

Remarks by Secretary of the Treasury Janet L. Yellen at the Délégation Générale à l'Entrepreneuriat Rapide des Femmes et des Jeunes (DER/FJ) in Dakar, Senegal

January 20, 2023

As Prepared for Delivery

Good morning, everyone. And thank you for that kind introduction.

I'm grateful to be here. Senegal is known as a bustling economic center in West Africa and a strong voice for international cooperation on the world stage. But to many visitors, it is also known for the extraordinary warmth and generosity of its people. I've personally felt that during this visit. So, thank you for your kind welcome: I now understand first-hand why Senegal is called the Land of Teranga.

And I'm delighted to be here at DER. This organization epitomizes the promise of the young people and women of Senegal. The vibrant spirit that I've felt here, and in Senegal more broadly, furthers my belief in the future of this country and the region.

Last month, I had the opportunity to meet with African heads of state — including President Sall — at the Africa Leaders Summit in Washington. President Biden and I conveyed to these leaders a simple message: the United States is all in on Africa, and all in with Africa. There is much work to do to tackle the many challenges facing Africa and the globe. But we believe that Africa will shape the future of the global economy. Africa's demographic boom can create massive economic opportunity. And its talents and resources can grow global industries and drive global innovation.

In other words, Africa's success will mean success for all of us. And the United States is here as a partner to help Africa realize its massive economic potential at home and advance its growth.

leadership abroad.

Africa's incredible promise is why the United States outlined a new Strategy Toward Sub-Saharan Africa. This strategy seeks to modernize our relationship by focusing on what we can do together, rather than what we can do for each other. It's a relationship based on mutual cooperation and greater ambition. And it's why we are taking serious, concerted efforts to deepen and sustain engagement with Africa. In this new year, the President, the Vice President, and several of my cabinet counterparts will also travel to a number of African countries.

Our engagement is not transactional, for show, or for the short-term. We are here to work with you as friends and partners for the long haul — through moments of stress and times of opportunity.

Over the course of my trip, I intend to bring that message of promise and partnership directly to the people of Senegal, Zambia, South Africa, and the continent more broadly. That begins today. I'll start by discussing Africa's tremendous economic opportunity. Then, I'll turn to our partnership on global priorities, including climate, health, and conflict. Finally, I will discuss how success on all of these objectives depends on strong, open, and accountable institutions.

U.S.-AFRICA ECONOMIC RELATIONSHIP

Let's start with a fundamental fact: Africa will shape the trajectory of the world economy over the next century.

Africa's demographics present massive promise. In less than 30 years, Africans are projected to make up a quarter of the world's population. But it's not just a matter of sheer numbers. Across the continent, people are becoming more educated, urbanized, and connected to the world than at any other time in history. And while many other regions face aging populations, Africa continues to lead as the youngest continent in the world. Here in Senegal, the median age is 19 years. 1.7 million Africans now enter the job market every month. And by 2035, the number of Sub-Saharan Africans reaching working age will exceed that of the rest of the world combined.



A rising share of working-age people presents an opportunity for the continent. More workers can drive growth, generating more resources to increase investment, and making educating the young and supporting the vulnerable easier. Africa's growing middle class also presents an opportunity for the United States. It means a bigger market for products. And it means more investment opportunities for American firms that are already creating jobs on the continent. This can be a win-win for our economies.

But demographics is not destiny. Africa's demographic momentum can propel economic growth if, and only if, adequate investments are made today to create economic opportunity for all. Some, however, rightly warn of the opposite danger. Throughout history, young populations without opportunity can spell greater risk of unrest and conflict.


This is Africa's most daunting and most promising task: to provide broad and inclusive opportunity to the next generation of Africans. I believe it is a challenge with enormous consequences for the world as well.

Luckily, Africa holds in its hands the ability to shape this future. And the United States is committed to working with Africa, knowing that a strong Africa will benefit us as well. This partnership begins with two pillars of our engagement: economic development and mutually beneficial trade and investment.

A. Economic Development

Africans must determine for themselves how best to drive their economic growth. But there are helpful lessons that Africa can draw from the rest of the world. For example, we know that no sustained economic growth can occur without basic infrastructure and services.

The United States is committed to building on Africa's significant progress in economic development over the past few decades. This includes investing in Africa's people through improved access to quality education and healthcare – along with high-quality infrastructure. Today, our Development Finance Corporation alone has more than \$11 billion in active commitments across the region. The Millennium Challenge Corporation is working in 14 African countries with over \$3 billion in active programs, with more in the pipeline. And the G7 aims



mobilize \$600 billion into global infrastructure investments over the next five years as part of the Partnership for Global Infrastructure and Investment.

Digital infrastructure has been a key focus. Connectivity provides massive potential: to create good jobs and capitalize on Africa's growing entrepreneurial ecosystem. As everyone here knows, African startups now touch almost every sector of the economy. Last month, President Biden announced a new digital initiative with Africa. We intend to invest over \$350 million to expand affordable internet access and boost digital skills and entrepreneurship. As Africans build their digital infrastructure, we are also connecting them with trusted suppliers — those with robust privacy and cybersecurity standards.


America's investments in Africa are motivated by our mutually beneficial, long-term partnership. The goal is to generate positive economic returns while fostering sustainable debt. So, our investments prioritize rigorous technical standards. And they reflect high standards for accountability and transparency, along with careful consideration of risks to debt sustainability.

