

**Transcript of Question and Answer Time with
Mr. Donald Kaberuka, President of the African Development Bank
At the Seventh Annual Conference of the
Parliamentary Network on the World Bank
March 16, 2007
Cape Town, South Africa**

Tetsundo Iwakuni: Ladies and gentlemen, it is my great pleasure to introduce Mr. Donald Kaberuka, President of the African Development Bank group (ADB), as our speaker this afternoon. Many, many years ago when I just started my investment banking career in Europe, I had the opportunity of visiting the Head Office of the African Development Bank in 1970s. Little did I know that I would later have the great honor to introduce its president. Mr. Donald Kaberuka probably was not in the Bank at that time. Where were you at that time, primary school or high school or --

Donald Kaberuka: I was finishing high school.

Tetsundo Iwakuni: Again it's a great honor to introduce the President of the ADB to all of you. President Kaberuka is well known to all of us, so I hardly need to introduce him to you but briefly the President Kaberuka was elected as the president of the ADB in September 2005 for a five-year term. Prior to joining the ADB Mr. Kaberuka was Rwanda's Finance and Economic Planning Minister. We know he played a major role in the post-war reconstruction and economic reform program of Rwanda. The fiscal reform, he and his finance team initiated and implemented greatly helped modernize Rwanda's economy and led to its rapid recovery and enabled Rwanda to receive debt relief under HIPC initially in April 2005. President Kaberuka legacy for Rwanda is to put the economy on a growth path for the first time in its history. We also know his leadership is strongly felt at the ADB and he is indeed a good friend of Japan also. His visit last year to Japan forced the First Prime Minister of Japan to make an important commitment to double Japan's ODA amount, to double in its size in three years. Probably you are in the same meeting at that time. Ladies and gentlemen, I would like to introduce Mr. Kaberuka and let's listen to his views. Thank you.

Donald Kaberuka: Thank you, Chairman, Mr. Iwakuni, thank you honorable Members of the Parliament. It is of course a privilege and an honor to be in this historic hall and to the other home of the South African Parliament. I think all of us feel a sense of an emotion of being in this chamber. This morning I think with President Wolfowitz and Managing Director de Rato we had a good discussion with you. I want to elaborate on two points I made in the morning and then I will answer a couple of questions which I have received then invite you to exchange with me.

In the first decade after Africa's independence, that was in the 1960's, Africa's economies were expanding in relative terms. What happened was that the rate of economic growth could not keep up with increasing populations. Population was increasing faster than the economy therefore real per capita incomes were falling. In the 1970s, besides the effects of the international situation then, the ramifications of the Cold War, even the limited growth which had been taking place was canceled out by the increase in oil prices, a consequence of the first oil shock, and also a collapse in commodity prices, when Asia was beginning to increase its commodity production in a big way. Now, you all know that the 1980s we were described as a lost decade for Africa.

In the earlier 90s, we were being described in terms of 'Afro-pessimism', 'Africa the hopeless continent' and that kind of thing. Today, everyone agrees, except the cynics, that Africa has the best chance in 30 years to have a new wave of growth.

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Now, people tend to say it is because of a bull run in the commodity markets; that is a part of the explanation. But there is another part of explanation, that are called the endogenous developments within Africa in the domain of governance, economic management, and stability.

Now, we have got a few difficult spots in Africa (inaudible). Now, this morning we discussed that Africa is not one place, we are 50-plus countries. That is okay geographically, and in terms of the number of flags. But, Africa's economy is one. If South Africa's economy is growing, the neighbors of South Africa will feel the benefits. If there is a conflict in a particular part of Africa, the neighbors will feel the effects. I refer to a study, which is now conclusive, which shows that when there is a conflict in a particular part of Africa, 40% of the direct cost impacts on the neighborhood; but also when there are years of consistent, real growth, the benefits are felt in the entire neighborhood.

This means that in this phase of renewed expansion for Africa, regional integration and everything that consolidates regional integration is absolutely critical. That's why I have been asked one of the questions, which I find quite interesting: "What is it that is new in NEPAD?" Well we had "*The Abuja Plan of Action*," "*The Lagos Plan of Action*" and so on, what is new this time? What is new this time is that there is policy ownership.

In those days, there was a limited policy ownership. What is NEPAD is to say in these four, five decades of independence for some countries there are some things which we did wrong, which we must fix as Africans in the domain of governance, in the domain of political stability, and macroeconomic management, making Africa safe for investment. Now, those are things which only we Africans can fix and we have to fix them. International institutions can impose the conditionalities; we discussed that in the morning. But, nobody can impose development. And development cannot be imported.

