Governors' Digest by KATO Katsunobu,
Minister of Finance and AfDB Governor of Japan
The Sixtieth Annual Meeting of the African Development Bank and Fifty-First Annual Meeting of the African Development Fund
Abidjan, Côte d'Ivoire 27-30 May 2025

1. Introduction

Ms. Chairperson, Mr. President, distinguished Governors, ladies and gentlemen:

On behalf of the Japanese Government, I would like to express my heartfelt gratitude to the Government of Côte d'Ivoire for hosting the Annual Meetings of the AfDB Group.

2. Development Challenges in Africa

Africa is a continent full of opportunities. It is endowed with abundant natural resources, and its young population is growing more rapidly than any other region in the world. Undoubtedly, it has huge potential to build a solid economic foundation for high growth over the coming decades.

The African Development Bank (AfDB)'s core mission is to help Africa fully utilize its capacity and achieve economic transformation and sustainable development. In this respect, the theme of this year's Annual Meeting, "Making Africa's Capital Work Better for Africa's Development", is timely and to the point.

3. Expectation to the AfDB

Africa's development requires infrastructure, and building infrastructure needs capital. Although they are simple statements, they should be given renewed attention.

First, sustainable development in Africa requires not only physical infrastructure, such as roads and ports, but also *soft* infrastructure, including institutions and governance, capacity, enabling environment for investment, fiscal and debt management, and procurement systems. Japan has long advocated the importance of quality infrastructure investment, which duly incorporates those aspects and makes capital mobilized and work better. We expect the AfDB to provide various areas of support to this end.

Second, capital is also a broad concept, ranging from financial capital to human and natural capitals. Among others, I stress the importance of a highly skilled labor force, aspiring entrepreneurs, and a young population with primary education. The key to self-sustained growth is to leverage these capitals with policy efforts. For instance, the growing population can be an engine for growth only when sufficient health, education, and social protection policies are in place. Likewise, African countries with rich natural resources can gain competitiveness by broadening their focus from not just mining critical minerals but to the whole supply chain, including processing and manufacturing. Financial capital is also vital for private sector-led growth, requiring efforts for private capital mobilization.

The proposed AfDF-17 strategic framework, with its strong focus on both hard and soft infrastructure pillars, makes sense. We expect that AfDF-17, under this strategic framework, will maintain the gist of the existing priorities, including quality infrastructure, resilience to natural disasters, food security, health financing, and debt transparency, while highlighting emerging themes such as the resilience of supply chains and digital transformation. Japan remains committed to contributing to the successful AfDF-17 replenishment.

4. Japan's support for Africa

Let me highlight some of the programs that Japan has developed in collaboration with the AfDB in order to make Africa's capital work better for Africa's development.

First, Japan and the AfDB launched the Enhanced Private Sector Assistance for Africa (EPSA) initiative in 2006. It has provided comprehensive support from upstream to downstream, aiming to achieve private sector development. We are currently working on the upgrade of EPSA.

Second, Japan became the founding donor of the Alliance for Green Infrastructure in Africa, or AGIA, by contributing US$ 10 million, with a view to scaling up financing to fill in the continent's green and climate-resilient infrastructure gap. We expect that the AfDB will leverage AGIA to ensure the success of Mission 300—a joint initiative with the World Bank Group that aims to provide electricity access to 300 million people in Africa by 2030.

Third, we must address growing debt vulnerabilities in the region. Japan has contributed US$7.9 million to the African Legal Support Facility, which has a proven track record of providing legal advice to the countries in the region, including debt-related contracts.

Fourth, we are working with the AfDB to foster enabling environments for business and investment in Africa. The Bank's flagship event, the African Investment Forum, is expected to mobilize the expertise of Japanese companies, including startups. The AfDB's Asia Office in Tokyo is playing a key role in enhancing dialogue with the private sector in the region.

Finally, I look forward to welcoming you all to the 9th Tokyo International Conference on African Development in Yokohama to be held this August. On this occasion, Japan's Ministry of Finance is planning to announce new initiatives for Africa's development, including the upgraded EPSA. We will also organize a high-level event, aiming to further strengthen the partnership in Africa among the multilateral development banks, Japan's development finance institutions, and the private sector.

5. Closing

Last but not least, let me express my sincere gratitude to President Adesina for his great contribution to the development of Africa over the past decade. His achievements are truly commendable, including significant progress in the High 5s agenda, swift and effective response to the COVID-19 pandemic, implementation of the G20 Capital Adequacy Framework, successful conclusions of the past three AfDF replenishments and the AfDB general capital increase. I expect that the next President will guide the member countries to greater heights, with the same level of dedication, professionalism, and passion. We continue to count on the AfDB's active engagement with the people on the continent and beyond.

(end)