Remarks at SDG Leadership Seminar in Oslo:
Delivering on the SDGs – a plan of action for people, planet and prosperity

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Your Excellency, Borge Brende, Minister of Foreign Affairs of Norway,
Your Excellences,
Members of the Diplomatic Corps;
Captains of Industry; Members of the Press
Distinguished guests,
Ladies and Gentlemen,

I am honored to speak today at this gathering of eminent leaders on the
theme of this meeting: “Delivering on the SDGs – a plan of action for
people, planet and prosperity.” I would like to commend His Excellency
Borge Brende, the Minister of Foreign Affairs, and the Norwegian
Government for organizing this important Forum.

The Sustainable Development Goals that were agreed in New York last
September are a historic opportunity to eradicate extreme poverty from
the planet and to chart a course for global development and
transformation. I believe strongly that the SDGs are achievable but will
require all of us to work together in concert to support global transformation,
and Norway is leading by example.

Norway is a leader in the development community and one of only five
Development Assistance Committee (DAC) members to have met the
UN target of devoting 0.7% of its GNI to ODA. It is especially
commendable, that despite the economic headwinds in recent years,
Norway has consistently maintained this level of development assistance
every year since 2009, setting an example for other developed economies to follow.

**Norway is also a strong friend and partner of Africa and the African Development Bank.** Norway has been a member of African Development Fund (ADF) since 1973 and has been increasing its contributions to the fund significantly over the years. Norway’s subscription to ADF-13 was US$ 286 million (NOK 1.766 billion), an increase of 12% from ADF-12. I wish to thank the Norwegian government and people for your excellent support in helping Africa achieve its ambitions and look forward to a stronger partnership ahead, as we support and scale up Africa’s transformation.

**When I took over as the 8th elected President of the African Development Bank on September 1, 2015,** I did so with a very clear understanding that this was not a job – it was a calling, a mission to transform the lives of the people of Africa and to place the African Development Bank at the center of this process of transformation. So, let me now turn to what we are doing to help Africa attain the SDGs and move towards a path of prosperity. If we meet the SDG targets in Africa, we will meet them globally; and if we fail in Africa, we will fail globally. Africa is the crucible of this debate.

**Make no mistake, Africa remains a land of opportunity.** We have experienced impressive growth over the past decade. Despite the slow economic growth prospects globally and the decline in commodity prices, Africa is performing better than most – with expected GDP growth of 4.4% in 2016. African economies are not unraveling, they are resilient – and Africa
remains the place to invest – as evidenced by the significant increase in Foreign Direct Investment the continent has experienced in recent years.

But the continent also faces several challenges, which all of you are well aware of. That is why the African Development Bank has launched what we call the High 5s to support Africa’s development. These are: *Light Up and Power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the Quality of Life for Africans*. Not only are these five priority areas central to the Bank’s Ten Year Strategy, but they are intrinsically linked to the SDGs and the global commitments made on climate change. To meet the SDGs, investments in these priority areas are expected to have a transformative impact on African economies, offering new hope for the younger generations and contributing to halt the migration flows that have been draining African youth out of the continent for decades.

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. 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. 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.

The African Development Bank plans to invest US $12 billion in the energy sector over the next five years and leverage US $40-50 billion into the energy sector.

**The second High 5 is “Feed Africa”**. There is absolutely no reason why Africa should be importing food, with net food imports of $35 billion in 2015. 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 has the capacity to feed the world. In supporting the agriculture sector, the Bank is placing special emphasis on women farmers and we have launched a $3 billion Affirmative Finance Action for Women Program to support women entrepreneurs across the continent.

We must revive Africa’s rural economy. The Bank is accelerating support for 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, and strengthen macroeconomic and fiscal stability – and in particular, create jobs for hundreds of millions of Africans. We must change our approach to agriculture. Agriculture, across Africa, must now be treated as a business
and not as a way of life – if the continent is to generate wealth and rapidly diversify our economies.

**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. Africa currently accounts for just 1.9% of global manufacturing. Exporting raw materials only leads to vulnerability – 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 – such as Ethiopia and Rwanda. The Bank will support the development of the private sector and financial market development in its quest for rapid industrialization of Africa so that the continent can eventually 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 and break down the barriers separating countries. The Continental Free Trade Area initiative will strengthen trade in goods, services and enhance integration of financial and labor markets. The Bank will continue to invest significantly in high quality regional infrastructure – especially rail, transnational highways, power interconnections, information and communications, air and maritime transport. In February 2016, we launched the first Africa Visa Openness Index and the findings indicate that African borders still remain closed to African travelers. Easing travel across the continent will reduce the cost of doing business and boost private sector activity.
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 the 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 institutions and systems. And we must ensure that we address the challenges of rapid urbanization, especially for urban housing to ensure a slum-free Africa.

But it is especially important that we create jobs for Africa’s youth. 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. The African Development Bank has launched the Jobs for Africa's Youth Initiative – which will work across all African countries – with the goal of reaching 50 million youths over a 10-year period and stimulate the creation of 25 million jobs. 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.
In addition to the five areas I have mentioned above, there are a few cross cutting areas of critical importance to the Bank’s work in helping Africa achieve the SDGs.