Development can only be sustained if it is indogenously developed. If conditions are imposed but they are not owned, the chances are you have the kind of growth of some African countries, which is stop-and-go, instead of a consistent growth path over time, which is what encourages investment. Now, my humble view is that at this point in time what is different is ownership. But, what is also different? I think to remind you this morning I mentioned the fact that whatever we do as the international institutions, our long term objective should be to move Africa from a phase of dependence on aid, on others, to a phase of independence and of course eventually to the more mature phase of interdependence.

Nations move from dependence to independence to interdependence. In this phase of moving from dependence to independence that is where the partnership of the international community is critical, because at the end of the day we are already interdependent in a sense, in the negative way. Climate change knows no boundaries. Immigration flows but the barriers as Trevor [Manuel] was saying will always happen and therefore I think we have got a unique opportunity in the east of Africa to say, there is a wind of opportunity for Africa to do the right things, fix the mistakes which we have committed, the mistakes of omission and commission, and

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also for the international community to provide the support that is necessary. And that is increase the volume of ODA, improve the quality of the ODA and then open up the markets, that was the deal which was done three, five years ago in Montreal (ph) and in Gleneagles. And my humble view is that as parliamentarians, as I said this morning, your role is to demand accountability from all our governments our governments are your governments. These are deals that were made voluntarily and this is where you come in.

Now, I would also like to refer to another question I have been requested to answer which is "But after all Africa is very rich country, it has got enormous resources, what is your strategy to ensure that Africa benefits from its own resources? What is it that makes a resource rich-country, or a resource-poor country rich?" I have two answers. One of them if you want is a counter answer, is a case of a very small country in the Atlantic. And this is Cape Verde, the Island of Cape Verde. A small country, It does not have any natural resources, it does not even have even enough fresh water. It lives on remittances from its nationals who live abroad, but also good consistent policies.

Now, Cape Verde is one of the few countries we think will achieve the maximum number of '*Millennium Development Goals*'. It does not have petrol, it doesn't have minerals and as I said it does not even have enough water. But it has educated its people and put in place the right policies, economic and political. Now, while a few other countries of course are rich in natural resources have become more impoverished that increasing prosperity; you know the answers, there can only be two answers, the internal conditions – governance; the external conditions - lack of political and economic independence to pursue policies.

Now, of course countries are not the same. Each country is different, but if you see a country rich in oil and then piling up a debt of \$30 billion plus sure we are all to blame. It can't be just the fault of the country. We are all together accountable for what happens to those countries. This is why I think we are doing our best at the African Development Bank to ensure that this time around what we call the second generation of natural resource-rich countries, avoid the mistakes of the first generation of countries who are rich in natural resources to ensure that in this commodity bull run this increase in commodity prices, those resources are utilized to build the capacity, lasting capacity for effective participation in world trade and investment.

Now, I have received another question on the private sector, this is from Ann Marie of my own country. "What is your institutional strategy to revitalize the private sector and encourage its development?" Now, we all know the answer on this; but I want speak just three. One is the issue of the business climate. I often hear people say "but we have the right climate." But that is not enough. What would be enough is for people to believe that we have the business climate. And for them to believe it, you must apply good policies for such a credible period of time for them to believe in irreversibility. Because I have been to many countries on our continent, who adopt the good policies only to throw them away after a decade and there are many examples including some around the sub-continent.

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So, that is the challenge of our parliament: how to ensure business climate which is durable.

The second is what I call the whole domain of the interrelationship in the state in the private sector. There was a time when the private sector was seen as the alternative to the state's participation in the economy. I think the evidence now which is incontestable is that to develop the private sector you need a capable state to ensure property rights are respected, to ensure contracts can be enforced, to ensure infrastructure is working, to ensure institutions can deliver, and to ensure a level playing field. And therefore in an institution like ours we see it is extremely important to support the private sector, not simply by financing--that we do, lines of credit, guarantees, all forms of instruments--but to insure that the other side of the private sector which is a capable state to provide that level playing field, which is necessary for the private sector to prosper.

Now, there is another aspect which I think I should mention to you since you are parliamentarians. In the 1980s when the continent began the process of economic reforms --say, market integration, regional integration-- it was all often very interesting to see that the opposition to reforms often came from the private sector. The private sector because it fears competition. It fears competition from imports; it fears competition from the others. It has taken us years to understand that opening up of the economy means that some sectors of the economy have to contract but others will expand and that is how you create prosperity.

