

**The Meeting between
the President of the African Development Bank
and
the African Diplomatic Corps in Tokyo**

9, March 2018

9:30-10:30

The Imperial Hotel

Tokyo, Japan

Agenda

1. Remark by the Head of the External Representation Office of the Bank
2. Speech by the President of the African Development Bank
3. Speech by the Dean of the African Diplomatic Corps
4. Q&A

Remarks made by H. E. Mr. ESTIFANOS Afeworki, Ambassador of the State of Eritrea to Japan and Dean of the African Diplomatic Corps in the meeting with President of the African Development Bank Dr. Akinwumi Adesina Imperial Hotel on March 9, 2018

President of the African Development Bank Dr. Akinwumi Adesina and members of the delegation,

Head, Asia External Representation Office of the African Development Bank Mr. Tadashi Yokoyama,

Excellencies and Dear Colleagues,

I would like to say, first and foremost, that Dr. Adesina's frequent working visits to Asia in general and to Japan in particular is one of the concrete indications of the success of the enhancement and strengthening of the diplomatic activities between Asia and Africa on the major front of trade and investment. We can safely say that Dr. Adesina's diplomacy has been effectively pushing the curve of FDI flow to Africa positively - and definitely pushing the curve successfully in the upward direction. Therefore, allow me, on behalf of the African Diplomatic Corps here in Tokyo and myself, to take this opportunity to express our deep felt appreciation and gratitude to Dr. Adesina and his team for the growing achievement of their work and continued endeavors.

Let me also thank Mr. Yokoyama for organizing this rendezvous of today between the President and the African Diplomatic Corps.

African Development Bank has always been a highly strategic partner of the African Diplomatic Corps and has remained steadfast in its support, since the establishment of the Asia External Representative Office here in Tokyo. The successful 2nd Japan-Africa Business Forum was held in Tokyo on 25-26 July 2017 on the theme 'Investment and Business Opportunities with Africa'. The Bank's Asia External Representation Office and African Diplomatic Corps (ADC) in Tokyo, in collaboration with Japan International Cooperation Agency (JICA), Japan External Trade Organization (JETRO) and United Nations Industrial Development Organization (UNIDO) organized the Forum.

Mr. President,

It is our strong belief and expectation that such activities of collaboration shall also continue on the sideline of the coming Africa - Japan Private Sector Forum that will be held in South Africa in 2018.

TICAD VII is going to be held in Yokohama in 2019. Our group will definitely participate in the continued improvement of the TICAD process as usual. The African Development Bank continued cooperation with the African Diplomatic Corps in these endeavors is highly appreciated also.

Last but not least allow me to introduce to the meeting the new chair of trade and investment committee in the ADC Ambassador Mutiti of Zambia. Ambassador Vehekeni of Angola will leave his post after a very successful leadership of this committee soon.

Thank you so much Dr. Adesina for sharing your time with us to give our group in Tokyo an in-depth briefing and exchange ideas and opinion. I would like to wish you, once again, a successful and constructive working visit to Japan.

**SPEECH DELIVERED BY DR. AKINWUMI A. ADESINA, PRESIDENT OF THE
AFRICAN DEVELOPMENT BANK ON THE OCCASION OF THE MEETING WITH
THE AFRICAN DIPLOMATIC COMMUNITY IN TOKYO, JAPAN**

