Address by M. Omar Kabbaj,
Président African Development Bank,

at a farewell reception for staff and their spouses

Tunis, Tunisia
29 August 2005
Ladies and Gentlemen,

It is an honor and a pleasure to welcome all of you, this evening, to my last official social gathering with you as President of the Bank Group. I would like to extend a special warm welcome to the spouses, here with us tonight. I want to assure the spouses that we value the family support that they provide as a major contributor to the Bank’s success.

As this is my last opportunity to speak to you as President, I would simply like to thank you all for the hard work, loyalty and high professionalism that were key to the success of my two mandates. This expression of gratitude is not only for those in the room tonight, but all of those who could not be here, those who have since left the Bank and those who have passed away. The last few months have been particularly painful and I would like us to take of few seconds in the memory of our dearly departed colleagues and pray that their souls may rest in peace (observe a 20 second pause).

Together, we have come a long way. From a Bank in crisis, struggling to survive in the mid-nineties, to a Bank whose main challenge is now to manage the high expectations of stakeholders. Our shareholders are confident that the Bank is ready to play a much larger role in the Africa’s socio-economic development.

President’s Office
I hope you share my sentiment that the experience of the last ten years has been both challenging and rewarding. I have demanded a great deal from all of you and you have responded with courage and devotion. Your commitment has met the expectations of the Bank’s President its Boards and its shareholders. The first group to feel the pressure on a daily basis, however, is the President’s front office. I would like to thank Mr. Ouédraogo, Mr. Mukete, Mr. Johnson, Mrs Anku, Mrs Van-Ess, the security staff, the drivers and the messengers for their devotion. I know that you will support President Kaberuka with the same high level of professionalism and dedication that you have always provided me over the years.

(optional) As well, I wish to thank Mr. Terracol for the time spent with me, but a very special appreciation goes to Mr. Gharbi for his selfless devotion over many years. I know all of his colleagues join me in this special tribute.

Boards of Directors
First, I would like to extend, to the Boards of Directors, our collective appreciation for their support for the Bank’s ambitious reform program. We need to remember that many of the initiatives that we have undertook had no parallel in sister institutions. The Board had to have faith, in the Bank’s staff and management, to
approve the many initiative that were put before them. They had to convince their authorities to make the necessary resources available. They had to provide management clear guidance on the way ahead. It is because of the excellent relations that existed between management and the Boards, throughout the my two mandates, that so much could be accomplished in so little time.

Departments Reporting to the President: SEGL, GECL, OPEV, AUDT and Chief Economist

For a supra-national organization, like the Bank, the corporate governance structures are vital. It is through them that the Bank ensures its credibility with shareholders and other stakeholders alike. The four departments that report to the President are the Bank’s conscience. They exist to ensure that the Bank is self-disciplined and operates to the highest international standards. As President of the Bank, I have had the privilege of working with very strong teams in the Secretary General (SEGL), the General Counsel (GECL), the Post-Evaluation (OPEV) and the Internal Audit (AUDT), which may soon become the Office of the Auditor General. I wish to thank these four teams for having led key reforms in each of their areas and I would like to offer my heartfelt appreciation to my close associates: Mr. Fall, Mr. Giorgis, Mr. Akin- Olugbade, and Mr. Ouko for their strong and inspiring leadership they have provided to their Departments and the valuable advice they have provided to me, as President, over the years.

I believe a special tribute is in order for Mr. Afrika who competently assumed the role of Secretary General during three critical years. It is also an honor to pay homage to the late Mr. Kariisa whose intellect and stature were a credit to the Bank. May his soul rest in peace.

I have not forgotten the newly created Office of the Chief Economist. I would like to thank Mr. Kifle for all of his many services to the Bank, congratulate him on becoming the Bank’s very first Chief Economist. In choosing him, the Bank has set a very high standard for his successors. I wish him every success as he builds up this new function and develops the « distinct African voice » that so many of our shareholders are urging the Bank to assume.

I would be remiss if I did not also thank Mr. Nabina, our capable Ombudsman and the secretaries to the Administrative Tribunal and Appeals Committee, Mrs Lipou-Massala and Mr. Nononsi.

During our last meeting, I had the occasion to describe, in some detail, the many reforms we have successfully concluded over the last decade. Please do not
worry, I will not go over these again tonight, particularly not with your spouses in the room!

**Finance Complex (FNVP)**

You will remember, however, that our first priority was to bring the Bank’s finances under control. After an extensive audit of financial systems, conducted in 1997, basic financial management and control issues were fixed: an independent comptroller was hired, the treasury function was reorganized to ensure segregation of duties, professional risk management was introduced and the Assets and Liability Committee (ALCO) was established. Having fixed the basic functions in the financial area, the reforms continued to higher levels with the introduction of sophisticated tools such as SAP, Summit and NUMERIX.

