

STATEMENT BY THE GOVERNOR
FOR THE UNITED KINGDOM

Mr. Chairman,
Fellow Governors,
Honourable Guests and Delegates,

I am delighted to be here in my very first few days as a minister in the new British Government.

I bring greetings from the new UK Prime Minister, Deputy Prime Minister and Secretary of State for International Development.

Back to Africa. Born in Africa in Tanzania, I spent part of my early years in Kenya. It is my first time in Cote d'Ivoire, but as a young man, I once drove across the route I have just flown, from London across the Sahara, arriving at 4 O'clock this morning! I also drove back to the UK across the Sahara then – but tonight, I confess, I intend to fly, not drive back to London!

I warmly thank the Government of Cote d'Ivoire for hosting these Annual Meetings and H.E. the President of Cote d'Ivoire for his opening remarks. We are taking some important decisions that move the Bank ever closer towards the institution we want it to be.

The re-election of President Kaberuka is a tribute to the quality of his leadership of this Bank. In the last five years the AfDB has grown – in size and in stature – and much of that credit must go to him. Donald Kaberuka has brought energy and determination to the Presidency, as well as his expertise, knowledge and experience. I am delighted that he has agreed to serve another 5 years.

We have updated the Executive Board. In the last few years, the UK has substantially increased its investment in the AfDB, becoming the largest contributor to the African Development Fund and working more closely with the Bank at Headquarters and in country. I am pleased that the changes we have agreed will give the UK a greater role on the Board reflecting our commitment to the Bank, and to Africa.

The tripling of the Bank's capital is a major milestone. We have agreed a set of reforms and policies that will help get best value from this money. I want today to underline the importance of this – of ensuring that every pound, shilling, pula and kwacha is improving the lives of poor people. The GCI is a means to an end, not an end in itself. What matters is what our Bank achieved and delivers for the poorest people across the continent.

I want to be clear that I expect value for money. That will require action in many areas – decentralizing staff, transparency, accountability, a strong commitment to evaluation, bearing down on administrative costs, and a relentless focus on high-quality and timely results.

I see this capital increase as an enormous opportunity to boost the Bank's work on the private sector.

Nations become prosperous when they are able to create their own wealth. And we all know that it can only come from the private sector. Increased private sector growth will enable more poor people to earn a living; will increase government revenue to fund good quality services; will create a virtuous circle of opportunity, self-reliance and increased prosperity for all.

There is enormous enterprise and energy across the many countries of Africa, waiting to be unleashed. Having just come through an election myself, I know the importance of countries having legitimate governments that give confidence, including by upholding the rule of law and delivering fiscal stability.

To fulfill its potential, the private sector needs finance and credit for businesses, both small and large; adequate infrastructure; a skilled and healthy workforce; and a regulatory environment that allows business and enterprise to flourish rather than weighing them down with bureaucracy or deterring them by corruption.

The economic crisis has been a blow to Africa's private sector ambitions – finance has been scarce, investments put on hold and remittances have fallen. But the AfDB is well placed to spearhead renewed efforts to encourage and enable the private sector.

When the Bank's new Private Sector strategy is presented later this year, I will be looking for four things:

- First, poverty focus. The Bank has done well to focus its private sector work on the poorest countries, including in some of the most difficult environments. I want to see that continue and deepen. It also needs to ensure its investments have strong development impact. One of my key measures of success will be how much the poorest people as well as the poorest countries, in Africa benefit from jobs and better financial services.
- Second, a join up of the Bank's public and private portfolios, as well as its knowledge work. I want all parts of the Bank to work together to boost private sector growth.
- Third, the Bank's contribution to integrating Africa's markets. I want the Bank's regional operations to enable the continent's private sector to flourish across national borders, boosting regional trade.
- Finally, we know that the Bank can never on its own hope to provide the scale of investment that the private sector needs. But it can lead the way and show private investors the potential for doing business in Africa. When we meet again in a year's time, and in the years to come, I will be asking what the Bank has done to get more investment flowing into Africa, and judge its success by how much private money it can mobilize for Africa.

Ladies and Gentlemen,

The challenge of achieving the Millennium Development Goals in Africa remains high. But there is a proverb here in Cote d'Ivoire that says "the river is wide but it can be crossed". With President Kaberuka at the helm, and a buoyant Bank to carry us, we stand the best chance of getting across to the safe shore.