Speech Delivered by President Akinwumi A. Adesina
Joint Interactive Session with the Minister of Finance of Italy, Giovanni Tria, at the Ministry of Finance, Rome, Italy, 6th December 2018

Good morning everyone. Thank you Minister of Finance, Giovanni Tria, for inviting me to this special session with you this morning. Yesterday we had a great day at the Ministry of Finance with Governors of the African Development Bank, as we discussed Africa’s development and prospects.

Today, you have gathered here an impressive number of personalities, to discuss Africa. I can say clearly, that *Africa is on your mind* – and that makes be very happy!

I know you all will be keen to know more about developments in Africa, the role of the African development Bank, opportunities for investing in Africa and how the African Development Bank can support such investments.

Let me start off by telling you a few things about the African Development Bank. Established in 1964, the African Development Bank is Africa’s premier development finance institution. We are a **AAA-rated Multilateral Development Bank** with 80 African and non-African shareholder countries, including Italy.

The African Development Bank has a share capital of **about $100 billion**, placing it at the heart of accelerating Africa’s development. The African development bank is dedicated to its motto: “Building today, a better Africa tomorrow”. The African Development Bank’s **sole mission** is to “build Africa”. And we do that supporting governments and the private sector.

The strategic focus of the Bank is on five areas – which we call the High 5s - to help fast track Africa’s development: Light Up and Power Africa; Feed Africa; Integrate Africa; Industrialize Africa; and Improve the Quality of Life of the People of Africa.

The High 5’s will help Africa achieve the SDGs, must faster. Indeed, an independent analysis of the High 5s by the UNDP showed that if Africa achieved these High 5s, it would have achieved 90% of the SDGs and 90% of the Agenda 2063 of the Africa Union.
So the African Development Bank – as Africa’s premier and most trusted financial institution – is right at the heart of moving Africa forward.

I am delighted that Italy is a great supporter of Africa. The relationship between Africa and Italy dates centuries, linked by culture, trade and investment and social interactions. Not to talk of the love we have together for football.

I still vividly remember how Italy, with a remarkable player called Roberto Baggio, scored in the dying minutes of the 1994 World Cup match against my country Nigeria. To be honest with you, everyone in Africa remembers Italy even more so from that day than ever before. At least, Italy recognized at the time that Africa had incredible potential.

That potential is not just in sports. Africa today has enormous potential in agriculture, with 65% of the arable land left to feed the world by 2050. That means what Africa does with agriculture will determine the future of food, not just in Africa, but also in the world. Africa has some of the largest deposits of oil, minerals and metals. While potential is important, that’s not enough. Nobody eats potential. What is critical therefore, at the core of the agenda in Africa is how to unlock Africa’s immense potential.

Some ask the question whether the Africa rising story is over. Well, I don’t think Africa was ever down. The continent is not different from other parts of the world that pass through episodes of growth spurts and dips. The narrative on Africa should not be determined outside of Africa. Africa must control its own narrative.

The facts speak for themselves.

GDP growth rates rose from 2.2% in 2016 to 3.5% in 2017, which is 3 times the projected average growth rate of 1.2% for Latin America and the Caribbean. Growth is expected to rise to 4% in 2019. At the African Development Bank, we estimate that 17 African countries are projected to grow in 2018 at above 5%, while 21 countries are estimated to grow at 3-5%, all of them above global growth average.
Africa’s population will rise to over 2 billion people by 2050, which will be the size of China and India taken together today! The continent at that time will have the highest number of youths in the world – all brimming with ideas, creativity and skills, which will make the continent the workshop of choice in the world.

Consumer spending will reach $2.5 trillion by 2030, while business-to-business investments will reach over $3.5 trillion in the same period. With rising middle class and rapid urbanization, consumer demand will lift the continent to a prime market that cannot be ignored.

Today, Africa is home to five of the world’s fastest growing economies. Things are looking even much better in 2019 and beyond. Only 4 countries will record negative growth in 2018, compared to 8 in previous years. FDI inflows which rose from $10 million in 2010, reaching $73 billion in 2013, before declining to $42 billion in 2017, is projected to recover to $50 billion in 2018.

Africa is leading globally on mobile banking. With over 770 million mobile phone users, including 244 million with smart phones, the continent is witnessing a digital revolution that could thrust it forward, faster, in e-commerce.

Africa offers huge opportunities for investments in energy, especially renewable energy. Today, there are over 600 million people in Africa without access to electricity. To tackle that the African development bank is investing $12 billion in energy over the next five years, and we hope to leverage $45-50 billion. That’s a huge investment opportunity for energy companies in Italy, especially for distributed energy for off-grids and mini-grids.

We have launched our boldest effort yet on renewable energy, the Desert to Power Initiative, to help provide electricity for 250 million persons across the Sahel, using solar to develop 10,000 MW of electricity. This will be the largest solar power zone in the world. This is a huge opportunity for energy companies from Italy.
There is a linkage between lack of electricity and migration. Many migrate out of Africa, especially in places lacking electricity, to Europe, in search of a better life. To address migration crisis in Europe, Italy and Europe should help Africa have access to electricity. With access to electricity across Africa, economic opportunities will expand, especially for the youth, industries will run, and quality jobs will be created.

The migration crisis in Europe is one of the biggest social and political challenges Italy and the rest of Europe has to deal with. Let me be very clear: I do not believe that the future of Africa’s youth lies in Europe. It also does not lie at the bottom of the Mediterranean Sea. Their future lies in an Africa that is growing well, with inclusive growth and able to create quality jobs.

