



1964 2014

**50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA**

"A quantum leap, not an incremental change"

Remarks at the 2015 Adebayo Adedeji Lecture

Donald Kaberuka, President

African Development Bank

Addis Ababa

March 30 2015

Good afternoon, Your Excellencies, Ladies and Gentlemen

Thank you all for finding time to join in this lecture.

I am glad to see so many old friends.

I have always been cautioned that a lunchtime speech is a delicate compromise; right in the middle of a long, busy day, and a well-deserved meal!

I can imagine that, on a day like this with tight schedules, each of you is wondering whether I will stick to the twenty minutes I have been given!

First let me express my appreciation to my two good friends, Carlos Lopes and Dr Nkosazana Dlamini-Zuma, for the honour given to me to deliver the Adebayo Adedeji Inaugural Lecture and for the outstanding work they do for our continent.

I want to thank them, for their friendship and a spirit of close collaboration which has guided our respective organisations over the recent years.

The prospect for Africa to achieve her transformative vision is that much stronger when the leading pan-African institutions work together.

I am certain that this vital relationship will be deepened even further under my successor.

Many kind words have just been said about me.

I am profoundly touched.

I never forget, though, that age-old wisdom; which posits that a successful endeavour is one per cent inspiration and ninety nine percent perspiration.

I will accept the "one per cent".

Because as a leader, it was my duty to inspire.

In the same spirit there is no doubt, that the "ninety-nine percent" is a reflection of collective hard work by many people inside and outside the Bank – staff and management of the African Development Bank and our partners within the countries.

For the rest, legacies are usually best left to posterity.

As part of this Inaugural Adedeji lecture, I have been asked to share with you a sense of what needs to be done to ensure that Africa's new bold transformative agenda is a success.

So, as I step down, at a time when Africa is charting out that longer-term vision – Agenda 2063 – it is only right that I share with you my candid assessment, as to what I have learnt in my ten-year administration, which may be of relevance in that endeavour.

As I do so, I recall Confucius' famous dictum:

“Learning by reflection is noblest; learning by imitation is easiest; however, learning by experience is bitterest.”

All I can add to the great man’s wisdom is that learning by experience may be bitterest, but it is certainly more rewarding.

As I look back at my ten years as Head of the African Development Bank, there are things my colleagues and I have done reasonably well, there are areas we have done less well, or even failed, and then you have unintended consequences of some of our actions.

Excellencies, Friends,

Allow me a few minutes to return to the work of Adebayo Adedeji, whom I understand recently celebrated his 85th birthday.

I join you and well wishers in extending to him our very best.

I first heard of Professor Adedeji in the early seventies when I believe he was serving as Federal Economic Planning Minister for his country, responsible for the reconstruction of Nigeria after that dreadful civil war.

I was then a young man completing high school and about to enter University and very closely following what had happened in Nigeria and Africa at large.

Remember, that was Africa’s first decade of independence and the continent was witnessing the ravages of the civil wars in Nigeria, in the Congo, in Sudan, and the first pogroms in my own country.

Like the young people of today, who make up two thirds of Africa’s population, we were asking ourselves many questions, about Africa and the future.

As you know, at that age, not even the sky is the limit.

Incidentally, while Nigeria at the time was dealing with the aftermath of the civil war, the country was also learning how to manage the sudden significant increase in oil wealth.

Excellencies, Friends,

It has been said that the 1980s for Africa and Latin America were lost decades.

Yes, they were.

Time and opportunities were indeed lost, as poverty deepened, hopes dimming often into despair.

But it was much worse.

Nelson Mandela is quoted as saying that “the most powerful weapon in the hands of the oppressor is controlling the mind of the oppressed”, or something to that effect.

In those years, Africa was only nominally in charge of her economic policies.

Policies were, for lack of a better expression, “outsourced”.

The ruling ideas of the day – the neoliberal doctrine sometimes known as the Washington consensus – were well entrenched and established.

