STATEMENT BY HON. DR. SITUMBEKO MUSOKOTWANE
GOVERNOR FOR ZAMBIA

The President of the African Development Bank Group,
Your Excellencies and Representatives of Government,
Ladies and Gentlemen

I wish to thank the people and Government of the Republic of Senegal for the warm
reception and hospitality shown to all of us since our arrival.

I further wish to thank the Government of Senegal for hosting this year’s Annual
Meetings under the theme “Africa and the Financial Crisis: An Agenda for Action”

This Annual Meeting has provided a great opportunity for us to discuss the impact of the
global financial crisis on the economies of Africa and how the achievements we have made in
the immediate past years can be maintained and sustained during the period of the crisis
In Maputo last year, we discussed ways to increase economic activities which in turn would
contribute to wealth creation and poverty reduction on our continent and indeed in our individual
countries. We discussed ways of accelerating regional integration and enhancing trade among
our countries, including speeding up the implementation of infrastructure, energy, agriculture
and others so that Africa can equally benefit and compete favourably in the global markets.

This dream is now being threatened by the global financial and economic crisis. Access
to finance has become a major challenge for many of us. We have seen a fall in foreign capital
inflows, falling remittances and reduced fiscal revenue. This will certainly make it hard for us to
finance our development programme.

Mr. President,

African countries have no choice but to survive the crisis. We must therefore stay
resolved to safeguard the achievements that we have made over the past years by keeping our
individual country’s macroeconomic fundamentals in place and forging ahead to achieve
adequate economic growth, even amidst this financial crisis.

In this respect, the theme of this year’s Annual Meeting is indeed most appropriate so that
we can learn from each other, ways and means of forging ahead in spite of the crisis.

Mr. President,

Allow me to applaud the Bank for setting up a number of special initiatives such as the
Emergency Liquidity Facility whose main objective is to alleviate the credit constraints the
private sector and our countries are facing during these trying times. The Africa Legal Facility is
yet another Bank initiative through which member countries will be able to receive legal
technical support in litigations, negotiating good contracts, developing tax regimes and policies
that will ensure that African countries optimize their gains from natural resources.
Mr. President,

Although the Emergency Liquidity Facility is meant to cushion the negative effects of the global financial crisis on us, it is targeted exclusively to the middle income countries and non-sovereign borrowers. We would like to see the broadening of these instruments to cater for the needs of ADF countries such as Zambia. The other challenge that has continued to affect the economies of the African Continent is its perpetual vulnerability to external shocks. The current global financial crisis, increased food prices in the international markets etc are perfect examples of how vulnerable our economies are in Africa to external shocks.

Africa needs to find ways of protecting herself against these exogenous shocks. The solution to these challenges include enhancing regional integration and increasing intra-regional trade on the continent, while diversification and quickening the rate of industrialization in our countries will spin our economies to greater growth rates.

You will recall that developed countries made commitments in 2002 to increase the level of Official Development Assistance to Africa’s development agenda. While some of our development partners have met their commitments on this, we have noted that this has not been so for many others.

Mr. President,

In view of these developments, Africa needs to strengthen domestic resource mobilization to augment the ODA resources which Africa has been promised during the crisis period. But we also call on the donors to fulfill their promises otherwise there is no purpose in making the promises in the first place.

Mr. President,

There is however also a lot we can do to help ourselves. This includes doing more to attract capital from the private sector and creating attractive conditions for entrepreneurship. To achieve this, African countries need resources to establish infrastructure that can as quickly as possible leverage in the private sector. The Bank and other IFIs can help a lot in this respect.

Mr. President,

Allow me at this point on behalf of Zambia to express my sincere gratitude and appreciation to the African Development Bank Group for their continued support to our development agenda. The Bank has continued to render its support to programmes and projects in agriculture, water and sanitation, health, energy and transport sectors. These projects continue to be key in Zambia’s development programme. But more should be done.

For example, we have put aside resources for schemes such as development of tourism areas in both Kasaba Bay in the northern part of our country and Livingstone in the southern part of our country. We have further opened up a number of farming blocks for private sector investment in the country such as the, Nansanga, Farm Block in central Zambia.
In pursuant of the diversification programme in the country, we have created multi facility economic zones and are in the process of creating livestock disease free zones. We hope to turn this sub-sector into the copper of Zambia in the near future. These are initiatives that will position Zambia well during and after the crisis. But more money is required because out of our own budget the money needed for infrastructure development in the initiatives above is inadequate.

Mr. President,

As I come to the end of my speech, I would like to emphasize three points for Africa:

1. The resources earmarked for the economic development initiatives of Africa must proceed because they are establishing the base for our future economic growth and enhanced tax revenue. The expenses incurred in developing these initiatives is the seed we need to plant now to enable us have increased financial harvest in the near future.

2. The countries in Africa must take more urgent and stronger practical steps to hasten economic diversification to lessen dependence on raw material production.

3. Despite the pressures exerted on our individual budgets in our various countries arising from among others, the global financial crisis, we need to keep the macroeconomic fundamentals in place to achieve meaningful stability.

I thank you.