

**Keynote Speech Delivered by African Development Bank Group President
Akinwumi A. Adesina at the Africa 2016: Business for Egypt, Africa and World
Conference, in Sharm el Sheikh, Egypt, on February 21, 2016**

Your Excellency, Abdel Fattah el-Sisi, President of the Arab Republic of Egypt;
Your Excellency, Muhammadu Buhari, President of the Federal Republic of Nigeria;
Your Excellency, Ali Bongo, President of the Republic of Gabon;
Your Excellency, Uhuru Kenyatta, President of the Federal Republic of Kenya;
Your Excellency, Macky Sall, President of the Republic of Senegal;
Your Excellency, Omar al-Bashir, President of the Republic of the Sudan;
Your Excellency, Hailemariam Delasegn, Prime Minister of Ethiopia;
Your Excellency, Sherif Ismail, Prime Minister of the Arab Republic of Egypt;
Your Excellency, Teodoro Obiang, President of Equatorial Guinea
Your Excellency, Faure Gnassingbé, President of the Republic of Togo
His Highness, the Aga Khan
Honourable Ministers
Members of the Diplomatic Corps;
Captains of Industry; Members of the Press
Distinguished guests, ladies and gentlemen.

I am honoured to join you here today in Sharm el Sheikh for the Africa 2016: Business for Egypt, Africa and World conference. I would like to commend His Excellency President el-Sisi and his Government for organizing this very important Forum.

I am delighted to be in Sharm el Sheikh that hosted the signing of the landmark agreement to open up trade between the East Africa Community, Common Market for East and Southern Africa and the Southern Africa Development Community – the boldest step towards the Continental Free Trade Agreement. There is no doubt: an open Africa will be an unstoppable Africa. Breaking down the barriers is the key to Africa’s long-term growth and prosperity. Your Excellencies, bring down these walls! With the leadership of the African Union, let us meet here again to celebrate the open Africa, one big united market that will guarantee Africa’s continued rise.

Let me state clearly that the “Africa rising” story is not over, despite what you might hear in the media. Yes, African economies face economic headwinds from the significant decline in the price of commodities, be it oil, minerals and metals or agricultural commodities. The slowed-down demand from China, whose economy accounted for a bulk of the trade with Africa, has compounded the current account situation and domestic fiscal imbalances for many countries.

But we must not believe the narrative of doom and gloom on Africa. Just look at the facts: while the global economy is projected by the IMF and the OECD to grow at 3% this year, Africa is projected to grow at 4.4% in 2016 and strengthen further to 5% in 2017. That is good news! African economies are not unraveling – they are resilient! Africa is still the best place to invest.

Nonetheless, Africa still faces challenges related to financing its development. Increasingly, African nations, taking advantage of the record low interest rates have rushed to the international capital market to raise financing by issuing bonds. Between 2006 and 2014, African nations issued Eurobonds of about US \$26 billion. While the rating of countries provides a point of strength for the economies – as long as real interest rates remained low – the challenge now is rising cost of financing the foreign currency denominated debt.

Africa must not fall again into the debt trap. To avoid it, there is need to urgently focus on macroeconomic stabilization and fiscal consolidation, and rapidly diversify African economies, broaden the export market destinations, and expand the export mix. And most importantly, Africa must shift its focus to domestic resource mobilization for capital formation for sustained growth.

Africa must tap into and securitize remittances for development. Africans investing in Africa sends a powerful signal: remittances to Africa have risen from \$11 billion in 2000 to over \$62 billion in 2014, far exceeding Official Development Assistance inflows. Sovereign Wealth Funds assets under management in Africa have risen from \$114 billion in 2009 to \$162 billion in 2014. Pension funds currently stands at \$334 billion. And Africa today generates about \$500 billion in domestic taxes. Africa must mobilize all these domestic resources to accelerate its development – that way it can decide its own direction and pace of growth. It can develop itself with pride.

Such is the level of pride I see in Egypt's development. President el-Sisi, your vision for Egypt is a bold one: you are thinking big, acting big – delivering with speed. Think about the \$8.2 billion Suez Canal expansion project that was completed in just one year, and whose funds were entirely mobilized by Egyptian citizens – all raised within 8 days! Think of the Capital Cairo project, a plan to build a new modern capital city at the cost of \$45 billion, with an audacious timeline of completion within seven years.

That is why I had the great pleasure of signing the African Development Bank's extended \$140 million co-financing support for the Government of Egypt for the Sharm el Sheikh Airport Expansion Project, bringing the Bank's active commitments in Egypt to nearly US \$2 billion. As a further mark of our confidence in the Egyptian economy, the Bank approved and fully disbursed \$500 million in budget support in December 2015.

The message and lesson are clear: African countries should accelerate their pace of growth and development. Africa must think big, act big, and deliver big. We must never have low aspirations for Africa. And the African Development Bank – your Bank – will be there to support you.

When I took over as the 8th elected President of the African Development Bank on September 1, 2015, I was elated at the greater possibilities that lie ahead of Africa and the role that the Bank can play. We have sharpened our focus to deliver more for Africa, faster, at scale, and in close partnerships with others. The African Development Bank will always be your development Bank of choice. We are here for you!

In 2015 alone, the Bank approved projects to the tune of US \$9 billion, with \$2.2 billion for private sector projects. The Bank is ‘AAA’ rated by all the major credit ratings agencies, an indication of the institution’s intrinsic financial strength, prudent management, sound liquidity policies and our very strong shareholder support. This enabled the Bank to borrow at very competitive rates from the capital markets – funds that are lent to our Regional Member Countries and the private sector.

