The African Development Bank Group

Closing remarks by Omar Kabbaj, President of the African Development Bank, at the Closing Session of the 2003 Annual Meetings of the African Development Bank Group

4 June 2004
Addis Ababa, Ethiopia
Your Excellency, the Chairman of the Boards of Governors,
Honorable Governors,
Ladies and Gentlemen,

Let me first express to His Excellency the Chairman Seydou
Bouda our thanks for the very efficient way in which he steered our
deliberations.

As we come to the close of our 2003 Annual Meetings, permit me,
on behalf of the Boards of Directors, Management, and staff to express
to Your Excellencies our deep gratitude for the many kind words you
expressed in the course of these meetings. The Bank has indeed faced
unprecedented challenges in the last nine months and your unwavering
support has been critical in helping us meet them.

Your overwhelming approval, at these meetings, of the
recommendation of the Governors’ Consultative Committee (GCC)
regarding the timeframe for the temporary relocation of the Bank’s
operations is further proof of this support. The clear guidance you have
given us on the matter – as well as the principles you have approved
regarding the return of the Bank’s operations to its Headquarters in
Abidjan -- will give the needed stability and adequate planning horizon
for the Bank to focus on its development mandate and to recruit the
additional staff that it requires to deliver it. It will also give the staff of
the Bank a firm basis on which they can plan their family lives. On
behalf of all the members of the Bank, let me express to you all our
heart-felt appreciation for this clear signal of your continued support for
the Bank, as well as your deep concern for the well being of its staff.

Let me also take this opportunity to once again thank the
Governments of Cote d’Ivoire and Tunisia for facilitating our temporary
relocation. I wish also to thank the Government of Ghana for having
hosted two consecutive meetings of the GCC. Let me also affirm, once
again, that the Bank’s Headquarters remains in Abidjan.

As I reported to Your Excellencies yesterday, the Bank is now
operational at its Temporary Relocation Agency in Tunis, having
undertaken the necessary logistical preparations and having recalled its
staff. The two main challenges facing it will be to reconstitute its
capacity in the shortest time possible and to continue to enhance its
development effectiveness. In these efforts, we will be guided by the
views you have expressed at these Meetings. We have taken careful note
of your counsel and let me assure you that we will be following them
closely. Permit me at this time to say a few words on some of the
critical issues that Honorable Governors have raised at this meeting.
• Development Effectiveness. As I reported to you in my opening statement, enhancing the development effectiveness of our operations, in line with the strategy we have adopted, will be a major focus of our operations. Towards this end, we will fully implement the new organization structure and the strategic plan. We will also re-launch our recruitment drive to fill the 150 positions we have at present in some critical areas. In this process we will endeavor to maintain an equitable regional balance and promote greater gender equity.

• Selectivity of Operations: A number of Governors have stressed the importance of increased selectivity in our operations. I would like to assure you that as we indicated in our strategic plan, this is already a central concern for us. Accordingly, in the new generation of CSPs we are limiting the number of sectors in which we will be engaged in each country, while focusing on the priority sectors identified in our Vision and Strategic Plan. In addition, we have continued with the trend of increasing the size of our projects as well as enhance our support to Sector Wide Approaches (SWAPS).

• Increased Field Presence: Governors have also expressed the importance of enhancing the field presence of the Bank Group and
considering the decentralization of our operations. As we reported to you, we are continuing with our programme of establishing 25 field offices, with the planned opening of four additional offices this year. We will also be launching the decentralization study, which we intend to present to the Board of Directors by the end of the year.

- **Private Sector Operations.** We have noted the stress placed by several Governors on the need for the Bank to expand its private sector activities. In this connection, I wish to bring to your attention that the private sector study, which will give clear directions to our engagements in this area, has been completed and will soon be tabled for Board consideration.

- **The ADF-IX Policy Framework and Allocation of Resources:** With regards to the implementation of the ADF-IX Policy framework, I wish to assure Governors that all agreed policies are being developed and that ADF-IX resources will be allocated in line with enhanced performance-based allocation system that has already been approved by the Board. In this regard, I wish to note that due attention will be given to the needs of post-conflict countries.
• **NEPAD.** We have been gratified by the strong support that Governors expressed for the Bank’s involvement in NEPAD. As I have noted on several occasions, NEPAD gives new thrust to our programs, particularly those designed to attain economic cooperation and integration at sub-regional and continental levels. The Bank will continue to work with the NEPAD Steering Committee to develop further the action plans it has formulated for infrastructure and banking and financial standards. It also stands ready to contribute to the African Peer Review Mechanism in the areas of economic and corporate governance. I have noted the suggestion by some Governors that the Bank should also be more involved in NEPAD. We indeed agree with this proposal and we have indicated on various occasions to the Heads of State Implementation Committee our readiness to do so.

• **Water Initiative:** We are also gratified by the broad support you have expressed to the Bank’s Water Initiative. In the coming months, we will develop the plan fully and present it to our Board of Directors for their approval. In this regard, I would like to call on the donor community to support our initiative to enable us to meet the important targets that we have set for providing the needed water and sanitation facilities for rural Africa. In this connection, I wish to thank Canada and France, which announced
at the recent G8 Summit in Evian their readiness to support this initiative. I wish also to thank the Government of the Netherlands, which had indicated its support earlier.

- **Policy Coherence and Harmonization:** We welcome the Governors’ call for improved policy coherence and coordination on both the side of African countries and their development partners. We also fully agree that national poverty reduction strategies should provide the common framework for action. In this regard, I am pleased to inform you that we will continue taking an active part in the MDB Working Groups on Harmonization of policies and procedures and work towards implementing the recommendations of the Rome High-Level Forum on Harmonization.

- **Emergency Assistance:** We have noted the request by many Governors that the Bank should streamline the procedures and channels that it uses to process its assistance. In this connection, let me stress that your approval of an amount of UA10 million for Emergency Assistance from the 2002 operational income is unprecedented in terms of volume. I wish also to inform you that we have made proposals to our Board of Directors to address the concerns that you have expressed. These will be taken up shortly.
Financial Outcomes. And finally, with respect to the financial outcomes of the Bank Group, I wish to assure Honorable Governors that the Bank will continue with its policies of strengthening the financial base of the Bank. In this regard, I wish to stress that the continued financial solidity of the Bank is an essential requirement that enables the Bank Group to deliver on its development mandate.

Concluding Remarks

In conclusion, permit me to express our deep and heartfelt appreciation to the Government and people of Ethiopia for their hospitality and for having accepted to host the Annual Meetings for a second consecutive year. I wish, in particular, to express my profound gratitude to His Excellency Prime Minister Meles Zenawi, for his unwavering support to the Bank Group.

My thanks also go to my good friend K.Y. Amoako for having accepted to organize our respective ministerial meetings back-to-back, and our symposium jointly. Finally and last but not least, I wish to express our heartfelt thanks to His Excellency President Mamadou Tanja
of Niger, and His Excellency Prime Minister Seydou Diarra with their presence at, and contributions to our deliberations.

I thank you very much for your kind attention and let me wish you all Bon Voyage.