And many of the African Parliaments at some point, I think in my judgment in hindsight, were wrong to be siding with what you call the "reform slowly because some sectors of industry will die". There was not an argument that in fact they would die, but some others would be born and these are the ones who have a competitive advantage to ensure that we move on with the world economy.

And therefore, for me these three sides of developing the private sector are critical. There is a tendency to focus on where are the resources. Today, the world is awash with liquidity looking for a destination to make a return. But the factors I just mentioned are as critical as the resources.

I have received a third question and that is about Africa and China. Literally, every meeting I go to I am asked about China. Now, the first thing I would like to say about this issue is that there is nothing special about the link between China and Africa. It like as is between Africa and Japan, Africa and Europe, Africa and the USA, it is the same: links between nations. What perhaps is interesting here is this, and it goes beyond simply China, it is India, it is Vietnam, it is Cambodia, it is many other Asian countries.

What is it that makes these countries able to grow today, which is missing on our own continent? There are lessons in development strategy which are as interesting as this new relationship based on commodity trading. Now, it also means that we need to look at some aspects of our trading policies. To see in what way we can benefit from these new opportunities, which are opening up. But, frankly I think that it will be quite wrong to say, "Well, because China is looking for commodities from

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Africa that is by itself a bad thing." No, what is necessary for us to be able to take advantage of the new opportunities as I think Trevor mentioned this morning to ensure that we use these new opportunity, to build our own industrial base --

(...break in recording)

I see the narrow issues around development and gender, as the challenge of the century: how to fight poverty. And if we fight poverty, half of humanity which is women cannot be left out. I think that the President of Rwanda put it this way: it's like shooting yourself in the foot. Now, I agree we have to do more in institutions like ours in fighting poverty, and we have to be a bit more innovative in terms of our operations, in terms of our policies to ensure that as much as possible of the benefit of operations benefit women and girls. When we look at the numbers across Africa today, we see that the country is making headway towards the Millennium Development Goals are those who are making headway on the Millennium Development Goal number 3, which is about gender equality. It can't be otherwise. Those who are making progress on gender equality are making progress on education, on infant mortality, maternal mortality and so on. It goes without saying. Therefore, we are ourselves, the World Bank and the other partners trying to improve our delivery in this area. And of course with your support I am certain that we will get there.

Now, Mr. Chairman before I just pause for an interaction with the distinguished members of parliament, let me go back to the issue I addressed at the beginning. There are two ways of looking at Africa today; one of them is to say we have the window of opportunity generated by internal factors and the external environment but this window of opportunity is very narrow and will not be with us for too long. We can seize it and do something. I believe many of us belong to this school of thought. Now, we also have of course, the cynics. I hope they are very few. There are few books coming out now, one of them says, "Africa, the lost continent," "Africa, a hopeless continent."

Now, I hope our Asian friends who are here will not take offense by the same things that were being said about Asia 20 to 25 years ago. Books were written about India when I was going to secondary school in exactly the same terms. Twenty five years ago China was described in different forms, not the way it is being described today. When I was a young university student in England, Ireland was being described in those terms. It is possible to fight and beat poverty in our lifetime if there is commitment and conviction. I think around here there is that conviction. And I think as Tony Blair put it very well, there is something very liberating about wanting to do something with conviction, not something with half conviction, and I am sure that with this kind of debate we are having, we are able to generate that kind of conviction. Mr. Chairman maybe I stop here at this point?

Tetsundo Iwakuni: Thank you President Donald Kaberuka for your very informative and concise presentation. We all appreciate that. Now ladies and gentlemen, I'd like to invite your questions to President Kaberuka. Please.

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Nancy Kemp-Arendt: Kofi Annan said that the best strategy to reduce poverty is to enroll women in the decision-making process. Given that the millennium goals cannot be met without the engagement of women at all levels in the process and given that four out of the eight Millennium Development Goals are directly related to gender and reducing discrimination against women. And given that the 2005 target of ensuring equal percentages of girls and boys receive primary education was missed, with little outcry and consequent action and given that primary education is the first step, it is the key towards empowering women because it allows them to make decisions and choices how to protect when and how many children to have, improved maternal health with consequent improvement in infant mortality, this combined with a brain-drain that we encounter especially, in the health sector—just one example, my friend from Malawi is sitting next to me, there are more doctors from Malawi are working in Manchester than they are in their country itself—how do you see the likelihood of improvement in maternal mortality and infant mortality rates and what specifically is the ADB doing on the ground to address this multiple interconnected issues? My name is Nancy Arendt and I'm from Luxemburg.

