Statement by Omar Kabbaj, President of the African Development Bank Group at the Opening Ceremony of the
All Africa Conference on Law, Justice, and Development

Abuja, Nigeria 4-7 February 2003
It is an honor and a privilege for me to attend this august gathering of the first *All Africa Conference on Law, Justice, and Development*. Let me start by thanking our hosts and, in particular, H.E. President Olusegun OBASANJO, under whose patronage this Conference is being organized, for inviting me to take part in this conference. Let me also express my appreciation to the Supreme Court of Nigeria and the informal coalition of African Jurists -- under the leadership of the Honorable Justice Muhammad Lawal UWAIS and the Chief Justice of Nigeria -- for organizing this Conference. Nigeria is the largest shareholder of the African Development Bank and it is indeed a pleasure to be in Abuja and to have the opportunity to exchange views with so many eminent persons on the many development challenges that our continent faces.

The organizers of this Conference have boldly set out the thesis that sustainable economic growth and development are achievable in each African country, if Africa re-commits itself to re-affirming the pre-eminence of the rule of law and if it acts resolutely to promote justice for all of its people. We, at the African Development Bank, wholly subscribe to this noble objective of the Conference organizers.

In my Statement today, permit me therefore to share with you the Bank’s perspective and strategy on these issues as well as the actions it has taken to support the implementation of law and justice in Africa. But as such a gathering of prominent lawyers and jurists may not be very familiar with the African Development Bank Group, permit me to begin by describing its institutions and its principal activities.

**The African Development Bank: Reducing Poverty and Promoting Sustainable Economic Growth**

Your Excellencies,
Honorable Justices,
Ladies and Gentlemen,

The African Development Bank Group is comprised of the African Development Bank (ADB), the African Development Fund (ADF), and the Nigeria Trust Fund (NTF). While the ADB window – with an authorized capital of US$29 billion -- provides loans at
preferred market rates, the ADF and the NTF windows provide grants and loans at highly concessional rates. Let me take this opportunity to express our gratitude to the Government of Nigeria, its people, and President Obasanjo for not only continuing to avail the resources of the Nigeria Trust Fund – which now stands at $460 million – to finance projects and programs in the low income countries of our continent, but also for their strong and unflinching support to the Bank.

The principal objective of the African Development Bank Group -- as set out in its 1999 Vision Statement -- is to reduce poverty and promote sustainable economic growth in its regional member countries. Its priority areas of intervention are agriculture and the social sectors -- such as health and education. But in addition, good governance, regional integration and cooperation, and gender mainstreaming are given high priority in the Bank’s operations. And as the private sector must necessarily be the engine of growth for African economies, the Bank Group also provides financial and technical assistance for the development of this sector. A recent example of our interventions is our participation in the financing of the loan to the *Nigeria Liquefied Natural Gas Project* which was awarded the “Deal of the Year”.

Since its establishment in 1964, the Bank has provided over $45 billion in loans, grants, and technical assistance to finance projects and programs in its regional member countries. Of this amount, $27 billion is from the ADB window, and the balance of $18 billion is from the highly concessional African Development Fund and the Nigeria Trust Fund. In addition to financing investment projects in critical sectors such as agriculture, education, health and infrastructure, these resources have also been used to finance important reform measures to improve the competitiveness of African economies. In the last few years, the average level of annual financing operations have been in the order of US$3 billion - the highest level in 10 years.

I wish to note in this regard that the success that the Bank Group has enjoyed in the last few years is largely accounted for by the fundamental internal governance reforms that we begun to implement beginning in 1996. These set of reforms introduced by the Board of Governors of the Bank, the institution’s highest governing organ, have sought to ensure proper separation of powers and responsibilities among the principal decision-making organs of the Bank. The respective duties and responsibilities of the Board of Governors, the Board of Directors, and the President were clearly defined and a system of checks and balances put in place. In addition, the capital ownership of the Bank was restructured to provide a more equitable balance between the partnership interests that comprise the Bank’s shareholding.
The voting rules for decision-making within the governing organs of the Bank were also amended to ensure greater participation in decision-making by all the shareholders of the Bank. The internal governance reforms of the Bank culminated in 2001 with the adoption by the Bank’s shareholders of comprehensive amendments to the constitutive instrument of the Bank, the most far-reaching to date of any of the multilateral development banks.

