Opening Statement by
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at the

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Introduction

Honorable Ministers

Honorable Chief Executive Officers of Regional Economic Communities

Distinguished Representatives of Regional and International Organizations

Members of the Board of Directors of the Bank Group

Ladies and Gentlemen

It is with great pleasure that I welcome you to Tunis and to the African Development Bank Group to participate in this important workshop, which will examine the results of the second review of implementation of the NEPAD infrastructure short-term action plan – the NEPAD STAP.

Allow me to begin by taking the opportunity to, once again, salute the Heads of States and Government Implementation Committee (HSGIC) of NEPAD on the time and attention that they have accorded to the Initiative, and to the overall economic development of the continent. Their diligence and persistence have culminated in the recent successes obtained on debt cancellation and at Gleneagles. It is also on the basis of their unflinching support to the NEPAD initiative that we are gathered here today to take stock of the progress that has been made in the Short-term infrastructure development program and to discuss the way forward for an accelerated and sustained implementation of the infrastructure program in the medium-long term on the continent.
When the NEPAD initiative was launched in 2001, the Heads of State and Government Implementation Committee requested the Bank to play a lead role in providing technical assistance and advisory services in support of the NEPAD in infrastructure development, banking and financial standards and Corporate Governance. More recently, the Bank has been designated along with the UNDP and the ECA as one of the Strategic Partners for the African Peer Review Mechanism (APRM). Given the commonality between the NEPAD objectives, the Vision Statement of the Bank and the Bank’s Strategic Plan, the Boards of Directors of the Bank, Management and staff have embraced NEPAD and have put in place the requisite structure for delivering on the areas of specific mandate given to the Bank. This workshop forms part of the Banks’ commitment and support to the development and realization of NEPAD in general, and to its mandate in infrastructure development, in particular.

**The NEPAD Infrastructure Programme**

As you all know, the NEPAD infrastructure programme was designed as a two-pronged program. The first prong, a Short Term Action Plan (STAP), was designed to kick-start the process in the short-term. The second prong, the Medium–Long Term Strategic Framework (MLTSF) will define a programmatic approach for infrastructure development in the continent in the medium to long-term.

The STAP focused attention on infrastructure requirements of the continent, and delineated the urgent policy, regulatory, and institutional measures that would facilitate the implementation of regional
infrastructure projects and programs, and ensure the efficient and viable maintenance of these assets over the long term. Thus, the STAP comprised of eighteen (18) capacity building, fifty two (52) facilitation, thirty six (36) investment, and eighteen (18) studies selected by the Regional Economic Communities on the basis of the criteria approved by the HSGIC. The total estimated cost of the STAP was about US$ 8. billion, of which the cost of investment projects was estimated at about US$7. billion. The private sector was expected to play an important role in the financing of the infrastructure program.

**The First STAP Review – 2003**

In 2003, the Bank and NEPAD Secretariat carried out the review of the first year of implementation of the STAP. That review aimed at measuring progress so far achieved in implementation, and documented the institutional, organizational and logistical issues that need to be addressed, in order to enhance the further implementation of the STAP. The review was carried out in consultation with the RECs and Development Partners. It drew important lessons for improving implementation, and made a number of recommendations, key amongst which were the following:

i) That ownership of NEPAD and the NEPAD infrastructure programs should be deepened at both the country and sub-regional levels;

ii) That adequate capacity should be created and sustained at both the country and sub-regional levels, and that NEPAD priorities should be aligned to work programs of the RECs;
iii) It also recommended the need to improve coordination & monitoring between RECs in particular between those that overlap in their geographic coverage; and

iv) That reforms should be intensified, and policies put in place which will facilitate and stimulate greater private sector involvement in the development of infrastructure in the continent.

The review also came up with the central recognition, that the RECs are the essential, building blocks for economic integration in the continent.

**Progress since the First STAP Review**

Since that first review, I am pleased to note that good progress has been made in the financing of a number of investment projects. The ADB, for its part, has financed more than twenty (20) projects and programs amounting to about US$600 million and through co-financing of these projects and programs mobilized about USD1.6 billion. The World Bank, in addition to some US$ 570 billion already committed to STAP projects, have recently announced the approval of US$ 350 million for the West African Power Pool. Besides, the DBSA, Bilateral agencies, and other development agencies including the private sector have also financed a number of STAP projects and programs.

Recognizing that the quality and level of preparation of an infrastructure project is critical for attracting financing, the Bank Group, with seed funding of Can$10 million from Canada established an Infrastructure Project Preparation Facility (the IPPF), as a grant facility, to assist the preparation of regional infrastructure projects. Through the facility the preparation of four investment projects have already been supported to
the tune of US2million Dollars. Another two investment projects will be approved for IPPF support in the coming weeks.

