Statement made by

Dr. Mohamed Mahdi Youssouf
Manager, African Development Bank

Consultative Meeting on the
African Development Bank’s First Human Capital Development Strategy
Sept. 9 – 10, 2012, Kempinski Hotel
Republic of Djibouti
His Excellency, the Prime Minister of the Republic of Djibouti,
Honorable Ministers,
The Executive Secretary of IGAD
Distinguished Delegates of IGAD Member States,
Distinguished Representative of the African Union Commission, and Regional and International Organizations,
Invited Guests, Ladies and Gentlemen,

On behalf of the African Development Bank, I have the pleasure to welcome you to this regional consultation on the Bank’s first Human Capital Development Strategy (2012-2017).

I wish to thank distinguished government officials and members of academia, civil society and the private sector from Ethiopia, Kenya, Uganda, Sudan, South Sudan, Somalia for having travelled to Djibouti to attend this meeting.

I would particularly like to thank the Government of Djibouti for hosting us and honoring this meeting with the presence of His Excellency the Prime Minister of Djibouti. I would also like to thank IGAD for their continued collaboration with the African Development Bank and without whom this meeting would not have been possible.

The presence of all the participants in this meeting demonstrates your interest in the activities of your Bank – the African Development Bank.

The development of this strategy is an important step in the partnership between the African Development Bank and its Regional Member Countries. This strategy will identify key areas for investments in human capital and how to effectively use the large amount of domestic financing allocated to the development of human capital in Africa – in the areas of education, health, and social protection. The development of this strategy has been highly participatory. It reflects the commitment of the Bank to listen to the views of all stakeholders and stay close to the realities on the ground namely. We count on your presence today, elected government, civil society, private sector representatives, technical and financial partners, scientists and researchers, not only to let us know if the Bank is moving in the right direction in building human capital in Africa, but also to take an active part in all future interventions.

Invited Guests, Ladies and Gentlemen,
While I will present the Bank’s vision of human capital development shortly, let me say a few words about why we are all here today.
Africa is experiencing profound shifts which all have repercussions on its people and for its people.

Africa’s demographics are the most rapid in the world with 60% of its population being between 15-25 years of age, many of whom are poor, unemployed or underemployed. Today, Africa is also the youngest region in the world. And by 2040, Africa will have the largest workforce in the world, surpassing China and India. This demographic boom can be our continent’s greatest asset, or greatest risk, depending on our ability to harness this reservoir of human capital.

Economically, African countries have been growing by 5-8% on average. The private sector has a much larger presence in Africa than ever before. Yet the quality and inclusiveness of growth are of increasing concern. Seven out of the 10 most unequal countries in the world are in Africa.

Politically, increased demand for voice and accountability has led to democratic reforms, and decreased conflicts and civil wars. Africa’s aid architecture is shifting, with new partners such as China and India emerging.

Environmentally, urgent action is needed to address the consequences of environmental changes such as shortage of food, displaced populations, and increased poverty.

Technologically, Africa has been benefitting from a technological revolution, leapfrogging access to information and communication – especially in mobile technology.

Ladies and Gentlemen,

The Bank’s vision for Human Capital Development in Africa is to create jobs, provide equal opportunities and harness the potential of 1 billion people to promote inclusive growth.

Human Capital Development is at the heart of the Bank’s inclusive and green growth agenda. Investments in human capital represent an increasingly important approach and set of instruments for the Bank’s fight against poverty and social exclusion in Africa.

An integrated Human Capital Development Strategy is required because education, nutrition, health and safety nets are inextricably linked with economic growth and poverty reduction.

The HCD Strategy will describe a Bank-wide approach to effectively mainstream HD in Bank operations. The key guiding principles include strong result focus, selectivity, alignment of interventions to national policy frameworks, country and regional strategy papers, as well as harmonization, and partnerships.
The New HCD Strategy

The Bank’s Human Capital Development Strategy will focus on three major areas which are critical for inclusive and green growth:

(i) increasing competitiveness and employment opportunities, including improvements to productivity in the informal sector, focusing on the growing numbers of young people entering the labor force;

(ii) ensuring value for money and accountability for improved service delivery; and

(iii) ensuring both financial and social protection for the poorest and most vulnerable segments of African societies.

The mix of interventions will depend on specific country demand and economic and social factors.

Excellencies, Ladies and Gentlemen,

In conclusion, I would like to emphasize the paramount importance of this meeting. I hope the participants of the meeting, who represent the Member States, will engage in a lively debate over the course of these two days (both in the meeting and outside) in order to provide inputs that can enrich the Human Capital Development Strategy of the Bank and for Africa.

Allow me once again to thank the IGAD for assisting us in organizing this meeting.

Thank you all for your kind attention.

I wish you a good meeting and a fruitful debate.