Tetsundo Iwakuni: Thank you, any other question? Yes please.

Moses Asaga: My name is Moses Asaga from Ghana Parliament. NEPAD is so important and dear to the heart of Africans and one of the goals of NEPAD or thematic areas, is infrastructure development at inter-regional levels. The President of AfDB did not touch on it as much as possible. I also know that the African Development Bank is supposed to be coordinating NEPAD as far as infrastructure financing is concerned at a regional level. So, I will be very grateful if you could just give us a brief as to how that NEPAD-African Development Bank partnership on infrastructure financing is doing so far, thank you.

Tetsundo Iwakuni: Can you answer these first two questions? Thank you.

Donald Kaberuka: Thank you Chair. The question on from Luxemburg: how is Africa doing on infant mortality and maternal mortality? The situation, and I'm weighing my words very carefully, is very bleak. In fact in my assessment, these are the two millennium development goals on which the slowest progress is being made. I can even go further. I think only in infinitesimally small number of countries in Africa, will by 2015 be able to attain the two MDGs unless a big push happens at this time. So, those are the numbers.

Now, what are we doing about it? Within the limit of the resources available to us and our governments, we're trying to do two things, one is to address the issue directly, more investment in house and education, especially education of mothers. But the Bank has undertaken a major initiative on water to increase the access of potable water to the largest number of African rural citizens because in our judgment, availability of clean water to drink would enable us to indirectly address the issue of mortality to the largest number possible. We had committed putting about \$1.3 billion up to 2010, we have not been able to mobilize all these resources. I think that by the end of this year we'll have put in maybe about half a billion dollars but if you add the amount of investments on potable water in some urban areas, we

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come across to a billion dollars. But this is a drop in the ocean, on what has to be done.

Therefore, I would like to urge everyone in this room and other organizations for us to join hands in these remaining years to the MDG targets to do everything we can to reduce the number of days from these two areas. So, the answer to it is very bleak on current trends but something can be done and I think we should be able to do it together.

I must say of course that in many countries including my own, we have found that the biggest cause of infant mortality is malaria and diseases which are curable, diseases for which science has a solution. No disease for which science has no solution. And therefore it is a possible with the resources available in the world today for us to make the big push to 2015.

Now, the question from Ghana on infrastructure. I agree we have to do much more than we have done. In the first two decades of independence, because of the limited expansion of the economies then, the limited infrastructure left by colonial powers was barely enough for the country to move on. But for the last five years, as economies expand 5%, 6%, 7%, we're running far, far ahead of energy availability, roads have become a constraint. What we have done in the Bank which has almost spent about 40% of its lending on infrastructure, we're now increasing this to 60% and we're getting together all the donors involved in the domain of infrastructure into the consortium for infrastructure which is housed at the African Development Bank to plan together like a clearing house who is doing what in terms of feasibility studies, financing and so on. Now, since I arrived at the Bank we've created a new Vice-Presidency for infrastructure, private sector and regional integration to the give signal of our intention to do exactly what your Excellencies want us to do.

Mohamed Oudor: Thank you Chair. I am a Member of the Parliament from Morocco. Up to now the corporation strategy for the countries that benefit all this intervention are more the result of a collaboration with the executive with the government today regarding a participatory approach on the question of development, everybody is convinced that all the actors of development must be involved and then legislative part as well. So from more to add efficiency to its application, we need to implement it, all the levels, all the faces of the strategy and elaboration, implementation and their follow up, and my question is the Bank is a partner of development, which mechanism do you foresee to implement this mechanism?

Nathan Nandala Mafabi: Thank you very much, Mr. Chairman. The big problem we're having in Africa is inequality. There is a very big gap between the rich and the poor. Oh my name is Nandala Mafabi from Uganda. To be able to address this issue, I think they're estimated by all the banks, like African Development Bank should have been the area of infrastructure. Now, where -- you have talked about the plan that you have made a clearing house to deal with the infrastructure, but this is overdue. What is your plan to invest in the in the transport sector, in the energy sector because there was no way to reduce poverty, is that a person in a village should be able to transport his goods to the market when the road is good. The energy should be there for investment. When is this due and I think it's overdue.

