



BANQUE AFRICAINE DE DÉVELOPPEMENT

United Nations Peacebuilding Commission Annual Session

Statement by Donald Kaberuka

President

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Mr. Chairman, Ambassador Skoog;

Deputy Secretary-

expressed to me, in 2015, a year in which humanity's future will be largely defined.

A peaceful world is a priority.

Today, our focus is on rapid and predictable funding, that is flexible and risk tolerant.

It is how to deal with fragmentation, multiplicity of mandates, budgets, and mechanisms that, although well intended and understandable, has all too often weakened, undermined our response capabilities.

Peace-building as a science is very much work in progress, and will probably remain so for a long time, for essentially two reasons.

First, every crisis is different, in its origins, its trajectory, its history and as we can see in the Middle East, even its geography, which respects no borders.

Second, while we do need a lot of financial resources to build peace, money is only a part of the solution.

For these reasons peace-building does remain fundamentally about:

- Risk-taking, understanding that the higher the risk, the higher often the return;

- Making space for empowering those directly and indirectly affected by the crisis to build the peace.

Over the years, the AfDB has found itself facing these challenges.

We realized that we did not have the tools, the knowledge on these matters, so we advanced by iteration, and put in place a three-window instrument.

The first window entailed figuring out how to enable post-conflict countries to re-engage with global financial institutions, by settling their debt obligations and preventing accumulation of new debt.

This has not proven to be difficult technically, but it has often been lengthy, protracted. For Liberia, it took three years; for Comoros, slightly longer.

I am not able to tell you how long it will take for Somalia, when the time comes, even though the amounts are not that large.

The second window

All it takes is a badly run election, a constitutional crisis, a large crop failure, a major epidemic, an active rebellion, etc.

The key is not only building peace – in which everyone has a stake – but also sustainability.

The PBC has sought to bridge the gap between humanitarian responses and longer term development, and avoiding what is sometimes a dichotomy that is, in reality, often blurred.

For this attempt to shift the paradigm, the PBC deserves to be commended and supported further in its mission.

Excellencies, Ladies and Gentlemen,

Peacebuilding, and state-building in particular, is one of the key challenges of our time. It has been so from World War I, but, today, it assumes a new impetus.

We have old conflicts; we have emerging ones, and certainly, who knows what lies ahead.

Recognizing the close interrelation between peace, security and development, the Bank had pioneered,

already in 2008, a special ring-fenced facility and programme for conflict-affected countries.

We had come to the conclusion that the classical architecture of ODA was largely bypassing these countries due to the lack of track record.

Remember, this has not been a traditional area of intervention for development finance institutions, and we had to learn in practice, our knowledge, expertise, toolbox was very limited.

That is why the AfDB has adopted a [strategy for](#)

The strategy posits that beyond these extreme cases, there remains elements of fragility, even in what could now be termed as “steady state” situations.

Therefore, the new approach of the AfDB highlights the regional spillovers, as exemplified by Boko Haram, across four countries, thereby requiring not simply national financial allocations but regional ones.

Excellencies,

We must continue to ask: What have we learned?

First, predictable financing is not simply about volume or financial management systems. It is also about working differently. Of course, financial management in place must provide the minimum fiduciary comfort required, but it must be contextualized.

We were faced with such a situation last year at the peak of Ebola. The AfDB Board of Directors had to be reconvened exceptionally from its summer recess to approve a US \$60-million operation to fight Ebola, with the WHO as implementing agency.

The Bank, also in exercising some flexibility, approved a budget support operation of US \$150

million for the three Ebola-affected countries, to enable them perform normal state functions.

The financing agreements were signed the following day, and disbursements began one week after the financing was approved.

In addition, US \$10 million was rapidly provided for the deployment of health workers.

It was thus possible to disburse a total of US \$225 million to the affected countries within the space of a few weeks after the outbreak of the disease.

We know from the Ebola crisis that, despite general goodwill, in reality bureaucratic competition can impede a rapid, sustained response.

While the volume and predictability of resources matters, so does the method of deployment.

Simply because, by definition, fragility means there are capacity gaps that force development partners to search for alternative mechanisms in order to manage fiduciary risks.

There is always concerns "in case something goes wrong". That may be understandable, but it should be the exception rather than the norm.

What we need is an acceptance that we are taking risks; but that mitigation measures are in place.

However, mitigation measures that lead to onerous delivery systems, reporting mechanisms do overload embryonic local institutions and, in the end, are counterproductive, not to mention that they undermine state legitimacy.

Rebuilding the state cannot be done by bypassing it, and lasting peace is a pipedream where state institutions are weakened.

Excellencies, Ladies and Gentlemen,

Like all of us here today, the African Development Bank recognizes that external funding to rebuild a country can only be a starting point, a catalyst to get the country on the ladder.

But, at the end of the day, it is the responsibility of nationals.

Rebuilding and enabling state institutions to raise revenues and meet the development needs of their populations is, therefore, a critical step that requires attention as early as possible in the process.

A lot of the literature has gone into understanding how the Somali private sector has been able to survive over the last 30 years.

There are many lessons there. That is why the disruption of that most predictable finance of all – migrants transfers – was so disappointing.

Excellencies, Ladies and Gentlemen,

2015 is the critical year for humanity. The noble goals and targets in there will only be realized if we can assure peace on this planet.

But history, since the Peloponnesian War, teaches us that we must also be prepared to deal with the absence of peace.

We have all learned many lessons over the years.

As we discuss predictability and sustainability of financing peace-building, the starting point must be:

- A close understanding of the political economy of the causes and trajectory of the conflicts; and
- The bedrock has to be the creation of a stakeholder society that can leverage external

support, but gradually assume responsibility for their future.

That is how sustainability of peace can be built – through a stakeholder society.

Predictability and sustainability is built when a stakeholder society emerges in which there are no permanent losers and whose threshold of violence is low.

For the international community, we have gathered many lessons over the years. These are to be found from the OECD best practice and in the New Deal adopted in Busan.

We know the need to utilize ODA as leverage, as catalyst, but also the importance of ring-fencing and generating critical mass, advancing the phases of peacebuilding.

I very much welcome this meeting and again salute the work of the PBC.

Thank you.