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World Bank Group President Ajay Banga's Remarks at IDA for Africa Heads of State Summit

Blogs

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As Prepared for Delivery

Thank you, President Ruto.

What is on display today is unity. Leaders from across the continent came together to find common ground in their unique aspirations. We put focus on how those aspirations can join with a well-resourced and efficient IDA to make generational change. But also how those aspirations will require work to realize.

The African continent boasts a youthful, vibrant population – the fastest-growing in the world. It holds vast natural resources, fertile land, and a burgeoning entrepreneurial spirit. But on the other side are a set of well-defined challenges that too often eclipse these blessings.

This is the backdrop we face.

Africa is at a crossroads. The path we choose will determine the future for generations to come.

Do we accept the status quo, a future where millions remain trapped in poverty? Where the fundamental human right of electricity is elusive? Health care accessibility is inadequate? And infrastructure is insufficient to support the continent's potential?

Or do we seize the opportunity to unlock Africa's potential, ushering in an era of prosperity and progress?

The World Bank believes the answer is clear. Africa can, and must, chart a course towards a brighter future.

This is not a pipe dream.

We've seen the success stories in countries that took advantage of IDA, embraced good governance, invested in education and infrastructure, and fostered an environment where businesses can thrive. In doing so they helped blaze a trail for others to follow.

- We begin in the 1960s, with Korea boasting a well-educated population but lacking substantial capital and industry.
- China's story starts later. In 1978, 770 million people in China lived on the edge of poverty, facing low economic growth due to lack of market competition and rigid policies on prices and mobility.
- India's path unfolded in the 1990s and 2000s. The country had to grapple with high poverty, held back by heavily regulated markets, dominant public sector monopolies, and unbalanced trade.

Today, each is a country on the move. Each has transitioned from an IDA borrower to an IDA donor. But their journeys have common threads and lessons that are relevant for each of us.

- All three countries saw governments playing a crucial role in creating an environment conducive to private sector growth. They provided clarity on regulatory policy, implemented reforms to attract domestic and foreign investment, and fostered a competitive landscape.
- Each nation benefited from a significant rise in its working-age population during crucial development phases and invested in its people to realize the demographic dividend. This provided a skilled and readily available workforce.
- Each recognized the importance of trade as an engine of growth. They implemented policies to reduce barriers and built strong manufacturing and service sectors, which opened the door to rapid economic expansion.

And all three utilized IDA for strategic investments in education, healthcare, and rural development—areas crucial for any developing nation.

They are not alone: 36 countries have successfully graduated from IDA, 12 of them since 2000.

This is the transformative power of development assistance done right.

Looking at Africa, we see some promising parallels.

Several African nations are experiencing economic growth and implementing reforms to attract private investment. Many share a similar demographic trajectory with a projected rise in the working-age population.

However, many across Africa face challenges. Compared to the Asian tigers, private sector investment in Africa remains low. Infrastructure bottlenecks and limited access to finance further hinder growth. And the headwinds of debt, climate, and conflict restrain progress.

At this very juncture lies the promise of the kind of development effort that today has brought together government leaders, the international community, and the private sector.

We all must be partners in progress.

We all have a mission-critical role to play, with governments leading on their own development agendas and IDA at the core of those strategies.

The story of economic development is not a one-size-fits-all approach. However, by understanding the journeys of successful nations and applying the lessons learned, Africa can chart its own course towards a brighter economic future.

- First, by investing in people. A skilled, educated, and healthy workforce is the bedrock of any thriving economy. We need to ensure every child has access to quality education, from primary school to vocational training and beyond. And we must work to make health care accessible.

To confront this challenge, we're using IDA to support our goal of providing quality, affordable healthcare to 1.5 billion people globally in five years,

expanding our work to new communities and broadening the scope of our services to include every stage of a person's life.

- Second, by building efficient and robust infrastructure. This includes not just roads and bridges, but energy infrastructure. I believe access to electricity is a fundamental human right and is foundational to any successful development effort.

Yet, half the population of Africa—600 million people—lacks access to electricity. That's why we're working to deliver energy to 300 million Africans by 2030—250 million by the Bank and 50 million by the African Development Bank.

- Third, supporting job-generating industries like agriculture and logistics, where the private sector could eventually come in to help farmers access new markets, entrepreneurs connect with customers, and young people access information and opportunity.

This is an area of vast economic potential. But there are two problems: One, only 6 percent of farmland is irrigated—compared to 37 percent in Asia. Two, Africa has one of the lowest rates of fertilizer usage in the world, leading to yields that are a third of the global average. With focused investment in the right fertilizer for the right soil—and irrigation—we can responsibly grow crops, AND opportunity.

Such investments help communities climb the economic ladder and ensure what is made in Africa isn't just for Africa – but can be bought OUT of Africa.

The World Bank is committed to playing its part in all of these areas. We will continue to provide financial resources, technical expertise, and policy advice; working alongside governments to help implement difficult reforms as they pursue them.

We are joined in this endeavor by an army of friends and partners from the private and advocacy sectors. In a few moments, you will hear from leaders of this unique coalition who are taking early action in support of IDA and Africa.

They are essential in our push to make sure governments have the resources and support they need to realize each nation's potential.

And I am looking forward to joining them again later this year at the Africa Economic Summit to support the IDA21 replenishment.

But the ultimate responsibility lies with Africa itself. Its leaders must embrace bold reforms, fight corruption, and invest in their people. They must create an environment where creativity flourishes and innovation thrives.

The future of Africa is not predetermined. It is a choice. A choice between stagnation and progress, between despair and hope. Let us choose the path not of least resistance, but of greatest potential. Let us choose a brighter, more prosperous future for Africa, a future where every child has the opportunity to thrive.

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