Transparency and Sustainable Development in Africa

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Chefs des organisations internationales ;

Éminentes personnalités ;

Mesdames et Messieurs ;

Monsieur le président Mohamed Ould Abdel Aziz, je tiens à vous remercier ainsi que votre gouvernement et le peuple mauritanien pour votre invitation, votre hospitalité. Merci pour la chaleur de votre accueil, si légendaire.

J’ai le plaisir de représenter la Banque africaine de développement et le président Donald Kaberuka.

Je suis porteur de salutations qui vous viennent d’Abidjan, où notre Banque a terminé son retour dans son siège historique.

Mesdames et Messieurs,

Cette conférence sur la transparence et la croissance durable en Afrique est très opportune.

Beaucoup de pays africains ont réalisé des progrès au cours des dernières années en matière de bonne gouvernance.

Et ces efforts ont porté leurs fruits.

Une étude de la Banque africaine de développement a montré que les pays africains mettant en place des réformes de gouvernance avaient de meilleurs résultats que les autres.

Mesdames et Messieurs,
Permettez-moi de poursuivre en anglais.

According to this study, reformers benefitted from an additional 2 percentage points of growth in comparison to non-reformers between the decades 1990-2000 and 2000-2008.

This figure alone shows how addressing issues of governance is key to unlocking the full potential of the continent.

Fighting corruption, promoting greater transparency can spur sustainable development in Africa.

It can boost growth and job creation.

It can enable inclusive growth, with broad-based benefits, laying a basis for Africa’s transformation.

Imagine how impressive and fast Africa’s transformation could have been with greater transparency.

You are all familiar with Africa’s impressive economic performance in the last decade.

Sub-Saharan Africa GDP has multiplied four and a half times in 10 years.

It rose from 350 billion dollars at the turn of the millennium to 1.6 trillion dollar last year. Adjusted for inflation, that is a doubling of economic size in a decade.

However, whatever impressive this economic performance is, it is still below Africa’s needs.

Ladies and Gentlemen,

Africa needs more to reduce poverty.

More is needed to take Africa to the middle income status that its leaders aspire to.

It is below what is needed, because Africa needs at least a growth of 8% for two decades to eliminate poverty.
It is below potential because the full force of the one billion people on the continent and the vast wealth of natural resources are not brought to bear.

While some progress has been achieved towards promoting good governance as I mentioned earlier, there remains a lot of work to be done.

Progress has been uneven and insufficient.

African countries continue to pay a high price for their inability to tackle corruption.

Corruption is a key obstacle to sustainable development and a source of conflict.

Corruption undermines state capacity to raise revenue and deliver services.

It discourages investment and increases the cost of doing business.

This affects the continent’s competitiveness – especially for small and medium enterprises.

Crucially it breaks down the trust between citizens and state, undermining the “social pact” and creating a potential for conflict.

A well informed, representative and capable civil society is key to cement trust on management of public resources between governments and citizens they represent.

There is also increasing concern with the strong linkages between corruption and the escalating levels of illicit financial flows and money laundering.

I am pleased to note that this issue will be discussed during this workshop.

According to a study prepared jointly by the African Development Bank and Global Financial Integrity in 2013, the continent lost between 2000 and 2009 some USD 30.4 billion per annum. The figure is astounding. This almost mirrors what the continent receives in aid and foreign direct investment.

Transparency is one pre-condition to fight corruption.

It is also pivotal in building stronger trust between citizens and the state.
Transparency plays also a key role in improving the quality of policies by expanding the national debate.

But transparency in itself is not sufficient to reduce corruption or achieve better development outcomes.

Governments also need capacity to implement policy and enforce requirements.

Civil society needs to be equipped with analytical abilities to interpret information and turn it into credible policy proposals.

We also need to implement coordinated approach to standards and certification at the international and continental level.

Last but not the least, a clear strategic vision is also needed.

This is where the African Development Bank comes in.

We are working on all these areas.

There is today a renewed focus on governance in the context of natural resource management.

Africa’s abundance of natural resources (forestry, agriculture, minerals, oil and gas), offer a major opportunity to close the development gap.

But this endowment also comes with risks.

Mismanagement of natural resources often fuels corruption, drives conflict and distorts patterns of development.

The African Development Bank has been very active in this area.

We have for instance supported the Extractive Industries Transparency Initiative (EITI) and other transparency and good governance initiatives in natural resources, such as the Natural Resources Charter.

Over the past six years, we have supported the candidacy of 13 countries for EITI.
We welcome recent reforms to the EITI standards, which the AfDB encouraged as an observer on its Board.

We also commend international mandatory disclosure requirements in the European Union and the United States, as well as more recently in Canada.

Ladies and Gentlemen,

While these efforts are important, more needs to be done.

We need to improve disclosure of beneficial ownership.

Authorities must be allowed to know who really owns natural resource companies.

They should also be able to better track financial flows to reduce tax avoidance.

Crucially, African countries and African institutions need to be vigilant that these global transparency initiatives serve the interests of the continent.

This is why the Africa Mining Vision puts a prominent emphasis on a homegrown approach to better governance of resources.

This pan-African framework is supported, as you well know, by the AfDB and the Economic Commission for Africa under the guidance of the African Union.

In order to step up its support to African countries in good governance of natural resources, the African Development Bank has recently set up the African Natural Resources Center.

The Center will provide them with dedicated advice, technical assistance and advocacy.

It will help them strengthen their institutions managing natural resources.

It will also step up civil society capacity.

The Center will also increase Africa’s advocacy efforts in international fora.
Ladies and Gentlemen,

The African Development Bank is committed to supporting Governments, private sector and civil society across the continent to strengthen governance.

Our Strategy for 2013-2022 is articulated around economic transformation, with governance and accountability as a key priority.

In 2014 we have launched our second Governance Action Plan which will be our roadmap for governance going forward.

We are currently updating our anti-money laundering and terrorist financing strategy to incorporate illicit financial flows to strengthen our support to African countries in these areas.

We are here to figure out how to take Africa to the next stage through improved governance and transparency.

The African Development Bank is well positioned and prepared to be your special partner in turning those opportunities into a reality.

Today and tomorrow will be an opportunity to exchange valuable experiences, and views on these subject matters that remain crucial to our world and in particular for Africa.

The African Development Bank is proud to be your partner in this journey.

I wish you fruitful discussions.