

Keynote speech delivered by Akinwumi A. Adesina, President of the African Development Bank Group, at the Annual Meeting of the African Development Bank Group, Ahmedabad, India, May 22-25, 2017

Your Excellency, Prime Minister Narendra Modi of India,

Your Excellencies, President Macky Sall of Senegal, President Talon of Benin Republic, Vice-President Daniel Kablan Duncan of Côte d'Ivoire, former President of Ghana, John Mahama,

The Chief Minister of Gujarat, Mr. Vijay Rupani,

Honorable Ministers, Governors and Executive Directors of the African Development Bank, Central Bank Governors, business leaders, civil society, farmers and agribusiness leaders, media partners, Africa's youth, Senior Management and Staff of the Bank, distinguished guests, partners, Ladies and Gentlemen – and of course, my lovely wife, Grace, who is here with me.

Welcome to the 2017 Annual Meetings of the African Development Bank Group!

There is a personal reason why I am delighted to be back in India: I started my international career in India, in 1988, while on a Rockefeller Foundation Social Science Research Fellowship, at the International Crops Research Institute for the Semi-arid Tropics (ICRISAT) in Hyderabad.

We are pleased to be here in this beautiful city of Ahmedabad: the home of Mahatma Gandhi. The land called Vibrant Gujarat! Its uniqueness lies beyond its being a smart mega city. It's based on its being the centre of the Indian independence movement. The famous salt March and the quit India movements that led to independence in 1947, were right here.

So, from here, through this Annual Meeting, will arise a new spirit of renewal and determination for Africa's accelerated growth and development.

Let me thank Prime Minister Modi for hosting the meeting and Minister of Finance Arun Jaitley and your staff, and our Bank staff for their excellent efforts. I know it's hot out here, but the warm hospitality beats the heat. Thank you!

The success of Gujarat is incredible. It has universal access to electricity. No power outages. Rural areas have power 24 hours a day, 7 days a week. 90% of the world's rough diamonds are cut and polished right here. That's industrialization. Its economy is diversified with vibrant service sectors. Its agriculture is prosperous. It creates jobs and has unemployment rate of less than 1%. It has some of the world's best medical centers and many Africans come here for medicals. And because of its vast seashore line it is key for economic integration of India.

So, Gujarat has done the High 5s. No wonder Chief Minister Modi left here to become Prime Minister Modi. Let's give him a High 5!

Prime Minister Modi, you are in very good company, with the dynamism of the Presidents here today. With uncommon zeal, President Macky Sall is transforming

Senegal, President Ouattara remains resilient and spurring remarkable economic growth in Côte d'Ivoire, and President Talon, a businessman, has already unleashed a wave of economic reforms in Benin. When leaders rise up, things happen!

Just like Gujarat, Africa is sparkling today with the world's largest concentrated solar power plant in Morocco and Africa's largest wind power in Kenya. There's a lot Africa and India can share together – especially from Gujarat – because there are so many Gujaratis in Africa.

I hear that for the people of Ahmedabad, trade and business is in your blood. Prime Minister Modi, who is from Ahmedabad, is so passionate about trade and investments. It is in the blood: your successful India-Africa Forum Summit reinforces the need to boost trade, investment, education and economic partnerships.

Well, Africa is the place to be. Despite challenging times occasioned by the global economic recession, Africa continues to post resilient growth. Growth will pick up from 2.2% last year to 3.4% this year. These averages hide exceptional growth performance of many countries. In 2016, 12 countries grew at over 5% and 20 countries grew by 3-5%. Africa's head is above waters in rising waters of global recession. Africa is resilient. But we must move quickly to unlock greater growth rates that will substantially drive down poverty and support faster diversification of the economies.

Confidence in Africa and its potential is what drives our work at the African Development Bank. The new kick in our steps for Africa comes from our High 5s: Light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the quality of life for the people of Africa. The High 5s will accelerate Africa's development. Don't just take it from me. The United Nations Development Programme's (UNDP) independent analysis and report shows that Africa will achieve 90% of the SDGs and 90% of Agenda 2063 by focusing on these High 5s. The distance between vision and reality is action. We need to accelerate actions on these High 5s. Africa's future must not continue to get postponed into the future.

