Remarks by Omar Kabbaj,
President of the African Development Bank Group,
at the Closing Session of the Thirty-sixth Session of the
Conference of African Ministers of Finance, Planning and
Economic Development,

UN Economic Commission for Africa (ECA)
Addis Ababa
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Your Excellency Mr. Trevor Manuel, Chairman of the Conference of African Ministers of Finance, Planning, and Development

Mr. K.Y. Amoako, the Executive Secretary of the United Nations Commission for Africa

Your Excellencies Ministers of Finance, Planning, and Development

Ladies and Gentlemen,

It is a pleasure and an honor for me to be with you at the closing session of your Conference and to be able to share with you briefly our thinking on some of the important topics that you have discussed today. I would like to thank my good friend and colleague Mr. Amoako for this kind invitation.

As Your Excellencies are aware, the ECA and the African Development Bank are seeking to strengthen their cooperation in their common efforts to support the development of our countries. The fact that we are holding our annual meetings back-to-back at the behest of His Excellency Mr. Trevor Manuel, and that we are co-organizing a joint Symposium tomorrow, is but one indication of this strengthened relationship. In the future, we have decided to work closely on issues such as the ones you have discussed today, and it is indeed our hope that such cooperation will bring greater synergy to our efforts. Noteworthy in this regard is our agreement to co-organize the forthcoming African Development Forum.

Mr. Chairman,

Your Excellencies,

Over the last few years we have witnessed a salutary change in the traditional mindset that has dominated development policy and practice in the past. In this regard, it is heartening to note that the international community
has reached a consensus on the necessity of forging a new global compact in the fight against poverty.

This desire to build a new coalition is bearing fruitful results as evidenced by the emerging partnership between the developed and developing world, based on mutual interests and shared responsibility. The adoption of the Millennium Development Goals (MDGs), and the commitments made towards achieving them at various international fora such as Monterrey, Kananaskis, and Johannesburg, are evidence of this emerging consensus. Within this framework, there is also clear agreement that ensuring the effective use of scarce development resources also requires that we achieve policy coherence and harmonization, both at the national and international levels.

Africa’s response to this emergent international consensus is the New Partnership for Africa’s Development (NEPAD). NEPAD has articulated unambiguously the values and principles that should underpin our development efforts. And, by setting up the African Peer Review Mechanism (APRM), it has signaled its commitment to objective internal reviews and mutual accountability. At the international level, NEPAD has called for a new partnership between Africa and its development partners, based on mutual benefits and shared responsibility.

Mr. Chairman,
Your Excellencies,

Clearly, if the new drive towards regional and international partnerships and mutual accountability are to bear fruit and achieve our high expectations, there must be effective mechanisms for periodic reviews. With respect to the African Peer Review Mechanism, both the ECA and the ADB have provided technical advice. Further, they have indicated their willingness to make
available their own considerable work and analyses on African development issues. In this regard, we believe that the *African Economic Outlook*, produced jointly with the OECD Development Center, and the second edition of which will be launched on Wednesday here in Addis Ababa, could be of particular use.

Similarly, with respect to Africa’s relations with its development partners, there is a need for effective mechanisms to assess the degree of compliance by both parties. On the African side, it is necessary to evaluate the degree to which our counties are respecting the basic tenets of development policy, as enshrined in the Monterrey Consensus. And on the side of our development partners, there is also a need to determine the extent to which the pledges made towards increasing official development assistance (ODA), providing effective debt relief, and improving market access are being honored.

We, therefore, fully support the proposal for a mutual review process to be conducted every two years, based on reports produced by the ECA and the OECD. I have the pleasure of informing your Excellencies of the acceptance of the African Development Bank -- in close cooperation with the ECA and the World Bank -- to take the lead in coordinating the International Comparison Program (ICP) for Africa. This important statistical program will not only generate data for purchasing power comparisons but should also lead to the strengthening of national statistical capacities. In this way, we are hopeful that reliable data will be generated to monitor progress towards the Millennium Development Goals (MDGs).

Linked to the issue of mutual review of development effectiveness is that of policy coherence. In this regard, we welcome the call for improved
policy coherence and coordination on both the side of African countries and their development partners. In this regard, the importance of national poverty reduction strategies as a common framework for action cannot be overemphasized. It is indeed through the PRSPs that African countries and their development partners are able to confront the crucial policy dilemmas that inevitably arise, as we join forces in the fight against poverty.

On the donors’ side, there is a need to ensure that the various components of development assistance do indeed support each other in a mutually reinforcing way. Clearly, increased ODA and reducing debt to sustainable levels would need to be supported by increased market access if such assistance is to have a long-term impact on reducing poverty and promoting growth. We therefore call on Africa’s development partners to bring greater coherence to their development assistance policies. In particular, there is a need to urgently address issues such as farm subsidies that are currently hampering the progress of negotiations on the Doha Development Agenda.

Mr. Chairman,
Your Excellencies,

Policy coherence should also be viewed from the angle of policy harmonization amongst donors to reduce the divergent and often conflicting procedures and practices. Appropriate measures are required to improve the efficiency of aid, reduce the burden on African countries administrative capacity, and to lower transaction costs.

In this regard, I am pleased to report that the African Development Bank, in collaboration with the other MDBs and the OECD’s Development
Assistance Committee, has worked towards the harmonization of policies and procedures in such areas as financial management, procurement, environment and evaluation. And during the High-Level Forum on Harmonization that took place in Rome in February 2003, a consensus was reached to shift from institutional harmonization to country-level harmonization. In this regard, we are delighted that Ethiopia is one of the first countries to be involved in the voluntary implementation of the harmonized procedures.

Mr. Chairman,
Ladies and Gentlemen,

Before concluding, permit me to say a few words on another important topic that you have discussed today -- HIV/AIDS and Governance in Africa. I need not repeat the enormous danger that this pandemic poses to Africa’s development prospects. There can be little question that it has the potential of undermining the institutional capacity of our countries to manage their development. It therefore calls for our immediate collective attention.

It is for this reason that we welcome the establishment of the Commission on HIV/AIDS and Governance in Africa (CHGA), on which I will have the honor to sit. We are hopeful that the Commission, among other things, will indeed contribute to the pooling of resources and building the required capacity to mitigate the impact of HIV/AIDS. In this regard, I wish to assure Your Excellencies that the African Development Bank is willing to work closely with its development partners. In particular, it is ready to make available grant resources from the African Development Fund to support the efforts of our low-income regional member countries.
Mr. Chairman,
Your Excellencies,
Ladies and Gentlemen,

Permit me to conclude by commending the Economic Commission for Africa for the important initiatives that it has launched to support the development efforts of our countries. We stand ready to support these initiatives and help ensure that they do bear fruit. Indeed, we believe such cooperation is essential to help us pool our limited human and financial resources and generate greater synergy in the service of our Continent.

I thank you for your kind attention.