



REPUBLIC OF KENYA

**REMARKS BY HIS EXCELLENCY WILLIAM RUTO,
C.G.H.; PhD; PRESIDENT AND COMMANDER-IN-
CHIEF OF THE KENYA DEFENCE FORCES, DURING
THE ANNUAL MEETINGS OF THE AFRICA
DEVELOPMENT BANK**

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KICC, NAIROBI

1. I am delighted and privileged to preside over the opening session of the 59th annual meetings of the African Development Bank Group.
2. On behalf of the people of Kenya, I extend a warm welcome to each of you and invite you to feel at home in this land of many delights. It is a great honour for Kenya to host the 59th annual meetings of the AfDB Group, especially as the Group celebrates its 60th anniversary.
3. This milestone should frame our deliberations and engagements during these meetings. We are gathered here to reflect on the progress our continent has made in realizing the founding vision of this institution.
4. Formed in the first decade following the independence of most African countries, the AfDB embodies the Pan-African ideology of sovereignty, prosperity, and unity. As a matter of fact, one of the founding communique of this institution clearly declares the determination of African nations to use all their resources to lead all African countries to independence and achieve the development and prosperity of the continent in unity.
5. Over six decades, the Group, like the continent, has not only survived many crises and challenges but has also grown stronger and achieved much in supporting economic growth and stability. It has become Africa's premier development financing institution. To date, it has financed 5,432 projects, 4,036 of which are completed, provided a mechanism to coordinate the fight against poverty, improved the standards of African financial and other institutions, and contributed significantly to conflict prevention and resolution.



6. Nevertheless, the pace of African economic growth and development has not kept up with the rest of the world. More concerning is that the pace of African development remains far behind its undeniable potential.
7. Intra-African trade remains low, with its share of global GDP less than 3%. Africa's share of global trade is also low at 2%, and our exports are primarily unprocessed produce and raw minerals.
8. Not surprisingly, the rates of poverty and unemployment are high on our continent. The vulnerabilities arising from this situation undoubtedly contribute significantly to conflict, economic refugees, and, in this age of frequent extreme climate shocks, climate refugees.
9. There is tremendous urgency in developing and implementing transformative interventions to turn things around for our continent, our countries, and our people. I am confident that this sense of urgency resonates strongly among Africa's leaders, and I am encouraged that we are not just doing something about it; we are making good progress. Our continent is growing at the world's fastest rate, exceeding the global average of 3%, and 11 of the world's fastest-growing economies in 2023 were African. Between 2000 and 2022, Africa's real GDP increased at an annual rate of 4.3%, well above the global average of 2.9%. Seven of the world's 10 fastest-growing economies were in Africa.
10. The Pan-African economic integration agenda has finally taken off. Our regional economic blocs are vibrant and effective, while the African Continental Free Trade Area has come into effect and already made an impact. Although much remains to be accomplished before intra-Africa trade is smooth across borders, the data indicates strong positive movement following the launch of the Guided Trading Initiative.



11. As we look to the future with this optimism, we are also cognisant of the immediate challenges we must confront and overcome. Africa faces multiple serious challenges, including geopolitical risks, the broader effects of armed conflict, the COVID-19 pandemic, disruptions in global supply chains, persistent extreme weather due to climate change, and macroeconomic instability.
12. To compound these crises, the economies of the continent continue to bear the burden of rising costs of servicing huge national debts, caused in part by high global interest rates and external shocks.
13. I am confident that the strong positive response by African leaders and nations to the African Union's Agenda 2063 signals our collective intent to undertake a radical transformation of African economies, achieve sustainable development goals, and unite our people in prosperity. We have what it takes to succeed, and current activities show movement in an encouraging direction.
14. To achieve this transformation, a consistent commitment of substantial resources is required to invest in infrastructure and industrial capacity to deliver rapid growth. However, we face the rigid barrier of a global financial architecture that is fundamentally misaligned with our aspirations.
15. We routinely borrow from international markets at rates far above those paid by the rest of the world, often up to 8 to 10 times more. These rates are said to factor in an arbitrary risk profile that is notably not applied when considering mineral extraction, even in areas of active conflict. The debt problems faced by many countries, which consume the largest share of national resources and starve the development agenda, are a direct result of this unjust financial architecture.



