

INTERVIEW

OBIAGELI EZEKWESILI

Vice President for the World Bank Africa Region

It was a tough time to join the Bank. After she was appointed by the outgoing president Paul Wolfowitz, there was speculation that his forced departure would damage both the Bank and its officials. But 'Madame Due Process' insists otherwise

INTERVIEWED BY NICHOLAS NORBROOK IN PARIS

There are quiet signs that Africa is on the brink of economic take-off. Ten years of growth around five percent has focused minds on what works - after ignoring infrastructure in favour of other models of economic development for decades, a consensus is emerging among the multilateral development banks that roads, ports and railways are needed before anything else can be addressed. The business climate is (slowly) improving. Stability is returning, inflation is down. China, a key factor behind the commodity boom that is filling African coffers, is also part of the infrastructure-building solution. An engagement which goes beyond fear of exploitation is emerging. Fitting into this dynamic is a challenge for the Bank.

How do you think the Bank's standing in the world might have been tarnished by recent events?

I definitely know that this institution can be a force for good for Africa, and therefore the relevance of the knowledge, the repository of knowledge that the Bank possesses for the continent, is too strategic for anyone to downplay. It has great convening powers that it can use to attract the greatest goodwill of all important

spheres, all important sectors and groups on the issues for Africa. It has the lending portfolio on a concessional basis, the IDA, which a number of small economies on the continent need to invest in human capital and human development, infrastructure and institutional capacity. You cannot downplay that, so, as far as I can see, the Bank remains very relevant for Africa, and relevant for the rest of the world because more than a billion people that we still have in the world living in abject poverty represent a good reason why institutions like the Bank should exist. These reasons tower above the challenges it has faced in recent times, and it should come out of this challenge stronger, with a greater focus on its mission and asking itself the most important internal questions that it needs to resolve in order to strengthen its capacity to deliver on its mandate.

What is the African view of former Bank President Paul Wolfowitz's successor, Robert Zoellick?

The important thing that we have heard from President Robert Zoellick is that he is now an international public servant. We have seen a tough trade negotiator being a tough trade negotiator for Africa. A tough negotiator is the best thing that

BIOGRAPHY

2007 Vice president for Africa region, World Bank

2006 Minister of Education, Nigeria

2000 Special Advisor to Nigerian President Obasanjo on Budget Monitoring

1994 Founding member of Transparency International

1963 Born April 28 in Lagos



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anyone can be for the continent. He says that Africa remains the biggest priority for the Bank. It is a win-win situation for the continent. He is in a unique position to weigh in on the debates on agricultural subsidies and trade. You could not have found a better person to be able to provide the strong leadership that the Bank needs to be seen as providing for a number of the very weak countries that hardly have a voice in the Doha round discussions. Their voice is still very marginal to the process, and the analytical work that the Bank is able to do so well on... issues of trade distortions and structural issues that affect the global competitiveness of the economies in the region, would stand in good stead with his leadership.

Do you think that the G8 summits risk becoming grotesque beauty contests where each of the rich countries try to outdo one another in pledges, and in fact few of these pledges turn into reality?

I think that clearly the G8 is listening more. People are now well aware of the pledges and are looking for concretisation, and for the cheques to be signed.

There are a couple of issues like the whole private-sector thing, the continuous focus on HIV/AIDS, the high-level commitment to the Extractive Industries Transparency Initiative (EITI), and the technical capacity support that are there, but people also want to see that we are performing on what we committed to in Gleneagles. Many more countries are keeping to what was discussed, and we are seeing many more impressive outcomes in the continent, in good governance measures, in improving the climate for business, in making very tough policy choices, and ensuring that the policy choices enable macroeconomic stability, in greater focus of internal resources towards the key priority sectors of health, education, water and sanitation so that poverty-reduction strategy programmes are really aligned to the critical sectors... Africa is reforming because they believe in those reforms, because they are doing these reforms, they believe that friends who have said that they will try their best to complement your effort will also keep to their words.

Have you read the growing number of critiques of Western development aid and do you have any sympathy for their analysis?

There are two extreme proponents, there is William Easterly who takes this perspective, and then at the other extreme there is Jeffrey Sachs, and I think that extremes seldom ever work. What we need to see is that it is not 'either or' for Africa, that it is a combination of forces, meaning that Africa is in need of an environment where the continent is very good at effective and efficient use of its own resources, with less mismanagement, less corruption, a strong-value-for money approach in the use of its own internally generated resources, good macroeconomic policies, good sector strategies, good framework for diversifying economies away from monolithic minerals or oil. Even if all these countries did all of this right, they still have huge gaps in the kind of resources they require to invest in education, health, etc. because part of making the right approach is allocation efficiencies, so that priority sectors like health and education get a chunk of the budget. So they need ODA to complement their own efforts, ODA that is effectively targeted to areas of most need. They need a lot of money to invest in infrastructure...

