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THE AFRICAN CAPACITY
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Building Sustainable Capacity for Poverty Reduction in Africa

Renforcer durablement les capacités pour réduire la pauvreté en Afrique

THE WORLD BANK AND SUB-SAHARAN AFRICA: THE NEXT POLICY PARADIGM.

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THE ACBF DEVELOPMENT MEMOIRS SERIES

ACBF's Development Memoirs Series is a key instrument in the Foundation's knowledge management strategy aimed at harnessing the know-how and learned experiences of eminent senior policymakers and development managers. Central to the Series is the understanding that knowledge management tools and practices can be effectively employed to leverage both local and externally generated knowledge to bridge the knowledge gap between sub-Saharan Africa and the developed world.

The Series is generated through contributions from the ACBF Senior Policymakers and Development Managers Knowledge Sharing Program (SPM-KSP). It provides professional insights, reflections, skills, processes and experiences in the management of specific policies and programs, and offer case studies on processes, practices and experiences associated with specific policies and programs that have made measurable impact on the continent's development experience. The individual voices captured via the SPM-KSP collectively contribute to enhancing the effectiveness of the Foundation's operations, identifying learning and knowledge-sharing opportunities, and providing practitioners with guideposts to best practices in policymaking and development program management.

The Development Memoirs Series reflects the Foundation's vision and quest to actively embrace a diversity of knowledge sources and knowledge including the ways gender, values and culture influence the generation, sharing and application of knowledge. The Series speaks to ACBF's vision that the creation, sharing and deployment of cutting edge knowledge in an increasingly complex, competitive and changing world, is imperative to Africa's current development efforts and future prospects.

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EXECUTIVE SUMMARY

The World Bank policy in Africa has evolved over the past three decades, ushering a new era in donor-recipient relationship. The Bank's Structural Adjustment Programs (SAPs) in the 1980s, which were imposed on the developing world, including Africa, testified of its intrusive and domineering policy towards the continent. A “One size fits all” model of development programs was applied across the board regardless of African countries' specificities, destroying the states' capacities in the process. The disastrous effects of SAPs, particularly on sub-Saharan African (SSA) countries, signaled the failure of the Bank's policy in Africa. Africa's leadership also shares part of the blame, as it bequeathed its governance responsibility to outsiders who set out policies and decided on the continent's development agenda.

The paradigm shift in the 1990s was motivated by the need to change the way of doing business with Africa. The Bank's 'we know it all' attitude gave way to a more humble and participatory approach, providing space for African governments, civil society and other development partners to express their voices and needs in the design of the continent's development programs, as in the case of the Poverty Reduction Strategy Paper (PRSP) initiative. In the same vein, the World Bank increased its financial support to Africa mainly in the form of concessionary loans, directing at least 50 percent of IDA resources to Africa, despite criticisms from other regions of the world. Despite these positive milestones, there is room for improvement with respect to the Bank's support to Africa. In terms of funding, the World Bank through its IFC affiliate should provide stronger support to the private sector, especially for small and medium enterprises, in an effort to unleash the sector's potential, and attract a greater share of global foreign direct investment (FDI) inflows to the continent. This

would over time reduce the heavy reliance on traditional foreign aid.

The World Bank faces various challenges in its African Region operations. With respect to challenges internal to the World Bank, the continent is failing to attract the best and the brightest to work on Africa. The lack of adequate staffing and focus on African-related assignments and research work constitutes an urgent issue that needs to be addressed. For instance, African representation within the World Bank is far from being adequate, both at the staff and Executive Board levels. In particular, forty-seven SSA countries were represented by two Executive Directors, hence the need for “an extra chair or two.” There is also a need for a stronger African voice at the Bank's leadership level. The World Bank should strive to bring in highly competent people with an indepth understanding of Africa to the post of Vice President of the Africa Region. Increased African representation within the World Bank would bring African-specific issues to the table, promote better understanding of African issues, and bring about change in the institution's culture, which has historically tended to marginalize African staff.

The lack of good leadership and governance, the absence of major infrastructure development initiatives, and the scourge of diseases such as HIV/AIDS constitute some of the major hindrances to the continent's development. Central to the required change is a “capable and assertive” African leadership, which is more responsive, inclusive and accountable to its people.

There are a couple of countries where this has been working quite well. Senegal is a good example, and there have been positive developments in Benin, Ghana, Tanzania,

Botswana, South Africa, Mauritius, and Mozambique and Rwanda. Still, huge challenges remain regarding political participation and accountability, which, if not attended to, would jeopardise the progress that we have begun to see in African economies, as the two are inter-related.

Africans should also take the lead in setting out and owning the continent's development agenda and priorities, with the necessary technical and financial backing of the World Bank. The World Bank – Africa relationship should thus be based on trust and mutual collaboration for greater impact of collaborative efforts on Africa's development.