To help address the jobs crisis for the youth in Africa, where 10 million youth enter the labour market each year without getting jobs, the African development bank has launched a massive initiative: Jobs for Youth in Africa. Our goal is bold, timely and transformative: to help African countries to create 25 million jobs over a ten-year period. We are focusing on agriculture as a business, ICT and small and medium sized businesses. The youth are Africa’s greatest assets. What we do for the youth today will determine the future of Africa.

I wish to thank the Italian Cooperation Agency for its 2.5 million Euros contribution to the Bank’s Youth Entrepreneurship and Innovation Multi-donor Trust Fund, in September 2018.

We are also investing heavily in women. No bird can fly with one wing. Africa will develop faster when it fully harnesses the full potential of its women. Equality for women in Africa will assure Africa’s greater economic future. To achieve this, we must ensure that women businesses all across Africa have access to finance. We know that women pay back their loans and are indeed better than men in this aspect. However, there are inherent and systemic biases against women in many of the financial institutions. The Bank is determined to help turn this around.

That’s why the Bank launched the Affirmative Finance Action for Women in Africa (AFAWA) to help de-risk lending to women by banks and finance institutions in Africa. The Bank plans to develop a rating index that will rate and rank all financial institutions on the continent based on their
lending to women. Our goal is to leverage $3 billion for women over five
years and tilt the entire financial system in Africa in favor of women. We
would like Italy to help champion AFAWA and together, we can finally
create a level financial playing field for women in Africa.

The support of Italy for the African Development Bank is paying off,
in terms of development impacts that the Bank is achieving in Africa.
Between 2010-2017 the Bank delivered the following to Africans: 27
million gained access to new or improved electricity connections; 49 million
people benefitted from improvements in agriculture; 899,000 small
businesses benefitted from financial services; 78 million people benefitted
from improved access to transport; 35 million people benefitted from better
access to water and sanitation.

I know that there are several parliamentarians here today who will be
looking at the continued support of Italy to the Bank. Italy is today the 7th
largest contributor to the African Development Fund, with a contribution of
246 million Euros pledged for the last replenishment in 2016. Italy is also an
important shareholder of the African Development Bank since 1982.

I would like to urge for greater and continued support of Italy for the
African Development Bank.

As you can see, the development results on the ground show that
Italy’s investment in the African development bank group is paying off in
terms of accelerated development for Africa.

The Bank is also working in fragile states and helping such countries
to address the fundamental root causes of fragility and to move into more
resilient economies. I wish to thank the Italian Ministry of Finance for
contributing 5.2 million Euros to the Fragile State Facility of the Bank in
October 2018.

Africa leads the world in terms of the total number of business and
regulatory reforms - two years in a row since 2016. The G20 Compact with
Africa is showing results. Of the 101 policy, business and investment
regulatory commitments made, 98 are on track. As a result of these reforms
compact countries are attracting significantly increased levels of
investments.
That’s why the African Development Bank launched the Africa Investment Forum. The Africa Investment Forum, which held its inaugural event on 7-9 November in Johannesburg, South Africa, was a tremendous success. We had over 2000 participants and 350 investors, including pension funds and sovereign wealth funds, from 53 countries across the world. And within 72 hours project investment deals worth $38.7 billion were signed.

To put this in context that’s 97% of the total Foreign Direct Investments of Africa last year.

That’s the Africa I am talking about: the land of opportunities. It is critical to change the lenses with which we look at Africa, away from the lenses of development, to lenses of investments.

I am pleased that Italy is recognizing this potential and investing in Africa. Announced Foreign Direct Investment from Italy for Green Field projects in Africa reached $10.4 billion in 2017, up from $4 billion in 2016, a 160% increase.

But we need to work hard to turn around the trend of trade between Italy and Africa. Exports from Italy to Africa declined from $27 billion in 2013 to $19.4 billion in 2017, a decline of 28%. Africa’s export to Italy declined from $45 billion in 2012 to $20.6 billion in 2017, a decline of 54%.

This is not the right trajectory. We must work hard to turn this around. This is especially critical given the Continental Free Trade Area for Africa (CFTA), which will become the largest free trade zone in the world since World Trade Organization was established since 1948. The CFTA is projected to expand intra-Africa trade by about $35 billion per year.

To achieve this, the African development bank is financing hard infrastructure in the form of ports, railways, roads, airports, power, ICT and water and sanitation. The Bank’s lending is between US$8-10 billion annually, of which approximately 50% goes into infrastructure.

Welcome to a new Africa where much is being done to unlock the continent’s incredible potential. Welcome to a new Africa where massive investment opportunities exist. Welcome to a new Africa that is open for business to the rest of the world.
U.S. Senator Chris Coons in announcing the recent establishment of the new U.S. International Development Finance Corporation said "We always asked what's the next China after China? Well, appropriately, China figured it out. It's Africa".

German Chancellor Angela Merkel said: "In the past we have looked towards Asia. In the future we should look more to Africa"

That future, ladies and gentlemen, is now. And Africa knows it! And I hope Italy knows it – and takes advantage of it too!

An Italian saying calls us to action: “Il tempo è prezioso” - “time is precious”. Let’s urgently take actions, together, to create the better economic opportunities in Africa.

A prosperous Africa is the antidote to the migration crisis in Europe.

The time for that is now – and the African Development Bank is your strategic partner. Together, let us join hands to unlock Africa’s huge economic potential.

Let Italy and Africa prosper together!

Gracia Mille!