That's why the Bank is accelerating its investments in Africa. In 2016, we approved \$10.5 billion – the highest ever in Bank's history. We disbursed US \$6.5 billion – the highest ever by the Bank. The Bank is delivering for Africa and we are ready to do more. Let me summarize what we achieved in 2016 alone in 'action units':

- 3.3 million Africans benefitted from new electricity connections;
- 3.7 million Africans benefitted from improved access to water and sanitation;
- 5.7 million Africans benefitted from improvements to agriculture;
- 9.3 million Africans benefitted from access to better health care services;
- 7 million Africans benefitted from improved access to transport.

We did all these, while implementing major institutional reforms to improve institutional efficiency and effectiveness. We have rolled out our new Development and Business Delivery Model and five regional business development and delivery offices have been approved. Director Generals and Deputy Director Generals for all these offices have been appointed. I am pleased that 80% of the Deputy Director Generals are women. We have approved the opening of new country offices in Benin, Niger and Guinea. So, President Talon, who is here with us today, will be our one of our new hosts and we are grateful to him for all his support.

The focus of this year's annual meeting is on our second High 5: Feed Africa. There's no better place to have that discussion than here in India. The Green Revolution turned India from depending on the largesse of others to a food self-sufficient nation and now a global powerhouse in food. And it took just three years to turn it all around. It was not a miracle, it was political will mixed with a resolve to develop with dignity.

To develop with pride, Africa must feed itself. Africa's food import bill stands at US \$35 billion per year and is estimated to grow to US \$110 billion per year by 2025. This has negative consequences on macroeconomic and fiscal stability. Africa must rise up quickly and unlock the full potential of its agriculture.

Africa has 65% of the uncultivated arable land left in the world to feed 9 billion by 2050, so what Africa does with agriculture today will determine the future of food in the world. The key is to turn Africa's natural comparative advantage in agriculture into a competitive advantage. We must accelerate access to high-quality seeds, fertilizers, irrigation, mechanized services and finance. And agriculture must be taken as a business all across Africa.

Africa needs to industrialize its agricultural sector to unlock wealth. To achieve this, Africa needs to establish Staple Crop Processing Zones and Agro-industrial Zones –fully enabled with physical infrastructure – to attract private agribusinesses to locate in rural areas, create market pull for produce of farmers, and reduce high post-harvest losses in the supply chains. By doing so, we will turn rural areas from zones of economic misery to new zones of economic prosperity.

We will be able to empower African countries to add greater value for what they produce. Our massive cotton production will translate into textile and garments. After all the price of apparels never go down, even when price of cotton declines. That's why we are pleased to showcase the "Fashionomics" session at this Annual Meeting.

Africa, which produces 75% of the world's cocoa, receives only 2% of the US \$100-billion annual chocolate market. African farmers sweat, while others eat sweets. While the price of cocoa has hit an all-time low, profits of global manufacturers of chocolates have hit an all-time high. It's time to process Africa's cocoa in Africa, for we must end Africa being at the bottom of global value chains.

We are taking action. That is why the African Development Bank has rolled out its Feed Africa High 5 and have committed to investing US \$24 billion in agriculture over the next ten years. That's 400% increase of annual lending to the sector. We are investing in companies like East Africa Trading Group, providing market access to millions of farmers. We have developed the Technologies for African Agriculture Transformation (TAAT), a new technology dissemination platform to take agricultural technologies to millions of farmers across Africa. As you've just heard from Bill Gates, we've jointly launched the African Leaders for Nutrition to help address the high malnutrition and stunting levels in Africa.

But these efforts will only succeed if Africa improves access to electricity. As we solve Africa's access to electricity, agro-industrialization will take off in Africa, boosting rural economies, creating jobs for the youth, and lifting millions out of poverty.

We are taking action. That's why the Bank is investing US \$12 billion in power in the next five years, and leveraging US \$50 billion from the private sector. We have moved quickly to set up the Vice-Presidency for Power, Energy, Climate and Green Growth, and recruited world-class staff. In 2016, we invested US \$1.7 billion in energy and leveraged US \$2.5 billion. Our last mile power connection in Kenya is linking one million people to electricity. We led the syndication of US \$965 million A/B corporate loan for South Africa's power utility, Eskom, the largest in Africa's history. We provided energy sector reform budget support of US \$1 billion to Algeria. Our support last year provided 22,000 kilometres of distribution lines.

The Bank hosts the Africa Renewable Energy Initiative, co-developed with the African Union, with commitments of US \$10 billion by G7 countries and the European Union. We are delighted with Prime Minister Modi's launch of the International Solar Alliance and look forward to the establishment of the India-Africa Energy Co-Financing Fund between Government of India and the African Development Bank.