Dr. Calisto Madavo

Washington DC, USA
September 2007

I. INTRODUCTION

The African Capacity Building Foundation (ACBF) through its Knowledge, Evaluation and Learning Department (KEL) is geared towards generating, sharing, disseminating and utilizing knowledge for capacity building and development management. The ACBF knowledge management program seeks to achieve four major objectives, among others. These are to:

- Enhance the performance of internal project and program operations based on best-practice methodologies, strategies and instruments.
- Foster the sharing of best practices in capacity building, in the design and implementation of development policies and programs as well as in reform programs that are directed at strengthening the effectiveness of Africa's development process.
- Contribute to programs and mechanisms for extracting and sharing tacit knowledge for the benefit of national and regional development.
- Enhance returns to, and the efficiency of, investments in capacity building

One of the key instruments in the Foundation's knowledge management toolkit is the Senior Policymakers and Development Managers' Knowledge Sharing Program (SPM-KSP). The program provides a platform for successful development practitioners - either currently serving or on retirement, sabbatical, or leave of absence who have made significant contributions to the development process especially insofar as it relates to Africa - to share and document their tacit knowledge in the form of development memoirs, for the benefit of future efforts at African development. The program specifically targets very senior policymakers and development managers, including visiting academics and eminent

guests to the Foundation. Participants are drawn selectively from national, regional, continental or global institutions. These consist of public and private sector organizations; national, regional and continental institutions; international development agencies; civil society organizations; ACBF partner institutions; tertiary institutions of learning; research and specialized training institutes, among others.

Within this context Dr. Callisto Madavo, former Vice-President in charge of the Africa Region at the World Bank, draws on his extensive experience and shares insights on the theme: *The World Bank and Sub-Saharan Africa: The Next Policy Paradigm*.

II. PROFILE OF THE CONTRIBUTOR

Dr. Callisto Madavo served 35 years at the World Bank, which he joined in 1969 through the competitive Young Professionals Program after completing his Ph.D. in Development Economics at the University of Notre Dame. During his tenure with the Bank, Dr. Madavo held various senior level positions: Vice-President for the Africa Region, Country Director for East Asia, Country Director for East Africa, and Division Chief of the Pakistan Programs Department. To cap his work at the Bank, he served as a Special Advisor to the President of the World Bank. In his capacity as Vice-President Africa Region, his activities focused on economic growth, poverty reduction and promotion of good governance in 47 sub-Saharan African countries. He also championed a number of initiatives at the World Bank, including capacity development, infrastructure and HIV/AIDS. While serving as World Bank Country Director for East Asia, he was responsible for formulating and negotiating strategy, leading policy dialogue and managing overall Bank programs in

Malaysia, Thailand, Korea, the Philippines, Vietnam, Cambodia, Laos and Myanmar. Prior to that, he was the Country Director for East Africa in charge of programs in Kenya, Ethiopia, Uganda, Somalia and Sudan. Dr. Madavo's extensive experience encompasses a wide range of country level and sectoral issues, including urbanization in Asia, Africa, Latin America, and the Caribbean. At the time of recording this conversation, Dr. Madavo was a visiting professor in the African Studies Department in the School of Foreign Service at Georgetown University, Washington, DC.

III. INTERVIEW GUIDING QUESTIONS

Drawing on his 35-year career with the World Bank, Dr. Callisto Madavo held a face-to-face knowledge-sharing interview with the then Knowledge Management Department (now Knowledge, Evaluation and Learning Department) of the African Capacity Building Foundation on 14-16 September 2007 in Washington, DC. During the interview Dr. Madavo shared his thoughts on the following issues:

- Key challenges facing the World Bank in its efforts to contribute to policies and programs for poverty reduction in Africa and to the continent's development needs.
- Africa's share of World Bank resources relative to other regions.
- Desired reforms for improved governance of the World Bank in order to give Africa a better voice in the organization.
- Prospects of some African countries to emerge as strong growth poles, like China, India or possibly Brazil, before MDGs' assessment in 2015.
- Assessment of the Bank's policy intervention in Africa: from SAPs to

PRSPs and Medium Term Expenditure Frameworks.

- Level of Bank's involvement in the management of African economies.
- Challenge of putting his knowledge, skills and experiences in good use for the promotion of growth in Africa.
- Challenging moments and fulfilling achievements during his tenure as Vice-President at the World Bank.
- Views on political governance and leadership in Africa in general.

IV. TRANSCRIPT OF INTERVIEW

What follows in this section is a record of the interview between the Knowledge Management Department of the African Capacity Building Foundation (KMD, ACBF), and Dr. Madavo. Herein, Dr. Madavo shares his thoughts and experiences guided by the theme: *The World Bank and Sub-Saharan Africa: The Next Policy Paradigm*.

KMD, ACBF: *What do you consider to be the key challenges facing the World Bank in its efforts to contribute to policies and programs for poverty reduction in Africa? Is the Bank adequately serving Africa's development needs?*

Dr. Madavo: The question of whether the Bank is adequately serving the needs of Africa is one on which I would say that the World Bank is making a modest contribution. However, it's very clear that the World Bank on its own, without the Africans leading the way, cannot make a huge difference. My view is that Africans would have to take the lead and the World Bank would have to provide support. I think in recent years the World Bank has stepped up and improved its working relationship and support to Africa.

