

2020 Annual Meetings of the African Development Bank: a renewed commitment to economic resilience in Africa

The highlights of the 2020 sessions are the election of the Bank Group's president and the statutory meetings of its Governors the African Development Fund (ADF) began in Abidjan, Côte d'Ivoire, on Wednesday, 26 August 2020.

In his opening speech, the President of Côte d'Ivoire, Alassane Ouattara, highlighted the unusual context of this year's Annual Meetings, taking place against the backdrop of the COVID-19 pandemic. He also underscored the Bank's critical support for his country and other regional members.

"This is an opportunity for me to acknowledge the African Development Bank, its President and Board of Directors, for the unwavering support expressed in these difficult times to African states. Indeed, the Bank's COVID-19 Rapid Response Facility has made it possible to finance and support African countries in the fast implementation of plans to fight the pandemic."

President Ouattara praised the "remarkable capacity to adapt that the Bank has shown by continuing its operations and functioning in virtual mode, since March 2020," and the work accomplished by Bank

President Akinwumi Adesina "who has successfully led the transformation of the African Development Bank and has given it great credibility and visibility, of which we are proud."

This year's meetings are being held virtually due to restrictions occasioned by the COVID-19 health crisis. The highlights of the 2020 sessions are the election of the Bank Group's president and the statutory meetings of its Governors, which are being held behind closed doors.

President Ouattara wished Adesina good luck in his re-election bid.

According to estimates by the African Development Bank, Africa could lose \$173.1 billion in GDP in 2020 and \$236.7 billion in 2021 because of the pandemic. The restrictions and strict lockdown measures imposed at the start of the crisis, some of which are being gradually relaxed, have resulted in mass closures of businesses and millions of job losses. The aim is, therefore, to soften the impact of the anticipated recession.

Addressing the audience, Adesina celebrated the excellent relationship between the institution and Côte d'Ivoire, which is home to the Bank's headquarters. He also paid tribute to the



country's steady economic progress.

"With the pandemic, Africa has lost over a decade of gains of economic growth. Africa's recovery will be long and difficult. Now we must help Africa to build back, boldly, but smartly, paying greater attention to quality growth: health, climate and the environment."

Back in April, the Bank reacted swiftly to the pandemic, with a series of bold measures to support its regional member states to help cushion them against the

impacts of the outbreak. One example was the launch of the COVID-19 Response Facility of up to \$10 billion. The response, like the crisis, is now on a continental scale. From the north to the south of the continent, the Bank has provided massive support to strengthen the resilience of regional member states.

The Bank has provided support worth \$22 million to regional bodies such as ECOWAS in West Africa, to strengthen the health systems of low-income

countries, and to CEMAC in central Africa. It also assisted the G5 countries in the Sahel to the tune of \$20 million.

During the meetings, Governors from the Bank's 54 regional member states in Africa and 27 non-regional member states, will also evaluate the response to the pandemic, which will help to build a truly resilient post-COVID-19 Africa.

Nialé Kaba, Ivorian Minister for Planning and Development in Côte d'Ivoire and president of the

Bank's Board of Governors, stressed that the pandemic was, in spite of all, an opportunity to "take up the challenge of the digitization of our economies". She encouraged the Bank's management "to provide substantial support to African countries individually and collectively in order to strengthen national and regional digital infrastructure for greater connectivity."

The African Development Bank's Annual Meetings are attended by Ministers of Finance, central bank governors, political decision-makers, civil society organizations, heads of international organizations and key representatives of industry and the private sector.

The Governors will vote to elect the Bank's president on Thursday, 27 August 2020. Adesina, the first Nigerian to occupy the role, was elected by the Bank's Board of Governors for a five-year term on 28 May 2015 at the 50th Annual Meetings, which took place in Abidjan.

In his speech, Adesina welcomed Ireland as the Bank Group's 81st member.

