

Remarks by President Akinwumi Adesina of the African Development Bank, at the Official Opening of the 2nd Annual General Meeting of the New Development Bank, April 1, 2017, New Delhi, India

Your Excellencies, Hon. Minister of Finance, Arun Jaitley, President Kundapur Vaman Kamath of the New Development Bank, President Werner Hoyer of the European Investment Bank, President Suma Chakrabarti of the European Bank for Reconstruction and Development, distinguished ladies and gentlemen.

I thank President Kamath of the New Development Bank for inviting me to this 2nd Annual General Meeting of the Bank.

I congratulate you and your team for the speedy take off of the New Development Bank and for already approving \$1.5 billion in projects, some of them in Africa.

Your investments in Africa are welcome - and I encourage you to do more. Africa needs all possible support in its drive to accelerate its growth and development.

Despite a tough global economic environment, African countries continue to post resilient growth. The African Development Bank's revised estimates show that African economies grew by 2.2% in 2016, better than the 1.7% projected earlier. Growth is expected to rise to 3.4% this year. But the average does not tell the true picture. Indeed, 12 African countries grew by over 5% in 2016 and 20 countries grew between 3-5%.

That's a remarkable performance in a global environment dragged down by recession. Africa's head is above the waters in a world of global recession.

I am optimistic about Africa.

Africa beckons with boundless opportunities. There's no doubt that the

future belongs to Africa. Just think about it: by 2050, Africa will have the same population as China and India combined today, with rising consumer demand from a growing middle class. The cities will be booming, as the number of urban areas with populations of millions of people will rise. If we harness all this potential, Africa will be unstoppable.

That's the future we must shape together, and we do so with a great sense of urgency.

Nowhere is the need for this strategic partnership greater than on the issue of infrastructure. At the top of the list is electricity. Some 645 million Africans do not have access to electricity. We're determined to change this quickly. That's why the African Development Bank launched the New Deal on Energy for Africa.

Our goal is to help achieve universal access to electricity within ten years. We have rolled out our work to invest \$12 billion in the energy sector over the next five years and leverage \$45-50 billion from the private sector. We plan to connect 130 million people to the grid system, 75 million people through off grid systems and provide 150 million people with access to clean cooking energy.

The African Development Bank is also at the forefront of the renewable energy and "off-grid revolution" in Africa. We host the Africa Renewable Energy Initiative, jointly developed with the African Union, that has attracted \$10 billion in investment commitments from G7 countries.

I am very pleased that the New Development Bank is investing in the energy sector and I'd like to invite you to join us in this huge task to light up and power Africa.

We must close Africa's annual \$50 billion infrastructure financing gap. And to do so, the mobilization of domestic resources will play a major role.

Pension funds in Africa will reach \$ 1.3 trillion by 2025. Already tax revenues have exceeded \$500 billion per year. Sovereign wealth funds in Africa stand at \$164 billion.

To attract significant investment by these institutional investors, there is a need to ensure that infrastructure becomes an asset class. That's why, later this year, the African Development Bank will be launching the 'Africa Investment Forum'. The goal is to leverage African and global pension and sovereign wealth funds into investments in Africa.

We need to accelerate the development of bankable projects to attract these investments. That's why the African Development Bank has launched Africa50, a new infrastructure entity, now capitalized by African countries at over \$865 million, to help accelerate infrastructure project development and project finance.

We have also partnered with the EXIM Bank of India and others to establish the Kukuza, a company based in Mauritius, to help develop and support public-private partnership (PPP) infrastructure project development and finance.

Private sector financing for infrastructure needs to expand. For that to happen, we need to help reduce risks, especially project, finance, market and political risks.

The African Development Bank helps by de-risking investments, for public and private sectors, through partial risk guarantees and partial credit guarantees. We have used these instruments successfully to help mitigate risks for the concentrated solar power project in Ouarzazate in Morocco, the largest in the world. We have done the same for the largest wind farm in Africa, at Lake Turkana in Kenya, among several others.

It's time now to scale up Guarantee Facilities. Larger co-guarantees, pooled

across the Multilateral Development Banks, will help to speed-up and scale-up much needed infrastructure investments in Africa. Let's do more, together, for Africa.

That meeting of minds is already occurring right here in India: you have here four Presidents of Multilateral Development Banks. There's something about India and Annual General Meetings – and getting us all together in the same place. The African Development Bank's own Annual General Meeting will be held in India (for the first time) in May 22-26, on Ahmedabad, and I hope that a good number of you will join us! So, let's continue the conversation in Ahmedabad.

It's great to be here - and I wish you, President Kamath, and everyone here a successful Annual General Meeting.

Thanks very much. “*Dhanyavaad*”!