I also think that one does have to acknowledge that the World Bank comes to the scene with quite a bit of a baggage. The baggage comes from the legacy of the World Bank's work in Africa during the Structural Adjustment period in the 1980s. This was the time when the World Bank tended to impose and dictate solutions to Africans with a 'we know it all' attitude, using a top-down, somewhat arrogant, approach. Over the last fifteen years or so, we have seen some improvement in terms of the Bank listening better to Africans and giving them the space to lead their development agenda by admitting that, while it is a strong institution with a wealth of knowledge, research, and experience, it does not know it all.

I would acknowledge that this humility was lacking at the World Bank until Wolfensohn became the President of the Bank in the mid-1990s. I also think that the World Bank can, in fact, provide strong support to Africa because of its global development experience. The Bank can bring to bear lessons and experiences from other African countries and also from other regions, including Latin America, East Asia and Eastern Europe. In many ways, the analytical capacity of the Bank is unmatched in terms of development issues, which constitutes a major asset. But I think that the Bank would have to continue to emphasize a decentralized and bottom-up approach that allows Africans the space to lead their own development and write their own future. Of course, for an institution like the World Bank staffed with smart people, that's a tall order and a challenge. As is often the case, smart people are much more comfortable telling others what ought to be done, but there has been some progress in this area since the mid 1990s.

KMD, ACBF: Is Africa, in your view, getting a fair share of World Bank resources relative to other regions?

Dr. Madavo: I think there are a number of ways in which to look at this question. First, in terms of money. Is the World Bank providing sufficient funding for African development compared to, say, what it is providing to other regions of the world? The reality is that African countries for the most part qualify only for concessionary resources, soft loans which come from the World Bank Group's soft window - the International Development Association (IDA). Over the last seven to eight years, the proportion of IDA to Africa has been really stepped up. For example, when I left the World Bank in mid-2005, we were lending about \$4.5 billion of IDA money to Africa, which represented just under 50 percent of the total of IDA. In 2007, the figures showed a rise in IDA commitment to Africa, specifically sub-Saharan Africa (SSA) reaching \$5.8 billion, which was just a bit over 50 percent of IDA. In that sense, the World Bank is indeed providing a significant amount of IDA resources to Africa. In 2009 total commitment to Africa stood at \$8.2 billion. In fact, other regions of the world tend to complain that the decision to allocate 50% of IDA was not merited and was politically motivated. Since Africa is lagging behind other regions, I personally think this is an appropriate decision, that is allocating IDA in part on the basis of poverty.

The other part of the World Bank funding comes from the IBRD that is the 'hard window', which lends at close-to-market terms, hence the name 'hard loans'. But these hard loans are given only to countries that are considered fully credit-worthy, which is not the case for

most SSA countries except for South Africa, Botswana, Namibia, Mauritius, and Gabon. Sub-Saharan Africa is therefore not benefiting from the IBRD or the hard loan window of the Bank in any significant way.

The International Finance Corporation (IFC) lends to the private sector. Africa's share is quite small compared to Asia and Latin America who have larger private sectors. More could and should be done by the IFC in support of SMEs and microfinance activities.

The total commitments by the World Bank are in the order of \$23 billion a year of lending to developing countries. The IDA component represents around \$11-12 billion. Another way of looking at it is to say that SSA does not really benefit from the \$10-12 billion of hard, IBRD money.

But there is another crucial factor that we need to look at, which is the attention and priority that the World Bank accords Africa. Attention in the sense of investment in analytical work that is relevant for Africa, the degree to which some of the top-notch staff are deployed on African assignments and on the continent.

I have to honestly say that this has been a problem area with the rhetoric far ahead of the reality. Although there have been some improvements, the Bank needs to do much better. When I was Vice President for the Africa Region in the World Bank, one of the issues that I constantly brought up in my meetings with my senior colleagues was the fact that I needed support to recruit the best people to work on Africa. Unfortunately, incentives in the World Bank are skewed in favor of officers who worked in better developed and visible environments like China than say Chad or Central African Republic, where there was minimal visibility. So the real development challenge lies in those difficult environments, unfortunately the incentives for attracting the best and the brightest talents are skewed in the other direction.

During my tenure at the Bank, I consistently highlighted this issue for redress. I succeeded somewhat thanks to the support I received from senior people such as Mamphela Ramphele, a South African academic who had become a Managing Director and as such understood some of these issues and associated challenges; so did Shengman Zhang, a Chinese national Managing Director, and above all, Wolfensohn, a passionate advocate for Africa. To sum up, in terms of funding, Africa is getting a fair share of the soft money. On the talent side, it has not been easy to attract the best and the brightest to work on Africa, and I think that is what is required going forward.

A third dimension to this issue is the extent to which foreign direct investment (FDI) and private sector investment in general, is flowing into Africa. These constitute another form of support to African development. Africa generally lags behind other regions in terms of FDI inflows. Most of FDI inflows go to a very limited number of countries such as South Africa, Nigeria, and other countries that are rich in oil and other natural resources, thus a very concentrated focus of the flow of resources. I think the Bank, through IFC, could do more in this area through stronger support to private sector, especially for small and medium enterprises.

