Statement by Omar Kabbaj,
President of the African Development Bank Group,
at the
Opening Session of the 4th African Population Conference

“Population and Poverty in Africa: the Challenge of the 21st Century”

Tunis
8 December 2003
I. Introduction

Your Excellencies,
Distinguished Participants,
Ladies and Gentlemen,

It is a great privilege and an honor for me to address this opening session of the 4th African Population Conference, devoted to the theme of Population and Poverty in Africa: the Challenge of the 21st Century. This is a timely and appropriate topic as the fundamental challenge facing the large majority of African countries is indeed reducing poverty and improving the standards of living of their populations. It is useful to recall, in this connection, that African leaders, at their Libreville Summit in 2000, acknowledged the imperative of focusing their countries’ energies on reducing poverty. They also reaffirmed this stance when they adopted the NEPAD Initiative at the African Union Summit in Durban in 2002.

It is also fitting that this Conference is taking place in Tunisia – a country that has made remarkable strides in implementing a progressive population policy. As is well known, this has resulted in the country completing its demographic transition, as evidenced by its low birth and death rates. Tunisia is also a nation that has dramatically reduced the number of people living below the poverty line through the effective implementation of sound economic and social policies. I would therefore like to take this opportunity to congratulate the Government and people of Tunisia on these remarkable achievements, which constitute an example for our continent.

In my remarks today, permit me to share with you the perspectives of the African Development Bank on poverty reduction and population -- the theme chosen for the Conference. I will first present an broad overview of Africa’s economic performance in recent years and its impact on poverty reduction. I will then outline the varied population dynamics facing African countries today and the policy framework required to address the challenges of population and poverty. I will conclude by a review of the recent
interventions of the Bank Group in support of the population policies and the poverty reduction efforts of its regional member countries.

II. Overview of Africa’s Economic Performance and Efforts at Poverty Reduction

Mr. Chairman,
Distinguished Participants,

Since 1996, Africa’s economic performance has registered a noticeable improvement due largely to the adoption of sound economic policies and the implementation of far-reaching reform programs. GDP growth rates have averaged 3.5 percent per annum from 1996-2003, as compared to 1.5 percent during the first half of the 1990s. Given the average population growth of 2.4 percent during this period, the improvement in per capita GDP growth has, however, been modest averaging only 1 percent.

While the turnaround in Africa’s overall economic performance is most welcome, it, however, needs to be stressed that it is not sufficient to allow most countries to reduce poverty significantly. As a consequence, Africa is the one region of the world where the proportion of people living below the poverty line — currently estimated at over 45 percent — is expected to grow in the coming years. It is also the region, with the exception of Northern Africa and South Africa, that is deemed most unlikely to meet the other Millennium Development Goals (MDGs).

While the overall picture of the Continent illustrates the daunting challenges facing the region, it needs however to be stressed that a marked differentiation in economic performance -- as well as in the efforts to reduce poverty -- is emerging across African countries. The trend in recent years would indicate the emergence of three distinct groups of countries.
In the first are some 20 countries that have, since 1996, succeeded in raising and sustaining GDP average growth rates of close to above 5.4 percent per annum. And with an average population growth rate of less than 2.4 percent, this has, in turn, resulted in significant increases in per capita GDP of close to 3 percent per annum. As important, most countries in this group have not relied on economic growth alone to reduce poverty but have also implemented projects and programs to tackle poverty directly. They have in particular sought to improve the access of the poor to essential social services such as education and health.

The second group of countries, also numbering some 20 countries, has recorded average economic growth rates in the order of 1 to 3 percent since 1996. While, this represents an improvement over their previous economic performance, it has, however, not resulted in large increases in per capita incomes, partly due to their relatively high population growth rates. Consequently, increases in per capita GDP have averaged less than 1 percent since 1995. And while some countries in this group have also adopted poverty reduction strategies, the proportion of people living below the poverty line has yet to decrease substantially.

In the last group are those countries whose economic performance has been adversely affected by poor governance and by civil wars and conflicts. These countries have recorded very low or negative GDP growth rates, and per capita income growth has accordingly been negative. Consequently, the number of people living below the poverty line has risen considerably, and has often lead to a substantial rise in migration to neighboring countries.

In summary, it is evident that despite the improved economic performance of a significant number of African countries, the challenge of reducing poverty, and, in particular, that of reducing by half by 2015 the number of people living below the poverty line remains a major challenge for Africa as a whole.
III. **Africa’s Population Dynamics and the Required Policy Responses**

Mr. Chairman,
Distinguished Participants,

In their quest to reduce poverty and improve the standards of living of their populations, African countries have, of necessity, to include population policies as an integral component of their national development strategies. For such policies to succeed, it is important that they take into account not only the specific economic, cultural and historical conditions of their countries but also the changing demographic dynamics that they face.

