

Speech Delivered by African Development Bank President Akinwumi Adesina to NEPAD Heads of State and Government at the African Union Summit, Addis Ababa, January 29, 2016

Your Excellencies, I wish to express to you my appreciation for your kind invitation for me to join you here today at the NEPAD Heads of State and Government Orientation Committee Meeting. I particularly want to thank the Chairperson of NEPAD, H.E. President Macky Sall, and all Heads of State and Governments for your outstanding leadership, vision, passion and commitment to the ideals of NEPAD – and my brother Dr. Mayaki – the CEO of NEPAD, for his relentless work on behalf of Africa.

The African Development Bank – your Bank – is a strong partner with the African Union and NEPAD. Since its establishment in 1964, the mission of the Bank has always been to accelerate the social and economic development of Africa. I wish to thank all of you and your countries for your excellent support for the African Development Bank. The Bank will continue to partner with you – and to support greater ambitions for Africa. We must never have low ambitions for Africa.

When I took over as the 8th President of the African Development Bank on September 1, 2015, I was elated at the greater possibilities that lie ahead of Africa and the role that the Bank can play. We have sharpened our focus to deliver more for Africa, faster, at scale, and in close partnerships with others. The African Development Bank will always be your development Bank of choice. We are here for you.

The future awaits Africa with huge opportunities. Yes, we have experienced impressive growth over the past decade. Despite the slow economic growth prospects globally, with global GDP expected to grow at 3.4%, Africa will still do much better – with expected growth of 4.4% by 2016. Africa is still the place to invest. African economies are not unraveling, they are resilient – I am confident they will come out of the current challenges.

But, to do so, we must very quickly address some key challenges. That is why the Bank launched what we call the High 5s for Africa: Light Up and Power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the Quality of Life for Africans.

The first – and the most important – is lack of electricity. Regular supply of power, which is taken for granted in developed countries, is a luxury in Africa – in the 21st century. Some 137 years after Thomas Edison developed the light bulb, Africa is still in the dark. Today, over 645 million Africans do not have access to electricity – and 700 million go without access to clean cooking energy, with 600,000 dying each year from indoor pollution from reliance on biomass for cooking.

Africa is simply tired of being in the dark. It is time to take decisive action and turn around this narrative: to light up and power Africa – and accelerate the pace of economic transformation, unlock the potential of businesses, and drive much-needed industrialization to create jobs.

That is why the first priority of our High 5s at the Bank is to light up and power Africa. The African Development Bank has developed the New Deal on Energy for Africa and launched the Transformative Partnership on Energy for Africa, to help light up and power Africa. Let me, in particular, thank President Alpha Conde, President Kagame, President Ouattara (represented by Prime Minister Kablan Duncan), Prime Minister Hailemariam Desalegn and President Ali Bongo, as well as Kofi Annan (former UN Secretary General) and several partners, including Gale Smith (Administrator of USAID), Rachel Kyte (UN Secretary General Special Envoy for Sustainable Energy for All) and several global CEOs, who joined me in Davos last week, as we launched the Transformative Partnership on Energy for Africa.

The goal of the New Deal on Energy for Africa is to accelerate universal access to electricity in Africa by 2025. The goal is to add 160 GW of new generation capacity via the grid, deliver 130 million new grid connections and 75 million off-grid connections. The ambition is high – and it should be: we must not have low ambitions for Africa.

Five principles will guide the action on delivering on the New Deal on Energy for Africa:

- All energy partners should raise their level of investments in the energy sector.
- African countries should increase the share of their GDP devoted to the energy sector: raising this from the current 0.3% to 3.4% will unlock \$50 billion per year.
- Establish a Transformative Partnership on Energy for Africa – a platform that will coordinate action among partners – public and private – for innovative financing.

- Support African countries on much-needed energy-sector reforms, regulations, reforms of the utilities and implementation of cost-reflective tariffs. These are critical for leveraging private sector capital investments; and
- Raise the level of political will and action to light up and power Africa.

The African Development Bank plans to invest \$12 billion in the energy sector over the next five years and we hope to leverage \$40-50 billion into the energy sector. The Bank will also triple its climate finance to Africa to \$5 billion per year by 2020 to support climate-change adaptation and mitigation efforts on the continent. The Bank has already worked with the African Ministerial Conference on the Environment and the African Union with strong support from the G7 (especially Germany and France) to develop and launch the Africa Renewable Energy Initiative at COP21 in Paris.

The second High 5 is “Feed Africa”. There is absolutely no reason why Africa is a net food-importing region, spending over \$35 billion importing food. Africa must feed itself – and Africa must become a global powerhouse in food and agriculture. With 65% of all the arable land left in the world to feed 9 billion people by 2050, Africa will have to feed the world. The Bank will place a special focus on women farmers. That is why we will establish a special fund to support women farmers and women-owned enterprises.

