

# Capacity Development for Africa's socio-economic Transformation

## **Statement by:**

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## *SALUTATIONS*

- **Hon. Phelekezela Mphoko**, Vice-President of the Republic of Zimbabwe;
- **Hon. Patrick Chinamasa**, Minister of Finance and Economic Development and ACBF Governor for Zimbabwe;
- **Hon. Mirium Chikukwa**, Minister of State Harare for the Republic of Zimbabwe;
- **Hon. Deputy Ministers** of Namibia and Gabon
- **HE Dr. Mothae Maruping**, Commissioner for Economic Affairs for the African Union Commission
- **Honorable Goodall Gondwe**, Chair of the ACBF Board of Governors;
- **Dr. Shehu Abubakar Misau**, Representative of the Chair of ACBF Executive Board;
- **Prof. Emmanuel Nnadozie**, Executive Secretary of the ACBF;
- Fellow Representatives of the ACBF Founding Partners:
  - **Dr. Renaud Seligmann**, Practice Manager, Governance Global Practice, World Bank and
  - **Mr Lebogang Motlana**, Director, UNDP Regional Service Centre for Africa
- **H.E. Dr. Soumana Sako**, Former ACBF Executive Secretary and other Former Executive Secretaries;
- **Mr. Willard Manungo**, Permanent Secretary in Ministry of Finance and Economic Development,
- Your Excellencies, the Ambassadors, and Members of the Diplomatic Corp;
- Distinguished Government Officials;
- ACBF Executive Board Members and Senior Staff;
- Distinguished Guests and Delegates;
- Ladies and Gentlemen.

**All protocol observed...**

## **Master of Ceremonies,**

Allow me on this special occasion on behalf of the Management of the African Development and on my own behalf to congratulate the ACBF for 25 years of existence.

We would also like to express our gratitude to the Government of the Republic of Zimbabwe for hosting the ACBF here in Zimbabwe and for this wonderful occasion. The presence of all us here including the several distinguished guests, and eminent persons, is a reaffirmation of Africa's unwavering commitment to capacity building on the continent.

We recognize in a special way the Executive Secretary of the African Capacity Building Foundation, Prof. Emmanuel Nnadozie. You have strategically positioned the Foundation to even greater heights.

Gratitude also goes to the Board of Governors, the Executive Board, Management and staff, ACBF is on a course Africa aspires for.

The African Development Bank is proudly associated with the institutions mandate and success over the last 25 years because for the Bank, empowered and capable African states are fundamental to Africa's socio-economic transformation.

This special Anniversary offers us an opportunity to reflect and project into the future at this most opportune moment when the socio-economic transformation of Africa will be achieved with capacity development of member states being at the centre stage.

## **Capacity development in the context of the Bank...**

1. At the African Development Bank we place strong emphasis on capacity development. It is one of our core objectives and we recognize that no profound change can take place, in Africa, in the absence of adequate capacities in governments, in business and in the civil society as a whole. To the Bank capacity development entails institutional structures and their organization; policies and regulatory mechanisms; human resources in terms of size and quality; behaviors and norms; and the technologies and tools that enable states to play their role in delivering services and enabling citizens and private capital to realize their potentials.

2. The African Development Bank is a founding member of ACBF and a great support for capacity development in Africa. As a founding member of ACBF, the Bank is committed to Africa capacity development, and all efforts of the Foundation. We have supported the Foundation in the past 25-years, traversed capacity development initiatives together and we call upon all the partners of the Foundation to remain on board on this journey and in working towards even a brighter future for our capacity building Foundation.

**Hon. Vice President, Distinguished Guests Africa has immense capacity development needs...**

3. Over 400 million people in Africa live in extreme poverty – that’s about 4 in 10 of its population – comprising a third of the world’s poorest people. Africa’s economies are growing at an average of about 5% per year, yet inequality is increasing all over our continent. Hundreds of millions of people are left behind. Most of them are women and young people. Our collective challenge is to drive Africa’s socio-economic transformation through a development path that makes meaningful contribution to poverty reduction.
4. Despite the challenges, there is another story for Africa - Africa that is rising and with some capable states. Six of the ten fastest-growing economies in the world are in Africa. Real income has risen by 30% in the last ten years. This means, Africa therefore is still the place to invest and this means continued focus on capacity development.