In this regard, it is evident that the population dynamics in African countries has changed markedly in the last decade. After four decades of rapid population growth beginning in the 1960s, when the size of national populations in virtually all countries more than doubled, Africa’s population growth rate has shown a trend decline over the last decade. While this is in part a reflection of the lowering of fertility rates, the most important cause for the change has, however, been the upsurge of the HIV/AIDS pandemic. The pandemic has resulted in sharp rises in mortality rates and a decline in population growth rates across much of Sub-Saharan Africa. Significant differences across countries, however, exist requiring varied policy responses.

With respect to population dynamics we have at one end of the spectrum the countries of North Africa -- together with a small number of other countries such as Mauritius and Seychelles -- that have succeeded in bringing down both fertility and mortality rates. This outcome is accounted for by sustained economic growth and significant increases in per capita income, as well as the implementation of effective population programs. The latter has included: making available family planning services, improving the social status of women, promoting girl’s education, and improving health services for women and children.
The challenge for these countries is to continue to build on their economic and social gains and to make their economies more competitive on the global market. It is also essential that they preserve their substantial demographic gains by maintaining the incentive structures at both the macroeconomic and household levels. And although the HIV/AIDS epidemic may, at present, not appear as a significant threat in some of these countries, it is essential that they confront the epidemic and adopt aggressive policies to prevent its emergence as a major threat to the well being of their populations.

At the other end of the spectrum are those African countries that are in conflict or which are emerging out of conflict situations. These countries have suffered enormous social and economic dislocations, including the death of large numbers of their people – estimated at between 2 to 3 million in the Democratic Republic of Congo alone. The efforts of national governments and international development agencies in these countries must necessarily focus on rebuilding the basic institutional framework to arrest the sharp rise in poverty levels and to put their economies back on the path of sustainable economic growth. Such actions must also include the rehabilitation of the socio-economic infrastructure, with particular attention given to improving the access of women and children to basic health services. This is essential to reduce the high mortality rates that have been observable in such societies.

In between the two ends of the spectrum are the large majority of African countries where fertility rates are still relatively high but where the mortality rates have risen, albeit in varying degrees, by the spread of the HIV/AIDS epidemic. The available data from the UNAIDS indicates that the prevalence rate of the epidemic is now estimated to average between 7.5 and 8.5 percent of the adult population, but varying among countries from less than 5 percent to close to 40 percent. In the latter group of countries, concentrated mostly in Southern Africa, mortality rates have increased sharply and population growth rates are estimated, as a consequence, to have declined to less than 1 percent per annum. In the remaining countries, depending on the prevalence rate of the epidemic and past trends in fertility rates, there is a wide divergence in population growth rates of between 1 and 3 percent.
While population and poverty reduction policies in African countries must necessarily reflect individual country circumstances, we believe that certain common interventions should, nonetheless, underpin them. In our view, current population and poverty reduction policies should include the following major components:

- **First**, all African countries should give the highest priority to reversing the rising prevalence of HIV/AIDS and to providing affordable treatment to those suffering from the pandemic. The devastating and tragic effects of an unchecked pandemic have now become evident in a number of African countries, particularly in Southern Africa. HIV/AIDS has become the single largest cause of death for Africans in the 15 to 45 age group; it is killing some of the most educated and productive members of the society; it is leaving millions of orphans, and it is profoundly distorting the age-structure of many societies. In brief, the epidemic is not only raising mortality and morbidity rates and exacerbating poverty but it is also beginning to affect the very capacity of countries to plan and execute effective development policies and programs. There should therefore be no room for complacency.

- **Second**, in addition to combating the HIV/AIDS epidemic, countries should also pursue a set of population-related development policies that aim to improve the standards of living of their population. Such policies are also essential to curb the increasing pressure on both the socio-economic infrastructure and natural resources that has been caused by continuous and rapid increases in population levels in the past four decades. As the experience of a number of countries has shown, such policies should consist of the following elements:
  - Ensuring that the benefits of economic growth are shared by all by pursing pro-poor economic growth policies; such policies not only have immediate benefits but could also contribute to a moderation of population growth rates as higher per capita incomes often lead to lower fertility rates.
  - Promoting family planning services to provide a choice to families both in the spacing of their children and in the number of children they may wish to have;
• Promoting mother and child health care services, and, in particular, reproductive health services, to help lower maternal mortality rates;

• Promoting child health care to reduce the number of children who die before they reach the age of five, thereby promoting smaller family sizes;

• Investing more in the education of girls as the payoffs in terms of both family welfare and reducing population growth rates have proven to be high; and

• Promoting special interventions to encourage and raise the incomes of African women and promote entrepreneurship through special programs such as microfinance.

The efforts of African countries, if they are to succeed, will need to be supported by the international development community. Of particular importance, in this regard, is the need to fulfill the pledges made by donor countries to increase ODA to Africa and to fully fund the major international and regional HIV/AIDS initiatives. In addition, effective poverty reduction and sustainable economic growth will require reducing the debt of African countries to sustainable levels and improving their access to the markets of the developed world.

