

# Speech by World Bank Group President Jim Yong Kim at the Sixth Tokyo International Conference on African Development Opening Session

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**World Bank Group President Jim Yong Kim**

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**Transcript**

Thank you very much everybody, your Excellency President Kenyatta, your Excellency Prime Minister Abe, *Excellencies*, Ladies and Gentlemen.

The World Bank Group is proud to be a co-organizer of TICAD and we are especially pleased that this meeting is taking place here in Africa. We join others in thanking the government and people of Kenya for hosting us, and for your very kind hospitality. I would also like to give special thanks to leadership of Prime Minister Abe for his visionary choice to bring TICAD to Africa and for the way he's championed universal health coverage or UHC.

## **[Statement in Japanese]**

For the few of you who don't speak Japanese, what I said was that Prime Minister Abe has been a champion for African development and I want to thank you Prime Minister for bringing us here and for your leadership.

But the economy in the world has seen considerable changes since the last TICAD just three years ago. New issues have come to the fore as reflected in our agenda. The global economic environment remains difficult; we've seen generally weak growth, a slowdown in trade, and sharply lower and volatile commodity prices.

As a result, growth in sub-Saharan Africa slowed to three per cent in 2015 and we expect it to be around two and a half percent in 2016. Commodity exporters and especially oil exporters have been hit the hardest. To cope with this new reality, African countries face key policy challenges including adjusting to a new era of low commodity prices, increasing economic vulnerabilities and the challenge of finding new sources of growth. The continent's infrastructure deficit is a major drag on economic transformation and growth yet there are significant opportunities particularly in energy.

Africa is blessed with vast untapped resources of renewable energy. New technologies are both reducing the cost and making it easier to harness. Given the scale of resources needed, increased private investment in infrastructure will be essential. Collectively, we need to spur investment and bring in the estimated 100 trillion dollars of patient capital sitting on the sidelines because they fear that there is too much risk, and that there is an absence of bankable infrastructure projects.

These are issues that the World Bank Group is working very hard to resolve. We must be much better at leveraging funds from development partners, stopping illicit financial flows and helping countries mobilize more money domestically. In doing so, I believe that African countries can dramatically increase the flow of private capital to fund infrastructure projects. One very positive sign is the strong attendance today of so many private sector representatives from Japan and from a number of African countries who can see for themselves at TICAD, that Africa is open for business.

To give you an example of how the World Bank Group is bringing the private sector into the building of critical infrastructure, we can look at the related problems of energy and climate change. Despite the fact that African countries have played such a small role in creating the problem of climate change, they are disproportionately feeling its impact.

We started a project called Scaling Solar, which is a one stop shop for all the different pieces to bring independent power producers and solar energy to scale in African countries, (inaudible). Scaling solar's latest deal was in Zambia where we were able to have an auction and the lowest price offered by a producer was 4.7 cents per *kilowatt hour*.

We are ready to do this for every African country, and we hope you will come and talk to us. 4.7 cents per *kilowatt hour*, in Zambia. The lowest price

recorded today was just yesterday. Chile did an auction for solar energy that came in at 2.9 cents per *kilowatt hour*.

The World Bank Group is working with African countries and development partners to implement the African Climate business plan which is a comprehensive program and investments totaling 19.3 billion dollars between 2016 and 2020. Over 8 billion will be financed by IDA, the International Development Association, which is our concessional financing mechanism for the poorest countries.

Now, along with rapid acceleration of private sector investments in infrastructure, we also have to propel a rapid increase in investments in people, including in stronger health systems. Together with the government of Japan and other partners, the World Bank Group is stepping up support for universal health coverage in Africa. We announced yesterday a plan to invest 15 billion dollars over the next five years, across a wide range of health related interventions, that'll support UHC. One key part of the plan is to support the Global Financing Facility which brings together Japan, other development partners and the World Bank Group, to increase financing for women and children's health.

We are also very grateful to Prime Minister Abe for his leadership in being one of the founding financiers of the pandemic emergency financing facility. This will leverage money from investors to man a rapid and early response to an outbreak with pandemic potential at a fraction of the cost. All IDA countries will be covered by this insurance plan.

Efforts to improve health systems along with improving education and social safety nets; are central elements in investing in people. But investing (inaudible) in the first 1000 days of a child's life is the most important period. When children do not receive proper nutrition and enough stimulation, and when they are exposed to stressful environments, their brains become literary stunted, a permanent loss of cognitive ability. 25% of all children under age 5 in the world are stunted. And many African countries have much higher rates than that. The lack of investment in children not only hurts those individuals, but also entire nations who suffer from the huge number of citizens who will not be able to fulfill their true potential and will not be able to compete in what will surely be a more digitally intensive future. Stunted children, as my good friend President Akin Adesina of AfDB said yesterday, lead to stunted economies.

Ending stunting everywhere but especially here in Africa is an urgent mission and UHC would be a critical element in achieving it. So, I am calling for massive investment, public and private in infrastructure, universal health coverage for all of Africa. This is an extremely ambitious agenda.

There will be many people who'll say that Africa cannot do it; we've heard this before. Thirteen years ago, I was sitting out in this plaza, December 1<sup>st</sup> of 2003 when we launched the 3 by 5 initiative to get 3 million people in developing countries on treatment by 2005. At that time in Africa despite the fact that 25 million people were living with HIV, less than 50,000 people were on treatment.

When we announced that 3 by 5 target, there were so many naysayers, one Head of a very powerful bilateral aid organization a few years before, had said that we cannot treat HIV in Africa; Africans have no sense of time; they don't wear watches, they know morning they know noon, they know dark of night, but they can't take a medicine five times a day. Well that person, he had just visited Africa a few months before and his African host said that the only person who was late for every meeting was that man.

It's almost hard to believe how much people are willing to write off Africa. But I understand-- I was born in 1959 in Korea, and in Korea in 1959, the GDP per capita was lower than that of Ghana, it was lower than that of Somalia, it was equal to that of Kenya. Everyone said it's impossible for Korea to grow. I read the World Bank documents from 1960, 61, 62. What were they saying about Korea, they said Korea is so hopeless, we can't even give them an IDA loan, the loan for the poorest countries, because we don't think there is any way they will pay it back. All they have is agriculture, all they have is people, the industrial parts of Korea were in the northern part. Well, you know what happened. But it happened because Korea had a lot of help, they followed good economic models.

We now look at HIV, 12 million people on treatment in Africa and there is no doubt in my mind that the fact that we are far against the naysayers and went ahead with this program, had a huge role in the economic growth that happened over the last thirteen years. We have to do it again. We have to fight the naysayers. Public and private sector investments in infrastructure, universal health coverage, I know we can do it. I need your support for IDA. Right now we are going through replenishments; the good news is that instead of saying to donors for every 1 dollar you put in, we will give 2 dollars

to IDA countries. Now we can say, for every 1 dollar you put in we are putting in 3 dollars to developing countries. [Thank you]

We need your support, for African leaders especially, we need your support. But I am extremely optimistic, just as I was 13 years ago, I know we can do this. And with the support of Prime Minister Abe, President Kenyatta, all the *Excellencies* here today in the audience, we can build the kind of Africa that would be truly worthy of the people of Africa.

Asanteni sana. Arigato Gozaimasu.

Thank you very much.