Speech by Akinwumi Ayodeji Adesina,
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to the heads of diplomatic missions and international organizations accredited
to Côte d’Ivoire,
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Your Excellencies, Ladies and Gentlemen,

Thanks to all of you for doing us the honour of attending our annual gathering. Let me start by wishing you and all your families a happy New Year.

We are always delighted to welcome the diplomatic community and the international institutions to this annual luncheon with the African Development Bank.

It is always a good time share our progress with you and our perspectives on Africa’s development outlook. It’s always a great time to get valuable feedback from you all: our most important stakeholders, our most dependable partners and our closest friends.

Let me start with congratulations to President Ouattara, his Government and the people of our host country, Côte d’Ivoire, which has completed another year of political and economic progress in 2016, with a new Constitution and a new Government. The Bank strongly supports President Ouattara and appreciates his dynamism for getting Côte d’Ivoire back on an amazing economic recovery. Today, Côte d’Ivoire has one of the highest growth rates in the world. We all must continue to support the country to build a stronger and more resilient economy.

For us as Bank with its headquarters in Côte d’Ivoire, charity begins at home. For many of you living in Abidjan moving around was once a major problem. The Bank supported the Government to construct the Henri Konan Bédié Bridge. Today, moving around could not have been much easier. We are doing more. Just last December the Bank approved US $264 million for the construction of a 4th bridge. We also approved financing to the Government to provide electricity to over 250 communities. These are just some of the things we do to support the accelerated growth and development of our host country, Côte d’Ivoire.

Côte d’Ivoire is a special partner in our common journey towards an Africa that can stand, speak and trade with confidence in the markets and the meeting rooms of the world.

Let me bring you up to date with what’s been happening in the Bank.

We are stronger than ever before. We have improved institutional efficiency, effectiveness and delivery.

The Bank Group has also implemented its Development and Business Delivery Model – a major transformation program to bring us closer to our clients and projects on the ground, streamline business processes, and improve financial performance. All of this is rooted in a culture of achievement and accountability.
All the new senior management, including all the Vice Presidents, have been hired and are up and running. I pledged last year to increase the number of women in senior management levels: 60% of these appointments are women. This is a record in the history of Bank appointments.

A new performance culture is spreading through the DNA of the Bank. All staff are signing performance contracts with clearly defined performance indicators, linked to delivery and determining rewards. In this virtuous circle, we will keep delivering more and better for our member countries.

In 2016, despite a very busy transition period, the Bank achieved record levels of lending and disbursement. We approved $10.7 billion (7.98 billion UA), the highest in the history of the Bank. We disbursed US$ 6.4 billion (4.7 billion UA), also the highest in the history of the Bank.

At the end of 2016, the volume of the active portfolio of the Bank grew by more than 23%, reaching a new peak at US $44 billion, and the proportion of projects at risk declined during the year by 22%.

We maintained our AAA rating, in a difficult global economic environment. That means we can borrow more at low interest rates and pass on the benefits to support greater development of our member countries - particularly important, as we help them cope with effects of declining commodity prices.

Excellencies, Ladies and Gentlemen,

Africa is dynamic and on the move. A decade of growth has been bookended by a pause in 2016 – but deep rooted positive factors underlying the growth remain evident today.

The economic projections show that growth will improve to 3.2% in 2017.

Of course, I fully understand that there are many conditionals in the projections. The slowdown in China and other emerging economies might affect the net commodity exporters. More and bigger rises in global interest rates could trigger capital movement away from Africa and raise the cost of external debt.

A new and aggressive “America First” policy might constrain African export ambitions. Brexit and economic turbulence in Europe might affect African markets and financial flows. Insurgency groups in certain parts of Africa are intent on destruction ….

I could go on. But my optimism about the future stems not from a blind assumption that everything is going to be fine whatever happens. Neither is it my job to promote worries about what might happen in hypothetically problematic circumstances.

I am proud to be “Africa’s Optimist-in-Chief”, because my optimism comes from strong conviction that Africa, our continent, is facing the future with strength, conviction and confidence.
We deal in the currency of solutions, not of problems.

Let me briefly describe to you some of the trends that make me optimistic.

