

Speech by Dr. Akinwumi A. Adesina
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*Mobilizing Financing for Africa's Accelerated Economic Recovery,
Development and Integration*
at the Twenty-Fifth Ordinary Session of the Assembly of the African Union
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- Your Excellency **Macky Sall**, President of the Republic of Senegal and Chairperson of the African Union
- Your Excellency **Abiy Ahmed**, Prime Minister of the Federal Democratic Republic of Ethiopia, Our Gracious Host
- Your Excellencies Heads of State and Government
- Your Excellency **Moussa Faki Mahamat**, Chairperson of the Africa Union Commission
- Your Excellency **Amina Mohammed**, Deputy Secretary General of the United Nations, Representing the Secretary General of the United Nations
- Your Excellency **Monique Nsanzabaganwa**, Deputy Chairperson of the African Union Commission
 - Honorable Ministers
 - Honorable Commissioners of the African Union Commission
 - The Executive Secretary of the UN Economic Commission for Africa
 - The Secretary General, the African Continental Free Trade Area Secretariat
 - Heads of African Union Organs and Institutions
 - Chief Executives and Heads of Regional Economic Communities
 - Permanent Representatives to the African Union
 - Members of the Diplomatic Corps
 - Distinguished Ladies and Gentlemen

I deeply appreciate this honor and opportunity offered me by the Chairperson of the African Union Commission, the Deputy Chairperson, Commissioners, and the Permanent Representatives Committee.

I wish to congratulate His Excellency, President **Macky Sall** upon his election as the Chairperson of the African Union. Your Excellency, **President Macky Sall**, you have taken on the baton from His Excellency, President **Felix Antoine Tshisekedi**, with whom we have had the distinguished pleasure of working closely during his tenure as Chairperson.

Thank you, President Tshisekedi, for your remarkable leadership and outstanding service at the helm of our Union.

Your Excellencies, I will be speaking to you today on “**Mobilizing Financing for Africa’s Accelerated Economic Recovery, Development and Integration**”.

This is a very important and timely discussion, given that the African Development Bank has been given the mandate by a decision of the African Union to lead the mobilization of resources for Africa, to achieve Agenda 2063.

As this is the first time that I have had the opportunity to address you since my re-election, Your Excellencies, I wish to express to you, individually and collectively, my deep appreciation for your strong and unanimous support, and those of your Ministers of Finance and Foreign Affairs, for my re-election as President of the African Development Bank in August 2020. I thank H.E. President **Muhammadu Buhari**, my President, especially, for his trust, confidence, and unflinching support during this assignment which he sent me on to accomplish for Africa. I also wish to thank all our former heads of state for their steadfast support.

As always, I will continue to serve our beloved continent, and work with you to relentlessly accelerate the achievement of Agenda 2063: the Africa we want.

Your Excellencies, meeting today, physically, is itself an important milestone; a welcome relief following two years of the Covid-19 pandemic that has upended the world in an unprecedented manner.

It has been a global economic cyclone. Africa witnessed a decline in GDP growth of 2.1% in 2020, its lowest in twenty years. Africa’s GDP fell by \$165 billion. Over 30 million jobs were lost and over 26 million people fell into extreme poverty.

I wish to commend the leadership efforts of the African Union, and our Heads of State and Government, for the critical roles you have played in dealing with the pandemic and the socio-economic challenges in its wake. Today, thanks to these efforts 11% of the population has been fully vaccinated, and another 16% has been partially vaccinated.

However, while developed countries have moved to booster shots, Africa is still struggling with basic shots.

Your Excellencies, we must learn from this experience. Africa can no longer outsource the security of the lives of its 1.4 billion people to the benevolence of others.

We must secure African lives!

It is time your Excellencies, to build *Africa's healthcare defense system*.

This must be based on three strategic priorities.

First, building **Africa's quality healthcare infrastructure**.

Second, building **Africa's pharmaceutical industry** and

Third, building **Africa's vaccine manufacturing capacity**.

Africa needs \$600 million to \$1.3 billion to meet its goal of attaining 60% vaccine production by 2040. Investing in health is investing in national security.

The African Development Bank plans to invest \$3 billion to support pharmaceutical and vaccines manufacturing capacity for Africa.

To address the socio-economic impacts of the pandemic and support economic recovery, Africa will need some \$484 billion over the next 3 years. To eliminate extreme poverty by 2030, the continent will need \$414 - \$784 billion per year. Africa will need \$7- \$15 billion a year to deal with climate change. The continent will also need between \$68 - \$108 billion per year to fix the infrastructure financing gap.

Your Excellencies, we must drastically mobilize a lot more resources!

The African Development Bank, as the premier development financing institution in Africa, has been mobilizing resources to meet this challenge. Thanks to your support, the general capital of the Bank was increased in 2019 by 125%, rising from \$93 billion to \$208 billion, the highest since its establishment in 1964.