KMD, ACBF: What would you consider as desired reforms for improved governance of the World Bank in order to give Africa a better voice in the organization?

Dr. Madavo: There are a number of ways or indicators that one can look at. One is of course that we are under-represented tremendously on the Board of Executive Directors that essentially oversees the Bank. The voice of African countries and their concerns are in many ways muted, not because these Executive Directors are not able to give adequate attention to the countries they

represent, but it is mainly as a result of the sheer scope or extent of coverage. Each Director represents over 20 countries. I think African countries would have to be better represented on the Board. In turn, African governments should appoint strong people to these directorships, which has not always been the case in the past.

I think a second area of reform that one can look at is the degree of African presence in the staff of the World Bank. The presumption is that the more Africans we have would affect the institution two-fold. First, they would bring into the institution a much better appreciation of African conditions and aspirations due to; their particular associations with these countries; Second, an increase of African presence in the staff would change the institution's culture, which has tended to look down on Africans.

It's difficult to get the best and the brightest to work on Africa because the incentives are set in such a way that people choose assignments on visible and successful countries. I bet Africans would change somewhat the culture and be happy to work on Central African Republic or Chad than on Korea. I say this from personal experience, having spent some years as Country Director for East Asian Countries, including Malaysia, the Philippines, Korea, Thailand, Vietnam, Laos, and Cambodia. What was interesting was that when I visited South Korea, my itinerary and meetings were so well arranged. All the people I met with would sit up all night to prepare the information and present their case when we met with them. So I used to say to my staff: What are we doing here, what is the value added that we bring? By contrast when I was in Laos, I felt very much that we were making a difference because the Laotian situation was quite comparable to that of most African countries – limited capacity and real problems where, if you were knowledgeable and empathetic, you felt you could make a difference.

A third aspect in which a greater African presence in the staff could contribute would be that ultimately some of the senior people who sit in the councils and make decisions would be Africans with a much better understanding of some of Africa's development challenges.

The first African Vice-President was Timothy Thahane from Lesotho, who was Secretary and Vice-President of the World Bank at the end of the 1970s-early 1980s. However, we never had an African for an Operational Vice-Presidency until my appointment as Vice-President of Africa Region. That was a position where I could exercise some power, make decisions in terms of staff deployment and spending of the administrative budget. I could make a difference going out for instance to Chad and meeting with President Idris Deby, trying to understand some of the real challenges that he faced and coming up with ways in which we could support him. Because I am African, I believe I had a much greater degree of trust from most of the continent's Heads of State, Ministers, and leaders, and therefore I made considerable impact.

I hope that, in my pioneering role as Vice-President in an Operational Vice-Presidential Unit, we have established, in fact, a marker for more African Vice-Presidents in the future. In particular, my hope is that the Vice-President for Africa will always be somebody who understands Africa, and who better than a capable African? Those are some of the ways in which I think the representation of Africa within the Bank could be strengthened: reflecting a stronger voice through the presence of Vice-Presidents of the World Bank and increasing the number of Executive Directors representing Africa; and ensuring a greater African presence among the staff, including at the senior level where decisions are made.

KMD, ACBF: Are there encouraging leads that point to prospects that some African countries will emerge like China, India or possibly Brazil as strong growth poles before the MDGs come up for assessment in 2015?

Dr. Madavo: Actually it's quite encouraging to see the developments over the last fifteen years, particularly since the late 1990's about ten years or so now during which overall growth rate of African economies has picked up. We are talking about growth rates in the range of 5 to 6 percent, with some countries doing even much better than that.

The reason for some of this turnaround that we are beginning to see, hopefully it is a lasting turnaround, is that I think, there has been much progress in terms of policy. At the time when I was appointed Vice President of Africa Region, the macro indicators in SSA, such as inflation rates and budget deficits, were on average way out of line and very indicative of unstable macroeconomic situations. There has been a huge turnaround in some of those indicators. I think there has been an effort by Africans to implement better policies. But at the same time, the overall international environment has improved. As a result, Africa's exports are fetching better prices, thus generating larger foreign exchange revenues than before. This is attributable to the emerging role of China, India, and to a certain extent, Brazil, in the world economy. In other words, the overall base of the global economy has been diversified. It is no longer just the United States although, of course when the United States sneezes, you tend to have all kinds of implications in the global economy at large.

But let me go back more directly to your question: are there indicators of countries that are doing much better? I would say there are a number of countries where growth rates have picked up: you have, for example, in East Africa, a very promising kind of growth occurring in at least five countries: Uganda, Kenya, Tanzania,

Rwanda, and even Ethiopia, a relatively poor country which is doing much better when you look at the numbers. On the West African side, I think, you have countries like Ghana, Benin, and Burkina Faso that are doing well. Unfortunately, Côte d'Ivoire is just emerging from conflict, which has affected the way growth is taking place. In Southern Africa, you have, of course, South Africa's robust and strong economy, Namibia, and Botswana. Angola has picked up in part because of oil resources and minerals and then, you have smaller economies like Mauritius, Mozambique, and Zambia, which are also performing well.