TOKYO, MARCH 9, 2018

1. Your Excellencies thank you for doing us the honour of attending our meeting this morning. It's great to see you all, again. Since my last trip here in October 2016, so much has happened in Africa, and also in terms of our relations with Japan, your host country and one of our major shareholders at the Bank.
2. I am sure you all must have on your minds what's the economic situation and trends for the continent and how is the Bank helping to further accelerate Africa's development.
3. So, let me begin my remarks by saying that overall, Africa's economies remain resilient despite the global economic headwinds, and climate and regional shocks.
4. Real GDP growth was estimated at 3.6% in 2017, up from 2.2% in 2016. It is worth noting however, that 18 African countries grew above 5% in 2017, and 37 countries above 3%. The prospects for growth in the year ahead are actually much brighter. Our own recently released *African Economic Outlook* projects Africa's GDP growth to accelerate to 4.1% in 2018 and 2019.
5. The recovery has been faster than some had envisaged, especially among the non-resource-rich economies, essentially underscoring Africa's economic resilience. Our heads are above water and Africa's economies are moving forward strongly and confidently. At the same time, we will continue to support African countries in ensuring stronger macroeconomic policies as we go forward.
6. I also mention here our new, improved 2018 *African Economic Outlook*, our flagship report, whose publication we have brought forward to January each year. The report contains detailed analysis and data on the performance of African economies.
7. I brought with me several copies of our *2018 African Economic Outlook*. You may wonder why it is that I started off with this. The reason is that for the first time in the history of the Bank, it published **its own African economic outlook - alone!** That's the way it should always be: Africa's premier finance institution, finally coming into its own! That's the kind of African Development Bank we want: A Bank that leads!
8. But we will not rest on our oars. The shareholders asked us for reforms. And reforms are exactly what we are doing. The shareholders asked us for greater value for money and that's exactly what we are doing. They asked us to change the culture in the Bank from one driven by entitlement to one driven by performance, and that's exactly what we are doing. No organization can excel in performance without accountability for results.

9. We are driving, very hard, to make ourselves a more nimble, efficient and impact driven organization: one that accelerates Africa's development; one that holds itself to a higher standard of performance; one that delivers more, and one that leads.
10. The African Development Bank will be fitter for purpose and accelerated delivery. We will definitely not disappoint!
11. **Let me share with you some of our achievements in 2017.**
12. Your Excellencies, I am pleased to let you know that the Bank's financial strength continues to be reinforced. In 2017, the Bank maintained its AAA rating, with stable outlook, by all four global rating agencies. The Bank's AAA stable outlook rating is underpinned by sound financial and risk management policies, excellent liquidity and strong shareholder support.
13. The Bank achieved its highest annual disbursement ever in its history, at \$7.67 billion.
14. Our investment in the energy sector in 2017 covered 31 operations in 23 countries, and totaled \$1.39 billion, representing a 30% increase over 2016.
15. The Bank launched its largest bond transaction, with a \$2.5 billion 3-year global benchmark, followed by its largest ever 5-year global benchmark for \$2 billion.
16. The Bank continues to grow its income solidly, reversing the declining income of the Bank when I started two years ago.
17. The net operating income of the Bank had declined from US\$ 589.3 million in 2014 to \$ 492.7 million in 2015, when I took over. Ever since, there has been a rapid turnaround.
18. In 2016, the net operating income rose to US\$ 556.6 million, and shot up to US\$ 783 million in 2017, an increase of almost 40% over 2016. And to put things in context, this is also about 60% increase over where we were in 2015.
19. The Bank achieved in 2016 the largest syndicated A/B loan in Africa's history, for almost \$1 billion, to support ESKOM, South Africa's energy utility company.
20. Excellencies. the Bank is mobilizing more resources for Africa. In 2017, we mobilized \$ 9.73 billion from the capital markets for African countries, including \$300 million from the Enhanced Private Sector Facility for Africa, with Japan.
21. I am also delighted that last year, the Bank helped leverage \$6 billion for the landmark Japan-Africa Energy Financing Facility. This will help accelerate efforts to light up and power Africa, and I am most grateful to Prime Minister Shinzo Abe for helping to make this happen. I wish to particularly thank you all, Your Excellencies, for your very

strong advocacy and support that helped to make this a reality within such a remarkably short period of time. The African Development Bank is very grateful to you all.