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Geri Muller: My name is Geri Muller, I am a Member of the Parliament of Switzerland. You said that the African countries are very rich and for me it's clear that the countries of Europe for example profit from this richness because the prices are very deep, the prices were coming from Africa, but on your proposal that we have another price making from Africa, that Africa can also profit of all this richness and not only Europe and what can we do as parliamentarians in Europe to help to have a real price of all these goods which are very, very important for our economy.

Seyada Greiss: My name is Seyada Greiss. I am a Parliamentarian from Egypt. My question is about the relationship between gender and poverty reduction. I know that subject has been touched upon lightly. However, I would still like to point out that in spite of all the strategies, the gender policies, the efforts of mainstreaming and the initiatives that have been made so far, there is a widening gap between those who have and those who have not, and the main poor are women. The majority are women in the poverty line, this is really quite evident today in the statistics. So, my question really is has the Bank looked into this relationship between the feminisation of poverty issue and have they included specific measures to be able to give women greater access to the resources? What are the lessons learned from past experience? I just need your elaboration on this topic. Thank you.

Tetsundo Iwakuni: I know you have many more questions but as the time is running out, can you respond to these four questions?

Donald Kaberuka: Thank you. For our colleague from Morocco on what we're doing to empower parliaments I won't argue that it is quite critical and we are determining the African Development Bank how to build capacities of our parliaments to be able to fulfill the oversight role. For example, in building the capacity of finance committees, portfolio committees so that we can carry forward this mission. That is critical that you cannot have a functioning state—I talked about steady capacity this morning—unless these parliaments are fully functioning.

Now, let me answer the question from my friend from Uganda. You've said the biggest problem in Africa is the gap between the rich and poor, income inequality. Yes, in many of our countries there are issues of income inequalities measured in different ways. But I could not agree with you at all that this is the fundamental problem.

The fundamental problem is the one of governance, because what you described is a symptom of governance. Now, if the issues of governance are addressed then instruments will exist to distribute income. You are the parliaments to be able to address issues which emanate from income inequalities which happen in many countries in the world. I am not certain that today if we reduce the income inequalities, say to levels which are consistent with what happens in some other places in the world, that it would have resolved the issues of Africa.

It's a point that we should take further you and I. But then we go further and say, what are we doing to build the infrastructure? In my own country we have been paying considerable sums of money building roads. We are at the moment investing

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maybe, anywhere in the neighborhood of \$100 million do new road investments in your country, but what are we finding? That often in many African countries there are no resources for maintenance of those investments. So, after 10 years, 15 years you have come back into major rehabilitations of those infrastructures, which costs huge sums of money.

You could argue with me of whether this again is an issue of governance, but I think we need to address the issue of building new water holes, building roads but also the issue of investments. But I agree with you that at the end of the day, reducing the cost of doing business in Africa, is closely related to development of infrastructure and closing that gap which has widened over the last two decades.

Now, two last questions, Mr. Chairman and then I'll be stopping there. And this is a question from Switzerland about the volatility or deterioration of the terms of trade.

Now, I spent a good part of my professional life in this business. We tried everything: international commodity agreements, quotas, buffer stocks without much success. Now, at this point in time, the successful conclusion of the Doha Round strikes me as a single most important contributor to addressing the issue you are mentioning.

Now, this round has been called a development round because it was meant to front load the interest of developing countries. Now, you and I know that they are not succeeding, but I think parliaments should do everything they can to ensure that this round is a success. If we did, then West African cotton farmers will be able to sell their cotton, but also add value to their cotton in West Africa. It will be possible for African tomato farmers to sell their tomatoes but also add value to their tomato in Africa.

Now, we're pragmatists. We know that this thing is not easy. There are some political difficulties, budgetary considerations, but I think we should work together to ensure a successful conclusion of this round.

Now, I agree who is our colleague from Egypt so that on feminization of poverty we should do more, I agree. I agree, but I think a good start has been made in all the institutions in terms of ensuring mainstreaming of gender issues in all operations. Just examples, what we have just approved in number of operations where we make it a condition that the participation of women is one of the trigger factors.

I was visiting Morocco not long ago, at the Port of Tanger. We built a big project there connecting Spain to Morocco for electricity. And I founded most of the engineers in that project were women, including the engineers managing this huge submarine project. And I found that it was a condition in our project that women are beneficiaries, but also are part of the management of that operation. Now, we can do more and I agree.

Tetsundo Iwakuni: Yes the gentleman in the white shirt you are next.

