Mr. Chairman,
Distinguished Governors,
Mr. President,
Ladies and Gentlemen

On behalf of the Government of Austria, I would like to join other speakers in expressing our gratitude to the authorities and people of Cote d’Ivoire for all the hospitality provided to us.

Let me start by congratulating the bank – senior management as well as staff – for the excellent work you all did in the past 12 months. There is no doubt that the continent has been hit hard by the economic crisis we all experienced in the last two years. Numbers like a fall in exports of up to 50 per cent or GDP growth of 2.5 per cent instead of 6 per cent pre crisis, speak a very clear language.

The Bank managed to fully play its requested counter-cyclical role in times of global financial and economic turbulence by providing much needed finance to countries and the private sector when commercial lenders shied away and access to bond markets became very difficult. The approval of UA 3.91 billion for infrastructure compared to UA 1.41 billion in 2008 as well as a more than twofold increase in the Bank’s engagement in the financial sector speak for themselves.

The bank also managed to negotiate a 200 per cent General Capital Increase and hopefully by this autumn the replenishment of the ADF-12. In football terms, that is what is called hat trick.

We would like to commend the Bank and all its staff for the impressive improvements which have been achieved in terms of institutional capacity in a very short time.

In this context I particularly would like to mention the notably shorter time between approval and first disbursement and the doubling of disbursement in ADF XI last year.

However, one of the challenges still to be resolved is the decentralization process.

Mr. Chairman,

Austria always has supported the decentralization process in general. We agree that by opening field offices, especially in fragile states, the Bank can enhance its client relationship and the quality of the projects – something we heard at several occasions from regional colleagues. We welcome efforts made in this context, if they are managed
on a step by step approach based on objective criteria and by ensuring key factors like the adequate skills mix of knowledge management, IT and so forth.

Mr. Chairman,
Ladies and Gentlemen

Let me now turn to another subject which Austria considers important – private sector development. The fact that the Bank is increasing its portfolio in the private sector in MICs as well as in LICs was one determining factor for us to endorse a 200 per cent capital increase. We trust that the private sector in Africa could become the driving force for sustainable growth on this continent.

In 2006 total foreign investment in the continent overtook aid for the first time. Surely, some of this growth has been fuelled by commodity prices, but also by successful economic and governance reforms which reduced the time required to set up businesses. Already, there is a promising trend of intra-regional FID by MIC companies investing in LICs. This growth engine factor of MICs is something we hope the Bank keeps on supporting.

In this context let me also announce that Austria is going to contribute to FAPA once this excellent Japanese-led initiative for private sector development is transformed into a multi donor trust fund.

Mr. Chairman,

I also would like to touch upon the operational priorities of the Bank Group. We support the principle of sticking to the priorities identified by the Medium Term Strategy and we welcome the action plan the Bank subscribed to in the context of the GCI. Here the Bank is on a good path by mainstreaming the question of climate change into projects. We have to get this process right – and that means that the defining criteria have to be value adding, operational effectiveness, and development impact.

For us the way forward is to focus on an efficient and cost-effective allocation of functions between headquarters and field offices. In this context key factors for us are:

- No duplication of administrative layers! And
- Efficient and transparent HR structures as well as clear cut audit structures in place to deal with possible risks attached.

Independent of the question of decentralization there is, as in many large institutions, still some room for improvement when it comes to cutting red tape in house and in cooperation with partners. In times of scarce resources the only way forward is more efficiency and therefore higher productivity.

Having said that, I do not want to hide our appreciation for what has already been achieved in terms of further alignment of procedures and information sharing with sister
organizations. In this regard we particularly would like to commend the Bank for being part of the “Making Finance Work for Africa Partnership” but also by identifying specific “green” projects like solar or hydropower infrastructures. The creation of a directorate dealing with energy and climate change is a step in the right direction.

Mr. Chairman,

To conclude, Austria will continue to support the Bank in its efforts. We back GCI VI and look forward to positive outcome of the ADF-12 negotiations. We intend to remain engaged in the African Water Facility if it continues its positive performance trend and consider providing resources for technical assistance and seconded staff.

Finally, let me congratulate Dr. Kaberuka on his re-election and for leading the ADB during the last five years before the 2015 deadline for reaching the MDGs.