Consequently, there are several bright spots in the African terrain where one begins to see an Africa that could really pick up and further accelerate growth. At the same time, I am not naïve. I know the realities. There are also countries where the potential is being wasted. And the poster child of this sort of situation is my own country, Zimbabwe, where a few years ago expectations were high, but recent developments have been a source of tremendous disappointment. I have already mentioned Côte d'Ivoire as another country that was doing very well on the West African side but today it's mired in civil conflict, diverting attention away from development, and in need of security and stability.

HIGHER GROWTH RATES REQUIRED IN BIG COUNTRIES

The other thing that we need to be aware of as Africans is that about forty percent or so of our people live in five countries: Nigeria, South Africa, Ethiopia, Sudan and the DRC. Except for Ethiopia and South Africa, these countries are not among the afore-mentioned countries with encouraging growth rates. Unless our big countries really begin to pick up, we can have really good growth rates in countries like Botswana, which has a population of about 1.7 million. As a result, we have more poor people

than the averages might indicate, as these averages are based on smaller countries growing faster and bigger countries lagging behind.

KMD, ACBF: What explains this differential in growth rates between the countries that are doing well and those that are not doing well? What separates them? What is the explanation?

Dr. Madavo: One of the explanations that might be key to understanding this issue is the question of leadership and governance. Take a country like Nigeria, rich in resources and enterprising people, but a politically restless country where issues of transparency, poor use of resources and oil revenues have marked its history.

DRC was the only country that hosted a war in the last decade that involved a number of other countries. In my view, President Joseph Kabila is doing his best to begin to lift the country out of the turmoil. But again, governance is an issue here: DRC is very difficult country to govern due to its large size and the fact that it is very decentralized. In spite of recent progress, you still see pockets of instability in the north-east part of the country.

Both leadership and governance are important. On governance, allow me to elaborate a bit. There are political as well as economic dimensions of governance. Are people actually participating politically and holding their leaders accountable? Are they participating in the economy? Do we have an environment in which if you have some savings, you would want to invest, and through wise investment and hard work, you can make some profit and be allowed to keep it? Or do we have an environment in which basically, there are cliques and smaller groups of people who have monopoly access and are constantly fighting to keep the system closed, both politically and economically, thus creating a

structure that is not responsive to the needs of ordinary citizens? I think this has been a huge explanatory factor in Africa's lagging growth and development.

South Africa is a little different in a certain sense although I lump it in the bigger countries discussed above. The growth rates have not been bad particularly if you compare the current situation to the apartheid era. The country has been making steady progress and I think Trevor Manuel, the Minister of Finance of South Africa, Tito Mboweni, the Governor of the Reserve Bank of South Africa, and President Thabo Mbeki, a strong leader with a vision, all have contributed significantly to the economic achievements of that country.

KMD, ACBF: From SAPs to PRSPs and Medium Term Expenditure Frameworks: Is the Bank getting it right in the African context? Does Africa need this much policy intervention/guidance by the Bank? How would you estimate the level of Bank involvement in the management of African economies? Is the level a reflection of inadequate capacity in Africa or just sheer inability or weakness of African governments? Or is it both?

Dr. Madavo: I think an honest assessment would have to admit that the World Bank and its sister agency, the International Monetary Fund, have been too powerful in Africa and too intrusive. It's quite interesting because in the seventies, while they were important in Africa, they were not quite as dominant and domineering. The power of these institutions came to the fore in the eighties during the period of structural adjustment. What was structural adjustment all about? There were two components to it: one was the emphasis on macro- economic management, making sure that the state lived within its means even if that implied reducing social sector (education, health) expenditures. The second component is a policy stance, which supported

liberalization and markets – a belief that markets could solve everything and therefore, the state and its role should be diminished; in short applying a “more markets, less state” model to every situation regardless of the differing specifics of each country.

INTERVENTIONIST POLICY AND FAILED AFRICAN STATES

The Bank together with the Fund have just been too powerful and too interventionist, tending to dictate policy on African countries. However, the fact of the matter is that the IMF/WB policies did not produce the desired results. The Africans were dragged onto this path as kicking and unwilling participants, and understandably so, because they were basically asked to give up their leadership role to outsiders, who were only too keen to play that role, and the bribe on the table was an increase in foreign aid. And, of course, since these countries were strapped and needed the money, they agreed to things that they should not have agreed to and, often, had no capacity or the intention to implement.

My view is that Africa and African leaders abdicated their responsibilities in the eighties and gave too much space to the World Bank and to the Fund, which was not constructively utilized. How do we know that? Because of the results that came out of this painful decade of structural adjustment. Sure, we learnt something and we begin to see some improvement in policy, which is important. Nonetheless, poverty increased, and the Bank destroyed the state's capacity in many countries during that period.

INADEQUATE CAPACITY AND LACK OF ASSERTIVE LEADERSHIP

You asked whether this interventionist drive by the World Bank was a result of the vacuum in terms of capacity that had to be filled. Yes, capacity had been a real issue in Africa.

