

Launch of the Japan - Africa Energy Initiative
Remarks by Akinwumi Adesina,
President of the African Development Bank
Letter of Intent signing ceremony at the Africa Union Summit,
Addis Ababa, 3 July 2017

Excellencies, Ministers here present,
Japanese Ambassador to Ethiopia, H.E. Shinichi SAIDA and other Ambassadors,
Colleagues, Media Representatives,
Ladies and Gentlemen,

1. Thank you all for being here today for the launch of the Japan-Africa Energy Initiative, in partnership with the Government of Japan.
2. I also thank the government of Japan for its long-standing support to the African Development Bank, and to the African continent in many important ways. These include support for the Enhanced Private Sector Initiative for Africa (EPSA), the Accelerated Co-Financing Facility for Africa (ACFA), and years of ADF replenishments and concessional loans. Japan always leads by example. I thank the Government of Japan for its great support to the African Development Fund's 14th Replenishment, which saw a significant increase in Japan's contribution.
3. And today, we appreciate Japan's massive support for the New Deal on Energy to help Africa to achieve universal access to energy by 2025. Japan listens, and understands perfectly our priorities as a Bank and as a continent, as we understand and appreciate theirs.
4. The key challenge for Africa is the generation of power. The continent has the lowest electrification rate in the world. Power consumption per capita in Africa is the lowest, estimated at 613 kWh per annum, and compared to 6,500 kWh in Europe and 13,000 kWh in the United States.
5. Much of rural and sub-urban Africa remains in the dark, and it is almost impossible to start a business, teach or provide healthcare without power and light. Africa cannot develop in the dark.
6. Africa loses up to 4% of its annual gross domestic product from energy bottlenecks and inefficiencies, while 645 million people in Africa have no access to electricity; 137 years after the invention of the light bulb. To be very frank and direct, only terrorists prosper in the dark.

7. Power is the overriding African priority. The investment is expensive, yes, but the long-term returns will be much greater. To fast track the universal access to electricity, the Bank is investing US\$12 billion in the power sector and seeks to mobilize \$45-\$50 billion from other partners.
8. In 2016, the Bank approved US\$1.7 billion for power projects ranging from policy-based operations to power generation, public sector transmission and distribution projects. Some 3.3 million people were provided with access to electricity. It also launched a US\$500 million energy inclusion facility to ramp off-grid investments. In 2017, the Bank plans to invest US\$2 billion in the sector.
9. The Bank is encouraging governments to increase their budgets for the energy sector tenfold, and to enhance their political support for transformative energy projects.
10. Africa must develop its energy sector with what it has. Endowed with many different energy sources – both renewable and conventional - Africa needs a balanced energy mix. This must include renewable and conventional sources of power for lighting and heating homes, for cooking, for schools and hospitals, and for powering offices, manufacturing plants and factories.
11. Japan has answered our call to make it easier for African governments to adopt a balanced energy mix of all available energy sources and technologies, including the best low-emitting clean coal technologies, where they form part of a least-cost sector development plan.
12. A major milestone is being reached today, a turning point in Africa's drive for universal energy access. And a stronger bridge is being developed with Japan and Africa, in our quest to light up and power Africa.
13. Several African presidents and I met with Prime Minister Abe during TICAD VI, held in Kenya in October 2016, to express their keen interest in accessing Japan's world renowned energy technologies, including its ultra-super critical clean coal technologies. Prime Minister Abe agreed to consider the request and affirmed Japan's readiness to strongly support Africa in its drive for universal access to electricity.
14. Building on those discussions, as well as on my visit to Japan in October 2016, Japan has agreed to launch, with the African Development Bank, the Japan-Africa Energy Initiative.

15. I would like, through you, to specially thank Prime Minister Abe and Deputy Prime Minister Aso for listening to Africa and for so quickly stepping up support for Africa's base load power development. You have clearly shown that Japan supports Africa's development without conditions. Africa's base load power generation will never be the same again.
16. Under this Initiative, Japan's government will provide up to US\$6 billion in both concessional and non-concessional finance to support the New Deal on Energy for Africa, financing all the activities associated with energy projects – preparation, construction, operations, and technical assistance. The Japan-Africa Energy Initiative will significantly bolster Africa's ability to develop its base load power, needed to support industrial development.
17. We welcome this Initiative with enthusiasm and gratitude, and hope that it will catalyze further support from other partners to meet the huge funding gap in the energy sector. I am especially pleased that we are launching this here in Addis Ababa during the African Union Summit.
18. We look forward working with Japan to implement this timely Initiative and thus accelerate and realize the Bank's biggest ticket High 5: *to light up and power Africa*. Thank you. Arigatou Gozaimasu!