



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

Opening Remarks by Mr Patrick Dlamini, Development Bank of Southern Africa (DBSA) CEO on behalf of the SA Minister of Finance

Theme: Third African Development Fund-15 Replenishment Meeting

Venue: Irene Country Lodge, Centurion

Date: 4 December 2019

President Adesina,

Honorable Ministers,

Executive Directors and ADF Deputies,

Ladies and Gentlemen,

Good Morning,

Let me extend a warm welcome to South Africa and to all of you. Let me also take this opportunity to offer apologies for the Minister of Finance, who is in Parliament this week, where voting on the Appropriations Bill is currently taking place. On his behalf, thank you very much for honoring the invitation to the 3rd and final meeting of the African Development Fund's Fifteenth Replenishment.

We view this meeting as a very important milestone in concluding the negotiations to replenish the Fund for the 15th time. It is also noteworthy that it is the first time that a pledging meeting for the ADF is being held in an African country.

Judging from the progress of the negotiations to date, and the Agenda of this final meeting, the focus for the next two days will be to conclude and secure a Replenishment that sends a strong signal on the importance we place on the ADF as partners. In addition, and of equal importance, we should find consensus on the key policies which will underpin ADF-15, and frame the work-programme for the next three years.

Role and Significance of the African Development Bank

Let me start with commending the African Development Bank, which has time and time again proven to be a trusted partner as the premier African Development Institution. In carrying out its sole mandate of focusing on African development priorities, the Bank's Ten-Year Strategy and the High-5 Operational Priorities are all encompassing; speaking to both the 2030 Sustainable Development Goals (SDGs) and Agenda 2063. It is in this context that ADF-15 and the Bank's focus converge, as a fit-for purpose partnership for taking Africa's development, particularly that of low income, fragile and conflict countries, forward.

Prevailing Economic Conditions in Africa

While there has been some recent progress in Africa's economic performance and its prospects for sustainable and inclusive growth, it remains insufficient towards addressing the triple challenges of poverty, unemployment and inequality in ADF countries. This 15th replenishment is taking place at a time when the global economy is in a precarious condition, with the reality being that fiscal constraints in traditional donor countries have led to a decrease in Official Development Assistance for Africa in real terms. The direct implication being the reprioritization and the need for difficult choices that need to be made.

On the other hand, this is a moment of great opportunity for the African Continent. We see that the continent is taking responsibility for its development and has made great strides in addressing some of its challenges, through initiatives such as the establishment of the African Continental Free Trade Area (ACFTA). This Agreement demonstrates a strong commitment by the Continent to foster regional integration. It serves as a catalyst for Africa's accelerated development and has the potential to generate substantial gains for all African countries.

Through the ACFTA, there will be a borderless Africa, economic activity will increase amongst African countries as well as the rest of the world; and a competitive continental market that is integrated into global value chains will be created.

Prospects and Potential of ADF-15

Since its establishment, the ADF has consistently demonstrated its value and centrality in Africa's development through its dual role of providing concessional resources to low-income African countries while demonstrating clear value for money to both donors and recipients.

The two Pillars of ADF-15, namely Investing in Quality and Sustainable Infrastructure for Economic Transformation, as well as Governance (which will address Sound Fiscal Management, Debt Sustainability and Domestic Resource

Mobilization); are undoubtedly what ADF Countries and the broader African Continent need to spur economic growth. The cross-cutting themes of gender, climate change, and private sector development will serve to ensure that ADF-15 programs permeate the most pressing and vulnerable aspects towards unlocking growth.

Going Forward

As more low-income countries graduate from concessional lending and consolidate their macroeconomic stability, we as Development Partners, the Bank, together with other multilateral financial institutions, need to step-up our efforts in support of these countries.

This is in the context of the reality that developing countries are no longer identified solely as recipients of Aid, but rather as partners who contribute to global economic development. This underlies the shift in the development aid agenda towards new sectors and thematic areas encapsulated in ADF-15, such as infrastructure, trade and private sector development.

In closing, I wish you well in your deliberations over the next two days, and I know that you will have constructive and fruitful conversations, that will yield a robust and ambitious replenishment for the African Development Fund.

Thank you.