

Check against delivery

**Address by Minister Trevor Manuel, Minister of Finance,  
Republic of South Africa**

**36th Annual Meeting of the Board of Governors of the  
African Development Bank.**

**25th Annual Meeting of the Board of Governors of the  
African Development Fund.**

**Mr Chairperson,**

**Mr President,**

**Fellow Governors,**

**Distinguished Delegates, Observers and Guests,**

On behalf of the Government of the Republic of South Africa, I wish to express our sincere appreciation to the Government and the people of Spain for having received us warmly in this beautiful city of Valencia and for the Spanish hospitality extended to the South African delegation since our arrival.

The 36<sup>th</sup> Annual General meetings of the ADB takes place in a different era in the history of the African continent. It is an era in which the process of democratisation is spreading rapidly across the entire continent. But this is also an era of globalisation that is characterised by rapid technological progress, in increased capital flows across countries but certainly also by the marginalisation of the poor. There is nothing that suggests that we should accept this marginalisation.

In order for us to engage with globalisation, it is important for us to recognise that global prosperity cannot be achieved while there remains extensive pockets of poverty. The world cannot prosper when more than half of its population lives on less than two dollars a day and a fifth on less than one dollar a day. The world cannot prosper when communicable diseases such as HIV/AIDS and malaria are killing and preventing millions of Africans from functioning at their full potential. The world cannot prosper when the products of developing countries are denied access to the markets of the developed countries. These are issues for us as policy makers not matters that we cede to NGO's. It therefore merits greater prominence in our discussions.

Last year, OECD countries' subsidies to their farmers amounted to roughly \$1 billion dollars a day. This is clearly unacceptable. African producers cannot compete fairly and effectively in a playing field that is so tilted against them.

The challenge that faces us as Africans is how to muster our strengths and efforts to ensure that we eradicate poverty and place our countries on a path of sustainable growth and development. Let me be the first to thank Sweden for reaching the level of 0.81 percent of GNP as ODA. Let me also invite all non-regional members to join "Club Sweden".

The OAU has mandated Presidents Bouteflika, Obasanjo, and Mbeki to lead the process to develop a revival plan for Africa. Their mandate was reconfirmed at a meeting of Heads of State held in Bamako, Mali on 20 February 2001. The plan will be presented to the OAU Summit in July this year.

The Millennium Partnership for the African Recovery Programme (MAP) is a plan of a global partnership in which Africa takes leadership in addressing its own development challenges. The key priority areas of the MAP are peace, security and governance; investing in Africa's people; diversification of Africa's production and exports; investing in ICT and other basic infrastructure and developing financing mechanisms.

These priority areas must be implemented simultaneously and in interaction with one another. This is not just a plan. It is a plan in which African leaders will take joint responsibility for a comprehensive programme of action with the objectives of restoring peace and security: promoting democratic systems of government; reducing

poverty and attaining the international development targets for health and education.

Embarking on this programme of action, African leaders would develop a new partnership with developed countries and multilateral institutions anchored on the following principles:

- African leadership and responsibility for the development of the continent;
- Binding commitments by developed countries and multilateral institutions to an agreed set of obligations with accompanying milestones and time-frames; and
- Agreement on the objectives and programme of action

This initiative by African political leaders does not just put a challenge to our international development partners. It means that we as shareholders of the African Development Bank need to start recasting a new role for the institution to meet the development challenges of the continent. In recasting the role of the ADB, we need to ensure that the institution is well resourced, utilises these resources efficiently, and that it adheres to the highest standards of corporate governance.

In order to fulfil its role, the ADB would need the commitment of all of its shareholders, particularly regional members. The implementation of the revised share transfer rules in the Bank has allowed South Africa to increase its shareholding from 0.8 percent to 4.099 percent. This is part of our commitment to this institution. We were also the first regional member state to contribute to the ADF, yet we remain

outside of the ADF meetings. This is so wrong. We appeal to non-regional contributors to the ADF to correct this anomaly so that other regional member states may be encouraged to contribute to the ADF.

We need to develop mechanisms that would enable us to mobilise both domestic and foreign resources. The ADB must develop instruments that reflect an understanding of the needs of the African continent.

The current efforts with regards to debt relief would still not allow the HIPC countries to realise the millennium 2015 goals. Clearly, the process of debt relief needs to be speeded up and we would need to look at beyond simply debt sustainability. It needs to look at debt relief as a way of releasing resources to eradicate the scourge of poverty. To this end, technical assistance has to be provided to build the capacity of African countries to formulate their own Poverty Reduction Strategy Papers. This is a key element of the Partnership we want.

African leaders can and have started to take a leadership role in the resolution of delivering development on the African continent. The African Development Bank should play a pivotal role in both the financing and the re-shaping of the African development agenda.

The Millennium Partnership for the African Recovery Programme forms the basis of this development agenda. We should finally eradicate disease and poverty on the African continent.

Let the 21<sup>st</sup> century be the African century.