Statement to the 11th Heads of State and Government Implementation Committee (HSGIC)

On

ADB Support to NEP AD
7 July 2004, Addis Ababa, Ethiopia

By

Mr. Omar KABBAJ,
President, African Development Bank Group
Your Excellency, President Obasanjo,
Chairman of the NEPAD Heads of State and Government Implementation Committee,

Your Excellencies Heads of States and Governments, Members of the Committee,

Distinguished Ladies and Gentlemen,

Allow me to start by thanking you for giving me this opportunity to say a few words despite your heavy agenda. I wish to also thank you, in particular, for the confidence and trust that you continue to put in the African Development Bank. I would like to briefly update you on the work that the Bank Group has undertaken in implementing the leadership role which you gave to the institution in 2001, in the areas of infrastructure, banking and financial standards and corporate governance, and more recently in selecting the Bank to act as one of the three strategic, technical partners for the African Peer Review Mechanism (the APRM).

Your Excellencies,

As you will recall from the letter I wrote to you all recently, and from the brochure which we have released on the ADB and NEPAD, the Bank has taken this mandate with all sense of responsibility. To this end, the Board of Directors approved a budget of some US $2 million annually, and authorised the establishment of a special NEPAD Unit in December 2003 for the purpose of providing dedicated support to the NEPAD.

Your Excellencies,

In implementing its mandate, the Bank has collaborated with other Development Partners, particularly the Bretton Woods Institutions, the EU, the Development Bank of South Africa (DBSA), and many other donor countries and agencies. I am pleased to report, that quite good progress has been made in the areas for which you have entrusted the Bank with lead responsibility. Thus, the Bank in 2003 contributed some 370 million dollars of its own financing and was able to mobilize an additional 1.6 billion dollars through co-financing to fund NEPAD projects. For 2004, the Bank is currently preparing a number of operations, for an estimated contribution of US$ 600 million. These operations, which are for the larger part infrastructure and capacity-building projects or studies, all come from the list of projects in the Short-Term Action Plan. They are distributed within all the sub-regions of the continent, and have wider linkages to the socio-economic development of the respective sub-regions especially in the sectors of Agriculture, Power, Tourism, Industry and Rural Development.

Your Excellencies,

In order to create greater visibility for the impact of the NEPAD initiative on the development of the continent, you expressed, at your last meeting in Maputo, the need to accelerate implementation of the Short-Term Action Plan projects, in particular the Flagship projects. Please be assured that I fully share these concerns, and that the Bank is sparing no effort to achieve this objective. However, as you undoubtedly also know, to be able to do so effectively, there is the need to address a number of key constraints such as limited capacity at the national and sub-regional level for project preparation and implementation; inadequate coordination between the Regional Economic Communities (RECs); and weak policy harmonisation in many key areas. The Bank, in collaboration with the
NEPAD Secretariat and other Partners has launched a number of initiatives to address these constraints, as detailed in the brochure.

Looking beyond the current Short-term Action Plan and the Flagship projects, the Bank has developed the Terms of Reference for the Medium-term Framework, which will provide a strategic context for defining, implementing and monitoring future infrastructure development under NEPAD. The Bank and the NEPAD Secretariat have mounted joint missions to all the RECs to acquaint them with the TOR. We are now in the process of mobilizing funding for the implementation of the study, which we envisage should be completed by the end of 2005.

Your Excellencies,

It is also encouraging to note the mounting progress in the implementation of the African Peer Review Mechanism. Eighteen (18) countries have agreed to participate in the reviews, and three country assessments have already been launched. It is hoped that the reviews for the remaining fifteen (15) countries, will be completed by the end of 2005. As you are aware, the Bank is participating fully in the country assessments, and we are also providing institutional support to the APRM secretariat.

For the Bank, we see our participation in the APRM process, as a way of bringing our experience and institutional knowledge to strengthen the capacity for carrying out the country assessments. But, over and above that, as Africa's premier Financial Institution, we stand ready to also provide financial and intellectual support to finance the participating countries in carrying out their action plans, which will result from the country reviews.

Your Excellencies,

The Bank is also increasingly being called upon to give greater support to other programs under NEPAD, which are in line with the Bank Group's Vision Statement, in particular in agriculture and in the fight against HIV/AIDS. Here again, we have collaborated fully with other Partners each time we have been solicited, and as you know, we are also providing substantial support to some of these through other Bank own initiatives, such as the Rural Water Supply and Sanitation Initiative.

In conclusion,

I thank you once again for giving me this opportunity to briefly update you, and re-assure you of the Bank Group's continued and full support to the NEPAD initiative.

Thank you for your kind attention.