I. Introduction

1. Africa is a huge and highly diverse continent. It has the second largest population in the world and also the second largest land mass (after Asia). Comprising 54 countries of different sizes and with widely different histories, culture, resource endowment, institutional and human capacity, and level of per capita income, the continent offers both a daunting challenge and a major opportunity for economic and social development. What happens in the countries during the next two generations will have a significant impact not only on the wellbeing of the over two billion Africans who will inhabit the continent, but also on the rest of humanity.

2. Africa is therefore now the fastest growing continent in the world. It is also expected that 19 of the 30 fastest growing economies in the next five years will be African.

3. Africa is at a critical inflection point. After decades of disappointing performance, a combination of sound macro policies and a commodity price
bonanza has led to a dramatic and long overdue surge in Africa’s economic growth and concomitant improvement in social indicators.

4. Africa’s growth, during the past decade, marked the longest period of unbroken increases in per capita incomes since the 1960s. While the developed economies experienced recession, Africa’s growth, at about 5 percent per annum, exceeded that of many developing regions, with the exception of Asia. This growth has been broadly distributed around the continent, including the various topologies into which Africa is often split—fragile states, landlocked countries or oil exporters. In West Africa, growth reached 7 percent on average in the past 5 years, while some countries have experienced double-digit growth. Nigeria, the most populous country in Africa, has grown by close to 7 percent since 2000. In North Africa, growth has been tepid in recent years, a legacy of the Arab Spring, but Tunisia and Libya have returned to high growth. Southern Africa, dominated by South Africa, but with a number of other middle income countries, has posted more modest growth rates in recent years due to the global economic crisis of 2008. Still, at about 3 percent growth, on average, it has evaded the middle income growth trap that afflicts many other countries.

5. It is often said that the 21st Century will be Africa’s Century. Perhaps not in terms of global dominance but in those of a continent that has found its place in the world—a large, integrated and prosperous group of countries with strong economies, and youthful and healthy populations. It is projected that Africa, in the course of the 21 Century, will become the “factory of the world,” a global growth pole in its own right.

6. Having rebounded quickly from the recent global contraction, Africa is on track to see a total gross domestic product of $2.6 trillion by the end of this decade. Far from being a fluke, these positive indicators are the result of significant forces which have been at work transforming Africa’s economic prospects and, ultimately, its social and political landscape.

7. What has fascinated all of us in the past decade and a half is the unprecedented turnaround in Africa’s fortunes—starting in about the year 2000, the resurgence initially looked pretty much like previous upward swings occasioned by improvements in global commodity prices, but that declined subsequently in tandem with commodity price reversals.

8. However, this time things have worked out differently. The continent has been able to maintain its growth momentum for much of the past decade. Our Bank has estimated that on average Africa has had 6 of the world’s 10 fastest growing countries during that period, albeit some from a low base. The continent has commanded sizeable FDI inflows, and our estimates indicate that at about US$
60 billion per year they now exceed the amount of aid money coming into the continent.

9. However, the positive Africa’s economic growth story has not been inclusive as there has not been adequate economic transformation, as all members of society especially women have not been able to participate in and contribute to the growth process more broadly. As a result, the continent has experienced increasing disparity of income and overall human development. Thus while the growth rates have earned Africa praises, growth that is not shared by a larger proportion of the population has the potential to create political instability and is not sustainable.

10. The weak inclusion character of growth in Africa is of serious concern to many African governments. Non inclusive growth is likely to result not only in rising and persistent inequalities in income and wealth, but also in health, education, participation in the political processes. Leaving large sections of the population behind, is also likely to have repercussions on the sustainability of future economic growth, as human capital is left untapped and therefore stifling the full potential of aggregate demand and economic dynamism.

11. The role of women in economic development continues to occupy centre stage in policy debates. As documented in a number of studies, including the World Bank’s recent *World Development Report 2012*, gender inequality – in terms of access to education, health, formal sector employment, and income – remains a significant constraint to growth in many countries. Although near-parity has been achieved in primary school enrolment in many countries, progress toward gender equality in secondary schooling has been slower. In sub-Saharan Africa in particular, secondary enrolment gaps have widened. Despite progress in recent years, women and girls account for 6 out of 10 of the world’s poorest and two thirds of the world’s illiterate people. In today's low- and middle-income countries, the labour force participation rate for women remains low and large pay differentials continue to prevail between men and women.

II. Key Drivers of Growth in the Next Decade and Beyond

12. What does the next 10 years and beyond hold for Africa? How can Africa move convincingly towards *Strong, Sustained and Inclusive growth*?

13. Africa is transforming and the next half century offers good prospects for realizing the African vision of a dynamic, diversified and competitive economic
zone in which extreme poverty is eliminated within peaceful, stable and vibrant societies. The continent has weathered several global economic crisis fairly well and the performance of most African economies during the global crisis of 2008/09 was testimony of their underlying resilience and robust fundamentals. This made it possible to preserve macroeconomic balances and implement economic policies that alleviated the impact of the crisis.

14. Today, the continent is a land of opportunity for both Africans and international investors. Many now see the region as “emerging Africa” because of the positive changes that have taken place and continue to take place across the continent.