Leadership-cum-capacity has been a real issue in African development, initiating a reflection on capacity building. In fact, this was the reason that led to the creation of the African Capacity Building Foundation (ACBF).

The debate in the end 1980s-early 1990s focused on the reasons why Africans were being pushed around so much. The lack of capacity was cited as being the main factor and we needed to build that capacity. What was very interesting is the fact that the World Bank, when dealing with a country like India for years, has not been able to push India around because the country had the capacity and the standing: India knew who India was and where it wanted to go.

You know, I had another similar experience when I was the Country Director for Vietnam from 1991 to 1995. I used to negotiate with the Vietnamese on behalf of the Bank. The Vietnamese knew what they wanted and couldn't be pushed around. I used to say to myself: I now understand why the Vietnamese were able to defeat the Americans during the Vietnam War. These are a determined people. They know what they want for their country and they know where they want to go. And again leadership and capacity matter, although, in this particular case, the Communist Party was an ideological component to this discipline.

When I come to Africa, the only countries that I can think of where I saw some of the same kind of determination were few. There are at least three and they may surprise you: Ethiopia, Eritrea, and Rwanda under Paul Kagame, where you can find disciplined leaders who know exactly what they want and are not going to be pushed around. In too many African countries, we have lacked not just capacity but the kind of determination and self-assertion that enable people to articulate well where they want their countries to go and to the ability to say “no” to outsiders who come bearing “gifts”.

KMD, ACBF: *I thought you were going to mention Zimbabwe in terms of being clear in terms of where it wants to go and being self-assertive?*

Dr. Madavo: I think Zimbabwe is an interesting case because, in the eighties, that certainly was an admirable quality with a kind of self-confidence, which was inclusive of the leaders and the people. I think what we have seen lately is an assertiveness but not always in the interest of ordinary Zimbabweans. Certainly some of the assertiveness that we have seen in the last decade or so has served the elites some of whom are corrupt while ignoring the needs of ordinary citizens; but that's not the kind that I see in, say, Rwanda or Ethiopia.

KMD, ACBF: *Having retired from the Bank, how best can you put your knowledge, skills and experiences to use in promoting growth in Africa?*

Dr. Madavo: Well, one of the things that I am prepared to do and have been doing is to provide advice when called upon. For example, I am currently working as Senior Advisor to the High Level Panel of the African Development Bank (AfDB), a Panel that is looking at the strategic vision that should guide the AfDB over the next five to ten years. In addition, I have been active in a number of fora where I speak on behalf of Africa, trying to make sure that the African perspective is brought to bear in the international discourse on development. I am, of course, willing to provide advice and support at individual country level. I have also been working with a number of charity organizations, especially those concerned with diseases of the poor – malaria, tuberculosis (TB), and HIV/AIDS.

When I was at the World Bank and saw what HIV/AIDS was beginning to do to Africa, I championed the role of the World Bank in

dealing with this issue. I have since continued after my retirement to be associated with a number of organizations and foundations that are working in this particular area.

KMD, ACBF: *Don't you think it is opportune for you to return to Zimbabwe, having retired, to contribute to efforts in addressing some of the challenges facing economic governance in the country?*

Dr. Madavo: The ideal would be for me, if Zimbabwe were at a different place, to play some role vis-à-vis my own country. But the constellation of forces and the politics at the moment is such that this is not an easy thing to do, particularly if one wants to be honest about what is working and what is not working, and about what should be done and what should not be done. I would probably fall out of the game on the first day on the job in Zimbabwe, because I don't think that I would be saying the things that the powers would want to hear.

There are many Zimbabweans who find themselves in the same position that I am in, which is, seeing your country self-destructing, but being powerless to do much about it. On my last visit to Harare in July 2006, there were times when I felt like crying, given what I saw and then comparing it to what Zimbabwe was like in the 1980s and 1990s. One wished one could do something; I wish I could make a difference. But there has to be an authorizing environment which would allow one to contribute, and I think the environment at the moment does not allow a lot of Zimbabweans who are outside like me to think that they can make a meaningful difference. Let's wait and see what opportunities the future will bring. (The Unity Government now in place may open space in the political and economic environment if the GPA is fully implemented. One could envision the return of many skilled Zimbabweans now in diaspora).

KMD, ACBF: *Back to your time at the World Bank: What were your most challenging moments during your tenure as Vice-President in the Bank? Where was the peak or the most fulfilling achievement of your career in the Bank?*

Dr. Madavo: Let me start with the most fulfilling achievement and I will come back to the challenges. In many ways, having an African as Vice-President for Africa Region or just having an African as a Vice-President in an Operations Unit in the World Bank, was a pioneering effort that I am proud of. The question that was always in the back of my mind when I was in this job was: Was I, in my performance, going to open up opportunities for those who were going to come after me? In other words, was I going to be successful enough such that Africans, African leaders, and international partners, the internal constituency in the Bank would say: Here was a successful Vice President and we need not fear having an African as a Vice-President because an African can do the job as well, if not better than a non-African?