16. This situation not only makes debt unsustainable but also undermines growth, prevents countries from investing in resilience, and denies millions of people, especially young men and women, their fair shot at life's opportunities.
17. Africa remains most vulnerable to the effects of climate change, as evidenced by recent devastating floods in Kenya, and droughts in Southern Africa, from which we are still working to recover, as well as other climate-related disasters across the continent. The adverse impact of climate change on the fiscal sustainability of many economies, especially in developing countries in Africa, deserves our serious attention. Despite contributing only 4% of global carbon emissions, we bear the brunt of climate change effects.
18. Climate change is a threat multiplier; its direct impacts and related responses negatively affect our fiscal position through reduced revenues and increased public spending. The frequency of extreme weather events continuously diminishes the resources available for public investment and the provision of critical public goods such as healthcare, education, and other social services.
19. In particular, climate change has often resulted in substantial reallocation of resources towards mitigation, adaptation and resilience. This is why Africa advocates a financial architecture that integrates the issues of climate change and public finance. I am proud of African Heads of State who have not hesitated to make their voices heard in various forums, including through the African Leaders' Nairobi Declaration on Climate Change and Call to Action.
20. Climate change and sovereign debt are now firmly interconnected, trapping governments in a vicious cycle where increasing losses and damage from climate impacts lead to rising costs of mobilizing resources for public investments.



21. With such higher financing costs and constrained government budgets, developing countries continue to struggle to invest in low-carbon and climate-resilient development.
22. At risk, therefore, are both climate action and our sustainable development goals. A better, more responsive, and fairer international development financial architecture is urgently needed, and time is of the essence.
23. The financial architecture we advocate for Africa today should integrate the continent's most challenging development issues of debt sustainability and climate vulnerabilities to enable the achievement of the Sustainable Development Goals (SDGs) and Agenda 2063 commitments. I am encouraged by the AfDB's vision for the continent, underpinned by the "High 5s" strategies, and the objectives of the newly adopted 2024-2033 10-Year Strategy, which provide important foundations for these critical continental objectives.
24. We have been clear and consistent in our advocacy. Africa is neither seeking handouts nor asking for charity. We are a continent of sovereign people who aspire to grow in a just multilateral system and access development financing on fair terms. We were clear at the African Climate Summit last year when we called for reforms of international financial institutions and a range of new global taxes to fund climate action.
25. We were clear at COP28 in Dubai last December when we once again emphasized the urgent need to mobilize investment for climate transition in developing countries from public and private sources globally. We also agreed to support the creation of markets that can mobilize resources at scale and called for the reform of the international financial architecture.



26. Today, we assert that transforming the international financial architecture is imperative to give Africa a fair chance to turn its immense potential into opportunities to overcome multiple challenges and develop inclusively and sustainably.
27. I take this opportunity to reiterate my call at the recently concluded IDA21 Summit held here in Nairobi: That we appeal for a substantial 17th replenishment of the African Development Fund by at least USD 25B to increase its capacity to continue providing concessional financing to the least developed African countries. We therefore call on our donors and development partners to scale up their investments in our continent's premier development financial institution.
28. To further strengthen the capacity of our Multilateral Development Institutions, we strongly support the proposal to re-channel Special Drawing Rights (SDRs) through the African Development Bank, as endorsed by the African Union's Assembly of the Heads of State and Government.
29. The multiplier effect of the re-channelled SDRs will significantly increase the lending capacity of the African Development Bank. This initiative has the potential to unlock additional financing for high-priority and transformational development projects, which are currently constrained by available resources. Kenya pledges to continue championing SDR re-channelling.
30. Given the glaring shortcomings of the current climate financing ecosystem, we need to fundamentally reconfigure prevailing financing patterns and adopt more innovative financing structures that eliminate access barriers. I commend the African Development Bank Group for developing innovative financial instruments tailored to our continent's unique needs.



These instruments have facilitated more ambitious financing of significant development projects, including heavy investment in smart agriculture and clean energy generation. However, more financial resources need to be channelled towards climate adaptation in Africa.

31. At this juncture, I wish to underscore the critical role of the AfDB Group's Annual Meetings in advancing progressive discourse, structured dialogues, and knowledge events. These engagements provide an opportunity for collective deliberation and facilitate the dissemination of relevant knowledge among high-level decision-makers in Africa from different sectors, including government leaders, academics, and the private sector, among other key players.
32. The 59th Annual Meetings take place at an important juncture in our continent's development history. I am confident that all of us gathered here are able, willing, and ready to apply ourselves accordingly and do justice to our common agenda of taking Africa to the next phase of its transformation through constructive deliberations. I look forward to the output of these meetings and am optimistic that your recommendations for reforming the architecture of global financial institutions will be as radical and ambitious as the AU's Agenda 2063. Your participation here promises viable solutions to enable our countries to mobilize sufficient resources to close Africa's development financing gap and accelerate structural transformation across the continent.

The 59th Annual Meetings of the African Development Bank Group are now officially opened.

**Thank you,
God bless you,
God bless Africa.**

