Mr. Chairman,
The President of the African Development Bank Group,
Honourable Governors,
Distinguished Delegates,
Ladies and Gentlemen,

1. On behalf of the Government of the United Republic of Tanzania and on my own behalf, I would like to express my sincere gratitude and appreciation to the government of the Republic of Cote D’Ivoire and its people for hosting this meeting and for the warm reception and hospitality accorded to me and my delegation. I would also like to thank and commend the ADB Group for the excellent arrangements they have made to make these meetings a success.

2. Mr. Chairman, I would like to congratulate the Bank Group President Dr. Donald Kaberuka on his unanimous re-election as President of the African Development Bank. This reflects the trust and confidence member states have in his leadership capability. We also commend him for his firm and visionary leadership and stewardship of the Bank Group through the global food and financial crises. We also welcome the new Vice Presidency position in the Bank Group and encourage the Chief Operating Officer to break down silos to instil into the Bank Collaborative and cooperative team work – working for effective service delivery for results.

3. Mr. Chairman, over the last few days there have been interesting discussions on several important subjects including: Climate Change and Development Financing; Climate Change – Implications for Agriculture and Food Security; Measuring Development in Resource based and Rural/Informal Economies; and Rebalancing the Role of the State and Market. Indeed, there have a lot to learn and share with each other despite our different socio-economic backgrounds. I urge the ADB group to continue with such innovative arrangements which provide room for broader interaction amongst ourselves.

4. Mr. Chairman, In relation to Climate Change, we urge developed countries to commit to strengthening the institutional capacities of developing countries in order to enable them adapt to the ravaging impact of climate change. We demand for developed countries’ commitment to the deployment, diffusion and transfer of technology to developing countries based on the principles of accessibility, affordability, appropriateness and adaptability. In addition, we are seeking for carbon emission cuts up to 40 per cent by 2020.

5. Mr. Chairman, Majority of the African countries have recognized the importance of the private sector as the engine of growth and development. Many of these countries are implementing important reforms to create the necessary conducive environment for private sector development. We commend the Bank for Deepening Private Sector Investment in Africa. We have noted with satisfaction the positive impact of the Bank in this area. For
example over the past two years, the volume of private sector approved operations increased from UA 901.2 million in 2008 to UA 1.16 billion by end-2009, well above the pre-crisis target. We are equally satisfied with your continued focus on financing public sector operations. We are particularly happy to note that by end-2009, financing of public sector operations had also increased to over UA 6.92 billion worth of projects. In addition, during 2009, the ADF delivered UA 2.43 billion to lower income member countries to finance development operations. The Bank operations in this area were characterized by substantial frontloading of resources to different countries in order to enable them address urgent challenges. Tanzania is one among the top beneficiaries of these resources. These resources were used by Regional Member Countries in accelerating economic growth and reducing poverty.

6. **Mr. Chairman**, On General Capital Increase, we commend Canada and the Republic of Korea for their commitment to subscribe for additional shares to the Bank. We therefore urge and encourage others to consider doing the same. We commend the management on the proposal of increasing the General capital increase of the Bank Group underpinned by the evidence that the demand for the Bank’s development assistance products clearly outweights the resources currently available to the Institution, with the result that a breach of its prudential limits is expected by 2012. A capital increase is therefore urgently needed to enable the Bank to sustain its lending program, raise competitive funding in the capital markets, and effectively deliver on its mandate of contributing to the economic and social development of its regional member countries. We commend the African Development Bank Group under the very able leadership of Dr. Kaberuka, for this initiative.

7. **Mr. Chairman**, for the Twelfth General Replenishment of the African Development Fund (ADF-12) we encourage Management and Governors of the ADF countries representing member states; to write to the “ADF deputies” or Governors on the need for higher and commensurate ADF replenishment alongside with the just concluded General Capital Increase, since the Bank can not achieve its ambitious targets without more resources.

8. **Mr. Chairman**, In connection to decentralization, I commend the Bank for opening 26 Field Offices by the end of 2009. However, I would like to emphasize the need for enhancing the pace of streamlining and adopting more flexible business processes that will empower the Field Offices to play a much more significant role in procurement and disbursement processes in order to further reduce the transaction cost, turn-around time and lengthy bureaucracy. In Tanzania, the Field office now has delegated authority to handle loan negotiations, signature, loan administration, portfolio management, project supervision, dialogue and communication with the Government. There is now improved portfolio management, improved disbursement and procurement processes. This arrangement has also contributed significantly to reducing transaction costs because I no longer have to travel to Tunis for loan negotiations and signing loan agreements. This is commendable achievement and should be encouraged to the rest of Field Offices. In order to strengthen the country offices further, we urge the Bank to recruit and station private sector experts in all country offices to address the private sector operations.

9. **Mr. Chairman**, Tanzania is one of the countries where Development Partners provide part of their aid through General Budget Support. The Bank is one of such development partners. During 2009/10, ADB successfully chaired this group in their engagement with my Government. Under the able leadership of Madame Sipho Moyo the ADB Country Representative for Tanzania, we were able to conduct a very successful
Annual GBS Review in November 2009. Under her leadership, we have also noted improved dialogue between the Government and GBS development Partners. Other achievements under her leadership as chair of the GBS Group include enhanced use of the agreed dialogue structure and DPs communication with the Government. We thank and commend Madame Moyo and the bank on that achievement.

10. **Lastly Mr. Chairman,** Allow me to conclude my statement by thanking once again the Bank management for the excellent arrangements. I would also like to thank President Kaberuka for his steady and firm leadership which has spearheaded the reforms that the Bank is undertaking. I commend him for his tireless efforts to strengthen the Bank’s financial position. I would like to congratulate the incoming Vice – Presidents, the newly appointed Board of Directors for the Bank and the Fund and wish them success and promise them of our full cooperation with these highest oversight functions of the Bank Group. I believe the new team will work very closely with President Kaberuka with a view to making the reforms that he pioneered succeed. We look forward to working closely with him and his team in order to ensure that the Bank can meet the needs and aspirations of the African people. I also thank the Departing ED’s for their outstanding performances and wish them well wherever they might choose to go.

I thank you very much for your kind attention.