22. We are doing a lot on our Light Up and Power Africa agenda. Last year we invested \$1.39 billion in improving access to electricity, to help generate an additional 1,400 MW of power and connect 3.8 million persons to electricity.
23. More importantly, the African Development Bank is leading on renewable energy. When I started as President two years ago, the share of renewable energy in our total power portfolio was just 14%. However, we increased that to 74% in 2016. And in 2017, we achieved a record-breaking 100% of our new lending in renewable energy. With access to more funding, we hope to provide electricity to an unprecedented 29.3 million Africans between 2018-2020.
24. Your Excellencies, let me also share with you some details of a few exciting investment projects.
25. We supported Morocco with \$ 249.5 million to expand Ouarzazate, the largest solar power plant in the world.
26. In Uganda, our support of \$105 million for the Bujagali project will generate 300 MW of power and cut electricity tariffs by 50% from USc 14/kWh to just USc 7/kWh. And in Burkina Faso, we supported the development of a 50MW solar project jointly with the French development agency, AFD. The project will be the largest utility scale solar power facility in West Africa.
27. And now, the Bank is spearheading the development of the *Desert to Power* initiative, to harness electricity from the sun all across the Sahel. Our goal is to support the generation of 10,000 MW of power, connect 250 million persons to electricity, of which 75 million people will be through off-grid systems.
28. Africa needs to promote green growth. At the Bank, we are extremely conscious of our climate and environmental responsibilities and leadership role. Consequently, we are tripling our climate finance to 40% of our portfolio by 2020.
29. I am excited about the progress we are making on agriculture. Last year, we invested \$1.16 billion in the sector, **the highest** in the history of the Bank.
30. We also launched *Technologies for African Agricultural Transformation* (TAAT), a \$1 billion initiative to take agricultural technologies to scale for millions of farmers. We're delighted with our partnership with the World Bank, AGRA, and the Bill and Melinda Gates Foundation in making this happen. It's a new way of doing business: successful technologies will be introduced and scaled up across agro-ecological zones instead of the old country-by-country approach.

31. This is long overdue: After all, pests don't require visas to carry devastation from country to country. Therefore, technologies aimed at solving our problems should not be restricted by our borders. Agriculture technology in Africa must now move without borders.
32. So, as a Bank we are reforming, changing, delivering and leading. And that's exactly how it should be for Africa's premier development finance institution. I am proud of how far we've come in the past two years. And I am even more excited about the years ahead for the Bank to fully help Africa deliver on the High 5s, and by so doing, according to the United Nations, through our High 5s help Africa meet almost 90% of its SDGs and Agenda 2063.
33. **In 2017, the Bank achieved impressive development impacts on the ground, which is what matters most.** Our Light up and Power Africa High 5 reached 4.4 million people with access to electricity. Our Feed Africa High 5 reached 8.5 million Africans with access to improved agriculture technologies. Our Integrate Africa High 5 provided 14 million Africans with improved access to transport. Our Industrialize Africa High 5 provided 210,000 small businesses with access to financial services. And our Improving the quality of life High 5, provided 8.3 million Africans with improved access to water and sanitation.
34. I am proud of our remarkable achievements. But, we can do more. Let me paint a picture of the very near future for you.
35. With adequate resources between 2018-2020, the Bank expects to provide 35 million Africans with access to electricity; our Feed Africa work will allow 45.8 million people to benefit from improved access to agricultural technologies; and Our Integrate Africa High 5 will provide 50 million Africans with improved access to transport;
36. Our High 5 on Industrializing Africa will enable 7 million people to benefit from investee projects and our High 5 on improving the quality of life will provide 36.8 million people with improved access to water and sanitation.
37. Last year was a most inspiring one for me, personally and in my determination to lead the Bank to help Africa feed itself. I was greatly honored to receive the 2017 World Food Prize, which is widely known as the Nobel Prize for Agriculture. I have fully devoted the \$250,000 World Food Prize laureate cash award to setting up a fund to support young people in agriculture as a business and building the next generation of agricultural leaders for Africa. At the Bank, the momentum of the World Food Prize has bolstered our leadership on agriculture in Africa.
38. Our work in the private sector was full of exciting investments. For example, we supported Global Aluminum Corporation with \$100 million as part of a \$1.2 billion transaction to help it invest in rail and port infrastructure that will help add \$400 million to Guinea's GDP.

