

Video transcript: **AfDB's priorities and actions to narrow the gap**

On the sidelines of the BNP Paribas Global Official Institutions Conference 2024, Hassatou Diop N'Sele, Vice President Finance & CFO, discusses how the African Development Bank is mobilising capital and why it issues hybrid capital.

How is the African Development Bank (AfDB) mobilising capital?

I think it's very important for the Multilateral Development Banks' roles, at least it is for the African Development Bank, and all those that need resources in order to be able to meet their mandate.

We do have a formidable mandate, which requires trillions of dollars. It's very clear that Multilateral Development Banks cannot do it alone. We need to bring in the private sector, but we also have to do our part. There is a stark realisation that public sector money is definitely not going to be sufficient.

Why did AfDB issue hybrid capital, the first of its kind?

The hybrid capital was very important for the African Development Bank because it allows us to go beyond our shareholders' capital. Hybrid capital is complementary to a general capital increase, so it doesn't need shareholders capital. It also mobilises the private sector at scale.

It is very clear that in order to meet the development challenges, the resources from MDBs and officials, the Bilaterals, is not going to be sufficient. So it's one instrument for bringing the private sector at scale into our world.

We did the first transaction. It was quite successful. We were quite happy with the level of interest. It is the start of a new asset class. It is work in progress and very much looking forward to other MDBs issuing in that space.

What are AfDB's priorities and actions to narrow the gap to meet its ambitions?

Our ambitions are the ambitions of the African continent. We look at the agenda of the African Union, we look at the Sustainable Development Goals, and we all know that the Sustainable Development Goals are not going to be met in Africa. The level of resources needed are tremendous. The gaps are quite wide. The infrastructure gap, we're talking about hundreds of billions of dollars.

The core priorities of the African Development Bank are basically to light up and power Africa. The other core priority that we have at the African Development Bank is to industrialise the continent, because we need to move up the value chain. Another core priority that we have is the integration because you need to have scale. We're talking about private sector mobilisation, private sector investment into the African continent.

For these trillions of dollars to come into Africa, we need to have a scalable, large projects. I view the African Development Bank as a bridge between the challenges that the continent is facing. And the other riches that the continent has so that bridge between those challenges and those opportunities.

As I said earlier, our mandate is formidable. We are finding ways to increase our resources in order to be able to meet our challenges and be a catalyst for bringing additional resources onto the African continent.