Statement by Mr. Omar Kabbaj,
President of the African Development Bank Group

at the

5th Ordinary Session of the Heads of State
and Government of the Central African Economic and Monetary
Community (CEMAC)

28 January 2004, Brazzaville
Republic of Congo
Your Excellency Denis Sassou N'Guesso, President of the Republic of CONGO, Chairman of the Conference of Heads of State and Government of the Central African Economic and Monetary Community (CEMAC),

Your Excellencies, Heads of State and Government,

Your Excellencies, Heads of Delegations,

First Ladies,

Honourable Ministers,

The Executive Secretary of CEMAC,

The Governor of BEAC,

Your Excellencies Ambassadors and Representatives of International Organizations,

Ladies and Gentlemen,

It is a very great honour and privilege for me to take the floor at this 5th Summit of Heads of State and Government of the Central African Economic and Monetary Community (CEMAC).

I would like to extend my deepest gratitude to His Excellency Denis Sassou Nguesso, President of the Republic of Congo and current Chairman of the Central African Economic and Monetary Community (CEMAC) for inviting me to participate in this Summit and take the floor before your august assembly. I wish to take this opportunity to warmly
congratulate him for his re-election as Chairman of the Economic Community of Central African States (ECCAS).

Your invitation, Mr. President, is further evidence of the commitment of all the Heads of State and Government of the Central African sub-region to the African Development Bank Group, which is the leading actor and partner in the economic and social development of Africa. Allow me extend to them my sincere thanks and deepest gratitude for their constant support to the African Development Bank Group.

The CEMAC Summit, like that of ECCAS, which ended yesterday, is being held at a time when Africa in general, and Central Africa in particular, is achieving encouraging economic results. In fact, the preliminary indicators of GDP growth in Africa in 2003 show an average growth rate of 3.6 percent, which is significantly above the 2.8% recorded in 2002, and the average of 3.1% for the five previous years.

Central Africa has experienced significant recovery. The average growth rate for CEMAC countries was 5% in 2003, and for ECCAS countries 4.6%. This progress is due mainly to improved prospects for the restoration of peace in the Great Lakes region, the favourable oil prices on the international market and the implementation of reform programmes in the countries with the support of the International Community.

However, while welcoming the increase in the overall GDP growth rate of African countries, the rate in 2003 is still well below the level required to make significant progress towards achieving the Millennium Development Goals (MDG). Our countries should therefore continue to
deepen economic reforms so as to stabilize their macro-economic framework, improve the institutional and regulatory environment for private sector development, pursue the implementation of their poverty reduction strategies, and improve the competitiveness of their economies particularly through better regional integration so as to facilitate their integration into the world economy.

**The Bank’s Role in Central Africa**

Since its establishment, the Bank has carried out operations to support the development efforts of countries of the sub-region by granting financing to the public and private sectors. It has also provided support to some countries of the sub-region under the new Heavily Indebted Poor Countries (HIPC) Initiative. To date, net commitments for the Bank’s public sector operations in CEMAC countries amount to nearly 2.8 billion US dollars. Debt relief amounts to 139 million US dollars in nominal terms, and should increase by 1.8 billion US dollars for the DRC, as this operation will be approved by the Board of Directors in the new few weeks. A sectoral breakdown of Bank Group investments shows that priority has been given to infrastructure, agriculture and multi-sector operations, covering policy-based lending and capacity building. The Bank has also participated in the financing of reform programmes aimed at promoting sustainable development and reducing poverty as soon as there are minimum conditions for peace and security.

The Bank’s desire to assist the development efforts of countries of the Central African sub-region is evident in the enhancement of its operations to diversify economies, improve good governance and consolidate regional integration. Consequently, we are pleased that good governance is one of the objectives of ECCAS and CEMAC, and that you
are making efforts to enhance it. Furthermore, the Bank will continue to support countries that are strongly committed to implementing reform programmes aimed at normalizing their relations with the International Community.

**The Bank’s Role in Regional Integration**

The Agreement establishing the Bank gives it a clear mandate to promote economic and regional co-operation between its Regional Member Countries (RMC). This mandate has been fulfilled over the years, and has been recently strengthened with the Bank’s Vision and Strategic Plan, as well as the advent of NEPAD.

In its capacity as the leading institution for infrastructure as well as banking and financial standards in the implementation of NEPAD, the Bank has prepared a framework for promoting these standards in regional member countries, and these countries have been included in the design of the peer review mechanism. The Bank also provides technical assistance for the implementation of this mechanism.

As regards infrastructure, the Bank prepared a short-term action plan, which was approved by the Committee of Heads of State responsible for implementing NEPAD. In this respect, the Board of Directors of the Bank has approved four projects, and five others are at an advanced stage of preparation. The Bank has also embarked on the work required for the formulation of a medium and long-term action plan, in close collaboration with the regional economic communities and in cooperation with the World Bank and the European Union. The projects and programmes identified in the short-term action plan are estimated at 7 billion US dollars.
**Regional Integration in Central Africa**

The operations financed in Central Africa by the Bank that focus on regional integration include: the Higher Institute of Applied Technology in Libreville (Gabon), the Pilot Research/Development Support Project on the integrated pest management to subsistence farming in the Lake Chad Basin, the African Programme for Onchocercosis Control, the Regional Environmental Information Management System, the study on ECCAS member countries electrical networks interconnection, and the Regional HIV/AIDS Control Initiative. The Bank has also provided assistance to the capital and financing of the Development Bank of Central African States, and will continue to finance national and regional projects, as well as debt relief through the HIPC Initiative.

Other integration projects are included in the Bank’s programme in 2004, including an ECCAS capacity building project. Furthermore, we are working towards further strengthening co-operation between the Bank, ECCAS and CEMAC, as well as with BDEAC. As such, the Bank welcomes the decision taken by the 11th Conference of Heads of State and Government of ECCAS on NEPAD, and calls on CEMAC and ECCAS to undertake consultations to create a pipeline of short, medium and long-term multinational projects.

Your Excellencies,

Rest assured that with your constant support the Bank will continue to discharge its economic and social development mission. In fact, in 2003, despite the difficulties encountered in the relocation of its activities, the Bank recorded a total volume of loans and grants of 2.6 billion
dollars, 60% of which were through the ADF concessional window as against 2.2 billion in 2002, thereby representing a 21.5 percent increase.

The Bank is now fully operational to temporarily deliver from Tunis all its services to its member countries. Its financial position remains sound, and in 2003 it was able to regain the highest rating possible from all the international rating agencies for its operations on the international markets where it continues to enjoy an excellent reputation as is evident in the recent success of the one billion US dollars global bond issue launched for the first time, at this level, in the history of the Bank.

**Conclusion**

Your Excellencies Heads of State and Government,

In conclusion, I would like to assure you of the Bank’s constant support to the development efforts of Central Africa, and to once again extend to Your Excellencies our gratitude for your relentless support to your Institution.

More than ever before, the African Development Bank is ready to assist your respective countries and regional integration institutions in their development efforts.

Thank you.