You will recall that the Facility, as initially configured was a bilateral facility between the Bank and Canada. Today, I am also pleased to inform you that the Boards of Directors of the Bank have recommended the expansion of the facility into a multi-donor facility, to be known as - The NEPAD Infrastructure Project Preparation Facility Special Fund - and have submitted the instrument for approval by the Board of Governors of the Bank. Once the new facility is in place, it will allow for the pooling of more resources to support project and program preparation under NEPAD. This will be a much needed catalyst for the acceleration of infrastructure development in the continent, in the medium term.

Besides the above, there has also been good progress in a number of other areas. **Let me highlight a few:**

i) On Capacity Building for RECs, the Bank Group is co-financing capacity building and institutional strengthening initiatives for ECOWAS and ECCAS. For the ECOWAS, the Project Development and Implementation Unit, which the Bank is co-funding with the World Bank and the EU to spearhead development of regional infrastructure projects in the region, has been seen as a best-practice to be replicated by other RECs. On the continental scale, the African Capacity Building Foundation, under the auspices of the NEPAD Secretariat, is conducting a capacity needs analysis of all RECs. The results of the assessment will provide the framework for a concerted support by
the Bank and other Development Partners to the capacity building needs of the RECs.

ii) The Bank Group has also devoted a lot of resources at mobilizing greater support for NEPAD projects by the private sector. In this connection the Bank has co-organized a number of conferences and seminars targeted at the private sector, and has featured the STAP in the road shows organized by its Private Sector Department.

iii) In an effort to deepen ownership for NEPAD and NEPAD programs, the Joint African Institute together with the African Development Institute of the Bank Group have organized seminars for high level officers of regional economic communities and NEPAD country focal points on NEPAD and Regional Integration with special emphasis on regional infrastructure.

iv) Significant progress has also been made on a number of the NEPAD flagship projects, although a lot still remains to be done, in order to ensure their full implementation.

v) And least but not last, a major area of the Bank's support to NEPAD infrastructure development program has been in the management of water resources on the continent. Thus, the Bank Group, has launched the ADB’s Rural Water and Sanitation Initiative (RWSSI) and the African Water Facility (AWF) established by the African Council of Ministers for Water (AMCOW). The Bank has also conducted the study on the management of the trans-boundary water resources of seven river
basins and organized a special workshop in November 2004, in South Africa at which the River basin Organisations validated and adopted the results of the study.

Ladies and Gentlemen,

Despite the above successes, much more remains to be done, and most importantly we must do everything to quicken the pace of implementation of our regional infrastructure programs, if we are to meet the targets of the MDGs. Today, NEPAD has gained wide recognition from the international community. Thus, thanks to NEPAD, there is renewed and firm recognition also that the development problems of Africa must be addressed in a holistic framework, and that good basic infrastructure is a cross-cutting precondition for promoting growth in the productive and social sectors. This recognition is reflected in the recommendations of the Commission for Africa and the recent decision by the G8 for substantial increase aid to Africa – an increase estimated to reach US$50 billion by the year 2010. In doing so, the G8 recognized the leadership role of the Bank in infrastructure development and decided to support the African Development Bank and a consortium of other organizations including the AU, NEPAD and World Bank to facilitate infrastructure investment in Africa. Moreover, the G8 resolved to implement its water action plan agreed at Evian, in partnership with the Bank's initiative on rural water and sanitation. In addition, the G8 committed itself to support the Enhanced Private Sector Assistance facility proposed by Japan to be established at the Bank.
While the Bank is ready to facilitate investments of these additional resources, the challenge now also falls on you the RECs, as the frontline agents for translating these investments into tangible results, to review your preparedness for delivering on the expectations that these achievements have awakened in our populations. Thus, I wish to urge you, that as part of your deliberations, you also critically evaluate your capacities and that of the countries you represent, to absorb the additional financing and effectively utilize them.

**Conclusion**

In conclusion, let me once again assure you that for the Bank, NEPAD represents a framework, that provides a window of opportunity to re-focus and concentrate development efforts aimed at effectively redressing the socio-economic development of Africa. Given the increased recognition from the international community on the development needs of Africa, we must seize the opportunity to accelerate the sustainable development of our continent and redress poverty. As we progress with the implementation of NEPAD, it is important to ensure that each gain made under the initiative is adequately consolidated to enable us build on our successes and gains, and to do this effectively, we need capable partners on the ground, in the continent. While this workshop offers us an opportunity to evaluate our achievements under STAP, let us not rest our oars. Instead, let us challenge ourselves in coming up with innovative and additional measures and mechanisms, which will consolidate these gains and accelerate the socio-economic advancement of the continent. I wish you a fruitful deliberation during the workshop.