



# Innovation Africa

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## Partnerships in Learning

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Over the last couple of days we've heard a lot of presentations, the challenges we face as a continent. Yet amidst these challenges are opportunities.

One of the opportunities, of two, is the announcement that Africa has won the construction of the world's largest telescope.

This good news because it has implications for job creation, for skills, for economic growth.

Because if you would look at the downstream effect of this project Africa stands to gain over thirty billion dollars.

This is welcome news.

You are also aware that the Africa you know has an initiative to construct trans-African transport corridors. Rail and road.

From South Africa to Cairo, from Senegal to Kenya, from Nigeria to Algeria.

This is also welcome news. It will open African markets, it will create jobs and it can create opportunities.

We also have, you may know, "The Inga Project" to build a dam on the Congo River - the largest in the world that can supply electricity to every village in Africa for over a hundred years. To the extent that it will be exported to the Middle East and Europe because Africa cannot consume all the power to be generated.

These are welcome opportunities, but there are challenges.

We don't have the skills, we don't have the engineers, the astronomers, the scientists. How do we take advantage of each of these opportunities?

Over forty years ago African heads of state met and decided they would create a development bank to mobilize resources for the continent's development.

African Development Bank was created to mobilize internal and external resources for Africa's development. All the fifty four countries of Africa are members. We all contribute to the bank but this is not enough.

So the bank mobilizes external resources from twenty seven countries. Currently Turkey is the latest that has applied to be a member of the bank. Last year we mobilized over eight billion dollars for Africa's development.

But it's not enough.

So the question is - we are faced with a high unprecedented unemployment situation in Africa. Our youth, our children coming out of universities, of tertiary institutions can't find jobs and here we have the opportunity to create millions of jobs.

How do we do that?

Have we started thinking what skills we need to build the world's largest telescope?

Are we thinking how to reconfigure it - our education training systems? To provide or to train the type of skills needed for these opportunities. Are we making the necessary budgetary allocations for institutions to be able to train the students? To create jobs, to create, to grow businesses - opportunities for the next generations?

No. Some countries - Yes. But most African countries are No.

This is the time.

We heard two days ago Professor O'Connell's presentation. For the seven steps that the world went through to get to where we are digital. Africa is nowhere.

But the potential is there. You go to all the higher institutions across the world and you see African professors, African scientists, African engineers. NASA - you have Africans. So why can't we create the same conditions at home?

Ladies and gentlemen, the African Development Bank is your bank. You created it so that it can mobilize resources to support your priorities.

And that is what the bank does. Most of you are aware how to approach the bank. For those who don't - the same heads of state when they met to create a bank designated the Minister of Finance to be the sole representative of the country on the board of the bank.

So, if you are the Minister for Education; you are the Minister of Science and Technology and you need support and you think African Development Bank *is* the institution that can help you - your duty is to convince - some people say lobby -

but I would say advocate - to your Minister of Finance the reason why he or she should allocate the resources you need to you. And he or she - the Minister of Finance - will send a request to the African Development Bank.

Without a letter from the Minister of Finance we will not be able to respond to your request. It was not a bank that created the conditions - it's the heads of state of all the African countries that were there and signed on that declaration.

So, your request you go through your Minister of Finance. But the Minister of Finance will tell you "Listen. Maybe this is not a priority". That is where your advocacy skills comes out - you have to make a case.

You have to make a case - unfortunately the Bank cannot make that case for you. You have to make that case.

So please, once again. Your request has to go through your Minister of Finance.

And this is where - from our past experiences - we are encouraging you do also consider AfricanBrains as a partner because it has the convening power to be able to bring together ministers, private sector, civil society, academia.

So if you overburdened with their day-to-day activities as a minister - there is support. Somebody can help you put together the necessary justification, the necessary advocacy documents that you need to get the requests sent to the Bank. It is the same thing as the World Bank. You need to send a request.

Now - what are the fund mechanisms available at the Bank?

The African Development Bank has two main windows, where it supports or responds to your request. We have the African Development Bank Group - The ADB window - and then we have the ADF - which is African Development Fund window.

The ADB - the African Development Bank window is for those countries that we classify them as middle-income countries. And mostly in Southern Africa - except Lesotho and Zimbabwe because Zimbabwe is a different case - all the countries are classified middle income countries.

It's a formula that was agreed to by the IFI - International Financial Institutions - IMF, The World Bank, the ADB - African Development Bank

So all the countries of Southern Africa fall under the middle-income country, which means

you cannot borrow from the African Development Fund window which is a concessionary window that has a very low interest rate. It has a grace period of ten years and maturity over twenty years.

Honourable Minister from Lesotho - it might interest you to know that Lesotho falls under the ADF - so you have an advantage there. For the other countries it's the ADB that you borrow almost a bit lower than commercial rates you get from the bank.