This was a doctrine, which became extremely influential and was executed with missionary zeal by international financial institutions via structural adjustment

programmes.

To challenge those ideas was economic apostasy.

Professor Adedeji, a distinguished economist and statesman, argued strongly that Africa needed to develop an alternative framework.

A framework that put emphasis on understanding the African landscape and its specificities.

He set about developing one.

He put a lot of emphasis on what he called “collective self-reliance”, learning from his own experience for better management of our natural and human capabilities.

The Lagos Plan of Action and the roadmap to an African Economic Community, was very much an attempt to combine that broad thinking with a concrete roadmap.

Agenda 2063, which our three organisations have worked on closely together, picks up where the Lagos Plan of Action stopped and adapts to the global and continental conditions of today.

But here is the issue: Any plan is only as good as its implementation.

That is the starting point.

The gap between what we want to achieve and how one actually gets there.

I have heard some critics say 50 years’ planning is too far off.

In my view, it is quite the opposite;

It is the absence of long-term vision, which has often constituted the handicap.

In any case, short or long, translating that vision, into a long-term transformational plan with measurable targets is what matters for the people.

The people of Africa are not looking for incremental, evolutionary steps.

They are looking for a step change, a quantum leap.

The real challenge is not drawing up the plan.

The real task is to demonstrate that it can be delivered.

But let me step back to 10 years ago, in 2005, when I assumed office.

I was elected with a very large majority.

The highest in the history of the bank, 78%.

It was a vote of confidence very much needed, at a turning point for Africa.

It was the year when major decisions had just been taken on debt cancellation at the G8 Summit in Gleneagles.

The Blair Commission had put forward major recommendations on how to ease Africa's debt, secure her place in trade, increase her voice, and especially double Official Development Assistance.

Africa's own plan, the New Partnership for Africa's Development, including the peer review, was now in place.

African economies everywhere had picked up the pace, and a sense of optimism was growing.

In short, I was coming into office at a time of a strong positive feel internally, a benign international environment, a commodity supercycle, alternative sources of finance from emerging markets and early signs that the development discourse was beginning to change.

John Micklethwait, writing in *The Economist* in 2012, observed that politics operates at two levels:

The first, the short-term tactical: which party, which PM is elected, what kind of economic policies are proposed, etc.

The second; the once-in-a-generation battle for a shift in the paradigm.

As I assumed office, Africa was confronted with a constellation of what in MBA courses they call “disruptive forces”.

Today, those same forces present opportunities provided they are managed well. I refer to the dynamics of demographics, internal migration, natural resources, climate change, the digital revolution, etc.

In my role as a Finance Minister of my country, I was the de facto representative to all international financial organisations.

I had come to respect their role, policy influence and the commitment of people who work there.

However, I had also developed a healthy dose of scepticism on their prescriptive policies.

And, even more so, the frequent shift of those policies let alone their intellectual foundations, the view that somehow there was a quick fix to the process of development and it came with money.

Ten years ago, there began also a slow change in the perception Africa and with it the repricing of her assets.

I am not suggesting that the gap between the perception of risk and the real risk is over, only that the process is well underway.

I considered that it was our duty to enhance that process by increasing our private-sector lending, and alter our own credit policy.

Ladies and gentlemen,

The economic shifts that have happened in this decade, before our very eyes, are phenomenal, including the unprecedented, fastest reduction in poverty in human history.

Many challenges remain:

- millions of people live in poverty in very wealthy countries;
- inequalities within and between nations have attained unsustainable levels;
- the unresolved effects of the global financial crisis in rich countries;
- capitalism is trying to reinvent itself; and
- global public goods, threats, epidemics, terrorism, climate change, all of which lack a robust multilateral solution.

In the course of this year, three international conferences will attempt to find solutions – in New York, in Addis Ababa and Paris.

At the end of the day, the majority of this continent is in a hurry, they are no longer content to ask questions.

