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**7<sup>th</sup> Africa-Ireland Economic Forum**  
**30 June 2022**  
**Dublin, Ireland.**

Your Excellencies, Good afternoon. I would like to thank the Government of Ireland for inviting me to speak at this 7<sup>th</sup> Africa-Ireland Economic Forum.

I am really delighted to be with you here today for three reasons.

First, because Ireland is the newest shareholder of the African Development Bank, indeed its 81<sup>st</sup> shareholder member country. I wish to express my appreciation to Ireland for considering the African Development Bank a strategic partner in Africa.

Let me assure you: you have a good reason to be.

The African Development Bank is the only AAA-rated financial institution in Africa. Global Finance ranked the African Development Bank last year as the Best Multilateral Financial Institution in the world.

The Washington-based Center for Global Development ranked the Bank's concessional financing institution – the African Development Fund — as the second best concessional financial institution in the world, ahead of all the 49 bilateral and multilateral financial institutions in the world, and ahead of IDA of the World Bank.

The African Development Bank was also rated as the 4<sup>th</sup> most transparent institution in the world.

So, Ireland is investing in the right institution, a very well-run institution, one which an independently conducted external assessment of its governance systems by the Board of Governors noted as having governance systems that meet all global standards.

That is what I represent here today: Africa's solutions Bank.

Second, because Ireland is known to be a nation that looks at development with a heart, with its strong commitment to working in partnership with others.

Third, because Government of Ireland is a friend of Africa. From your 13 embassies in Africa, the first set of embassies in the francophone countries, Ireland has clearly shown it wants to be a partner of choice for Africa.

And you saw that in action today, the announcement by the Minister of Foreign Affairs, Simon Coveney, of Ireland's contribution of an additional Euros 2 million to the African Development Bank's climate adaptation efforts. This is another demonstration of Ireland's strategic partnership with Africa, in its efforts to adapt to climate change. I wish to express my deep appreciation for this contribution by Ireland – a good friend of Africa.

Africa needs all its friends and partners, as the continent copes with a myriad of hurdles on the racetrack of development. African economies have shown impressive growth over the past decade, especially, posting 6 out of the 10 fastest growing economies in the world, with poverty level declining, and witnessing significant growth in foreign direct investments due to rapid improvements in the ease of doing business as many countries embarked on major reforms.

The work of the African Development Bank has been making huge impacts. Our work, framed around what we call High 5's, are to: Light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and improve the quality of life of the people of Africa. In the past five years, the High 5s have impacted 335 million people. The UN says that if Africa achieves these High 5's, it will achieve 90% of the Sustainable Development Goals and 90% of the agenda 2063, the Africa we want.

So, the High 5's are the accelerators of Africa's development.

The gains of the past decade or more were muted by the Covid-19 pandemic which upended economic and development gains globally. Africa witnessed a decline in its GDP growth rate to -1.6% in 2020 due to the pandemic, the lowest growth rate in two decades. About 30 million people fell into poverty, and 29 million jobs were lost. More than 250,000 people died from the pandemic.

The African Development Bank rose to the challenge, and immediately launched a Crisis Response Facility of up to \$10 billion to support African countries to have access to the fiscal resources they needed to cope with the systemic effects of the pandemic on economies. We also launched a \$3 billion fight-Covid19 social bond on the global capital markets, the largest ever social bond in world history.

Fortunately, new projections by the World Health Organization bring good news, that Covid-19 deaths in Africa will decline by 94% in 2022.

We must do all possible to ensure that the health-pandemic driven global recession, the worst since World War II, is prevented from happening again. Africa, which despite the availability of vaccines globally only has 16% of its population fully vaccinated, compared to over 80% in developed countries, cannot and must no longer leave the health security of its 1.3 billion people to the benevolence of the global community.

To assure health security, Africa needs to take three actions: (a) revamp the pharmaceutical industry; (b) build capacity for vaccine manufacturing; and (c) build quality health care infrastructure.

