

Speech delivered by Akinwumi A. Adesina, President of the African Development Bank, to the Committee for Economic Cooperation and Development of the German Parliament, Bundestag, Berlin, April 26, 2017

1. Guten Morgen!
2. I wish to thank Ms. Dagmar Wohrl and all the members of the Committee for Economic Cooperation and Development of the Bundestag for inviting me to speak with you today. Germany is setting a very good example for the world, where multilateralism is needed more than ever before. We are witnessing the largest increase in development aid in German history. Germany is opening up the windows to a better world for all!
3. Germany has always been a strong supporter of the African Development Bank. You demonstrated this, yet again, during the African development fund's 14th replenishment, with €503 million representing an 8.3% increase over the ADF 13th replenishment.
4. I thank members of the Bundestag, especially the Committee for Economic Cooperation and Development, for your strong support. I can assure you your support and confidence are all very well placed.
5. Our vision for Africa at the Bank is encapsulated in the “High 5s”: light up and power Africa; feed Africa; industrialize Africa; integrate Africa; and improve the quality of life for the people of Africa. An independent analysis of these High 5s by the UNDP has shown that if Africa focuses on these High 5s, it will achieve about 90% of its SDGs and 90% of its Agenda 2063. In short: The High 5s are the accelerators for Africa's development. They bring the future to the present and make life worth living now for hundreds of millions of Africans.
6. Nowhere is this need more urgent than on access to electricity. Over 645 million Africans have no access to electricity. Low access to electricity is Africa's growth decelerator. But we are taking action. To tackle this challenge, we launched the New Deal on Energy for Africa, with a commitment of \$12 billion from the Bank over the next five years, with the goal of leveraging \$45-50 billion. Our goal is

connect 130 million people to the grid, 75 million via off grids and provide some 150 million with clean cooking energy.

7. We've set up a whole new vice presidency just for power and energy: the first and only Multilateral Development Bank to do so. And we're delighted that Ms. Astrid Manroth, a German citizen, who until recently worked as a Managing Director at the Deutsch Bank, is now the Director for Energy Partnerships at the African Development Bank. The Bank is leading the "off-grid renewable energy revolution" in Africa. We've launched a \$500 million Fund for Energy Inclusion with \$100 million seed capital, to provide affordable finance for companies investing in renewable energy. And we host the Africa Renewable Energy Initiative, jointly developed with the Africa Union, to which Germany has provided €2 million to support its Delivery Unit.
8. To rapidly support Africa to diversify its economies, and revive its rural areas, we have prioritized agriculture. The Bank has committed \$24 billion towards agriculture in the next 10 years, with a sharp focus on food self-sufficiency and agricultural industrialization. The recent drought and famine facing some countries (South Sudan, Somalia, Nigeria, Kenya, Ethiopia and Uganda) deserve swift action, as 20 million face food insecurity and severe malnutrition. The Bank is taking action and is planning to deploy \$1.1 billion, following Board approval, to address the crisis and ensure that drought does not lead to famine.
9. We're taking action to level the playing field for women in Africa. That's why we launched the Affirmative Finance Action for Women in Africa (AFAWA) with the goal of mobilizing \$3 billion for women entrepreneurs. A bird flies with two wings, so Africa can only fly with women equality.
10. We've taken on the biggest social issue facing Africa today: the high youth unemployment rates. Today, a third of Africa's 230 million youths (about 20% of the global youth population) are unemployed or discouraged, another 1/3 are in vulnerable employment largely in the informal sector while only 1/6 are in wage employment.

11. I like to look at the positives, though. Just think of what would happen if we could create jobs for these youths. Employment for Africa's youth will spark a creativity and innovation's revolution never before witnessed anywhere. At the Bank we are listening to Africa's youth, supporting their ideas, sparking their creativity and enabling their entrepreneurship. That's why at the Bank we've launched a *Jobs for Youths in Africa* initiative, to support African countries to create 25 million jobs (in agriculture, ICT and SMEs) over the next ten years. We have no other choice: The youths are the present and future of Africa. And their future is in a prosperous Africa, not in Europe - and definitely not at the bottom of the Mediterranean Sea.
12. We are also working to accelerate financing for small and medium size enterprises, integrate African stock exchanges, deepen the liquidity of domestic capital markets, support private sector to mobilize savings for development and support regional infrastructure to fast track regional trade and industrialization.
13. The financing gap to meet these needs of Africa through the High 5s is huge, some \$162 billion a year. The African Union has designated the African Development Bank as the lead organization to mobilize resources for the Agenda 2063.
14. So we are doing all possible to stretch our funds and leverage domestic resources. That's why the Bank is leading on mobilizing domestic resources for Africa's development. We've issued local currency bonds in 11 countries. We're investing in the development and integration of capital markets, including the establishment of an African Domestic Bond Index and a \$200 million African Domestic Bond Fund to deepen liquidity in local bond markets. Using guarantees, we leverage over 4 times our equity resources. Our \$87 million investment in the NEPAD Infrastructure Project Preparation Facility has led to mobilization of about \$8 billion to support major regional infrastructure projects and programs.
15. We are focusing on co-financing more than ever before. We have corralled Japan to commit to the High 5s with \$10 billion over the next ten years; Korea committed to \$10 billion over the next five

years, all aligned to the High 5s; China's Africa Growing Together Fund has committed \$2 billion, while we've signed a co-financing of Euro 1.5 billion with France (AFD).

16. We've rolled out Africa 50, an investment vehicle for developing and financing infrastructure, which has raised \$830 million and plans to attract \$3 billion in the medium term. And later this year we will launch the Africa Investment Forum – a totally transactional Forum – to leverage global and African pension and sovereign wealth funds to invest in Africa.

17. That's the way it should be: taxpayers' money should leverage private resources.

18. Our impacts are felt by results on the ground. 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.

19. And we did all these, while implementing major institutional reforms to improve our efficiency and effectiveness. The facts speak for themselves: Standard and Poor's latest analysis (October 2016) comparing administrative cost to adjusted common equity across all Multilateral Development Banks, shows that the African Development Bank has the lowest administrative cost charge at 2.17%, which compares favorably with Private Equity Funds at 1.5 to 2%. Our cost to income ratio has fallen from 41.4% in 2015 to 34.5% in 2016, as we implemented loan price adjustments.

20. The Bank will achieve even greater efficiency gains and value for money as we roll out our new Development and Business Delivery Model. The African Development Bank is delivering for Africa and has the capacity to deliver more for Africa. It now needs substantial

financing wind behind its sails. It's time for speedy financing actions to accelerate Africa's development. Doing so will make our dream for Africa with Agenda 2063 come to pass sooner, for action brings the future to the present.

21. As Germany's Minister Gerd Mueller said when he visited our bank "Germany strongly supports a significant recapitalization of the African development bank. This bank is the voice of Africa". A stronger and better-capitalized African Development Bank is good for Africa and good for Germany as its strategic partner to help implement the Compact with Africa.
22. The African Development Bank – Africa's own bank – is trusted by Africa and had been mandated by the African Union to leverage resources to fast track Africa's development. That's why the Bank applauds the global leadership of Chancellor Angela Merkel and her faith in Africa. We strongly support the Compact with Africa and its focus on food security, infrastructure, peace and security. These are all in line with the High 5 priorities of the African Development Bank.
23. Therefore a stronger strategic partnership between Germany and the African Development Bank will help to accelerate Africa's development. Together, let's do more in Africa and do more for Africa. And I hope you will visit the African Development Bank. It will be my great pleasure to receive you!
24. Thank you. Vielen Dank!