These resources have allowed the African Development Bank to scale up support to African economies to tackle the pandemic. The Board of Directors of the Bank approved a Crisis Response Facility of up to \$10 Billion. The Bank also launched a \$3 Billion Fight COVID-19 Social Bond on the international capital markets, which was the largest ever US-dollar denominated social bond in world history. The Bank provided \$ 27 million as grants to the African Centers for Disease Control.

Your Excellencies, over the past six years, the African Development Bank has provided about \$39 billion in financing to the continent in support of its High5 priorities to: light up and power Africa; feed Africa; integrate Africa; industrialize Africa; and improve the quality of life of the people of Africa.

These High5s are the accelerators for achieving Agenda 2063.

An assessment of these High5s by the United Nations Development Program indicated that the High5s would lead to the achievement of 90% of the Agenda 2063 goals and 90% of the Sustainable Development Goals targets.

Your Excellencies, so much has been achieved on the High5s. In the past five years, the work of the African Development Bank Group has impacted the lives of 335 million people – fast tracking the move towards achieving the Agenda 2063 goals. Close to 21 million people have gained access to electricity. Nearly 76 million people have benefitted from agricultural technologies for food security. More than 12 million people have gained access to finance through private sector investee companies. Over 69 million people have been provided with improved transport. And 50 million people have gained access to improved water and sanitation.

Your Excellencies, Feeding Africa remains a top priority. Our Technologies for African Agricultural Transformation which we call TAAT, has provided drought tolerant technologies for 12 million farmers across Africa. The Bank is supporting the creation of special agro-industrial processing zones in 18 countries to help drive the transformation of agriculture as a major source of wealth and jobs.

Your Excellencies, the African Development Bank, the International Fund for Agricultural Development, and the African Union Commission launched the Facility for African Food Security and Nutrition at the UN Food Systems Summit. Now dubbed Mission 1 for 200, this financing facility will help to mobilize \$1 billion, provide climate resilient and nutrition-rich technologies for 40 million farmers, produce 100 million metric tons of food, and feed 200 million people. This will help to reduce food insecurity in Africa by 80%.

This is particularly crucial in 2022, the Year of Nutrition in Africa.

Your Excellencies, the Bank is investing heavily in renewable energy. This includes the world's largest concentrated solar power system in Morocco and the Lake Turkana energy project, the largest windfarm in Africa. Together with Africa50, we have co-financed the 3,000 MW Ben Ban solar power project in Egypt. The Bank is also implementing a \$20 billion Desert-to-Power initiative to develop 10,000 MW of solar power for the Sahelian zone of Africa, to provide electricity for 250 million people. This will become the largest solar zone in the world.

Your Excellencies, Africa faces a huge challenge with energy transition, and with climate change. The Bank is working to establish an **African Just Energy Transition Facility** that will support transition from coal and heavy fuel oil into clean energy. However,

Africa will need an energy mix that includes natural gas, to ensure stability of its energy systems, power industries, and ensure competitiveness.

Your Excellencies, we must go beyond “*a just energy transition*” to “*a just energy system.*”

Africa cannot be poor in an environmentally sustainable manner.

To support Africa's adaption to climate change, the African Development Bank and the Global Centre for Adaptation have launched the **African Adaptation Acceleration Program** (AAA-P) with the goal of mobilizing \$25 billion for climate adaptation for Africa.

We must revive the Lake Chad Basin!

We must save the Sahel from desertification!

We must complete the Great Green Wall!

The African Development Bank has committed \$6.5 billion towards the Great Green Wall. I would like to thank UN secretary General, Antonio Guterres, and my dear sister, Amina Mohammed, Deputy UN Secretary General, for their exceptional support for this initiative.

As we move from COP26 in Glasgow to COP27 in Sharm El Sheikh, to be hosted by President El Sisi, developed countries need to meet their \$100 billion commitment on climate finance to support developing countries. This will help Africa.

Promises made must be promises kept.

The issuance of Special Drawing Rights (SDRs) of \$650 billion by the International Monetary Fund has helped substantially, but Africa only received \$33 billion worth of SDRs. African Heads of State at the Paris Summit on African Economies, with the strong support of President Emmanuel Macron, called for a re-allocation of \$100 billion to Africa. You also asked that the re-allocated SDRs pass through the African Development Bank, as a prescribed holder of SDRs.

Your Excellencies, I will appreciate your continued strong support for this. Passing the re-allocated SDRs for Africa through the African Development Bank will serve Africa very well.

First, as a AAA-rated financial institution, the African Development Bank will be able to leverage the SDRs by 3-4 times. For example, a \$50 billion re-allocation through the African Development Bank will be leveraged to deliver \$200 billion to African economies.

