

Opening Speech
Annual Meetings of the African Development Bank Group
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Accra, Ghana

H.E. President Nana Akuffo-Addo, President of the Republic of Ghana, and our Host.
The Chairman of the African Union, H.E. Macky Sall, President of the Republic of Senegal
Your Excellencies, Heads of State and Governments
The Chairman of the African Union Commission, H.E. Moussa Faki
Honorable Ministers, Governors of the African Development Bank Group
Excellencies, Ambassadors and Heads of Diplomatic Missions
Board of Directors, Management and Staff of the African Development Bank
Distinguished ladies and gentlemen.

I wish to thank you, Your Excellency, President Nana Akuffo-Addo, for hosting this Annual Meetings of the African Development Bank Group, in this beautiful city of Accra.

I know that you launched the Year of Return for people of African origin to return to Ghana, which has been successful.

Well, today, you have so many participants from across Africa and the world at these Annual Meetings.

I hope many of them stay and not return home, because of the excellent hospitality of the government and people of Ghana.

To them all, I say “Akwaba” – Welcome!

I am especially delighted that we have with us today several Heads of State and Government, a record for our Annual Meetings. Your presence here at these meetings reflect your commitment and leadership for tackling some of the greatest challenges facing our continent. At this Annual Meetings we will be focusing on one of them: Climate Change and the Just Energy Transition.

Africa is the least polluter of climate in the world, accounting for only 3% of all global greenhouse gas emissions, compared to by developed countries. Yet, the continent suffers disproportionately from the negative impacts of climate change, including increased frequency and intensity of droughts, cyclones, floods, compounded by desertification. According to the Global Vulnerability Index, 9 out of the 10 countries most vulnerable to climate change are in Africa, and 100% of them are countries that depend on the African Development Fund (ADF).

Climate change is shortchanging African economies.

Africa suffers \$7-15 billion per year in losses to climate change, which are projected to rise to \$40 billion per year by 2030. Africa has no choice but to adapt to climate change. To support the continent in doing so, the African Development Bank has doubled its financing for climate to \$25 billion by 2025.

Without any doubt, the African Development Bank is the leader on climate adaptation in Africa, and globally. The share of our climate finance dedicated to adaptation is 67%, the highest among all multilateral development Banks. I am delighted that the UN Secretary General, Antonio Guterres, at the UN General Assembly in 2021 cited the African Development Bank as an example globally on climate adaptation, urging all others to follow the steps of the Bank.

Your Excellencies, the Bank and the Global Center for Adaptation are implementing the African Adaptation Acceleration Program (AAA-P), with the goal of mobilizing \$25 billion in climate adaptation financing for Africa.

The Bank is also supporting countries to insure themselves against extreme weather events, through its Africa Disaster Risk Facility. Today, the facility is supporting nine countries _to pay for insurance premiums to protect themselves from effects of climate change. In Madagascar, our support of \$ 4 million to pay for full insurance for the country, allowed it to get \$ 12 million in payouts to compensate over 600,000 farmers, when the cyclones hit the country.

We need more financing to insure many more low-income countries.

The Bank is leading on securing Africa's food supplies in the face of climate change. Six years ago, I launched the Feed Africa strategy of the Bank. Our goal was to deliver climate resilient agricultural technologies at scale to farmers, and feed Africa.

We are achieving incredible success. Our Feed Africa work has already benefitted over 76 million farmers with access to improved agricultural technologies.

Our flagship program, Technologies for African Agricultural Transformation (TAAT) has delivered climate smart seeds to 12 million farmers in 27 countries in just two years.

We are helping farmers to beat climate change.

TAAT delivered water efficient maize to 5.6 million households in East Africa, an area hit by severe droughts three years ago. The drought was severe, but farmers secured their food supply with the water efficient maize varieties.

In Sudan, TAAT financed the provision of 65,000 metric tons of heat tolerant wheat varieties. That is seeds enough to fill 665 Airbus 380 aircrafts, the largest passenger airplanes. Sudanese farmers grew the varieties on 187,000 hectares, and in just two years, Sudan reduced its wheat import by 50%.

We did the same in Ethiopia.

TAAT financed the provision of 45,000 metric tons of seeds of heat tolerant wheat varieties to farmers in Ethiopia. The farmers cultivated 5,000 hectares of these heat tolerant wheat varieties in 2018, expanded to 167,000 hectares, two years later, and by this year they had grown 400,000 hectares.

Prime Minister Abiy Ahmed of Ethiopia told me last week: "Ethiopia's wheat production is now 650,000 hectares. We harvested 2.6 million metric tons of wheat. Ethiopia did not import wheat this year. Next year we will cultivate 2 million hectares under wheat. We expect to export at least 1.5 to 2 million metric tons of wheat to Kenya and Djibouti next year".

Simply incredible!

To tackle the looming food crisis in Africa from the Russian-Ukraine war, the African Development Bank and the African Union Commission developed an Africa Emergency Food Production Plan. The \$1.5 billion plan will be used to support African countries to produce food rapidly. The plan will produce 38 million metric tons of food, including wheat, maize, rice, and soybeans. The total value of the additional food production is \$12 billion.

The Plan will deliver climate-resilient agricultural technologies to 20 million farmers.

I am delighted that the Board of Directors of the African Development Bank approved the \$1.5 billion African Emergency Food Production Facility last Friday, May 20th, 2022. This follows a global convening of African Ministers of Finance, Ministers of Economy, the African development finance institutions, UN agencies, developed countries around the world, and the Managing Director of the International Monetary Fund.

We all agreed it is time to support Africa to produce its food.

It is time to have food sovereignty.

Food aid cannot feed Africa.

Africa does not need bowls in hand; Africa needs seeds in the ground and mechanical harvesters to harvest bountiful food produced locally.