EARNING THE TRUST OF THE AFRICAN LEADERSHIP

I believe I played that pioneering role successfully. I think I was by any measure a reasonably successful Vice-President for Africa overall. One of the things that contributed to my success was that, very early on, I knew that I had to have the trust of African countries and leaders so that they would see in me somebody that cared about Africa and Africa's agenda. Yes, I may be an international civil servant in some sense, but I believed that it was going to be important that everyone sees that I didn't forget where I came from. I think that was something that led to a certain degree of trust with a lot of African leaders that enabled me to deal with some very sensitive and difficult issues

I will give you some interesting examples. I got

to know Nyerere very well, but of course after he had left office. He had his house in the village at Butiama near the lake where I went to visit him a couple of times and had wonderful conversations with him. He was very open with me and gave me advice, which I found very useful. I was in Lusaka at the time that the Ethiopian-Eritrean war began. A Reuters reporter runs into me and says: So what do you think about this war between Ethiopia and Eritrea? Without being discreet, I said they have no business fighting over this piece of barren land and that the war they should be fighting should be against poverty in their respective countries. The following day, the newspaper headline was: Madavo condemns the Ethiopians and Eritreans over the war. Meanwhile, up to this point, I had been getting along very well with Prime minister Meles Zenawi, and President Issaias of Eritrea. My first thoughts were: I am in hot soup here! So, I phoned Asmara and Addis to request audience to see the President and the Prime Minister and explain myself. So I went. I went to Addis and Meles welcomed me saying: I know that you are concerned about the way you were quoted. You were right.... You were actually right that we should be fighting for the development of our countries and it's important that somebody who cares says so. He then said: What you say does not take anything from the strength of the relationship that we have with you given the way you have served our country. I went to Eritrea and got the same kind of message. The President said: Madavo, we know you, we have worked with you, we know what you were trying to say. If it had been at all possible, we shouldn't have started the fighting because it takes away our attention from the real issues of development.

I mention this issue of trust because I felt I was effective in my job in part as a result of the trust I developed with the African leaders. I could mention a lot others, such as the very interesting conversations I had with President Deby of Chad on the difficult issues regarding the Chad-Cameroon oil pipeline and the way in

which the revenues were going to be used. But I was always trusted and well received because people knew that I was committed to Africa.

FIGHTING HIV/AIDS

I think another highlight for me was the difference I made at the Bank on the issue of HIV/AIDS in leading the campaign with others for greater allocation of World Bank resources to HIV/AIDS. I remember those days well; a lot of people would look at me and say: There is the World Health Organization (WHO) and several other institutions, why should the World Bank be concerned? I would respond: Because HIV/AIDS is destroying the development achievements that had been realized in these countries. I carried with me the chart that showed life expectancies in Botswana and Zimbabwe dramatically falling. When arguing, I would pull it out of my pocket, put it on the table, and say: Well, does it make sense to provide a lot of 'development assistance' when the epidemic is devastating the country and the people? We went to our Board and succeeded in getting \$500 million with an understanding that, if we used that \$500 million, I could go back to the Board to secure an additional \$500 million. We were also able to persuade the Board to accept the fact that a large share of this money should go in the form of grants and not loans. I think the Bank stepping to the plate on the issue of HIV/AIDS enabled and, in some sense, challenged other partners to step up as well. I think it was out of some of these efforts that the debate to set up the Global Fund emerged and we got the Americans to be much more open, leading later to President Bush's Emergency Program on HIV/AIDS, the President's Emergency Plan for AIDS Relief (PEPFAR) Program and other similar initiatives.

Today, the contribution by the Bank is not just in terms of financing because there is much more money available today for HIV/AIDS than in the 1990s. But I think the Bank could

continue to make a difference by conducting analyses, and disseminating what works and what doesn't work, among others. Another area I am currently working on with some friends is how we might be able to encourage major players such as the UNAIDS, the Global Fund, PEPFAR and the World Bank, to support a Special International Initiative on HIV/AIDS in Southern Africa on the basis of a regional approach to support the countries. As you know, Southern Africa is the epicentre of the epidemic.

INVESTING IN AFRICA'S INFRASTRUCTURE DEVELOPMENT

One of the challenges I faced during my tenure as Vice-President for Africa was the fact that I considered infrastructure as a key component of development, but this went against the developments in the international environment, which was shifting from infrastructure towards the social sectors, such as education and health. So we had to present strong arguments for projects like the Chad-Cameroon pipeline, as some were saying: Let's leave the oil in the ground because the Chadians are not going to know how to use the revenues, even with that poverty around them. We agreed to it as it was not popular in the international community to engage in huge infrastructure like pipeline projects but I said:

Look at where Africa is, say, compared to the US in terms of water storage. There was much storage capacity created in other parts of the world compared to Africa because they built their dams when nobody questioned whether building dams was a good idea. If we are not careful, we will in fact be, as it were, safeguarding Africa from development by saying we are not going to do dams, we are not going to do infrastructure.