Policy-makers and leaders must bear in mind 600 that million Africans are under 25; they know about, but did not live under colonialism or apartheid.

400 million are under 14 years of age, born at the turn of the new millennium. This is important.

They want a compelling vision, which will galvanise them and a high-level of ambition, they can identify with.

In the AU agenda, they have one. But that is not the end.

I have once referred to JFK and landing of man on the moon.

In 1963, he said to the Americans:

- We shall land man on the moon,
- By 1970
- And bring him back to Planet Earth.

It is such an all-encompassing vision; clarity in strategy, clear timelines and finality, not simply affirmations of hope that Africa needs.

Here was an example of the famous saying that “so many dreams at first look impossible; they then seem improbable, but when we summon the will, they soon become inevitable.”

Recently, the founding father of the city-state of Singapore passed away.

Like some of you, I followed with interest the ensuing debate as to the virtues of the model he created.

So many contending views.

It is not my intention to join that debate.

However, I would like to make one observation.

Lee Kuan Yew may not have been your perfect democrat, but one thing he managed to put in place early was trust between government and the populace.

A very high level of trust and clarity that this was not a rent-seeking, parasitic state, but one that would create value.

With trust, sacrifices have meaning and rent-seeking states that undermine the very fabric of society are thereby avoided.

It is time to go back to draw up a new compact with the people.

Trust by the populace that leaders, institutions will deliver services.

Trust that whether majority or minority ethnic groups, religious groups, everyone has same rights.

Trust that the two hands of body Africa, its men and women, have the same rights.

Trust in states that create value rather than those that are parasitic.

Trusts that our decisions taken and resolutions made have meaning and will be seen through.

Trust that what the AU Charter calls “shared values” are binding to all.

Look around the world today, countries that have come out of the global crisis bruised, but not wounded, are those where trust is very high.

At the end of the day our governments, our institutions, have policies, and blueprints on what needs to be done, from energy to health, education, agriculture.

But citizens do not simply want the promise of a new Jerusalem.

They want to know it will be delivered and they want to be part of it.

They want to know their taxes are used to deliver services.

Assurance that their natural resources are used to their advantage.

They want to know that whoever is the election winner, there is no group that will always win and one that will always lose.

Finally let me refer to the issue your conference is considering: Funding development, in particular, raising the bar on infrastructure, particularly cross-border infrastructure.

This is a subject familiar to you.

In recent years, significant efforts have been made in mobilising resources for development from all sources; domestic taxation, capital markets, emerging markets, natural resource-linked contracts, etc.

But that will not close the gap.

If that gap is not closed, the continent will continue to grow below potential. I welcome the all-round commitments to mobilize Africa's own internal savings and deal with illicit flows.

We now have an instrument in place – Africa50 has been established, incorporated.

I hope and expect that non-African countries will continue to join the Asia Infrastructure Fund; but I hope Africa50 is, above all, an African instrument to facilitate infrastructure funding through mobilising internal savings and investing in the future.

I urge you to give this a priority, as I hope you will continue to strive for reforms in international organisations so that emerging countries have a greater say, including the African Development Bank.

Conclusion

Following in the steps of Julius Nyerere, Professor Adedeji advocated for “collective self-reliance” in order to implement Africa's vision.

That call is as relevant today as it was then.

The unattractive alternative is low-optima individual actions: more of the same, no critical mass.

An even less-acceptable alternative is one of dependency, a negation of the sovereignty for which Africans fought hard.

From pooling some of our domestic savings, to building infrastructure for a

return, to accelerating the removal of non-tariff barriers and free movement of people, these would be steps that consolidate that collective self-reliance.

The last thirty years have been phenomenal in human history, there is no doubt Africa is set to converge, but that is not pre-ordained. It will depend upon, not the declarations of intent that we make, or the plans we draw up, but our willingness “to die a little” for the collective prosperity of the African people.

Thank you.