

Africa is the place to invest, US congressional delegation acknowledges

United States congressman, Gregory Meeks has warned that the United States will only be part of the future if it invests in Africa now.



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The congressman from New York and chairman of the US House Foreign Affairs Committee was speaking during a visit to the African Development Bank Group on Saturday, as he and a team of congressional colleagues concluded a tour of three West African countries.

African Development Bank Group president Dr Akinwumi A. Adesina and several senior Bank officials welcomed the group to the Bank's headquarters in Abidjan.

"If the United States is not investing in Africa today – especially when we look at the size of Africa's youth population, which is larger than America's entire population – then we are not going to be a part of the future," Meeks said. He added: "My singular focus had been to make sure Africa moves "from the back to the front. There's a lot of work to do. Governments can't do it alone. The African Development Bank will play a big role. When Prosper Africa needs guidance, I will point them to the African Development Bank."

Meeks was accompanied by Congressman Ami Bera of California, congresswoman Ilhan Omar of Minnesota,

congresswoman Joyce Beatty of Ohio, congressman G.K. Butterfield of North Carolina, congresswoman Brenda Lawrence of Michigan, and congressman Troy Carter of Louisiana.

The group had visited Sierra Leone and Liberia before their arrival in Côte d'Ivoire. Members said they were inspired by the immense opportunities the African continent offers American investors.

Strengthening business ties

Adesina thanked the United States for its continued support, including support for the Bank's general capital increase in 2019, which saw its capital base rise from \$93bn to \$208bn. Adesina said the United States, the second-largest shareholder of the Bank, was "working with the right institution". "We are African, we understand the needs of Africa, and we are driving change in Africa," he said.

Adesina and the visiting members of Congress agreed on the need for closer co-operation between the African Development Bank and US investors. Adesina said the Bank would open an office in Washington, D.C., once Board approval was secured. He explained that the office would provide guidance about how to structure substantive US private sector investment in Africa. "We'd like to see a lot more direct US investment in infrastructure," Adesina said. "We look forward to working with the United States Trade and Development Agency and others on this."

Africa's challenges

Adesina said African economies were rebounding, but the continent faced mounting commercial debt, the adverse impacts of climate change, lack of opportunities for youth, and poor access to Covid-19 vaccines.

The African Development Bank is leading calls for the reallocation of \$100bn in International Monetary Fund special drawing rights (SDRs) to African countries. It is advocating that these funds be channeled through the Bank as a prescribed holder of SDRs, and as an institution which has a AAA credit rating. "SDRs offer African countries a tremendous opportunity to deal with debt," the Bank chief said.

Adesina asked for the United States' support in tackling climate change. He explained that the Bank was investing heavily in climate adaptation and was working closely with US Special Presidential Envoy for Climate John Kerry and US Treasury Secretary Janet Yellen on climate finance.



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Andrea Shalal 9 Feb 2022



Climate adaptation support

In April 2021, the African Development Bank, together with the Global Center on Adaptation, launched the Africa Adaptation Acceleration Program to mobilise \$25bn to support climate adaptation on the African continent.

Africa's youth featured prominently in the discussion. The visiting delegation learned that the African Development Bank is supporting entrepreneurship and skills development, especially digital skills, and has been working to develop youth entrepreneurship investment banks, which will support the businesses of young people.

On health, an equally important subject given the realities of the last two years, the Bank president explained that as part of its plans for quality healthcare infrastructure, the institution would invest \$3bn in building Africa's pharmaceutical industries and vaccine manufacturing capacities.

Reform of the African Development Bank

Adesina also looked ahead to the 16th replenishment of the African Development Fund, the African Development Bank Group's concessional lending arm. He is promoting reform of the Fund to enable it to leverage its equity and tap into capital markets in support of Africa's low-income countries.

The US Congressional members and the Bank's senior leadership shared consensus on the transformative roles of women. According to Adesina, the Bank, through its Affirmative Finance Action for Women initiative, would disburse \$500m to women businesses across the continent.

Delegation members expressed strong support for the African Development Bank's priorities and appreciation of its development impact.

According to congressman Butterfield, a constant refrain during the Africa visit was: "Congressman, we appreciate your aid but what we really want is trade and investment."



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Congresswoman Omar underscored the need for partnerships. She said: "We know Africa is resource-rich. Resources can only be well utilized if they are developed. Africa needs partners to prosper."

Congressman Bera stressed the need to address Africa's governance issues and the importance of keeping revenue from its resources within African countries.

Discussions also covered the role of the African diaspora and the need to stem the brain drain of African professionals from the continent.

Key presiding leaders

Accompanying the African Development Bank president at the meeting were several senior officials of the institution, notably senior vice president Swazi Bajabulile Tshabalala, vice president for Power, Energy, Climate Change and Green Growth Kevin Kariuki, vice president for Agriculture, Human and Social Development Beth Dunford, acting chief economist and vice president for Economic Governance and Knowledge Management Kevin Urama. Others were acting vice president for Regional Development, Integration and Business Delivery Yacine Fal, acting vice president for Finance and chief financial officer Hassatou N'Sele, and acting director-general, Office of the Bank president Alex Mubiru.

Joining virtually were the Bank's vice president for Private Sector, Infrastructure, and Industrialisation Solomon Quaynor, and senior director of the Africa Investment Forum, Chinelo Anohu. The Africa Investment Forum, Africa's premier investment platform, has played a key role recently in driving closer ties between the Bank and the US investment community as well as with certain business-related arms of the US government like the United States Trade and Development Agency.

In late 2021, the Africa Investment Forum signed a memorandum of understanding with the US Trade and Development Agency to support high-quality infrastructure solutions for Sub-Saharan Africa.

*Prosper Africa is an initiative of the Biden administration that brings together tools from across the US government to provide businesses and investors with market insights, deal support, financing, and solutions to strengthen business climates.

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