The collective efforts of the FNVP Complex have led to recovering the Bank’s triple-A rating from Standard and Poor’s, the Bank’s first billion dollar bond issue and borrowing, for the first time, at 2 basis points below LIBOR. This is just to cite a few examples of FNVP’s outstanding achievements. It is impossible to enumerate all of the successful initiatives that have been implemented in the Treasury, in FFCO and in Risk Management (FFMA). But a remarkable example would be the Post-Conflict Country Facility (PCCF) that was brilliantly conceived and executed.

I would like to congratulate the entire FNVP complex staff for these accomplishments and make special mention of my close collaborators: Vice-President de Longuemar, Mr. Boamah, Ms Oteh and Mr. Turner.

As well, a note of thanks to those who have since left the Finance Complex with a special mention for Vice-President Lounes and Vice-President Bahgat, who served for more than 6 years, and Mr. London.

**Operations Complexes (ONVP, OCVP)**

Ladies and Gentlemen

The reforms in the Operations area were of course equally impressive. Those who were here may remember that reform program started with the cancellation of $2 billion of non-performing loans. We then introduced to toughest sanction policy of any Multilateral Development Bank (MDB), which was made possible with the cooperation of the IMF and World Bank. We implemented an extensive quality review system, created a Private Sector Department from a small Unit, an
operations coordination unit (OCOD), instituted tighter monitoring of the project cycle and enhanced country dialogue through the PRSP process.

I wish to thank all of the staff of the two Operations Complexes for these accomplishments. I would also like to extend a special appreciation to its management team: Vice-President Nkodo, Vice-President Ogunjobi, Mr. Borin, Mr. Chakroun, Mr. Spencer, Mr. Bedoumra, Mrs Hamer, Mr. (Gilbert) Mbeshrubusha and Mr. Rakotobe who also served as Director CGSP. A special recognition is in order for Mrs El-Bakri and Mr. Gharbi who accepted to serve as Acting Vice-President, as well as, Mr. Taylor-Lewis who held three different responsibilities at once. I would also like to welcome Mr. Black to the fold.

Finally, I would like to pay a tribute to Mr. Sidibé who temporarily left Operations to answer the call of duty, first as Director CIMM and then as Director CADM. In both of these roles he performed as though he were an expert in the field and he was a key player in the temporary relocation exercise. Also a special mention to all of those who have since left the Operations Complex and, especially, Vice-President Sangowawa and Vice-President Mr. Cyril Enweze, who served as Vice-President Operations for 5 years.

The way ahead for Operations is both challenging and promising. The obvious objective is greater development effectiveness. The means to achieve this objective are (i) the reorganization into two operations complexes, (ii) the record ADF-X replenishment at $5.4 billion, (iii) the Action Plan, (iv) the proposed substantial increase in resources under the Strategic Resource Framework, and (v) the enhanced implementation capacity through 25 field offices. An equally important asset is the Bank’s renewed credibility with its development partners. It allows the Bank to play a leading role in the international development effectiveness agenda called Managing for results initiative and, in particular, the components relating to alignment, harmonization and results based management.

This may be a good place to congratulate all of our colleagues who have become Residential Representatives in the Bank’s field offices, as well as those who will be named in the future. You are now on the front line of the Bank’s work and our future progress in achieving higher level of development effectiveness will depend in large part on your ability to (i) sustain country dialogue, (ii) ensure donor coordination by working closely with development partners on the ground and (iii) substantially increase the rate of implementation of Bank financed projects. Remember that, to our borrowing members, you will be the face of the Bank.

*Corporate Management Complex (CMVP)*
The reforms on the institutional side were equally extensive. No stone was left unturned. Starting from the first Information Technology and Telecommunication Plan in 1997, that gave the Bank up to date office automation and an independent telecommunications capability, until now, the CIMM team has always provided the Bank with a reliable, high performing and cost effective IT infrastructure. The Administration Department (CADM, CGSP), for its part, focused on effective management and cost savings. The initiatives with respect to (i) international tendering for procurement, (ii) tight management of the Bank’s tax exemption privileges, (iii) a travel policy comparable to the World Bank’s, (iv) negotiation of corporate rates with airlines, (v) energy consumption measures and (vi) independent telecommunications have resulted in the savings of millions of dollars which greatly assisted in keeping the Bank’s administrative budget in line.

Perhaps the most important reforms, from the staff well-being point of view, were in the Human Resources area. Not everyone here would remember when the salary of professionals in the Bank was 40% behind sister institutions. Fortunately, we were able to arrive at a gentlemen’s agreement with the Board: if staff would perform to the same high standards as in sister institutions with their performance measured by a credible performance evaluation system, in return, subject to the Bank’s financial situation, the Board would agree to bridge the gap year-by-year. I am very pleased to say that both parties kept their end of the bargain. The staff did perform to the highest international standards and the Boards did approve salary adjustments that far outpaced those of sister institutions. As a result, the Bank has been offering very competitive salaries and benefits package that are in no small part responsible for the high quality of new recruits, from all parts of the world, in attendance here tonight.

