STATEMENT BY BEATRICE MASER, GOVERNOR FOR SWITZERLAND

Thank you Mr. Chair,
Mr. President,
Distinguished Delegates

On behalf of Switzerland, I would like to extend my gratitude to the Government of Senegal for their excellent and generous arrangements and their warm welcome in this bustling city of Dakar.

Ladies and Gentlemen,

As it has been mentioned many times already during this meeting, the worldwide economic crisis has serious impacts on Africa’s development efforts and requires the international community’s determined response. The MDBs, including the AfDB, have an important and countercyclical role to play during these times, which are characterized by multiple negative effects.

In the context of a “triple punch” from the food, fuel and financial crisis which is hitting the poor particularly hard, development partners need to support governments efforts to protect the most vulnerable parts of the population and avoid serious slippages in achieving MDG’s.

Switzerland commends the AfDB on its reactivity to these three intertwined crises and for responding quickly, flexibly and massively to the global crisis. While the responses need to be fast and flexible, I will mention five points which need to be kept in mind to make the responses both consistent with established policy and effective in the long run.

First, the focus on quality cannot take a back seat. Under the leadership of President Kaberuka the AfDB has initiated institutional reforms, which should not only be sustained but have to be reinforced. The AfDB has to maintain its strategic focus on infrastructure, governance and private sector development, which is where it has its comparative advantages.

Second, crisis-related operations should be time-bound and should avoid crowding out other critical policy targets, such as good governance, gender and climate change. Even in times of an urgent crisis response, long term policy priorities and strategies must continue to be pursued. Example, we wish to highlight the importance for countries to pursue a prudent macroeconomic management agenda and maintain debt sustainability.

Third, the shareholders and the management of the Bank must ensure that all categories of regional member countries receive a fair share of the Bank’s finance. This balancing act is particularly needed as we will engage simultaneously in consultations for a GCI and negotiations for the replenishment of the Fund. Moreover, good coordination among IFIs and donors must be ensured within the framework of the Accra Agenda for Action.

Fourth, ADF-11 is into its second year after having been replenished generously. Frontloading of the Fund’s resources for development expenditures will ease some of the problems caused by the economic crisis. However, there will remain only limited capacity to commit resources for new operations in the third year. Given that situation we welcome the
Bank’s efforts to explore ways to put unutilized funds to work and to be innovative and flexible within the given frameworks.

Fifth and last point: the international community is faced with a situation where most MDBs are proposing increased financial contributions or capital increases to their shareholders. The challenge is, for each MDB, to make a solid business case that demonstrates the need and the value of the additional finance. This will be the foundation for convincing our parliaments that these contributions from tax payers are needed, are well invested and contribute efficiently and effectively to the ultimate goal of poverty alleviation.

Today’s challenges, and the responses we are designing, have significant implications for the Bank’s future. Therefore, a continuing, transparent process of debating and deciding these responses in the Board of Directors and the Board of Governors is required. President Kaberuka’s continued leadership will be instrumental. I would like to thank the President and his staff for their hard work during this demanding last year. I wish us all the best in tackling the challenges ahead and assure AfDB once more of the continued support of Switzerland.