

Partnership in action

By **BOUBACAR TRAORÉ**

RESIDENT REPRESENTATIVE, AFRICAN DEVELOPMENT BANK GROUP, ALGERIA



BOUBACAR TRAORÉ graduated from the National Administration School in Mali, where he spent his early career. After postgraduate studies in the US, in 1987 he joined the World Bank and in 1991 the AfDB, where he has held a number of posts including bank representative in Gabon and Equatorial Guinea. In 2012 he was made lead economist reviewing AfDB operations. He has been the bank's resident representative in Algeria since February 2014.

Algeria and the African Development Bank (AfDB) have had a fruitful and exemplary partnership ever since the bank's creation in 1964. A founder member of the bank, Algeria continues to play a leading role as a key shareholder, helping to make the AfDB a credible and respected institution. Algeria is the fourth-largest shareholder out of the 54 regional member countries of the bank, and the sixth largest shareholder among all 79 member countries of the AfDB, whose capital now amounts to US\$104 billion.

From 1971 to 2006, Algeria benefited from the bank's financial support and expertise in 40 reform programmes and development projects, in strategic sectors such as infrastructure, finance and agriculture, as well as promotion of small and medium-sized enterprises (SMEs). With this financing, amounting to US\$3.4bn (of which 43 per cent was in infrastructure), the bank has been able to accompany Algeria through all the phases of its socio-economic development.

In addition, 150 other projects have been funded on credit lines from the AfDB to the Algerian Bank for Rural Development, and *Crédit Populaire d'Algérie*, to the tune of 42.7 billion Algerian dinars (DZD). More than 8,000 jobs have been created, contributing to the diversification of industry and to the boom in SME activity. Projects involving the manufacture of agricultural inputs and the institutional support for the poultry development centre are tangible links in the partnership chain between Algeria and AfDB.

Projects for the transport and distribution of gas by Sonelgaz, co-financed by the AfDB, have enabled gas distribution networks to be put in place in 163 localities, connecting more than a million Algerian families to low-pressure gas, and 440 SMEs to medium-pressure gas. Moreover, the completion of the *Projet Électricité IV* in 2001 brought Algeria's level of electrification up from 92 to 96 per cent. This helped reduce poverty by allowing vulnerable social groups to create, by the thousands, income-earning activities, and to create lasting jobs, especially on the outskirts of cities and in the countryside.

The project to establish a drinking water purification and supply plant for the city of Sidi Bel Abbes and seven subsidiary localities has given more than a million Algerians increased access to drinking water, with a positive impact on their

welfare and health. This project has allowed a reduction in water losses and an end to the over-use of underground reservoirs.

Another 'jewel' of Algeria's partnership with the AfDB was the creation, between 1989 and 2003, of a maintenance base for Air Algérie. The airline plans to increase its transport capacity from 6 million passengers in 2013 to 20 million by 2019 with the acquisition of new aircraft.

Above all, however, the AfDB stayed solidly in support of the Algerian government during the difficult decade of the 1990s. Since then, Algeria has passed to a new and higher phase of its development, and decided in 2004 to suspend all borrowing from the multilateral financial institutions.

The policy of debt reduction enabled it to make early repayment of all its external debt, including the sum of US\$1.4 billion to the AfDB. In this context, the priority in the partnership between Algeria and the bank has become technical assistance, training, carrying out of economic studies, promotion of the private sector and economic integration within Africa, in particular the multinational construction of the Trans-Sahara Road from Algiers to Lagos in Nigeria.

The government's five-year plan for 2015-2019 envisages a growth rate of 7 per cent, aimed at turning Algeria into an emerging economy. The important programme of public and related investments, estimated at DZD 21 trillion [21,000 billion], or close to US\$ 263 billion, offers a real perspective for a step change in the relationship between Algeria and the African Development Bank, notably in the strategic areas of economic and financial governance, the improvement of the financial system, and the industrial transformation of the country, especially via the private sector, in order to help embed the country in global value chains.

Certain key areas with strong demand for qualified people, such as in modernising the banking sector, insurance and the stock exchange of Algiers, could benefit from the support of the AfDB. This includes improvement in the quality and productivity of public spending, the upgrading to G-20 standards of public procurement, as well as the promotion of guarantees in support of foreign direct investment in partnership with Algerians at home or the 7 million of the diaspora. **F**