**The first is climate change.** In November last year, the world agreed on a very ambitious agenda to limit global warming to 2 degrees Celsius under the auspices of COP21, reflecting the planets collective determination to reduce carbon emissions and avoid environmental and climate change disasters. While Africa accounts for only 2% of global greenhouse emissions, it is predicted to suffer the most from the impacts of climate change. From increased frequency of droughts in the Sahel, to floods in the small island states, livelihoods of hundreds of millions are at risk. Poor households and vulnerable populations will bear the brunt of this, as a vicious cycle links climate impact to rural poverty and fragility. Africa, which is already short-changed on climate change, must not be short-changed on climate finance. The cost of climate change for the continent is estimated to reach USD 45-50 billion per year by 2040 and up to 7 percent of Africa’s annual GDP on average by 2100. Africa needs more climate finance for adaptation and mitigation.

The Bank is putting a lot of emphasis on efforts to support African countries to address the challenge of climate change. We are ramping up support for climate risk management, building resilience, especially through new collaborative arrangements with the Africa Risk Capacity, as well as with the Green Climate Fund. The Bank announced at the Ministerial Meeting on Climate Finance in Lima, Peru, that the Bank would triple its climate finance to reach $5 billion annually by 2020, with climate financing accounting for 40% of the Bank’s annual lending. The Bank has already worked with the

The second area is gender. The Bank’s Gender Strategy 2014-2018, set out our institutional commitment to reduce gender inequalities by strengthening women’s legal status and property rights, promoting women’s economic empowerment, and enhancing knowledge management and capacity building” on gender equality. We launched the African Gender Equality Index in 2015, which has been influential in promoting the gender agenda, providing cross-country data on key gender indicators and giving a more robust picture of gender inequalities across Africa. And we will do more for women, especially in three areas: 1) affirmative finance action for women in Africa, which will involve working with banks and microfinance institutions to triple lending to women and women-owned businesses; 2) special focus on women farmers, and 3) emphasis on reaching millions of women with clean cooking energy within the next three years. In this regard, we are grateful that Norway has provided an amount of US $3 million from its bilateral trust fund to support African women in business, and gender equality more generally.

The third area is improving governance. Most African countries, including those facing situations of fragility, have improved their governance since the beginning of the millennium. Many countries have taken important strides to improve fiscal frameworks and public financial management systems. Despite this progress, governance issues such as corruption, lack of transparency, and accountability, remain pervasive concerns in many
African countries, undermining social, economic and political progress at many levels.

The Bank will continue to support countries through our economic governance programs to strengthen better management of Africa’s vast natural resources, to deepen macroeconomic and fiscal management and to expand revenue collection through better tax policies and tax administration. This is why we seek your continued strong support for the Africa Legal Facility and the Africa Natural Resources Center, to strengthen capacities of countries to negotiate contracts and royalties – getting the most from their natural resources. The Bank will support countries to add value to all their natural resources and end the trend of exporting of primary commodities. Norway has contributed NOK 30 million (US $4.9 million) to the African Legal Support Facility and discussions are underway for an extension of Norway’s contribution agreement.

**Finally, the fourth area is fragility,** and about 300 million people across the continent live in an environment of fragility. Fragile economies experience disproportionate economic, social, gender and environmental costs that exacerbate already existing structural constraints, such as lack of economic diversification and limited human and institutional capacity. Humanitarian catastrophes are an extreme symptom of fragility and over the past two years more than 56 million people in Africa have required humanitarian assistance. It is estimated that more than 17 million Africans are displaced across the continent with women and children being the most vulnerable and at risk. Current trends suggest that poverty will be increasingly concentrated in countries in fragile situations, who will require more attention and resources to achieve the SDGs and break the fragility trap. Official development aid
numbers show that many of these countries continue to be “aid orphans”, with their combined aid representing around half of the amount received by non-fragile countries.

With the number of fragile situations increasing over the past few years, the Bank will need to play a major role in reversing this trend and boost its interventions in order to reduce the risk of reversal. The Bank considerably deepened its engagement in these countries and its engagement is defined within the context of a new Strategy for addressing Fragility and Building Resilience in Africa.

**Conclusion**

As was evident during the Financing for Development Summit in Addis Ababa last year, financing the SDGs in Africa and indeed across the world is far beyond the capacity of any one organization and will require global partnerships. In particular, a central challenge is how to enhance collaboration between the public and the private sector in order to unleash the private sectors vast potential as an engine for transformation and inclusive and shared growth.

To catalyse Africa’s transformation over the next decade, the Bank plans to systematically leverage its own resources and become a catalyst for significantly scaled up development finance for Africa and for mobilizing domestic resources. The Bank is changing its business model to become more agile and responsive to the continent’s needs. It is undertaking several management and organizational changes, to ensure closer alignment to these business priorities, enabling it to respond quickly to the needs of its
clients, improving selectivity and operational effectiveness, to better coordinate both internally and externally.

And as there are multiple actors involved in implementing the SDGs – multilateral and bilateral, public and private, Government and non-Government – we are putting in place effective mechanisms for coordination and dialogue, which will be critical for success.

Going forward, we would like to further strengthen the already strong partnership we have with Norway in order to help transform the continent and, in so doing, help the attainment of the global SDG agenda.

Thank you very much.