15. Africa’s economic transformation and sustainable development can be accelerated through harnessing its women, youth potential, investment in science technology and innovation and creating opportunities for budding private sector/enterprises to venture into the global competitive markets. The combination of such dynamism and good strategic policies has led to the emergence of some of Africa’s world class innovations like mobile banking (M-Pesa).

16. African Leadership is acutely aware that if economic growth rate is to remain robust, they must transform agricultural productivity, the dominant sector that mainly employs women, toward industrial upgrading and technological innovation, often by imitating economies just a few rungs up the economic ladder.

17. Africa’s participation in global value chains is currently limited to lower value activities although opportunities exist for upgrading to higher levels. Only 3 percent of the world merchandise exports are from Africa and 50% of Africa’s exports are processed elsewhere or get their extra value abroad.

18. African countries can further integrate into global value chains by opening up to trade, targeting regional and emerging markets, modernizing infrastructure, promoting local entrepreneurship, and investing in technical education.

**The key drivers of change in the next 10 to 50 years**

19. Africa’s development outcomes for the coming decades will be determined by a number of drivers of change, and the policy changes adopted by African countries in response to changing world conditions. These drivers of change will be global, physical and human. Cumulatively, they will create dramatic changes for the continent and the global environment with which it interacts. Its prospects for development will in turn depend on the policies Africa implements to take
advantage of its vibrant young population, its abundant natural resources and its considerable human capital particularly in women.

GLOBAL DRIVERS OF CHANGE

20. For Africa, the next 10-50 years are likely to be shaped by three major global forces: the changing structure of global trade; new trends in technology; and the international architecture governing trade, finance and development assistance.

21. By 2060, three structural trends: the shift of the centre of gravity in global trade to developing countries; the rapid growth of a global middle class; and the volatility and long run decline of commodity prices – will define Africa’s relationship with the rest of the world.

22. Three key technological regimes will have a profound impact on Africa’s transformation in the next few decades: agricultural biotechnology; health and health innovation systems; and new energy technologies, particularly, low-carbon, climate-sensitive technologies.

Gender Equality can Boost Economic Growth in the Next 10 years

23. After a decade of good growth, Africa has reached a “turning point” but much needs to be done to raise African growth to 7 percent – what many economists consider to be the “tipping point” that gets countries into the road to middle income status.

24. Internal demand from within the continent will spur trade and investment and boost Africa’s “learning by doing” potential. Internal demand also relates to national and regional economic distribution, and the creation of opportunities for vulnerable groups, including women into a virtuous circle of social and economic improvement.

25. But this process can be accelerated through the adoption of supportive policies targeted at women in a whole range of areas, including the provision of social services and ensuring that infrastructure investment are designed to have as large impacts on large swaths of the population, women in particular. Underlying all this is the importance of sharing the benefits of the recent growth equitably.

26. Throughout Africa, women are a powerful force for growth and development, making important contributions to the economy as workers and entrepreneurs, and to the welfare of their families. In many African countries, however, unequal access to property, discrimination in the labor market, and business-related obstacles hinder women from contributing even more to their countries’ growth
and well-being. Removing such obstacles can help not only to empower women, but also to unlock the full economic potential of their nations.

27. In overcoming challenges in access to finance, innovative financing vehicles are critical. A woman’s access to financing is access to dignity, security for a family and for a generation. The success of mobile money illustrates the transformative potential of technical progress and innovation to promote financial inclusion in Africa.

28. African women also have to participate fully in decision making in Africa and have easy access to knowledge and women’s skills and capacities are optimised. Agriculture is underperforming in many non-oil exporting countries in part because women farmers, who are a crucial pillar and resource in agriculture and the rural economy, face diverse constraints arising from a complex set of rights and obligations reflecting social and religious norms prevailing within rural communities, that reduce their productivity.

29. Rural women need to have better access to land and resources for the prevention, adaptation and mitigation of climate change. During the last ten years, many African countries have adopted new land laws in order to strengthen women’s land ownership rights. This is helping to improve the situation of rural women.

III. Role of the African Development Bank

30. The African Development Bank Group recognizes the importance of women’s critical contribution to economic growth, in Africa. The Bank’s Ten Year Strategy prioritises gender as a cross cutting issue. In addition, through its new Gender Strategy 2014-2018, which focuses on “gender equality as smart economics,” the Bank is committed to act and recognized the need to reduce gender inequalities by “strengthening women’s legal and property rights, promoting women’s economic empowerment and enhancing knowledge management and capacity building” on gender equality.

31. These priority areas, defined and agreed in broad consultations with African countries, form the pillars of the Bank’s Gender Strategy for 2014-2018. In this regard, the Bank will continue to invest in infrastructure that unlocks the growth and development potential of the private sector and enhances community participation, including youth and women.

32. We have seen from our operations that increasing access to water has direct implication for women and girls as they travel an average four kilometers daily to fetch water. We are also aware that lack of household energy disproportionately affects women as the productivity of their home-based
enterprises depends heavily on this. We will systematically pursue gender mainstreaming in our operations spanning infrastructure development, agriculture and private sector support, among others.

33. One of the many right things we must do is to ensure that African women are central to the economic growth success story. Collective efforts with all hands on deck will be needed. Each one of us here has a responsibility to use our position to create a sense of urgency and hope, and not accept inequities or inefficiencies as permanent or immune to change.