Climate change is affecting Africa badly. East and Southern Africa have been hit by droughts, costing many lives and putting over 20 million people at risk of famine. It's the worst humanitarian disaster since 1945. We are taking action. Our Board of Directors recently approved the framework for our "Say No to Famine" campaign for a comprehensive response, which will provide short-, medium- and long-term support of US \$1.1 billion to South Sudan, Somalia, Ethiopia, Kenya and Nigeria. We've got to build climate resilience for Africa. The promises made to Africa on climate adaptation must be kept, not dismissed or unpaid. Adaptation to climate change is what is needed, not adaptation to promises made.

Well, something else is changing in Africa and how we organize our Annual Meetings at the Bank. Africa's youth, now our largest constituency, are very well represented here. Please rise and be recognized: Welcome! The youths are not only the future of Africa but also the present of Africa. Therefore, we must make their present prosperous and their future even much brighter.

Africa's youth population will rise from 434 million to 840 million by 2050 and Africa will become the youngest region of the world. 38 out of the 40 countries that will be the youngest nations are African. The median age for Africa will be 25 years. If this huge demographic asset is well tapped and well trained, it will make Africa the talent centre of the future.

But today their situation is not prosperous. One third of them are unemployed or discouraged, one third is in vulnerable employment and only one sixth are in wage employment. If we can cut back the unemployment rate of the youth to the same as adults, African economies will grow by between 10-20%. We would reduce the one million migrants from Africa to Europe in 2016 alone, some 160,000 to Italy and avoid the over 5,000 young people whose future now lies buried at the bottom of the Mediterranean Sea.

Africa's youth unemployment stares us in the face, stirs up our conscience and calls us to action. Africa's youth don't need handouts; they need support to spark their creativity and unleash their entrepreneurship. We are taking action. That's why the Bank launched the Jobs for Youth in Africa, designed to support Africa to create 25 million jobs for youths and impact 50 million youth within 10 years. Making agriculture cool for the youth

is a key part of our action plan. That's why we invested US \$800 million in 2016 to support 50,000 young commercial farmers and agribusiness entrepreneurs in eight countries. Some of them are in this room today. They are the future for Africa's agriculture.

Our job as Africa's Bank is to bank on Africa's future. We will trust the youths, we will support their dreams, we will spark their creativity and we will enable their entrepreneurship.

We will do more, as our resources expand, for we cannot wait to give hope for millions of Africa's youth. To do more for Africa – its economies, its youth and women – the Bank needs a lot more resources. That's why it will be critical to begin discussions on the recapitalization of the Bank. The German Minister for Development and International Cooperation Gerd Mueller got it right when he said: "The African Development Bank is the voice for Africa. It should be given more resources to do more for Africa." A recapitalized Bank will be able to deploy resources to meet the rapidly rising needs of a continent so thirsty for development. It will allow the Bank to deliver on its High 5s and allow Africa to meet 90% of its SDGs. The High 5s is the best deal for Africa's development.

But fast-tracking Africa's development also means fast-tracking private investments. For those of you with "business in your blood", let me make the case for your investments. Think of a continent that will have the same population as India and China taken together by 2050. Think of a continent with rising middle class, rapid urbanization and that will have the youngest population on earth by 2050. Think of a continent where consumer spending is projected to reach US \$1.4 trillion in the next three years and business-to-business spending to reach US \$3.5 trillion in the next eight years. Think of the continent that accounted for 30% of global business and regulatory reforms in 2016.

Don't look far: Think Africa!

To help unlock massive investments in Africa, we are taking action. I am pleased to announce that the African Development Bank will be launching later this year the Africa Investment Forum. This will be a totally transactional Forum that will be all about making deals happen and fast-tracking investments in Africa by pension, sovereign wealth, insurance and other institutional investors.

So, Africa's huge investment opportunities beckons to you, from agriculture and agribusiness to energy, infrastructure and financial services – and the African Development Bank and its partners will be there to help you advance your investments.

Let's move forward to a greater Africa. Let's together accelerate Africa's development. Africa's greater future is for the bold. Yes, we have challenges, but we will overcome them. As John Legend said in his song, "If you're out there": "The future started yesterday and we're already late. So, let's give Africa the High 5s and let's strongly support the African Development Bank to get the job done!

I wish you a fruitful and enjoyable Annual Meeting.

Thank you very much! *Dhanyavaad!*