Second, the African Development Bank will help to recapitalize other African financial institutions, many of which the Bank helped to establish, including the Afreximbank Bank, West Africa Development Bank, East Africa Development Bank, Central Africa

Development Bank, the Africa Guarantee Fund, Africa-Reinsurance Company, Shelter Afrique, Trade and Development Bank, Africa50, as well as the Development Bank of Southern Africa.

I wish to also use this platform to advocate for additional shareholder funding for these institutions to play their mandated roles.

Your Excellencies, to protect Africa from future economic shocks, it is now critical to establish an **African Financial Stability Mechanism**. Africa is the only region of the world that has no liquidity buffers to protect the continent against shocks. Europe has ... Asia has ... Latin America has ... The Middle East has. These regions had more protection from the economic effects of the pandemic.

Africa did not.

This has led to widespread regional spill-over contagion effects, and instability.

African economies must be protected. The African Financial Stability Mechanism will protect African economies.

Your Excellencies, we need more resources to finance Africa's low-income countries, especially those facing fragility. The African Development Fund, the concessional institution of the African Development Bank Group, has helped to support these countries with \$8.5 billion in the past five years.

The African Development Fund has delivered impressive results.

The Fund financed the landmark Senegambia bridge.

It financed the Rosso bridge between Mauritania and Senegal.

It financed Corridor 13 road between Central African Republic and the Republic of Congo.

It financed the road network rehabilitation project for Comoros.

It financed the Revenue Authority project for Togo.

It financed the Bas Mangoky rice irrigation project for Madagascar.

The Fund is also financing the Kandadji multipurpose dam project for Niger.

However, more resources are needed to meet the rising needs of low-income countries. I wish to request the strong support of Your Excellencies, African Heads of State and Government, and of the African Union Commission, for the 16th Replenishment of the African Development Fund later this year.

Your Excellencies, with its \$25 billion in equity, the African Development Fund can leverage up to \$33 billion of additional financing for low-income countries. To achieve this,

we need your support to change the article in the charter of the African Development Fund that does not allow it to go to market to leverage resources. This is top priority.

We are also leveraging private investments into Africa, in innovative ways.

Your Excellencies, the Africa Investment Forum, established by the African Development Bank and its partners, has helped to secure investment interests worth more than \$78 billion. This spectacular level of interest includes a \$24 billion transaction for the liquefied natural gas project in Mozambique. We are proud that that this project will make Mozambique the third-largest producer of liquified natural gas in the world.

The project experienced challenges from insecurity, but thanks to your collective leadership, all is now back on track.

Your Excellencies, we must now link security, investment, growth, and development closely together. To enhance the security of Africa, the African Development Bank is currently developing **Security Indexed Investment Bonds**. Proceeds from these bonds, when developed, will support countries and regional economic communities to do four things. First, to upgrade security architecture. Second, to repair damaged infrastructure in conflict-affected zones. Third, to rebuild social infrastructure. And fourth, to protect zones with strategic investments.

Your Excellencies, we must build a better future for our youth. It is time to create youth-based wealth all across Africa. To boost financial support for the businesses of our youth, the African Development Bank Group is exploring with countries the establishment of **Youth Entrepreneurship Investment Banks**. They will be first rate financial institutions run by the youth for the youth.

Your Excellencies, to unleash the business potential of women, the Bank's **Affirmative Finance Action for Women in Africa (AFAWA)** is mobilizing \$5 billion for women businesses.

AFAWA is now working at scale. Over \$425 million was disbursed in 2021 to banks for lending to women businesses. This year, we will disburse \$500 million for women businesses.

Our vision is clear: When women win, Africa wins!

Your Excellencies, the African Continental Free Trade Area offers the continent incredible opportunities to accelerate Africa's development. To achieve this goal, the African Development Bank has invested massively in infrastructure, from roads, transport corridors, airports, seaports, railways, and digital infrastructure. Over the past 10 years, we have

invested over \$40 billion in infrastructure. We are connecting nations, connecting businesses, connecting people.

Your Excellencies, with Agenda 2063, Africa's glorious future beckons!

Politically, we are ready.

Financially, we are strong and prepared.

Last year, the African Development Bank was ranked the Best Multilateral Financial Institution in the world by Global Finance, the leading US Financial Magazine.

The sun is shining!

Now let us surge forward, overcoming challenges in our way, with our eyes firmly focused on the goal: the Africa we want.

An Africa prosperous, peaceful, and stable.

An Africa where the youth thrive and prosper.

An Africa where our women can reach their full potential.

An Africa supported by strong financial institutions.

An Africa that develops with pride, looking inwards to mobilize domestic resources, and ending illicit capital flows.

Your Excellencies, with your bold and visionary leadership, a new Africa is emerging.

Just as the eagle soars above the storms, so will Africa soar and achieve its destiny.

Africa is destined for greatness!

Thank you very much Your Excellencies.