alternate Governors,
Mr. President of the African Development Bank Group,
Ladies and Gentlemen

Assalamu 'alaykum wa rahmatuallahi wa barakatuh

First, I would like to convey the greetings of my brother President Muammar al-Gaddafi, Chairman of the African Union (AU) to his brother President of the Republic of Senegal H.E. Mr. Abdoulaye Wade, to the people and Government of the Republic of Senegal and to all the delegations.

Ladies and Gentlemen,

I wish our gathering here every success to serve our beloved Africa.

I would like to extend our deep gratitude to the people and government of the Republic of Senegal for the warm welcome and hospitality extended to us since our arrival in your generous country. I am also pleased, on behalf of the African Union (AU) and members of the Jamahiriya's delegation taking part in the 44th Annual Meetings of the Board of Governors of the African Development Bank Group, to extend our thanks to the Chairperson of the Board of Governors for his distinctive administration throughout his tenure, which greatly contributed to the smooth running of the Group's activities and ensured greater achievements and success. Such endeavors have enhanced the overall efforts made at all levels for the advancement of the African continent.

I would also like to thank Mr. Donald Kaberuka for the efforts made since he became President of this institution and his dedication which has made it one of the leading development finance institutions in the world, and the premier one in the African continent. Though the achievements of the Group have been the product of efforts of all the Presidents over the past four decades, under his wise leadership the Group has apparently developed and has endeavored to respond to the continent's development needs by funding various development projects and programs, and providing the necessary technical assistance for the countries.

Honorable Chairman,
Ladies and gentlemen

As you know, this year, has been a busy year for the international community, where the sub-prime mortgage crisis led to the collapse of global financial markets, the undermining of investor confidence and the scarcity of liquidity in global markets, which resulted in a slowdown in the major economies and consequently a shrinking volume of global trade. The economic and financial crisis has hit the banking sector in the rich countries and violently shaken the rest of the world, especially the poorest countries and the least able to withstand this crisis.

The volume of world trade is expected to shrink for the first time since 1982, which will impede economic growth in developing countries, where estimates suggest the possibility of a loss of US\$ 50 billion in African revenues over the next two years as a result of a 45.4% decline in the value of exports.

It is worth mentioning that the impact of the financial crisis may be the most severe in many developing economies than in developed ones due to the drop in income levels of poor countries, which would place many families below the poverty line. It is expected that about 100 million people in developing countries will continue to suffer from poverty due to the contraction of the global economy, which will wipe out the progress made through the implementation of poverty reduction policies in developing countries.

The decline in economic growth by two or three percentage points in many poor countries is already having catastrophic effects. The low growth rate in Africa, where many people live on the poverty line could lead to the deaths of 700 thousand infants under one year old, and it is expected that economic growth in Africa will slow to 2.4% in the 2009 down from 4.9% last year as a direct result of the global financial crisis.

The economic crisis threatening the progress made over the past two decades in many African countries, where it is expected that the continent's budget surplus last year of 1.8% of GDP will become a budget deficit of 5.0% this year, due to a drop in migrant remittances and the shrinking volume of trade, thereby limiting the implementation of new projects as well as resulting in the loss of millions of jobs and increasing tensions and instability.

Initially, it was envisaged that Africa would at least be partially protected from the global crisis due to its relative isolation from the global banking system, but it became clear that declining levels of aid, investment, remittances from abroad and dwindling lines of credit granted to the Continent as well as export earnings will severely damage the limited economies of the Continent.

Honorable Chairman,

To address these challenges, it will be necessary to step up international efforts to limit the humanitarian impact on the African continent and establish a comprehensive development plan to attract foreign direct investment and provide financial support for the needs of the African continent in order to achieve the Millennium Development Goals (MDGs), agreed by world leaders at the United Nations Millennium Summit in 2000.

From this rostrum, allow me to extend my sincere thanks to the many donor countries, led by the G20 and say how much their efforts to mitigate the negative impacts of the financial crisis are appreciated. This culminated in their summit in London last month, which affirmed their commitment to the continued provision of financial resources to support the developing economies and maintain global growth by supporting the development finance institutions through the allocation of US\$ 500 billion to strengthen the role of the International Monetary Fund and enable it to provide loans to troubled economies, and an amount of US\$ 250 billion to finance the measures and procedures that will promote and stimulate international trade. It also included commitments to provide another US\$ 250 billion to the International Monetary Fund to enable it to provide loans to the debtor countries, and US\$ 100 billion to help the world's development banks to provide loans to poor countries.

I would also like to commend the efforts made by the African Development Bank Group to help alleviate this crisis on the Continent, where the Board of Directors approved the establishment of the *Emergency Liquidity Facility* of UA 1 billion and the *Trade Finance Initiative*, and approved

several measures to facilitate a swift response to the affected countries' requests. To address the global food crisis, the Board has approved an amount of UA 497 million in the short term and UA 1.4 billion in the long term.

Ladies & Gentlemen,

Despite these efforts to mitigate the impact of this crisis on developing countries to sustain economic growth achieved during the past two decades, they are modest in comparison to the tragic economic and humanitarian effects expected on the most vulnerable continent of the world. The African continent continues to face many of the most important challenges, the most serious of which are conflicts and political instability at the local and regional levels, deepening poverty, corruption, as well as the spread of diseases and epidemics..

The mitigation of the anticipated impacts of the financial crisis on the Continent requires:

- intensification of international and local efforts to provide the necessary financial support for the establishment of a number of strategic infrastructure projects such as the vast Inga dam project to provide energy for all countries of the Continent and linkage projects through road networks between African countries to facilitate bilateral trade and the transport of persons (such as the Trans-Sahara Highway project and the Lake Chad project). The Jamahiriya declared its willingness to contribute to such strategic projects to support the advancement of the economies of African countries.
- supporting the private sector, especially the small and medium-sized enterprises (SMEs) to participate in economic development and job creation.
- work to speed up the decision-making process in development finance institutions.
- take the necessary measures to support the African Development Bank, the largest African financial institution, through a capital increase of the Bank to enable it to play its important role in the completion of major projects, support the Continent's economic development, job creation, poverty reduction as well as providing liquidity to African markets.

Honorable Chairman,
Distinguished Delegates,

I wish to take the opportunity of my presence in this forum to appeal to all my brothers, sisters and friends in the African continent to advance our financial commitment and responsibilities towards Africa and to provide the tools to support all initiatives and projects of human and social development, and especially the strategic projects adopted by the African Union (AU) whose chairman is the great brother Moammar Al-Gadhafi. The Jamahiriya has offered to contribute to such projects as the huge Inga Dam Project and the Lake Chad Recovery Project as well as Africa's road network.

Ladies and Gentlemen,

I will now conclude my remarks by assuring you that, while Africa obviously needs the international community, in the end, the Continent's future rests in the hands of its people. They are the political and economic decision-makers, let's work together and make a better tomorrow for the people of our dear continent.

Finally, may I reiterate my sincerest thanks and appreciation to all, while wishing our meeting every success in its deliberations.

Wassalamu 'alaykum wa rahmatullahi wa barakath.