The African Development Bank is taking bold and decisive actions on all three fronts. To build Africa's pharmaceutical capacity, the African Development Bank will invest \$3 billion over the next 10 years.

The Board of the Bank also approved a new quality health care strategy.

And just last week, the Board of the African Development Bank approved the establishment of the African Pharmaceutical Technology Foundation. The Foundation will help to tilt the access to proprietary pharmaceutical technologies, knowledge, know-how and processes in favor of Africa.

African economies are showing resilience and are convalescing well from the pandemic, even if several challenges remain on financing to achieve full recovery. Real GDP growth rate rebounded to 6.9% in 2021, driven by recovery in global demand, higher oil, and commodity prices, and increases in consumption and investment.

Growth is, however, expected to decelerate to 4.1% due to the persistence of the Covid-19 pandemic and the impact of the Russian-Ukraine conflict. The Russian-Ukraine conflict could lead to pushing an additional 1.8 to 2.1 million people into extreme poverty in 2022 and 2023, respectively.

Financing the economic recovery to pre-Covid levels will require additional financing of \$432 billion in 2020-2022, or roughly \$144 billion per year, according to the African Development Bank's African Economic Outlook, 2022.

The recovery will be challenged by the heavy debt burden that Africa has due to the pandemic. Africa's debt-to-GDP ratio was 70% in 2021, down slightly from 71% in 2020. Africa's debt vulnerabilities have increased, with 23 countries either in or at the risk of high debt distress as of February 2022.

To support recovery, there is need for debt restructuring and re-prioritizing public expenditures for long-term debt sustainability. International efforts such as the Debt Service Suspension Initiative (DSSI) and the G20 Common framework have helped to reduce liquidity pressures on countries, but the reality is that countries still face significant debt vulnerability challenges.

It is important, therefore, that the DSSI be renewed, and G20 Common framework made to work better, and expanded to many more countries.

The Russian-Ukraine war has added more challenges, especially on energy and food insecurity. About 30 million metric tons of food imported annually by Africa from Russia and Ukraine will be lost for this year. Fertilizer prices have tripled, with Africa facing some 2 million metric tons of fertilizer shortage, which risks reducing food production in Africa by between 20-50%.

To mitigate these effects, the African Development Bank launched a \$1.5 billion African Emergency Food Production Facility to support countries. The facility will support countries to produce 38 million metric tons of food (wheat, maize, rice, and soybeans) valued at \$12 billion.

We have so far received requests to the facility from 35 countries and expect to have 80% of these approved by next month.

I am confident that our plan will work because it is based on what we have been supporting with success on the ground.

Through our flagship program – Technologies for African Agricultural Transformation (TAAT) – the Bank has provided access to improved climate-resilient agricultural technologies for 12 million farmers in just two years. The Bank is supporting the delivery of heat tolerant wheat varieties for farmers to rapidly boost wheat production in Africa.

We are achieving great successes.

In Ethiopia, starting in 2018, the Bank financed the provision of 61,000 metric tons of heat-tolerant wheat varieties for farmers. The cultivated area under these varieties increased from 5,000 hectares in 2018 to 167,000 hectares in 2019 and has now grown to 675,000 hectares by 2022.

During my visit two months ago with the Prime Minister Abiy Ahmed of Ethiopia, he said to me “Ethiopia did not import wheat this year, for the first time ever. We expect to cultivate these wheat varieties on 2 million hectares by next year. We will become a wheat exporting country, and plan to export 1.2 to 1.5 million metric tons of wheat next year to Kenya and Djibouti.

What an incredible success story.

The economic recovery of Africa will be more inclusive, by unleashing the full potential of Africa’s massive agricultural resources. The African Development Bank, through its Feed Africa strategy, will invest \$10 billion in agriculture over the next 5 years.