And I remember we had a big raucous meeting of senior staff and I remained adamant about it. My Managing Director called me afterwards

and said: You are right but be careful, you might be alienating a lot of people whose support you need. I agreed but on the understanding that there would inevitably be key issues distinct to Africa on which I felt strongly and would need to speak up, as the days of 'one template fits all' must be left behind. I said that my task is to argue for Africa and if, from time to time, I may overdo it that he and the President should not hesitate to inform me and guide me. By and large, I was allowed space to affirm African priorities as I saw them.

The other point is quite a curious one, related to in part psychological history. Our leaders and our people, for a long time, preferred to get advice from white people. Even when these white people said things that did not make sense, they tended to be accepted. On the other hand, while there are bright and able black people, they were usually not listened to. So one of my challenges clearly was and goes back to the issue of trust that I was talking about earlier to project through to African leaders that I was as good as anybody else. In fact, I was even probably better because I understood the issues and was committed to Africa and Africans. Overall, I was respected once I got to be well known in most countries. Earlier on, I talked about the fact that I was a pioneer. I was a pioneer right from the time that I became a Manager at the end of the 1970s-early 1980s in the Bank, when the whole issue of Africans in the Bank being accepted to responsible positions was not something that one could just take for granted. One had to work at it, to push and demonstrate that one was as good, if not better, than a lot of other people. Fortunately, it wasn't much of an issue since most of my staff had the opportunity to know me well in the Africa Region.

KMD, ACBF: What are your views on political governance and leadership generally in Africa?

Dr. Madavo: I think this is Africa's huge challenge this is our biggest challenge. Standing back, I remember when I was in high school we talked about and admired Kamuzu Banda, Julius Nyerere, and Kenneth Kaunda. All these were the leaders of the African independence movements in the Eastern and Southern Africa and I remember reading the Daily News and being very excited about these developments as a schoolboy. This was a period when there was an opening of political space and all these liberation movements were, in fact, very much inclusive and participatory.

The 1970s and 1980s witnessed the closing of political space, the suffering of African people under structural adjustment, and the demands of the people as things didn't improve. The democratisation movement was launched in the late 1980s and early 1990s, re-opening the political space to citizens and civil society, hence more elections and transitions of leadership in a number of countries.

ACCOUNTABLE AND PARTICIPATORY LEADERSHIP, KEY FACTOR FOR PROMOTING GOOD GOVERNANCE IN AFRICA

This has not yet taken root in a way that has become routine, clean and sustainable. The election in Nigeria, if you recall the way it was conducted, was appalling for a country the size of Nigeria, the sophistication, and the creativity that we see in a lot of the Nigerians that we know. And, of course, we have talked about Zimbabwe. There has been a tendency on the

part of our leaders to hold onto power and the elites to be gatekeepers, restricting access, controlling the gate and ensuring that nobody else gets near to it. Therefore, we have a huge problem of promoting good political governance and setting real conditions for democratic dispensation, participation, transparency and accountability.

Part of the challenge lies in creating the right environment in which ordinary citizens can hold their leaders and the political system accountable. However, there is a kind of disconnect between the people on the one side and the elites and the leadership on the other side. There isn't a real marrying of the interests of the elites and those of the ordinary people. Political institutions are not working. Nobody among the elites ever loses and, if occasionally some of them do lose their positions in Parliament, as is the case in Zimbabwe, they can be reappointed and sit in the same place feeding off the same trough where they have been. So I think we have a huge issue there.

The other thing that I would like to mention is my excitement about the developments in the late nineties, which led to the formation of NEPAD, the transformation of the Organization of African Unity (OAU) into the African Union (AU), and the launch of the African Peer Review Mechanism (APRM) system, among others. These initiatives were indications that Africans reclaiming the development agenda from outsiders, spelling out a vision of where Africa will be going and inviting external partners to support, and not to dictate. In addition, in a number of places, we have witnessed the beginnings of greater involvement of ordinary people, either through civil society and other mechanisms, which create conditions for increased participation. However, we need a mechanism to enable the ordinary citizens to hold their leaders accountable.

KMD, ACBF: Poverty seems to be taking an African face. What do you think are the prospects of that changing?

Dr. Madavo: Well, I think what's interesting is that recent developments present hopeful signs. The number of the poor defined as people living on less than one dollar a day has become stable. In some countries, we see actual reductions in poverty levels as is the case for Uganda and Ghana. If we can get a critical mass of African countries growing at similar rates, then we can begin to change and reduce the number of the poor. My concern, as expressed earlier, is that the larger countries are not performing, thus for a significant impact, we have to get the larger countries on the growth path, but that remains a challenge.

V. CONCLUSION

In sum, the World Bank policy towards Africa has evolved to become more decentralized, based on a bottom-up and participatory approach in its dialogue with and programs in Africa. However, the World Bank needs to improve African representation within the various structures of the institution, with a view to strengthening the voice of the continent in terms of decision and focus on African-related issues. By the same token, African countries should address the lack of good leadership and governance, two critical factors affecting the development of the African continent and its relationship with the World Bank. African leaders should be inclusive of their people, responsive to the needs of their countries, and more assertive in their relations with donors, including the World Bank.

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