We launched several innovative financial instruments to spur private sector growth. This includes the African Financial Markets Initiative to contribute to the development of domestic bond markets, boost private sector financing and improve the transparency of bond market data. We launched the Trade Finance Program, to reduce the trade finance gap, promote regional integration and boost intra-African trade by crowding in global banks and strengthening local African financial institutions. Over the past two years, the Bank approved over \$1 billion in trade finance lines of credit, risk participation agreements and soft commodity finance facilities. We have helped to establish Africa50, a private-sector fund to invest in infrastructure projects across Africa. Africa50 is currently capitalized at over \$845 million, with generous capital subscription of \$100 million from the Government of Egypt.

The African Development Bank is working to optimize its balance sheet to be able to deliver more for Africa. Thanks to an innovative exchange of sovereign exposure risks with other multilateral development banks, the African Development Bank has been able to free up an additional \$10 billion in capital to support our greater ambitions for investing in Africa’s future.

In 2015, the African Development Bank launched a \$240 million Private Sector Credit Enhancement Facility, specifically dedicated to private sector operations in fragile states. We also recently rolled out new financial instruments to increase our private sector outreach. These include Partial Credit Guarantees that cover scheduled repayments of private sector lenders against the risk of default, and Partial Risk Guarantees that cover private sector lenders against government defaults.

To further accelerate the development of Africa, the Bank has raised the bar on its level of ambition for Africa. We call them the High 5s for Africa: Light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the quality of life for Africans.

The first – “Light up and power Africa” – is to solve Africa’s electricity challenge. Over 645 million Africans do not have access to electricity – and 700 million go without access to clean cooking energy, with 600,000 dying each year from indoor pollution from reliance on biomass for cooking. Africa is simply tired of being in the dark. The African Development Bank has developed the New Deal on Energy for Africa to accelerate universal access to electricity in Africa by 2025. The goal is to add 160 Giga Watts of new generation capacity via the grid, deliver 130 million new grid connections and 75 million off-grid connections. The African Development Bank plans to invest \$12 billion in the energy sector over the next five years, unlock Africa’s huge and untapped renewable energy resources, and leverage \$40-50 billion into the energy sector. The Bank will also triple its climate finance to Africa to \$5 billion per year by 2020 to support climate change adaptation and mitigation efforts on the continent.

The second High 5 is “Feed Africa”. There is absolutely no reason why Africa is a net food-importing region, spending over \$35 billion importing food. Africa must feed itself – and Africa must become a global powerhouse in food and agriculture. With 65% of all the arable land left in the world to feed 9 billion people by 2050, Africa will have to feed the world. The Bank will accelerate support for massive agricultural transformation across Africa – while building resilience to climate change – to fully unlock the potential of agriculture, to lower food prices, save scarce foreign exchange, increase foreign exchange earnings, strengthen macroeconomic and fiscal stability, revive rural areas – and in particular, create jobs for hundreds of millions of Africans. We must change our approach to agriculture. Agriculture, across Africa, must now be taken as a business – to generate wealth and rapidly diversify our economies – not for managing poverty.

Our third High 5 is to “Industrialize Africa”. Africa currently accounts for just 1.9% of global manufacturing. There is an urgent need for Africa to rapidly industrialize and add value to everything that it produces, instead of exporting raw materials that make it susceptible to global price volatilities. The Bank will support private sector and financial market development for the rapid industrialization of Africa, and help Africa move to the top of global value chains.

Our fourth High 5 is to “Integrate Africa”. African trade currently represents only 2% of global trade and intra-African trade is just about 12% compared to 60% in Europe, and 35% in Asia. This is not acceptable. Regional integration is critical for boosting economic growth in Africa. The Bank will continue to invest heavily in high quality regional infrastructure – especially rail, transnational highways, power interconnections, information and communications, air and maritime transport. Just last week, we launched the first Africa Visa Openness Index and the findings indicate that African borders still remain closed to African travelers. Easing travel across the continent will reduce the cost of doing business and boost private sector activity.

The fifth High 5 is to “Improve the quality of life for Africans”. The Bank will accelerate investments in urban infrastructure, public health and nutrition, water and sanitation, education, vocational training and skills development. We will grow the next generation of knowledge-work force for the continent. The African Development Bank will soon be launching the Jobs for Africa’s Youth Initiative – which will work across all African countries – with the goal of reaching 50 million youths over a 10-year period and stimulate the creation of 25 million jobs. It is expected to add an additional US \$30 billion to African economies. More importantly, it will help us to stem the tide of migration within Africa and into Europe. We will keep Africa’s youth in Africa by expanding economic opportunities. This will help Africa to turn its demographic asset into an economic dividend.

And achieving a greater economic dividend for Africa is why we are here today. The presence of several Presidents and Heads of State and Government and the large number of private sector leaders together in this hall today – all with one common goal of projecting Africa to the world – sends out a strong signal out of Sharm el Sheikh: Africa is open for business. Thank you, Egypt!

The African Development Bank gets that signal. We will work closely with the public and private sectors to unlock new sources of growth for Africa, while reducing inequality between countries and within countries. Together, we can unlock the enormous potentials of African economies. Together, let us deliver on the Sustainable Development Goals for Africa with the High 5s for Africa.

Give Africa a High 5!

Thank you very much.