

**Speech of Dr. Akinwumi A. Adesina, President of the African Development Bank, delivered by Vice-President Pierre Guislain at the Africa CEO Forum, Geneva, Switzerland, March 20, 2017**

Good morning to you all. Welcome to the Africa CEO Forum 2017. The African Development Bank is proud to be a strategic partner of the Africa CEO Forum. President Adesina was looking forward very much to being here with you today. But, unfortunately, due to a personal family loss, he is unable to join you, but asked me to assure you that he is with you, because, and I quote him, “Africa is always on my mind”.

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 today, with rising consumer demand from a growing middle class. The cities will be booming, and the number of urban areas with population of over 5 million people will rise. By 2050, Lagos, with a current population of about 18 million, will double its size. The same would apply to Kinshasa, with a current population of 15 million. Three of the ten most populous nations globally will be African. Africa, which already counts about 230 million youths today (about 20% of global youth population), will increasingly be the youngest continent.

Africa has a young and growing workforce, which will increase from about 617 million today to 1.6 billion in 2060, providing an opportunity to reap a ‘demographic dividend’, that will boost Africa’s growth and lift millions out of poverty. If we harness these potentials and get people working productively, Africa will be *unstoppable*. That’s the future we must shape, with a sense of urgency.

To do so, Africa must unleash the power of the private sector. Governments should not be nervous about the private sector. They must fully embrace it, incentivize and enable its full potential. Like a bird flies with two wings, so must economies: public and private sectors must be

in synchronous balance. That's why we must continue to work hard to reduce the cost of doing business. High returns don't guarantee investments, but stable and predictable returns do. Africa must put in place a conducive and predictable macroeconomic, business, property rights and fiscal environment. And, yes, democracy and freedom of speech should deepen. Governments may change, but good policies should not go out with every new government.

Africa needs policy consistency, predictability, and stability of its business environment. It's encouraging that Africa accounted for over 30% of the business and regulatory reforms globally in 2015. But foreign direct investment flows are not following this trend. Excluding Caribbean financial centres, FDI to developing economies in 2015 increased by 9% to \$765 billion from 2014. But Africa accounts for only 7% of total FDI in developing markets. Much needs to be done to massively attract FDI to Africa. We must address the huge infrastructure deficits facing Africa. At the top of the list is electricity. Some 645 million people do not have electricity. Over 95% of mobile telephone tower sites in off-grid regions run on inefficient traditional diesel generators, accounting for up to 60% of network operating costs. Introducing cleaner off-grid solutions will provide business opportunities to investors.

Political will is what drove a country like Vietnam to achieve universal access to electricity in ten years. Since the launch by the Bank of the New Deal on Energy for Africa, we are beginning to see such a trend emerging in Africa. Political will is the currency of development.

Political will is what is driving Côte d'Ivoire to accelerate universal access to electricity by 2019; political will is what is pushing Ethiopia to develop 6,000 MW with its Renaissance Dam – which on completion will be the largest dam in Africa and 7<sup>th</sup> largest in the world. We can see that political will in Morocco, where the Bank supported the country to develop the

world's largest concentrated solar system. And in Kenya, where this year, with the support of the Bank and partners, the largest wind farm in Africa will be launched. Uganda, Rwanda, Senegal, Mozambique, Zambia, Nigeria and South Africa are today making renewed efforts towards boosting electricity. And electricity (or rather the lack thereof) played a key role in some recent elections.

As President Adesina said, “To stay in power, African leaders must provide power”.

But we must move faster. Just imagine an Africa with lights everywhere. Businesses will boom. Factories will churn out products. Africa's cost of doing business will drop and it will be competitive. It will spark innovation. Jobs will be everywhere, especially for the young. An electrified Africa will be an unstoppable Africa. Then, Africa will truly be free economically to join the league of industrialized nations.

We must shape a better future for Africa's youth. Thousands fleeing on rickety boats on perilous journeys to Europe is not the solution. We must give them hope in Africa. Priority must be on building skills, nurturing entrepreneurship and providing venture capital, equity and affordable credit facilities, specifically targeted to young entrepreneurs: we need to prepare them for the jobs of tomorrow instead of training them for the jobs of yesterday. The digital economy is the future.

Investments in artificial intelligence, robotics, nanotechnology, materials sciences, bio-technology and computer engineering will define the future economies. That's why the Bank has launched a major jobs initiative to help countries develop 25 million jobs for the youths in the next ten years, with focus on ramping up digital and computer programming skills needed for the digital economy.

We must accelerate regional trade. For this, we need investments in critical regional infrastructure, especially roads, rail and aviation. With the Algiers-Lagos highway due for completion, renewed drive for the construction of the Lagos-Abidjan highway and the Northern corridor in East Africa, the future looks bright. But for these investments to generate impact, we also need effective integration of markets, competition in services and fluid border crossings. The conclusion of the Continental Free Trade Area will boost growth, trade, and investments in Africa. Investments in digital infrastructure will help unleash greater financial inclusion, new businesses and a services revolution.

Feeding Africa is top priority. This is especially important as some African countries are witnessing drought related food insecurity. Now, more than ever, is the time for accelerating investments in agriculture. The Bank is increasing its support to agriculture by 400% for a total of US \$24 billion over the next ten years. Our focus is making agriculture a business. Our goal is to help achieve food security within ten years. But also to help Africa unlock \$31 billion per year from agriculture investments. That will come through agro-allied industrialization. You all here as CEOs have huge roles to play: from technologies, power, infrastructure, logistics, finance, industry, services and other sectors.

But we must also face up to emerging challenges.

As we speak, there is a huge problem of drought that could result in widespread famine unfolding in some African countries. Global climate change is having negative effects like never before seen anywhere in the world. Lake Chad has literally disappeared and with it livelihoods of millions of people. Millions are at risk of food insecurity in northern Kenya, Somalia, South Sudan and northern Nigeria. We must immediately mobilize donations to save millions of children at risk of starvation and prevent the decimation of livelihoods.

This is the time for bold actions. We ask all African businesses and all investors in Africa to join the Bank on this drive to save millions of lives.

Let us all unite to shape Africa's future. But let's also save the lives of millions today so they see that bright future.

Thank you.