Source: African Development Bank Group (AfDB)

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Malawi: the Mzuzu-Nkhata Bay road now among the country's safest roads, thanks to African Development Bank support

The road was formerly very narrow and poorly maintained, and it required an hour and a half to travel the 50 kilometers between the northern towns of Mzuzu and Nkhata Bay. The latter is a tourist center on the shores of Lake Malawi. The problem was exacerbated by the high incidence of accidents involving small public buses along the route.

Bank financing of USD\$30 million went into widening the road, resurfacing, and flattening sharp curves, streamlining the movement of people, goods, and services between the two towns. Most of the road's users in the region work in agriculture, fishing, and tourism, and use the road to reach health centers, schools, and markets.

"The project involved rehabilitation of 47km of road of main road and 3 km of township. The project completed within the original contract sum with savings. The savings from the loan was used to construct an additional



Bank financing of USD\$30 million went into widening the road

1.3km of dual carriageway in Mzuzu town," according to the project completion report, directed by Davies Makasa, Principal Transport Engineer at the African Development

Bank. Following the rehabilitation, transport costs, vehicle operating costs and the number of traffic accidents fell significantly. Vehicle

operating costs dropped from \$0.49 to \$0.37 per vehicle and per kilometer and travel time between the two towns was cut to less than 40 minutes. As a result of the road rehabilitation the fleet of public transport vehicles operating on the road has increased.

"Increase in public transport fleets is expected to bring about competition, which in the medium- to long-term will reduce fares for passengers and tariffs for cargo," states the Bank's report. "All accident-prone spots have been eliminated. Stopping sight distances have been increased and all black spots have been removed. This intervention is expected to reduce accidents by more than 60 percent, especially by small public passenger buses." The road also saves international traffic from Zambia and Tanzania to and from Malawi and Mozambique.

Source: African Development Bank Group (AfDB)



EUR 30 million EIB backing to accelerate tuberculosis vaccine development in Africa

The European Investment Bank (EIB) today agreed a €30 million loan with Vakzine Projekt Management GmbH, the German subsidiary of Serum Institute of India Pvt. Ltd., the world's largest vaccine manufacturer.

The agreement, initiated by KENUP Foundation, will support research and development of a new vaccine to prevent tuberculosis in infants in particular in high-risk HIV+ populations. The EIB loan is supported by the dedicated Impact Financing Envelope. The financing structure consists of a contingent loan where the repayment is due only if market authorization is achieved. If the trials do not reach the primary endpoint, the loan is written off.

"We are very pleased to get European Investment Bank funding for such an important trial for tuberculosis and upcoming HIV trials. With this support, I am confident that we will be able to help eliminate these dreadful diseases. Going forward such support from Institutions like the EIB will play a key role in tackling major diseases which have killed millions of people in developed and developing world," said Dr. Cyrus Poonawalla, Chairman & Managing Director, Serum Institute of India Pvt. Ltd.

The World Health Organization declared tuberculosis a global emergency even surpassing HIV as the leading cause of infection-related death. "The BCG vaccine is the only tuberculosis vaccine currently available and is the standard of care for primary tuberculosis prevention for infants. Our goal is to replace BCG with VPM1002, which is safer, better tolerated and hopefully more effective, as prime vaccine in newborn infants. An achievement like this could be the long-desired turning point in global TB containment for almost 100 years." Dr. Leander Grode, CEO of Vakzine Projekt Management GmbH.

"Tuberculosis is one of the top ten causes of death worldwide, causing millions of victims in recent years," said Ambroise Fayolle, European Investment Bank Vice President. "Although the world is currently mostly preoccupied with Covid-19, TB and HIV have not gone away, yet they are treatable or even preventable. I'm proud that the European Investment Bank can support late-stage research into an improved TB vaccine that can save lives, especially children, as well as develop novel treatment for HIV. This research could have an enormous impact on health worldwide, and especially across Africa."

Accelerating development of more effective tuberculosis vaccine and treatment

Vaccine research and development for the project will be carried out by Vakzine Projekt Management in Germany and clinical trials scaled up in several high-burden sub-Saharan countries. The vaccine will be also tested in high-risk, HIV-exposed groups to enable more effective treatment in Africa.