Africa must feed itself with pride. There is no dignity in begging for food.

The Bank is spearheading Just Energy Transition for Africa. Since [redacted] the Bank has not funded any new coal projects. This has now been formalized as a policy with our new Climate Change and Green Growth strategy approved by our Board of Directors.

Africa has perhaps the world's largest potentials for renewable energy sources, especially solar, hydro, geothermal and wind. The Bank is implementing the \$20 billion Desert to Power initiative in the Sahel, to build 10,000 megawatts of solar systems. This will provide electricity via solar for 250 million people and turn the Sahel into the largest solar zone in the world.

I am delighted that the Green Climate Fund provided \$150 million towards the initiative, along with others such as the Rockefeller Foundation (\$100 million), Sweden (\$40 million) and [redacted]. *Work is progressing well in Burkina Faso in the Yeelen Project, in Chad on the [redacted] and in Mali on the [redacted], in partnership with the French Development Agency.*

The Bank plans to establish the African Just Energy Transition Facility, which will be used to support African countries to transition from heavy fuel oil and coal power plants to renewable energy baseload power systems. The Bank is currently working with the Government of South Africa in support of its efforts for Just energy transition. We are also working with the G7 countries to leverage their \$8.5 billion financing for South Africa. Our approach will allow South Africa to raise \$27 billion in support of its just energy transition plans.

As we look at energy transition, we must ensure four imperatives. First, we must ensure access and affordability of electricity. Second, there must be stability of the grid. Third, gas must remain a critical part of the energy mix for Africa. Finally, achieving net zero, Africa will need at least [redacted]. Progress will depend on developed economies fulfilling their commitment to provide at least \$100 billion climate finance annually to developing countries.

We must ensure that promises made at COP 26 in Glasgow must now be delivered at the COP 27 in Sharm El Cheikh, Egypt, at the Africa COP.

Africa can accelerate its development and cope with other challenges such as climate, debt, insecurity, and the effects of the Russian war in Ukraine on their economies, if the Special Drawing Rights are used more optimally. Africa needs to have re-allocation of \$100 billion from developed economies, as agreed to by the African Heads of State, and at the Conference on Financing African Economies, hosted by President Emmanuel Macron. As per the resolution of African Union in February 2022, part of the SDRs for Africa should be re-allocated through the African Development Bank, which is a prescribed holder of SDRs.

Challenges remain on this, including how to assure the reserve asset quality of the SDRs and to ensure its liquidity with high credit quality. We are working actively, and together with the International Monetary Fund, to provide practical solutions to these.

We should use the SDRs in more pragmatic ways, to support countries.

Providing the SDRs also through the multilateral development banks has several benefits. First, the multilateral development banks can leverage the SDRs. At the African development bank, we can leverage the SDRs by a factor of 4 times. Second, the SDRs at the Bank can form part of the hybrid capital of the Bank, as equity paid in SDRs, through long term loans. Third, the SDRs that's leveraged will be used to provide additional capital and financing to the

development banks in Africa, as part of the Financing in Common. The SDRs can also be provided as concessional loans to the African Development Fund.

I am very pleased that other multilateral development banks are joining the African development bank in seeking SDRs, including the European Bank for Reconstruction and Development, European Investment Bank, Islamic Development Bank, Inter-American Development Bank, and the Asian Development Bank.

Providing SDRs also to the multilateral development banks will be game changers for accelerated development of countries. The SDRs should become “Strengthening Development Revitalization”. That way, people on the streets will feel the effects of the SDRs on their lives. And we would have achieved a full optimization of the global financial architecture, with the IMF working on macroeconomic and fiscal stabilization, and the multilateral development banks using their extensive experience and specialization on sectoral lending and policies to drive sustainable growth and development.

As shareholders, I ask for your strong support for these efforts.

Nowhere is the need for greater additional financing more than for the low-income countries and fragile states that rely on the African Development Fund. This year, the ADF, the concessional lending institution of the African Development Bank Group, turns 50 years. In the 50 years, it has provided over \$45 billion in support of the countries.

You can see ADF at work right here in Ghana.

As you arrived in Accra, you came through the beautiful Kotoka International Airport, which was financed by the African Development Fund.

As you drive through Accra city, you will ride over the 4-tier Pokuase road interchange, a masterpiece of quality infrastructure, the first of such in West Africa, and the second in the whole of Africa. It was financed by the African Development Fund.

And Ghana used the funds well.

Money meant to do a 3-tier interchange was stretched and used to do a 4-tier interchange.

That is what we do at ADF: deliver great value for money.

I wish to express my great appreciation to each ADF donor country. You have stayed with the Fund, you have supported the Fund, and your countries have been partners in the journey of hope of the countries that depend on the ADF.

To give greater hope, to cope with increasing challenges, the ADF countries need greater resources. One way to achieve this is to allow the African Development Fund to use its accumulated equity of \$25 billion to leverage \$ 33 billion.

The Fund will be able to deliver more.

The Fund will provide greater leverage for donor contributions: a great value for money for taxpayers from donor countries.

The Fund will be more sustainable, as it will generate more income.

The Fund will reduce debt of countries, as it will deliver much lower concessional lending rates compared to very high interest rates the countries get on the global capital markets.

Then together, we will build more equitable growth and development from the middle-income countries to the low-income countries and fragile states.

No development of any country will be left behind.

Then we would have built a much stronger Africa.

A climate resilient Africa.

An Africa with energy security for all.

An Africa that feeds itself and becomes a solution to global food crises.

An economically resilient Africa.

An Africa well on its way to achieving the Agenda 2063 of the African Union:

The Africa we want!

The Africa, which like a light house, will shine in the darkest night.

The Africa we all are proud to call home.

Thank you very much.