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Hugh Bayley: Thank you. Perhaps a decade or two ago the ECA was very active in promoting a discussion of a development paradigm for Africa. There was a great concern that somehow after the Berger Report which was a response to the Lagos Plan of Action that there was sterility in program design and in development policy and the ECA played an enormous role in stimulating intellectuals and policy-makers all over Africa to think about the way out.

Now, it seems that this has died perhaps under the new management of the ECA and the question therefore is this. Since the ADB is a bank and has a banker's paradigm primarily, rightly so, does the ADB relate to organizations like the ECA? Does it do anything or do much to stimulate thinking about the kind of paradigms that emerged 20 years ago in Africa through the ECA, through the discussions led by people like Adebayo Adebiji and so on? Because it seems to me, this is my conclusion that Africa is stuck in a paradigm which is not bridging the apparent performance of the fund in the Bank and the realities on the ground that Kimmo introduced on the very first day, the poverty, the unemployment so on. There is something missing in the gap between what we have told as the official policies on development and growth and the reality on the ground. So the question is about policy.

Speaker: Thank you, Mr. Chair. Africa was always a victim of greed. Is there a strategy by ADB in development to address this problem? Is there a purely African policy?

Given Lubinda: Thank you. My name is Given Lubinda from Zambia. Earlier this afternoon when you asked about international contracts being offered by your institutions, you did emphasize the fact that people in all countries require infrastructure of international standards and you urged that African countries must develop their competencies. Now, you are talking about regional integration and regional trade, the promotion of regional trade. I am sure you are aware of the fact that even in the regional settings there are a lot of imbalances, trade imbalances. Is the Bank doing anything to try and bring that to some equilibrium before we can support greater heights of regional trade because the ultimate result will still be dumping in those countries that are of weaker industrial bases and for as long as there is no lift in the weaker economies in the regions you shall still end up in the same paradigm. Isn't that the case and what is the Bank doing to address that matter?

Tetsundo Iwakuni: Well, it is indeed a key area of concern to all of us, thank you. President Kaberuka, can you give a quick answer, although we have limited time. Thank you.

Donald Kaberuka: Thank you. I am very much aware of the work done by ECA and Professor Adebiji. You now recall part of the difficulties in Africa, are these swings in paradigms. In the 60s, one paradigm nationalization: the states, the private sector is bad. Now I think the Berger report which refers to 1979 which was now, the state forget about it, it's only market which matters. I think the paradigm which I subscribe to is one which says both matter. The state matters, the markets matter. The markets can fail, the states can fail. There are demonstrated cases of state failure and of market failure.

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Now, this said, I think that ECA attempt to question the neo-classical model or some aspects of it also showed its own limitations. I think where today I prefer Deng Xiaoping's approaches it does not matter whether the cat is white or black as long as it catches mice. I think there is no single one path to development. Every country has got its own history, endowment, political environment and has to choose its own path to development. That is the paradigm to which we subscribe, but if you're looking for the big picture, paradigm applying from Sao Tome to Burundi and Nigeria. I prefer the one I've just mentioned to you, but for the rest we work very closely with ECA and the African Commission.

Now, I must say though having said that for every country for their own models, there are some pre-conditions for development everywhere. If you've got inflation of 2000%, if you've got a failing banking system nothing will work. But on the other hand if you have a system which says only the markets will deliver, at some point there would be some issues. I am sure you and I have no disagreement on this.

But there are obviously a number of issues if not down they will stop development right in its tracks. And those are the ones around governance. But beyond these narrow issues every country has to choose its own path to development. I think this is the lesson that we get from China and India.

Now, for our colleague from Zambia. I confirm that in our operations we do international competitive bidding, because we are looking for the best price for the best quality for our people. They don't deserve less. We make some adjustment for local firms, but I think it is important to stick to this position of getting the best for all countries. Now, you are telling me regional integration which will put some adjustment to ensure that they are no losers and winners. In any exercises of integrating the economies that'd be short-term losses and long-term gains, that'd be winners and losers. What is important to it overtime the entire economy of the entire system has benefited from the diversity and enlarged market and that is our approach in the African Development Bank. Thanks Mr. Chairman.

Tetsundo Iwakuni: I am afraid we are out of time. Thank you all very much for your participation in this session. President Kaberuka thank you so much for taking this time with us and sharing your insight with us. You have inspired us to work even harder to achieve our common goals in close cooperation. Thank you again.