Household consumption continues to be robust, growing on average over the last five years by 3.9%, a trend expected to continue in the future. Public infrastructure projects rose by 3% of GDP in 2016, and will likely be sustained at a similar level in the next few years.

The business environment is improving, assisting in the expansion of regional markets, which now account for some 15% of total trade in Africa.

Most African governments are more resilient and wider based than they used to be. Countries that are performing well are also investing substantially in infrastructure to support industrialization.

And while there has been good progress so far in the African business environment, more reforms are required to enhance access to investment for entrepreneurial start-ups and to lighten the load of restrictive regulation.

Lighting up and powering Africa is the first and biggest of the Bank’s High 5s. This is because power allows everything, and the lack of power can prevent everything. Taking people out of darkness brings hope, security and economic opportunities while increasing resilience.

But let me give you an example on the ground of the impact of our activities in this area. Only half the population of Kenya has access to electricity, and it’s more expensive than in other African economies. Diversification of electricity sources is a priority issue for the country.

Kenya developed the Menengai geothermal development project, and the Bank funded it with about US $503 million. With a capacity of 400 MW, it will provide reliable, clean and affordable electricity to thousands of households and industries.

For 52-year-old resident Anita Kariuki, the imminent arrival of electricity will change the lives of all the women in her village.

She said: “It’s going to make our lives easier. Easier to cook and do things in the house. Easier to manage household tasks. The children will no longer have to sleep late. And I’ll be able to make breakfast and get them off to school on time.”

The power of these words are that these are the ordinary and mundane things that so many of us take for granted. I want these simple words to give us all the desire to keep going with the High 5s.

The Bank’s New Deal on Energy for Africa, and the Transformative Partnership on Energy that accompanies it, aim to achieve universal access to energy in Africa by 2025 by generating 160 gigawatts of new energy capacity.
We will invest US $12 billion in energy in the next five years, and to add US $50 billion from private and public sources over the same period.

All this and more is why the Bank made electricity and power generation the cornerstone of its High 5s strategy: We must Light up and power Africa.

Agriculture is the original mainstay of African countries, producing the majority of food consumed, giving employment to over 60% of Africans and contributing 16.2% of Africa’s overall GDP.

But Africa’s agricultural productivity and yields are among the lowest in the world. There are still huge and unexploited growth opportunities. The continent is endowed with 65% of the world’s uncultivated arable land and huge reserves of water.

Sub-Saharan Africa also has 10% of the world’s oil reserves, 40% of its gold, and 80%-90% of its chromium and platinum. And those are just the known reserves – the whole continent is one of the world’s largest unexplored resource basins.

Seizing these growth opportunities in agriculture will require removing many obstacles, like clearing the stones from a field before it can be tilled.

These stones include the low rate of adoption of modern inputs, erratic weather conditions, weak mechanization, lack of access to credit and finance, insufficient agronomic knowledge, and inadequate land tenure systems and property rights.

But what does that look like on the ground? The fertility of many valleys on the coast of Senegal is being destroyed by advancing salinity as a result of the decrease in rainfall, an impact of climate change.

Some 800,000 hectares of land and thousands of farmers are estimated to be affected by salinization in Senegal. The Senegalese Government, funded by the Bank, set up the Project to Support Local Small-Scale Irrigation (PAPIL) to reduce poverty and strengthen food security through the promotion of water-control infrastructure and measures to adapt to climate change.

The results have been spectacular. The project will have enabled construction of 58 salt-exclusion schemes, the recovery of 7,000 hectares of salinized land and the protection of 11,500 hectares of land from salt-water intrusion. In terms of capacity-building, 11,000 farmers have been retrained.

One of them, Samoura Kénioto, from Kédougou, said: “I’ve never harvested as much rice as I have this year, from a quarter of a hectare; thanks to PAPIL. I’m growing 1,500 kg of paddy rice. This is totally new for me and it assures me of food security.”

The Bank’s calculation is that transforming African agriculture will cost approximately US $315 billion over ten years, but will create new markets worth roughly US $85 billion per year in incremental revenue by 2025.
For its part, Africa must concentrate on adding value within Africa. There has to be a shift from the export of raw agricultural products to a more productive and wealth-enhancing strategy, namely the generation and consolidation of value along the agricultural production chains.