To further spur structural transformation of the agricultural sector, the Bank has set aside \$1 billion for the establishment of Special Agro-Industrial Processing Zones (SAPZs). The goal is to develop density of quality infrastructure in special zones devoted only to agriculture and agribusinesses, which will allow the establishment of agribusinesses to transform, process and add value to food and agricultural commodities. They will stimulate rural economies, get the youth into agriculture as a business, create jobs, and turn rural economies from zones of economic misery to zones of economic prosperity.

Climate change poses a great challenge to the recovery of African economies. While Africa accounts for just 4% of global carbon emissions, it bears a disproportionate share of the negative effects. The continent will lose \$50 billion per year by 2050. 9 of the 10 most vulnerable countries to climate change are in sub-Saharan Africa, especially the small island states.

Yet, Africa receives just 3% of global climate finance.

Africa will need between about \$1.3 trillion and \$1.6 trillion between 2020-2030 to implement the continent’s climate action commitments and Nationally Determined Contributions. That’s between \$118.2 billion and \$145.5 billion per year. Africa, however, received an average of \$73 billion in climate finance over the 2016-2019, leaving a whopping climate financing gap of \$99.9 billion to \$127 billion per year through 2030.

The African Development Bank is mobilizing more climate resources for Africa. We have doubled our climate finance to reach \$25 billion by 2025. We devote 67% of our climate finance to climate adaptation, the highest of all multilateral financial institutions globally. Together with the Global Center on Adaptation, we are implementing the African Adaptation Acceleration Program as well, to mobilize \$25 billion for climate adaptation.

The African Development Bank is strongly supporting the expansion of renewable energy in Africa. Over the past five years, our work on Light up and Power Africa has already connected 21 million people to new electricity connections.

Today, over 85% of the investment of the Bank in energy generation since 2016 is on renewable energy. Take the case of Kenya, where our support for the Last-Mile connectivity project has

helped to expand the share of the population with access to electricity from 30 to over 75% over the last 10 years.

Similarly, in Rwanda, our \$790 million in support has helped to increase the percentage of the population with access to electricity from just 16% in 2012 to 67% currently. We plan to help Rwanda reach 100% universal access to electricity by 2024.

The Bank supported the development of the 510MW Noor Ouazzarte in Morocco, the world's largest concentrated solar power station. We also financed the 310MW Lake Turkana in Kenya, the largest wind power plant in Africa.

To accelerate access to electricity in the countries of the Sahel, the Bank is currently implementing the Desert-to-Power program, a \$20 billion program. The program's goal is to provide electricity for 250 million people across 11 countries. When completed, the Desert-to-Power will become the largest solar zone in the world.

Achieving universal access to electricity in Africa, as per the New Deal on Energy for Africa of the African Development Bank, will need \$32-40 billion annually in energy investments.

As we develop renewable energy, we must, however, recognize that Africa cannot be powered only by renewable energy due to their intermittency. Natural gas must remain a critical part of the energy mix for Africa, to ensure reliability, affordability, and security of energy supplies.

The Russian-Ukraine war has shown the need to be practical and pragmatic on energy transition. Today, countries across Europe have moved back into coal. Netherlands, Denmark, and Germany have all reverted back to coal. While the Russian war has laid bare the vulnerability of Europe to depending on gas from Russia, this shift back to coal will clearly undermine long-term efforts on energy transition.

Africa, where several countries have found significant volumes of gas, including Mozambique, Algeria, Nigeria, Senegal, Uganda, Ghana, among others, can become a new source of gas to Europe. The EU should therefore prioritize and support the development of gas infrastructure to link Africa and Europe.

We must keep our eyes, collectively, on a greener future. We must not lose focus on ensuring we meet Paris Agreement to keep the world's temperature to not more than 1.5 degrees centigrade above pre-industrial level.

Achieving net zero emissions cannot be achieved with zero financing. African countries need significant financial resources to deliver just energy transition. That is why the African Development Bank is supporting the Government of South Africa on its Just Energy Transition and working with the G-7 to leverage resources, grants and guarantees to mobilize the \$40 billion South Africa will need to implement its political commitments on just energy transition.