The €30 million EIB loan signed today will finance the late stage (phase III) clinical trial of a new and improved vaccine protecting against Tuberculosis in infants, which is also partly financed by the European & Developing Countries Clinical Trials Partnership (EDCTP).

Addressing the impact of tuberculosis across Africa

With 26% of new cases on the African continent, and two countries in the top six of most impacted countries, these developments could have a major health impact on the local population. Next to this, the parties expect to sign a further €15m loan in the near future in support of R&D investment into a portfolio of new drugs for the prevention and treatment of HIV, the virus that causes AIDS.

Access Bank; Women Financiers - big winners at this year's African Banker Awards

The Awards are considered the Oscars of the African banking community and given the impartial selection and judging process are the most respected in the field.

The awards were pushed back to August to coincide with the African Development Annual Meetings which are taking place this week, with the election of the new president of the bank expected tomorrow.

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The big winners this year were Nigerian-based group Access Bank and also women in the banking and finance sector. Following on from what was seen as a lack of inclusion last year, the organizers put an emphasis to reward institutions that ensured that women and financial inclusion at the forefront of their agenda.

Access Bank's Group CEO, Herbert Wigwe, won this year's African Banker of the Year. Access ranks as one of Africa's top-tier banks and Wigwe has been at the helm of the bank's growth and expansion, including the oversight of the takeover of Diamond Bank, a bank that was much bigger than Access Bank less than 15 years ago. Access Bank also



won African Banker deal of the year, in their role to help Olam develop their rice operations in Nigeria.

Women were also the big winners at this year's awards. The Central Bank Governor of the year went to Caroline Abel, from the Seychelles and the Finance Minister of the Year went to Nigeria's Zainab Ahmed. The organizers had noted that despite difficult circumstances Ms Ahmed had managed to push through a set of difficult reforms as well as successfully engaging international partners to help the country navigate an extremely challenging economic environment.

African Banker Icon was given to Vivien Shobo, who was the CEO of ratings and advisory firm, Augusto & Co up until last December. She was recognized for playing an instrumental role in developing Nigeria's credit markets and also for helping grow

a truly world class organization that is competing against much better resourced international players.

Tunisian pioneer Ahmed Abdelkefi won the Lifetime Achievement Award. This businessman and financier was the founder of numerous businesses operating in leasing, brokerage and investment banking. He also founded private equity group Tuninvest, and then launching Africinvest, without doubt one of Africa's most successful Africa-owned PE firms.

The split of the other winners was quite even. TDB won Bank of the Year. Incidentally, its CEO, Admassu Tadesse, won Banker of the Year at last year's ceremony. The organizers added a number of awards this year to reflect the AfDB's High Fives Agenda. The energy deal of the year went to a renewable energy bond structured by Nedbank and infrastructure deal of the year went to the Port of Maputo

in a transaction led by Standard Bank. The SME bank of the year went to Nigeria's Bank of Industry.

Commenting on this year's awards, Omar Ben Yedder, Publisher of African Banker said: "It's been a momentous year in every sense. Banks will have to play a lead role in kick-starting post-Covid growth and sustaining the real economy. Governments and regulators have done an excellent job with limited means and both our winners Caroline Abel and Zainab Ahmed have demonstrated strong leadership there. Banks will need to work with institutions and partners to ensure liquidity doesn't dry up. To quote our Lifetime Achievement Winner: Keep moving forward: adapt, innovate, take risks. That's your job. Today's crisis is neither the first and it will not be the last."

The Awards took virtually on the sidelines of the African Development Bank Annual Meetings which are now officially open.

The awards, which are held under the high patronage of the African Development Bank, are sponsored by the African Guarantee Fund as Platinum Sponsor, the Bank of Industry as Gold Sponsor and Moza Banco as Associate Sponsor.

Source: IC Publications