



AFRICAN DEVELOPMENT BANK GROUP

# Valedictory remarks at the African Union Summit

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Mr. Chairman.

Excellencies, Heads of States and Governments.

Ladies and Gentlemen.

Thank you for this opportunity to say good bye to you after ten years in office as President of the premier development institution on this continent, the African Development Bank.

When I was given the confidence and honour in 2005 to lead the Bank, Africa's performance was, for the first time in two decades, fast accelerating.

Africa had at last begun to reverse years of decline.

That dynamism has been maintained, despite the global financial crisis and the slowdown in some of the largest economies in the World.

In my decade in office, I was determined to focus on the Bank's activities in those areas that could assist our countries to build resilience to external shocks, to remove persistent growth obstacles, expand opportunities for investment, and unlock Africa's internal market.

These were essentially four areas:

- (1) Launching a big push in infrastructure.

- (2) Leading from the front on private sector investment.
- (3) Supporting the AU and the Regional Economic Communities in the agenda of economic integration.
- (4) Putting in place a special programme for countries emerging from conflict.

In the last ten years, the Bank under my leadership has committed 28 billion USD for infrastructure, 11 billion of which have gone to the energy sector.

We have given special attention to cross border infrastructure, regional power pools, centers of excellence and regional public goods.

As I leave the Bank to the leadership of Dr. Adesina, my elected successor, I offer him my warmest congratulations.

I am certain that the Bank's support to you will be taken to a new level, consistent with the needs of our continent today.

The African Development Bank marked its fiftieth anniversary this year. When it was established by the founding fathers in 1964, they had high expectations.

The African Development Bank I leave behind is an Institution whose franchise value, relevance, and resilience we can be proud of.

It is an Institution in very robust financial shape - with the highest possible ratings.

Its capital base is up by 200%.

Its portfolio has doubled, and its ability to leverage private capital is as strong as it can be.

It is a Bank which will continue to serve you well.

Let me offer to you my congratulations for the adoption of the Continental Plan – ‘Agenda 2063:the Africa we want’.

It is an excellent plan.

It contains everything.

This is what the people of Africa will be expecting.

Remember we have the Abuja Treaty and the Lagos Plan of Action.

We have learnt lessons which must now lead us to implementing this Plan.

We should remember that the most important elements for any plan are an implementation strategy, follow through, and building execution capabilities.

At this Summit, you are taking a highly symbolic decision to abandon the 'handheld hoe' by 2025.

I can only say - well done.

I cannot imagine a greater symbol of the backwardness of our agricultural sector.

By that very symbolic act, you are actually saying indirectly that it is possible and feasible to

eliminate absolute poverty by 2025 from the face of this Continent.

It can be done, but nothing is preordained.

There are conditions for success; those are well spelt out in Agenda 2063.

Allow me to pick a few:

**First:**

A peaceful and stable continent.

There will always be tensions, here and there, but the cycles of violence which start and stop are something we must end.

It is not simply the impact on countries concerned, but also the regional spillovers and neighborhood effects.

**Second:**

With a population growth that remains strong, as high as 3.4% in some countries, economic growth of 4%, 5% is not strong enough.

We must strive for 7% and above.

This is feasible.

But it will require that the problems of energy and non-tariff restrictions are resolved.

**Third:**

Economies must grow at above 7%, but they have to grow equitably.

No country has managed to fully resolve the issue of inequality.

What I am talking about is a growing economy that provides opportunities for all, men and women, all regions, all groups, and ensuring that no group considers itself a permanent loser.

In addition, lack of inclusion stifles the consumption power of the middle classes, squanders talent, generates frustrations and hinders growth.

What needs to be done is well known, and many countries in this room are doing it.

From the theme of this Summit, from gender, to small businesses, to agriculture, etc.

Today I would like to make a special plea on two things which I think are most effective in ensuring inclusive societies.

**Number one:** Ensuring quality primary and secondary education.

In other words, not simply high enrolments, but viable learning outcomes.

**Number 2:** A special plea for safety nets, ensuring that no one falls through the net.

Countries well endowed with rich natural resources, in particular, can tailor programmes that are fiscally responsible and socially effective.

**Fourth:**

Faster progress on unlocking the potential of Africa's internal market.

I very much welcome the Tripartite Agreement, signed in Sharm el Sheikh.

Let us address, in particular, Non Tariff Restrictions, and orderly managed free movement of bona fide travelers such as business people.

The world today survives on a combination of a strong export model, backed by a dynamic internal market.

It is often said that only 12% of Africa's trade is internal.

In fact in three regions of Africa, trade performance is very encouraging; it is in the high twenties.

Let me end by making this observation.

The global economy today is very different from the one we knew 20 years ago.

Fundamental, even seismic shifts are underway - as in the market for oil, and in the nature of global trade and value chains.

Even with strong economic growth in recent years, we are not generating enough jobs and we

are still operating at the lower levels on the ladder of global value chains.

The relative shares of agriculture and manufacturing have in fact declined as services have expanded.

In short, our fight for economic transformation remains intact as spelt out in the Agenda 2063.

Since the global financial crisis in 2008, the world economy is not yet out of the woods.

We must remain vigilant, strengthen macroeconomic foundations, manage both internal and external debt, and control deficits

and inflation, as we have done so well over the last eight years.

During the global financial crisis, Africa showed the world that we know how to manage our affairs.

There was a second level crisis on the real economy, but our banking and financing sectors remained intact.

Macroeconomic stability - the foundation for any sound economy – was achieved in the 1980s and 1990s, and it must be guarded jealously.

However, it is not a sufficient condition, but definitely a necessary one.

I want to end by saluting two of your decisions:

- (1) A review of the working of the AU Summit, to make it a well functioning machinery for decision making; and
- (2) The emphasis you are putting on how Africa funds her institutions and her development.

Running our institutions on the goodwill of others is not a sustainable proposition.

At a broader level, it is in that spirit that as I leave the AfDB, I put on your table the proposition that another big push on infrastructure is needed.

From maritime ports, rail, highways and IT.

A special effort on energy in **ALL** forms will be needed.

Even with all the current domestic and external resources put together, there remains a large financing gap.

It is large in comparison to the needs, but it is trivial in comparison with the international pools of savings - for which Infrastructure, but not all types, can be an interesting asset class.

Charity begins at home.

For us to mobilize international private capital in infrastructure, we must begin by mobilizing our own domestic long term savings.

That is why, as I leave the Bank, I leave you with a new vehicle and mechanism for funding Africa's infrastructure, known as **Africa50**.

It has been incorporated, with the Bank as sponsor and core investor.

This vehicle is founded on mobilizing Africa's own savings - and leveraging international private capital for transformational infrastructure.

The Bank is providing 100million USD for project development, and investing up to 1/2 billion USD.

Up to yesterday, over 20 African countries have subscribed to be founding members.

The next step will be mobilizing African and foreign institutional investors.

I commend this initiative to you Leaders, which could be transformational on the way we fund our infrastructure.

In a decade long tenure, there will be things I have done well and those where I had shortcomings or unintended consequences.

I most probably will have made some mistakes.

All I can assure you is that I meant to do well and I know you will forgive any such shortcomings.

Human action is like that.

Thank you for your confidence 10 years ago and for re-electing me unanimously five years later, and for your unwavering support. I know you will extend that support to my elected successor, Dr. Adesina.

So I bid you farewell as Bank President.

Let me tell you that it is an honour and a privilege for any son or daughter of Africa to be given an opportunity to serve Africa at this level.

For that reason, consider me always as a foot soldier of Africa's development in whatever I will be doing in the future.

Thank you and God bless you all.