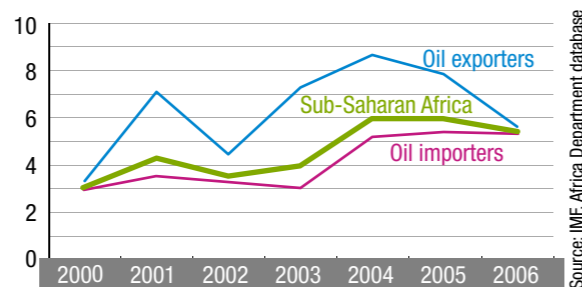
Private capital is also very important. We need to find the instruments that can leverage private capital into the continent. We need to communicate the opportunities in the kind of way that the private sector would see that it is not an environment of all risk. It is an environment that has risks, yes, but also great rewards, and the rewards often surpass the risks.

Will you be pushing agriculture?

Yes, agriculture is one of the eight critical pillars for our Africa action plan. In a continent where you need diversification from a monolithic approach, you need the agriculture sector. It is a sector that provides opportunity for a larger percentile of the population, access to land and therefore access to new seeds and fertiliser, and the farmer can actually be creative. It is a pro-poor growth strategy to put a focus on agriculture and rural development.

We are doing a lot through rural development engagement with countries. The community-based projects that we have put a lot of focus on those kinds of extension services for farmers and things like that. Diversifying in all sectors and identifying

Real GDP growth in Sub-Saharan Africa (%)



key sectors for growth is one area of the work of the Bank that I really cherish.

The China Exim Bank announced it will provide almost \$20bn funding mainly for infrastructure. Do you welcome this funding even if it is not concessional?

Africa needs concessional resources. First what it needs is massive investment in infrastructure; Africa needs to be able to pay for the finances in a way that guarantees a good outcome. Debt sustainability is an important issue that we need to keep a focus on, so we are of the utmost conviction that Africans will keep a clear strategic view of the facts that, whatever opportunity that they take advantage of would move in the direction of their strategic interests, which will not create any problems for themselves in any form. So for us, it is about how you leverage the new players into an existing framework, into complementarity. It is not to antagonise the new players, but to say what we can do to help the effort to move in a good direction for the continent.

Are there plans in the Bank to coax the Chinese to the table?

We recently signed a memorandum of understanding with the China Exim Bank. They came to us and we agreed to be partners in discussions, in complementing the dialogue going forward. We, as the Bank, are honest brokers in these kinds of discussions, ensuring that what every party needs to be looking at is what is in the overall interest of the continent, but with a sense that the continent just needs to have the capacity itself to make choices that would be in its own economic interests.

As your title in Nigeria - 'Madame Due Process' - suggests, you helped establish credibility for the country's anti-corruption drive. Do you think that the reform team will survive under President Yar'Adua?

The reform team of President Obasanjo has gone with his administration, so it behoves President Yar'Adua to put a reform team together. He said that he is going to continue with the reform

With larger flows of private capital and a strong role for China, the Bank needs to redefine its role in Africa

agenda... So new people will come, but as long as you keep the philosophy of what direction the country should go in, I think that is what is important.

The fact that Nigeria is the leading country in EITI is amazing. It opened up the oil sector and demystified it. The carryings-on of government institutions and their private-sector colleagues without any form of accountability are over. Nigeria now has the legislation demanding mandatory disclosure and audits of the government books, as well as the books of the multinational or national companies in this sector. Are the problems going to be solved overnight? Of course not. Are the structural issues going to vanish overnight? No, but the independent auditors audited government books and those of the oil companies over six years, from 1999-2005, and the audit for 2006 is commencing; that audit revealed a lot of systemic and institutional deficiencies, which are now being remedied...

It is not just about catching the thieves, it is about having the right institutional and structural procedures to ensure that you prevent the occurrence of bad behaviour. It is more cost effective to prevent bad behaviour than to spend money dealing with the consequences of bad behaviour. I put a lot of weight on the institutional reforms, and a lot has happened that people are not aware of. People are sentimentally attached to the idea of frying some fish. If you can prevent these bad fish from growing, this is better. The institutional side of things is very important. And this hasn't caught the attention of the media. In the full cycle, you need ethical orientation, you need structural changes to prevent the occurrence of corruption, and you need law and its enforcement, and the punishment of bad behaviour wherever it occurs. This work is important in an environment that had been permeated with systemic corruption. It demonstrates that no one is above the law, so it sends a signal that when you engage in corruption and you are caught, you are not going to be allowed to enjoy the benefits of your bad behaviour. It is a huge colony of issues. The capacities are not there and there is still a lot that needs to happen. The judicial system needs to be part of the process, and the police and all of that. ●

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