*I wish to briefly focus on the African Development Bank’s mandate and strategy in transformative change.*

**The “High 5<sup>S</sup>” in capacity development...**

5. The African Development Bank President, within the context of the 10-year Strategy of the Bank Group has rolled out 5 key priorities for the Bank, in its mandate in developing Africa. The five priority areas that the Bank will focus on to advance Africa’s transformative agenda over the next 10 years are: to Light up and power Africa, Feed Africa, Integrate Africa, Industrialize Africa,

and Improve the quality of life for the people of Africa. These five areas, which are in line with the Bank's Ten Year Strategy, have been termed the "High-Fives," serving as a blueprint for African countries to embark on a course of sustainable transformation. The High 5<sup>s</sup> provide a measure of the sharp development outcomes through which we can gauge our success.

- **Energy** is the engine that powers economies and creates a prosperous society. As our President says, Africa cannot remain in the dark in nearly 140 years after the light bulb was invented.
- **Africa can feed the world** if sustainable efforts are employed.
- **Industrialization** is of key importance when it comes to Africa's competitiveness.
- **Regional integration** is critical for expanding the size of our markets. As our President again says, we must integrate Africa – grow together, and develop together.
- **Africans must see and feel the benefit of growth and democracy in their daily lives.** The Bank is determined to grow the next generation of a knowledge-work force for the continent, will continue to invest in improving access to basic services and address the challenge of rapid urbanization.

### **Critical Success Factors...**

6. The African Development Bank stands fully ready to continue to work with the ACBF, African Leaders to achieve these development goals. Critical factors for success remain: committed leadership of our African leaders, advocates and drivers of change. Together with our capacity building institutions such as the ACBF, the many Think Tanks we have created through ACBF, and our collective capacity development strategies we can and will jointly achieve the High 5s for Africa.

### **How do we harness Government's and Stakeholders' Commitments?**

7. The African Development Bank believes that:

**African countries must be in the driving seat and domestic resources must be key...**

- Africa certainly has untapped potential to generate the resources needed for its socio-economic transformation. Remittances to Africa have risen from \$11 billion in 2000 to over \$62 billion in 2014. Sovereign Wealth Funds assets under management in Africa have risen from \$114 billion in 2009 to \$162 billion in 2014. Pension funds currently stand at \$334 billion. And Africa today generates about \$500 billion in domestic taxes. The Bank therefore encourages African leaders to: think differently to mobilize all these domestic resources, and unlock potential of the natural resource wealth and agriculture to accelerate development. Capacity building efforts should therefore be geared in this direction, amongst others.

**To the African Development Bank, Partnerships matter...**

- Africa must continue to build solid partnerships for development as one of the most critical vehicles available to its socio-economic transformation.

**In addition, inclusive capacity development is critical...**

- Africa must invest in young people's skills and entrepreneurship.
- The Bank encourages governments not only to take a lead role in their policy processes, but also to engage more with their parliaments and citizens in articulating capacity development policies, strategies and their implementation.

**Africa must have capacity to manage shocks remains important...**

- Africa must build capacity to manage external shocks. Over the past six years, Africa has suffered a number of shocks but somehow still emerged standing and resilient – the sharp increase in food prices, the financial crisis, the volatile energy markets, Ebola, more recently drought – attest to the improved resilience, a result of the policy buffers and capacity to manage our affairs prudently. But the new landscape is full of uncertainties and poses new forms of risks.

**Africa must place special focus on transitioning states, with some pockets of fragility...**

- Capacity for accessing financing for peace and state building for post-conflict states and fragile situations needs to be enhanced. There needs to be special attention to countries recovering from war, conflicts and severe economic crises. In these countries, often, the states have to start from the very beginning.

**Special focus on climate change...**

- In Africa the impact of climate change is real and threatens to derail our achievement. Our ability to integrate the issues of mitigation, adaptation into overall development will determine how much we can sustain the transformative agenda.

**Conclusion...**

8. In conclusion , let me say the African Development Bank believes that:

Strengthening institutional capacity and human resource development is critical and urgent; and this should be approached in an integrative manner where all inter-connected capacity deficits are filled. ACBF remains central in Africa's transformative agenda and it is our collective responsibility as African institutions to ensure another 25, 50, 100 and many more years for ACBF.

***THANK YOU!***