We can save billions of dollars every year this way (at least US $35 billion and rising fast each year), instead of spending it on buying in food that we should be growing and processing ourselves.

Through its Feed Africa Strategy, the African Development Bank will invest US $24 billion over the next ten years to help drive the agricultural transformation of Africa. That is a 400% increase in financing to the agricultural sector by the Bank.

It will also scale up its agro-industrialization interventions through the creation of mechanization programs and agro-processing zones and corridors; the coordination and financing of infrastructure projects at national and regional levels, and supporting the development of warehouse receipts systems.

In Africa, the private sector now provides the motor for growth, the dynamic for wealth and the requirement for job creation. It is a key driver in the coming transformation of Africa.

Infrastructure in Africa is a big challenge and an even bigger opportunity. It’s the heart of the Industrializing Africa High 5. And it accounts for 41.9% of the Bank’s projects.

We aim to increase intra-African trade significantly from the current 15% level by investing heavily in high quality regional infrastructure – especially rail, transnational highways, power interconnections, information and communications, air and maritime transport.

Roads are the main mode of transport in Africa, carrying at least 80% of goods and 90% of passengers in Africa. With most roads either unpaved roads or in bad condition, we are struggling to connect people to trade hubs and to move goods internally at a competitive rate.

Africa must continue to build roads to facilitate the movement of people and goods and to bridge the transport infrastructure gap, estimated at US $24.5 billion. It is also critical to ensure that African trade corridors perform as real economic drivers. They can no longer function as isolated road masterpieces.

The three elements of a successful corridor are connectivity, competitiveness and community. This inclusive approach, where road construction meets economic development, offers great prospects for people living along the corridors, but also for the private sector.

In Mali, the Kankan-Kourémalé-Bamako highway is a powerful example of exactly this. With funding from the African Development Bank, the new road, and its secondary economic impact through footbridges, barriers and electric lighting, has revolutionized the daily lives of thousands of Malians, including residents of the capital, Bamako.
The highway has seen traffic increase while accidents reduce. Traders are benefiting from increased turnover thanks to the installation of electric lights along the road.

Djenebou Diakité, who runs a vegetable stall, is no longer afraid to stay in the market late in the evening now that his stall is no longer plunged into darkness. His neighbouring stall-holders agree and they are often still selling at midnight, where once they all went home at dusk.

Intra-African investments are gaining momentum and offer regional investors opportunities to expand their activities and contribute to the integration of Africa, the fourth of the Bank’s High 5 priorities.

The Bank is already working with governments to harmonize trade facilitation policies; create regional investment frameworks; remove non-tariffs barriers to foster economic growth, and deepen economic integration.

The Bank is now proposing to be at the forefront of this process by launching an Intra-African Investments Index in collaboration with external partners, creating knowledge products, identifying priority sectors with high-return investment opportunities for the private sector.

We will also be kicking off the Africa Investment Forum later this year. Africa-focused and transaction-oriented, it will be a speed investment dating service with a touch of Davos to get the right investors to the right project.

Excellencies, Ladies and Gentlemen,

The African Development Bank is above all a Solutions Bank. Every time we look at a problem, we see an opportunity for Africa and Africans, and the Bank will always look for a solution.

The fifth High 5 brings together the other four in a synthesis and a confirmation of the integral and collective nature of these objectives as a whole. The Bank’s High 5s will improve the quality of life of Africans because they drive and offer the amazing opportunities for power generation, food production, industrialization and integration in Africa.

I know that we can deliver on these opportunities through our High 5s initiatives and programs, which we are rolling out across the continent.

The UNDP has very recently confirmed that according to their analysis of the alignment of the High 5s with the UN Sustainable Development Goals and Agenda 2063, the High 5s will help Africa to achieve 90% of these goals. That is just amazing and is another good reason to get behind the High 5s!

Africa cannot develop based simply on the goodwill of others. Africa must pull itself up and develop on its own terms. That's what the High 5s will provide for Africa.

Africa needs the High 5s and we need partners to get them done. That’s why I would like each of the Ambassadors and all present here today to become High 5s Ambassadors!
Thank you all for coming!