But it's not bad because you have the concessionary window of ten years and is repayable over twenty years. You can't get that from any commercial bank.

So it's the two major windows. Then we have the third window - which are trust funds. Trust funds are funds allocated to ADB to manage on behalf of a country. For instance we have the Korea trust fund, we have the India trust fund, we have the Chinese trust fund, the Japanese trust fund, the Canadian trust fund - in all we have about seventeen trust funds.

And they support specific initiatives. For instance some would say "we want to promote gender activities in X number of countries in Africa". Some would say "We want to promote ICT in education". Some would say "We want to promote climate change and green economy". So each trust fund has its requirement.

But there are also other sources of funding that are available to member countries.

Now we have another window called the middle-income country because the middle-income country is somewhat penalized for not having the concessionary loans, there is a small envelope that is provided to the middle-income countries that allows it to undertake certain preliminary studies towards a major project.

So it would take care of the consultancies, the feasibility studies, the short term training, the procurement of certain basic equipment so it helps you defray some of the up-front costs.

So this is the Middle Income Countries Fund available to the countries that fall under the MIC - the Middle Income Countries group.

Then we have special funds - the African Water Facility. This fund is more than, I think, ten billion is dedicated to working on water issues in Africa. We are currently also setting up the Climate Change Fund, which will also promote green growth and also combat climate change. And then we have also what we call the Administrative Budget Fund that supports analytical works like economic research papers.

So all these windows are available to you but again all these requests will have to come through the Minister of Finance.

We have also the private sector window. Last year we supported up to over two billion African enterprises, especially small and medium enterprises. And we still have money available this year to support more African businesses - we grow African businesses - so that is the private sector window that's also available.

But you would need, I think, a business that [???] fund less than ten million dollar proposal. It has to be ten million and above because it is a lot of paperwork and anything below ten million it's a lot of effort needed.

So these are the windows of some of the funding mechanisms available at the African Development Bank that is at your disposal, so please make use of it.

You're aware also that everyday Africa discovers oil and gas in almost every African country. Unfortunately we counted the last time in Nigeria that you can't get one thousand experts in oil and gas. So there is also another challenge.

So currently we set up in Nigeria the centre for excellence in oil and gas, it has been operational for the last two years and the good thing is that because of the cost involved, in order to reduce the cost the university is functioning through the African diaspora.

So an African professor who is on sabbatical decides to give six or four weeks of his or her time comes to teach at the college and goes back - and it's amazing. The first group graduated two years ago and according to the scores obtained they surpassed those students at Harvard and MIT.

So you could see that it was high quality training - with a little bit of innovation we can do more.

The third point I would like to stress that during this conference we have had discussions with the private sector, with government, with academia - and because of these opportunities that I alluded to earlier and my speech - we have to get together, to start planning of how to mobilize Africa to respond to these opportunities - the Escape Project, the Inga Project and the trans-Africa corridor.

So, we have decided that we will put together a steering committee, a small group of people from the business, from academia from the government to start thinking of what needs to be done to respond through the requirements of building this telescope, of building the world's largest hydro-electric dam and also for connecting Africa through the road and rail transportation system.

We don't have any names yet but we will be contacting you, to maybe ask for your participation to invite you to some of the meetings for your contributions and we hope you'll respond favourably.

The last thing I would like to bring to your attention is that African Development Bank in order to respond effectively to your requests has been decentralising. We have offices in thirty of the fifty four countries and by the end of next year we hope to be in every African country.

We have also established regional centres. We have two pilot initiatives now; one in Pretoria, South Africa and the other in Nairobi, Kenya where we have over fifty staff based there with a director who has the authority to approve any of your requests without having to go to the bank, to the board, to the president, all that to make it easier and friendlier and accessible to you - us - the owners of the bank.

Is there anything I've forgotten? Yes something - the working group. Once again the working group is this going to be a very critical and from our experience and those of us who were in Morocco, in Vic Falls you know that this is the third meeting that AfricanBrains has been organizing.

We've talked a lot. We've presented a lot of papers, we've dissected the problems. Now is the time to move. Now is this time to move because next time you will not see me.

We've talked enough. So please, let's move so that working group is going to be critical. You also heard our friends, Mr Walid announce an initiative to set up a fund and we have discussed to challenge the African Development Bank to match those funds, all to support you to improve our education systems.

So please, when we call on you - invite you to be a member of the committee - please give it your greatest attention.

And thanks once again to AfricanBrains for the initiative to bring us together. And personally if I had to buy anything I think I'll say AfricanBrains should continue to coordinate this kind of initiative until the day that we finish building our telescope, we finish building our dam and we finish constructing our trans-Africa corridor.

Thank you.