III. The African Development Bank, Population Policies, and Poverty Reduction

Mr. Chairman,

Ladies and Gentlemen,

Before concluding, permit me to provide you a brief overview of the activities that the African Development Bank Group undertakes to support of the poverty reduction and population policies of its regional member countries.

As the participants of this Conference may be aware, the primary objectives of the African Development Bank, as defined in the Vision Statement it adopted in 1999, is to help assist African countries in their efforts to reduce poverty and achieve sustainable
economic growth. The priority areas identified in its Vision include, at the national level, agricultural and rural development, education and health, and the development of the private sector. The Bank Group also gives high priority to promoting good governance, gender equality, and sustainable management of the environment, in addition to promoting regional cooperation and integration, particularly in the context of the NEPAD initiative.

Towards this end, the Bank Group mobilizes resources from the international capital markets through its ADB window and concessional resources through the African Development Fund and the Nigerian Trust Fund. In 2001 and 2002, the total volume of financial resources and debt relief it approved for its regional member averaged close to $3 billion a year. And although total approvals in 2003 may be reduced because of the disruptions caused by the temporary relocation of the Bank to Tunis, we, nonetheless, believe that the decline will not be significant.

In addition to financing development projects and programs in its regional member countries, the Bank Group also provides technical assistance and supports capacity building initiatives in African countries. This includes training activities provided by its own African Development Institute as well as the Joint Africa Institute that it established with the IMF and the World Bank in 1999. A particular focus of our technical assistance program in recent years has been the support provided to African countries as they develop and refine their poverty reduction strategy papers (PRSPs).

As part of its support of its regional member countries, the Bank Group has for some time now stressed the importance of designing and implementing appropriate population policies. The Bank’s first population policy was adopted in 1993 and revised in 2001. The new policy has adopted a more holistic approach by moving away from an exclusive focus on family planning to broader and more inclusive concepts of reproductive health as well as qualitative indicators of improvements in standard of living. It also stresses the importance of mainstreaming population issues and promotes
interventions that aim at lowering the burden of childbearing and rearing, and programs to reduce maternal and infant mortality.

In line with this broader approach to population issues, the Bank Group has supported various initiatives in its regional member countries and financed projects and programs that have both a direct and indirect impact on the population dynamics. These interventions include:

- **First**, helping countries adopt appropriate population policies in the context of the formulation of their poverty reduction strategies;
- **Second**, mainstreaming gender issues in the projects and programs that the Bank finances; such interventions aim at promoting gender equality and improving the well being of women and girls;
- **Third**, putting greater emphasis to support the efforts of regional member countries in their fight against the HIV/AIDS pandemic. This has consisted, of specific interventions to enhance the capacity of regional member countries. Examples of such an intervention are the *Multinational HIV/AIDS Program in Southern Africa* launched in collaboration with SADC, and the *Multinational Project to Support the Initiatives of Countries Lying on the Congo River*. In addition, the Bank has also mainstreamed HIV/AIDS in the projects and program it finances in other sectors such as water, health and education;
- **Fourth**, developing and financing specific projects, such as *Rural Microfinance Project in Uganda* and the *Tanzania Small Entrepreneurs Loan Facility* that specifically target and support women enterprises;
- **Fifth**, financing interventions in the health sectors with a focus on reproductive health, and on maternal and child care; and
- **Sixth**, funding projects and programs in the education sector to promote the education of girls as exemplified by the recent education sector projects the Bank has financed in Zambia and Kenya.

One additional activity that I wish to note is the Bank’s interventions to improve African statistics to allow African countries and the international development
community to measure and assess progress in poverty reduction efforts as well as the changing population dynamics. Towards this end, the Bank has launched a major statistical capacity building program within the context of the 2004 International Comparison Program (ICP) for Africa.

IV. Concluding Remarks

Mr. Chairman
Distinguished Participants,
Ladies and Gentlemen,

Permit me to conclude by stressing the importance of the issues you will be addressed in the course of your deliberations. Population and poverty reduction are central concerns for African countries today and the Conference should provide a broad platform for a rich exchange of views and discussion on these important topics. For the African Development Bank, poverty reduction is the primary focus of our operations, and we have, in this context, also given high priority of the importance of adopting and implementing appropriate population policies. And as Africa’s population dynamics is increasingly driven by the HIV/AIDS pandemic, we have also stressed the critical importance of giving a central place in all interventions to the fight against this pandemic.

The Bank very much welcomes the opportunity to be associated with the Conference and to have been able to make a financial contribution, through a generous grant from the Government of Belgium. We look forward to the outcomes of your discussions, as it will undoubtedly help inform our future activities, as well as those of our partners.

I thank you for your kind attention and I wish you fruitful deliberations.