A sustainable future for Africa must be inclusive and provide greater opportunities for the youth and women. Here also, the African Development Bank is advancing the agenda.

The African Development Bank is investing in Africa's biggest asset: the youth. That is because, I believe that the future of the youth of Africa does not lie in Europe or anywhere else

outside of the continent. Their future must lie on the African continent, growing well and able to create decent and quality jobs for its burgeoning youth.

The Bank's Jobs for Youth in Africa strategy set the goal of creating 25 million jobs for the youth by 2025. So far, in the past five years, the work of the Bank has helped to create 12.1 million direct and indirect jobs for the youth in Africa.

We are supporting the Coding for Employment Program to develop the capacity of the youth and equip them with 21<sup>st</sup> century ICT and digital skills, as well as for employability and entrepreneurship.

We are on target to establish 130 coding centers of excellence and train 234,000 youth on demand-driven ICT and soft skills and help to create 9 million direct and indirect jobs in the ICT and ICT-enabled sectors over ten years, in technical partnership with Microsoft.

Our coding centers in Rwanda, Nigeria, and Senegal have already trained 152,000 youth, 47% of whom are women. We have also established the Rwanda Coding Academy, a model center for excellence in software engineering.

In Nigeria, our \$170 million support for the Digital and Creative Enterprises Project will support 451 digital technology small and medium sized enterprises, as well as 226 tech and creative industry start-ups, and create 6.1 million jobs.

We are transforming the financial ecosystem to support the youth. The Bank is currently designing *Youth Entrepreneurship Investment Banks*, which will be new financial institutions that will build financial ecosystems specifically for the businesses of the youth in Africa. The design of the Youth Entrepreneurship Investment Banks will be completed by the end of this month.

We are also driving greater support for women businesses in Africa. The Bank's flagship program – Affirmative Finance Action for Women in Africa (AFAWA) – was designed to mobilized \$5 billion in financing for 18,000 businesses of women.

We are making great progress.

Last year, the Bank disbursed \$510 million for 2,300 businesses of women, in 23 countries, working with 40 financial institutions. This year, we expect to disburse another \$500 million to businesses of women, to reach a landmark of \$ 1 billion for the businesses of women.

No bird can fly with one wing. When women win, Africa wins.

Ireland and Africa can also win more together.

Enormous opportunities abound in Africa, and Ireland should invest more in Africa. The African Continental Free Trade Area presents a huge market, which is estimated to be the second largest free trade zone in the world, with a size of \$3.3 trillion.

Africa, with the largest youth population in the world, rapid urbanization with growing middle class, huge opportunities in the Fintech and mobile banking and payment systems, digital trade,

agriculture, infrastructure, green energy, and some of the world's largest natural resources of oil, gas, minerals, and metals, provide huge investment opportunities.

I applaud the efforts of the Irish Government on its strategy in Africa, especially for its interest in “growing African economies and mutual trade and investment with Ireland”

The African Development Bank runs annually the Africa Investment Forum, which presents investment opportunities to investors from around the world. In the past three years, the Africa Investment Forum has attracted \$110 billion of investment interest commitments to Africa. I would like to welcome Ireland to participate in the next Africa Investment Forum holding November 2-4, 2022, in Abidjan, Côte d'Ivoire.

Foreign Direct Investment (FDI) of Ireland in Africa at \$572 million by the end of 2020, represents only 0.05% of Ireland's total net FDI worldwide.

That is way too low.

Ireland should invest a lot more in Africa.

Let's raise the ambition for Africa from Dublin and set a higher target of 15% of Irish investments in Africa.

For if you are not investing in Africa, you are not in business.

Together, Africa and Ireland can expand wealth and shared prosperity.

You can count on the African Development Bank as your partner of choice in Africa.

Thank you very much.