

Beat: Business

AFRICAN DEVELOPMENT BANK & JAPAN INTERNATIONAL COOPERATION AGENCY SIGN A LOAN

AGREEMENT OF \$668.1 MILLION

Paris, Zanzibar, 22.02.2021, 18:28 Time

USPA NEWS - The Japan International Cooperation Agency (JICA) and the African Development Fund (ADF) ““ the concessional arm of the African Development Bank Group (www.AfDB.org) ““ on Tuesday signed a loan agreement of 73.6 billion Japanese yen (\$668.1 million) to support the 15th replenishment of the African Development Fund (ADF-15). During a virtual ceremony, African Development Bank Group President Dr. Akinwumi A. Adesina and Japanese Ambassador to Côte d’Ivoire Kuramitsu Hideaki signed an Exchange of Notes, while the loan agreement was signed by the JICA Chief Representative in Côte d’Ivoire, Fujino Kojiro, and Acting African Development Bank Group Senior Vice President Swazi Tshabalala, in her capacity as Chief Financial Officer.

The Japan International Cooperation Agency (JICA) and the African Development Fund (ADF) ““ the concessional arm of the African Development Bank Group (www.AfDB.org) ““ on Tuesday signed a loan agreement of 73.6 billion Japanese yen (\$668.1 million) to support the 15th replenishment of the African Development Fund (ADF-15). During a virtual ceremony, African Development Bank Group President Dr. Akinwumi A. Adesina and Japanese Ambassador to Côte d’Ivoire Kuramitsu Hideaki signed an Exchange of Notes, while the loan agreement was signed by the JICA Chief Representative in Côte d’Ivoire, Fujino Kojiro, and Acting African Development Bank Group Senior Vice President Swazi Tshabalala, in her capacity as Chief Financial Officer. The concessional donor loan will support the 15th replenishment of the African Development Fund, approved in December 2019 by ADF donor countries. JICA is extending the loan ““ the largest to ADF-15 ““ on behalf of the Government of Japan. Ambassador Kuramitsu Hideaki, whose country has been the fifth-largest contributor to the ADF in cumulative terms, said the loan formed part of Japan’s commitment to promote industrial human resource development, innovation and investment, and to invest in quality infrastructure to enhance connectivity, expressed at the TICAD 7 conference in August 2019. At the same conference, Japan also announced that it would contribute to phase 4 of the Enhanced Private Sector Assistance Initiative (EPSA), a joint flagship project with the Bank. “I sincerely hope that this loan in yen will allow the (African Development Fund) to execute concessional financing and grants for African countries facing emerging challenges caused by COVID-19 and contribute to the economic and social development of these countries,” he said.

JICA President Kitaoka Shinichi said: “The COVID-19 crisis has accelerated global structural changes. Africa is still in the midst of this crisis, facing serious challenges from coronavirus variants and the cold storage requirements for vaccines. Only a united Africa can defeat this threat to humanity. We should not allow this virus to jeopardize the steady progress of freedoms, independence and democracy that African countries have made so far. I firmly believe that today’s contribution to ADF-15 will further boost our cooperation with African countries and strengthen our partnership with the African Development Bank Group.”

Mimura Atsushi, Deputy Director-General/ADF Deputy, International Bureau, Ministry of Finance Japan, said: “The African Development Fund is a key source of financing for Africa’s low-income countries heavily affected by COVID-19. The Yen Loan we are providing today has a higher grant-element compared to the Yen Loan provided for the last ADF replenishment, with a lower interest rate and longer maturity. Going forward, I would like to see our partnership further developed with the African Development Bank Group.” Dr. Adesina highlighted the African Development Bank’s long-standing partnership with the Government of Japan, including the Enhanced Private Sector Assistance Initiative, which was launched in 2005. As of February 2021, Japan’s total contribution to the initiative amounts to \$4.6 billion.

Adesina pointed out that Japan’s concessional donor loan was almost 10% of the total ADF-15 resources of \$7.5 billion. “This is a continuation of the strong leadership role of Japan in providing concessional loans to the African Development Fund. Japan was the largest provider of concessional donor loans to the African Development Fund’s 15th replenishment, just like Japan was also under the African Development Fund’s 14th replenishment,” he said.

“Japan continues to add great value to the overall replenishment cycles of the African Development Fund,” Adesina said, adding that the latest loan “will greatly boost the liquidity of the African Development Fund and allow us to ramp up much-needed support to the ADF countries” especially now at this critical time when they are struggling to cope with and recovery from the COVID-19 pandemic. By the end of the ADF-15 period (2020-2022), it is expected that the ADF’s projects will have changed the lives of millions of Africans. Up to 28,000 km of new or improved power distribution lines will have been installed, around 9 million people will

have improved access to water and sanitation and up to \$1.6 billion of turnover will have been generated from investments in micro, small and medium-size enterprises.-----

The fifteenth replenishment of the ADF will deliver investments to support Africa's poorest countries in building economic resilience and reducing systemic vulnerability. It will pay special attention to gender equality, climate change, the private sector, and promoting good governance principles, while emphasizing two Strategic Pillars: sustainable and quality infrastructure that bolsters regional integration; and governance and institutional capacity development to boost decent job creation and inclusive growth. The African Development Fund is made up of 32 contributing states. It benefits 37 countries, including fragile states that need special support to ensure basic service delivery, and countries that in recent years experienced higher growth rates. The Fund's resources are replenished every three years. Source: APO Group and African Bank Group (AfDB).

Article online:

<https://www.uspa24.com/bericht-18265/african-development-bank-und-japan-international-cooperation-agency-sign-a-loan.html>

Editorial office and responsibility:

V.i.S.d.P. & Sect. 6 MDSiV (German Interstate Media Services Agreement): Jedi Foster P/O Rahma Sophia Rachdi

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