We must therefore revive our rural economies. The Bank will accelerate support for massive agricultural transformation across Africa – while building resilience to climate change – to fully unlock the potential of agriculture, to lower food prices, save scarce foreign exchange, increase foreign exchange earnings, strengthen macroeconomic and fiscal stability, revive rural areas – and in particular, create jobs for hundreds of millions of Africans.

Let me thank very much President Macky Sall for co-hosting the Dakar Conference on Agricultural Transformation, with the Bank, the Africa Union and the Economic Commission for Africa. The landmark conference, which attracted several Ministers of Finance, Central Bank Governors and Ministers of Agriculture and the private sector, came out with a blue print for agricultural industrialization of Africa. We must change our approach to agriculture. Agriculture, across Africa, must now be taken as a business – to generate wealth and rapidly diversify our economies – not for managing poverty.

Our third High 5 is to “Industrialize Africa”. There is an urgent need for Africa to rapidly diversify its economies – and add value to everything that it produces.

Exporting raw materials only leads to vulnerabilities – and no nation or region has succeeded by simply exporting primary commodities. Africa must create industrial growth engines that will propel it to become competitive in manufacturing. I am pleased to note that several countries are already moving in this direction – a good example is right here in Ethiopia. The Bank will support private sector and financial market development, rapid industrialization of Africa, and help Africa move to the top of global value chains.

Our fourth High 5 is to “Integrate Africa”. Regional integration is critical for expanding the size of our markets. We must integrate Africa – grow together, and develop together. Our collective destiny is tied to breaking down the barriers separating us. The Continental Free Trade Area will strengthen trade in goods, services and enhance integration of financial and labour markets. The Bank will continue to invest heavily in high quality regional infrastructure – especially rail, transnational highways, power interconnections, information and communications, air and maritime transport.

The fifth High 5 is to “Improve the quality of life for Africans”. Africans must see the benefit of growth and democracy in their daily lives. The Bank will accelerate investments in education, vocational training and skills development. We will grow the next generation of knowledge-work force for the continent. We will also continue to invest in improving access to basic services such as water and sanitation. The Ebola crisis was a wakeup call for the continent and the Bank: We must invest heavily in public healthcare systems. And we must ensure that we address the challenges of rapid urbanization, especially for urban housing to ensure a slum-free Africa. And we must create jobs for Africa’s youth – the topic of this roundtable today. So let me focus on this theme as I conclude my remarks.

There are nearly 420 million young Africans between the ages of 15 and 35 today. Within ten years, Africa will be home to one-fifth of all youth worldwide. These millions of young people are sources of ingenuity and engines of productivity that – if carefully cultivated – could ignite a new age of inclusive prosperity on the continent.

Africa’s pervasive lack of economic opportunity for the youth also fuels migration. Sometimes it is internal migration, where the youth leave rural areas for urban centres, putting a strain on our cities and still not finding opportunity. Sometimes it is external migration to Europe and beyond.

I commend the outcomes of the recent Valetta Summit on Migration in Malta and the leadership shown by the African Union. We must take a proactive stance and not just manage today's migration crisis – but avoid tomorrow's. We must invest in building a future for Africa's youth in which they can participate with pride and prosper.

Stable, high quality employment for Africa's youth is the answer. I am proud to announce that the African Development Bank, in collaboration with the African Union and the Economic Commission for Africa, is currently developing a Jobs for Africa's Youth Initiative as the centerpiece of our effort to improve the quality of life for all Africans. Our goal is to equip Africa's youth to realize their economic potential and drive inclusive growth across the continent.

The Jobs for Africa's Youth initiative will focus on creating jobs for rural youths via agriculture, develop a new generation of young graduates for commercial agriculture and agribusiness (Agripreneurs), develop Skills Enhancement Zones which will link industrial clusters with young graduates for skills development for the labour market and develop a new generation of young ICT entrepreneurs for Africa. They will be supported with business incubation and financing facilities to grow their businesses.

We expect that the Jobs for Africa's Youth Initiative – which will work across all African countries – will reach over 50 million youths over a 10-year period and stimulate the creation of 25 million jobs. It will add an additional \$30 billion to African economies. More importantly, it will help us to stem the tide of migration within Africa and into Europe. We will keep Africa's youth in Africa by expanding economic opportunities. This will help Africa to turn its demographic asset into an economic dividend.

Your Excellencies, the African Development Bank stands fully ready to work with you to achieve these development goals. We need your leadership. We need you as advocates. We need you as drivers for change. Together we will Light up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa and Improve the Quality of life for Africans. We will jointly achieve the High 5s for Africa.

Thank you very much.