39. Even in countries going through fragility our investments are making a huge difference. Such is the case for the Central African Republic, where our grant support of € 16.7 million will help develop the Central Africa Fiber optic backbone to boost IT connectivity in the country and create jobs. Our investment will also expand access to the Internet for at least 20% of the population. Our \$85 million support to Tunisia's 2020 digital plan will help boost IT competency among the youth and create thousands of new jobs in the ICT industry.
40. And in our host country Côte d'Ivoire, the Bank was delighted, against all odds, to help mobilize \$108.4 million support for Air Côte d'Ivoire's modernization and fleet expansion program, which includes the acquisition of five new aircrafts; while mobilizing an additional € 253 million from the private sector. This investment by the Bank will allow Air Côte d'Ivoire to expand the number of passengers from 3 million to 8 million by 2026.
41. Your Excellencies, the Bank continues to deliver impressive results. Since GCI-6, the Bank has delivered a 17-fold increase in lending to low-income (ADF) countries. That's why investing by our shareholders in the Bank will help to further accelerate Africa's development.
42. To mobilize African and global pension funds, sovereign wealth funds and institutional investors, to invest in Africa, the Bank has launched the **Africa Investment Forum (AIF)** to be held **November 7-9 in Johannesburg, South Africa**. The Africa Investment Forum will be a 100% totally transactional platform, where deals are concretized and executed, and is expected to become Africa's premier investment market place. I wish to request that your Excellencies encourage your countries' (both public and private sectors) active participation at the Africa Investment Forum.
43. I am pleased to let you know that several multilateral development banks have already joined with the Bank on this landmark platform, Africa's largest, to accelerate private investments.
44. So, the African Development Bank, your Bank, is reforming, innovating, leading and delivering more for Africa, than ever before.
45. But the challenges ahead of Africa are immense, and the need for faster paced growth is more urgent than ever before. We cannot rest on our oars. The Bank is fully geared up to do a lot more for African countries, to help countries accelerate their growth and development. For that, we must mobilize more domestic resources for accelerated implementation of the High 5s, the SDGs and Agenda 2063.
46. There's no doubt that to more effectively play its role in fast tracking Africa's development, the Bank will need more resources, through a General Capital Increase.
47. The message could not have been heard louder than when the Ministers of Finance and Governors of the Bank from West, Central, Eastern and North Africa came to the Bank

recently. They unanimously supported the General Capital Increase for the Bank. The Governors of Southern Africa will soon be visiting the Bank.

48. This new way of engagement with our Governors has never been done in the history of the Bank. I want our Governors closer to the Bank.
49. Your Excellencies, the support of all shareholders will be crucial for the General Capital Increase of the Bank. The Bank should do more for Africa and we are working extremely hard to revamp the Bank, and put it in a much stronger position, with more highly capable staff and institutional capacity to deliver more ... better and faster. Our ability to deliver in the past and now is a good indication that you can depend on us to deliver more in the future.
50. A General Capital Increase for the Bank is an excellent investment. The African Development Bank portfolio has doubled in size from \$15 billion to \$30 billion in since its 6th General Capital Increase in 2010. The Bank has also delivered a **17-fold** increase in lending to low-income (ADF) countries and fragile states since its 6th General Capital Increase.
51. We are doing all we can to optimize resources using available instruments, including guarantees to support private sector investments, syndications, exposure exchange and other options for balance sheet optimization. But the reality is that these are not enough.
52. As we approach the limits of our prudential ratios, and to better position the Bank to finance accelerated growth and economic development of African countries, the Bank will need a 7th General Capital Increase.
53. With the strong support for a General Capital Increase we will be well on our way to delivering more for Africa. Nelson Mandela said "Anyone can rise above their circumstances and achieve success, if they are dedicated to and passionate about what they do".
54. As our Ambassadors you are dedicated to the cause of the Bank; you are passionate about what we do. Now help us build very strong support to help the Bank rise above its limiting circumstances to achieve greater success for Africa.
55. We therefore count on your support as African Diplomatic Corps in Tokyo here to help us make a very strong case for your countries and Japan to support the 7th General Capital Increase for the Bank.
56. Japan is a very good friend of Africa. Its support for the General Capital Increase will help boost Japan-Africa relations and advance our shared common goals on the TICAD in Africa.

57. Thank you for your strong support. Together, let's make dreams come true faster for Africa!