

African Development Bank Bill to face inquiry

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The bill for an act to enable Australia to join the [African Development Bank](#) (AfDB) has been referred to a senate [inquiry](#), opening the door for public submissions.

The [African Development Bank Bill 2013](#) was referred to the Senate Foreign Affairs, Defence and Trade Legislation Committee on [June 18](#), after [two readings](#) in the lower house. The Senate has asked the committee to consider in particular the additional financial and human resources that may be required by the Treasury and AusAID to support Australia's engagement with the AfDB. The committee will also look at the effectiveness of the bank's governance structures.

The [very succinct bill](#) (explained in [this](#) almost equally succinct memorandum from the Treasurer) provides for Australia to become the 80th member, after South Sudan, of the Tunis-based AfDB. Australia will acquire shares in the bank worth about \$1.5 billion. Of this, only \$88 million or so is required to be paid in; the rest is 'callable' but unlikely ever to be called. The bill further provides for an initial Australian contribution to the African Development Fund, the bank's concessional financing arm, of about \$161 million. Depending on exchange rates, that might make us about the 14th largest contributor to the fund, on par in percentage terms with our contribution to the equivalent World Bank fund. Payments against these commitments would commence in the 2014-15 financial year.

The committee is now calling for submissions by July 17. Its reporting deadline is 20 August. It is not certain the committee will undertake public hearings given that parliament is about to rise – and also that the proposal to join the AfDB was previously [examined](#) by the Joint Standing Committee on Treaties in March (which recommended 'binding treaty action'). However, we have been assured its report will take careful account of written submissions.