The list of institutional reforms too long to discuss here but allow me to note: (i) the transparent and competitive recruitment process, (ii) the consolidation and review of Staff Rules, (iii) the Administrative Tribunal, (iv) the new Staff Retirement Plan, (v) the Reclassification of all positions, (vi) the new Health Plan, (vii) the training programs for all categories of staff, (viii) the job profiles, (ix) the senior analyst program, etc ... I want to thank the Bank’s HR team who worked under such pressure for so many years for all of these accomplishments.

If ever there were any doubts on CMVP reforms, they were put to rest by the temporary relocation exercise. Not only had CMVP developed a comprehensive Emergency and Business Continuity Plan, but the competent execute was a clear demonstration of the Bank’s robust capabilities.
This may also be a good place to recognize the staff in Abidjan who are dutifully watching over the Bank’s assets and keeping its infrastructure ready for an eventual return of the Bank to its Headquarters. I would like to reassure them that, while they may feel isolated, they have not been abandoned and that they are performing an essential service for the Bank.

I would like to thank the Bank’s Linguistic Services. Our interpreters and translators always work under such pressure. I want to assure them that it is not because we are often impatient and overly demanding that we do not appreciate the effort and the excellent service. I want to thank Mr. Mbarga for his leadership and strong managerial skills. I want to mention Mr. Mbengue, as well, for his devotion during the transition period.

I would like first to recognize Vice-President Boucher for his many years as CMVP and I wish the thank Vice-President Kane for the great versatility he has demonstrated as Head of Procurement (FPRU), Director Planning and Budgetting (PPLB) and Director Human Resources (CHRM) which was followed by smooth transition to his new role. I have had the opportunity of working closely with the CMVP Directors, I have already mentioned Mr. Sidibé, but would like to congratulate Mr. N’Diaye for all of the IT team’s achievements and Mr. Ehounou for his courage and forbearance in many difficult assignments. Finally I wish Mr. Terracol the best of luck in one of the Bank’s most difficult roles, that of Director Human Resources.

**Policy, Planning and Research Complex (PRVP)**

Ladies and Gentlemen

Finally, there is the new PRVP Complex that was established to provide the Bank with a strategic capability. It was created out of parts of the Operations and Financial complexes, but also given a number of new functions such as Strategic Planning, Governance, Regional Integration and, more recently, the African Water Facility. The organization is still in its formative years and has yet to achieve its full potential. Still, there are already many achievements worthy of praise to the various teams. PRVP has delivered the Bank’s first Strategic Plan, it has orchestrated the record replenishment of ADF, it has led the Bank’s water initiatives and the list goes on. The challenges for PRVP are very exciting, the Complex is at the forefront for positioning the Bank against all the major international initiatives: reforming procurement procedures for goods and services, HIPC, G8 proposal for 100% debt cancellation, increasing ODA, as well as, special funds for infrastructure, external shocks and the private sector. PRVP will also lead on the major international initiatives such as “Managing for Development Effectiveness”.
I would like to thank Vice President Boucher, Mr. Afrika, Mr. Kifle and Mr. Bedoumra, all of whom I have already mentioned, as well as, Mr. Litse, Mr. Mensah-Quainoo and Mr. Vyas for their innovative approaches that are making this new complex perform to a high level in a very short time.

President’s Office

Ladies and Gentlemen

As you have gathered from my remarks, it has been a decade of work, which translates into a lot of pressure. The first group to feel that pressure, on a daily basis, is of course the President’s front office. I would like to thank Mr. Ouedraogo, Mr. Mukele, Mr. Johnson, Mrs Anku, Mrs Van-Ess, the security staff, the drivers and the messengers for their devotion. I am sure that you will support President Kaberuka with the same high level of professionalism and dedication that you have always provided me over the years. I also want to thank Mr. Terracol for the time he spent as my adviser.

It is important that I also send my deep appreciation to close collaborators that have since left the Bank. The advice of Mr. Woldu, Mr. Rwegasira and Mrs Kabbel were of great value.

Finally, I want to pay a special tribute to Mr. Gharbi for his selfless devotion over many years. I know all of his colleague join me in this special tribute.

Conclusion

I would like to conclude by saying that, in the past, we have overcome many obstacles together, and successfully faced huge challenges as a team. From a situation of crisis, we have painstakingly built a strong base to take on all future challenges. These challenges are now yours. They are numerous, they are difficult, but they are positive. They relate to the Bank’s ability to keep getting stronger and stronger in order to make an even greater contribution to Africa’s development. To bring a distinctive African voice to the development debate. To play a relatively bigger role amongst development partners.

This then is your challenge, to make the African Development Bank the premier financial institution in Africa to the service of its most needy populations. You will accomplish this by maintaining the high standards of professionalism and integrity that are expected of an international public servant. You will remain loyal, dedicated and focused on the problems of Africa. You will pursue excellence in everything you do. These are the values that you have agreed to as colleagues.
I have no doubt therefore that the Bank will continue to be very successful but its success must ultimately be measured, at the bottom line, in terms of poverty alleviation.

Finally, I wish to reiterate my sincere appreciation for the unflagging support you have provided to your President and the contributions you have made to Africa’s development over the last ten years.

I wish you all the best of luck and thank you for your kind attention.