**The African Development Bank and Good Governance in Africa**

Your Excellencies,
Honorable Chief Justices
Ladies and Gentlemen,

In addition to strengthening its own internal governance structure, the Bank Group has in the last few years put great emphasis on improving governance systems in its regional member countries. The interventions of the Bank in this area are underpinned by the now universally accepted axiom that systems of governance are essential pillars for sustained economic growth and development. Indeed, it would be difficult to see any development taking place in their absence.

As I noted earlier, the Bank Group adopted its Vision Statement in 1999 in which good governance was identified as a priority area of intervention and in 2000 it adopted its Governance Policy adopted in 2000, and also endorsed its Law for Development Strategy Paper prepared by our General Counsel and Legal Services Department.

The Bank has defined good governance to include respect for the rule of law and human rights, enhanced accountability and transparency in the management of public resources, as well as a credible legal and regulatory system. And in its Good Governance Policy, it is stated that “... a pro-governance and pro-development legal and judicial system is one in which the laws are clear and are uniformly applied through an objective and independent judiciary. It is also one in which the legal system provides the necessary sanctions to deter or penalize breach. It promotes the rule of law and respect for human rights, and private capital flows.” The Bank Group’s perspective on Law and Justice is thus clear. Good Governance is the cornerstone of the Bank’s development agenda, and good governance encompasses the promotion of law and justice in Africa.
To enable the Bank to operationalize the objective of promoting good governance in its regional member countries and implement its policy, it has undertaken a number of measures. Permit me to describe them briefly:

- **First**, the Bank Group has provided financial and technical assistance to improved systems of governance and support in a number of countries such as Cameroon, Cape Verde, Cote d’Ivoire, Djibouti, Tanzania, and Zambia. In these projects, the Bank Group, consistent with the country strategy papers and approved by its Boards of Directors, focused on promoting the rule of law, transparency in the management of public resources, and strengthening capacity through legal and other types of training. The Zambia project, for example, known as the *Fiscal Transparency and Accountability Support Program* seeks to bring about an overhaul in the country’s fiscal management system. Further, in some of these projects, assistance has been given to provide equipment and facilities to national institutions entrusted with the administration of justice.

- **Second**, in furtherance of its governance activities, the Bank has started preparing *Country Governance Profiles* for all its regional member countries. These will be used as diagnostic tools to help in policy dialogues, to design the Bank’s country strategies, as well as to help formulate programs and projects to strengthen governance systems.

- **Third**, the Bank Group is providing support to the NEPAD, where it has been assigned the lead roles in Banking and Financial Standards as well as in Infrastructure Development. In addition the Bank, together with the UN-ECA is providing assistance in the area of governance, and particularly in promoting corporate governance.

- **Fourth**, the Bank has provided financial assistance to other regional initiatives such as OHADA, the International Law Institute, and has facilitated the establishment of the African Law Institute, the first African legal think-tank. It has also recently co-sponsored a Seminar with the African Union in Addis Ababa on *Preventing and Combating Corruption in Africa*. The Bank is also co-sponsoring the first African International Financial Law School, with Euromoney Legal Training, which will be held in Accra, Ghana in March 2003, and regularly provides resource persons to the International Development Law Institute (IDLI) in Rome, Italy. In addition, the Bank has taken Observer status with the Financial Action Task Force to work on matters pertaining to money laundering.
To implement its good governance policy, as well as the Law for Development Strategy, the Bank has established a Governance Division within the organization and a Good Governance Unit in the Office of its General Counsel. And in 1999, the Bank, together with the World Bank and the International Monetary Fund established the Joint African Institute (JAI) based in Abidjan. The Institute has provided training in various disciplines, including courses and seminars in the area of governance.

**Concluding Remarks**

Your Excellencies  
Honorable Chief Justices  
Distinguished Ladies and Gentlemen

Permit me to conclude by stressing that the Bank Group is indeed committed to Law and Justice in Africa. Through the many projects and programs that we have financed to promote good governance on our continent, we are becoming acknowledged leaders for supporting legal and judicial reforms and partnering with other development agencies to enhance technical legal capacity. The Bank Group’s perspective is clear. Its strategy is focused and it is beginning to achieve tangible results. We look forward to continuing our partnership with all stakeholders, including the distinguished jurists present at this Conference, toward achieving the laudable objective of promoting law, justice, and development in Africa.

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