B. Mutually Beneficial Trade and Investment

As Africa continues to develop, I believe we also have an extraordinary opportunity to expand mutually beneficial trade and investment.

Over the past two years, the United States has helped facilitate more than 800 trade and investment deals across 47 African countries. Programs like Prosper Africa boost our economic integration by helping U.S. and African businesses and investors identify new partners and opportunities for growth. And for over two decades, we have provided Senegal and other eligible Sub-Saharan African countries with duty-free access to the U.S. market for thousands of products. We pursue deeper economic integration with Africa because we believe that it is in our best economic interests. Our leadership in the industries of the future depends on our partnership with Africa — industries like clean energy, electric vehicles, and cutting-edge technology.

But we know that expanding trade beyond the continent is not enough. African products and innovations should be made more readily accessible to Africans themselves. That's why the



United States is strongly supportive of the African Continental Free Trade Area. Once fully implemented, this free trade area will encompass over 1.3 billion people with a combined GDP of over \$3 trillion. Estimates indicate that it could raise real income by roughly 9 percent by 2035.


C. Immediate Challenges

As we deepen our engagement in Africa, we are cognizant that these long-term investments are taking place amid one of the most volatile periods in recent history. Prior to 2020, several African countries ranked among the fastest-growing economies in the world. We saw substantial alleviation of poverty on the continent. But the COVID pandemic and Russia's war in Ukraine have led to slower growth and pushed millions of Africans into poverty and hunger.

Let me be clear: the single best thing we can do to help the global economy is to end Russia's illegal and unprovoked war in Ukraine. Russia's barbaric aggression against its neighbor is particularly being felt by Africa and its people. Russia's war and weaponization of food has exacerbated food insecurity and caused untold suffering. And the global economic headwinds caused by the actions of a single man — President Putin — is creating an unnecessary drag on Africa's economy.

The United States is partnering with African leaders to mitigate the damage caused by Russia. Last year, we committed around \$13 billion in emergency aid and food assistance. And we worked to unlock Ukrainian food exports in the Black Sea Grain Initiative, including those headed to Africa. We are now establishing a U.S.-Africa strategic partnership on food security. This partnership will address the short-term needs of upwards of 300 million Africans affected by the food crisis. And it will also help build resilient and sustainable food systems for the long term.

Russia's brutal war has also threatened energy security around the world. We have worked with a coalition of countries to implement a cap on the price of Russian crude oil. And we will soon do the same for Russian refined products. The aim is to stabilize global energy prices and reduce Russian revenues. While the policy is in the early stages of implementation, Treasury estima



that it has the potential to result in around \$6 billion in annual savings for the 17 largest net oil-importing African countries. We are seeing examples of emerging markets saving even more by using the price cap to negotiate steeper discounts with Russia. And we encourage more countries to do the same.

Finally, we have seen the impacts of global turmoil on debt sustainability. Debt is a critical instrument for development when it is used well — that is, as part of a broader financial strategy that includes effectively mobilizing domestic resources. We support countries putting in place strong debt management and transparency practices. But we know that countries that do so can still fall into debt distress.

We believe that it is important to provide timely and comprehensive debt treatments. Many African economies are suffering from a lack of fiscal space, but they must be able to continue to make important public investments. And many simply have unsustainable debt burdens. We believe that the international community, including China, needs to provide meaningful debt relief to help countries regain their footing. Timely debt relief is in the interests of both debtors and creditors.

PARTNERSHIP WITH AFRICA ON GLOBAL CHALLENGES

As Africa unlocks its economic promise, the United States will continue to support its growing role on the world stage. African countries firmly belong at the table. Their communities are disproportionately vulnerable to the effects of global challenges. And any serious solution requires African leadership and African voices. This is one reason why we support the addition of the African Union as a permanent member of the G20. Africa's voice should not be one of an invited guest, but that of a full member.

Let me speak about three transnational challenges: climate, health, and conflict.

A. Climate



Africa is responsible for only 2 to 4 percent of global greenhouse gas emissions. But the continent is among the most susceptible to the devastating effects of climate change. African countries include 17 of the world's top 20 climate-vulnerable countries.

At the same time, we believe that Africa is uniquely positioned to play a growing role in our efforts to adapt to and mitigate climate change. The Congo Basin — the “lungs of Africa” — serves as the world's largest carbon sink. The continent is particularly well placed to take advantage of energy from renewable sources like the wind, sun, and geothermal. And we know that African ingenuity will help pioneer the next generation of clean energy technologies.

Over the coming years, the United States will expand its partnership with Africa on conservation, climate adaptation, and access to clean energy. Since 2021, our Administration has invested and intends to provide over \$1 billion to support African-led climate efforts. Here in Senegal, we have partnered in the construction of the largest wind farm in West Africa: a 158-megawatt power plant near Dakar. This project is helping two million people gain access to power for the first time — in addition to mitigating the release of greenhouse gases. Later in this trip, I will speak to how we are facilitating a just energy transition in South Africa.

As we partner with Africa on clean energy, let me be clear: it is unacceptable that a continent with such rich potential for clean energy is also the one with the greatest energy deficit. Six hundred million Africans still lack access to electricity. The United States is committed to partnering with African countries to close this gap. Power Africa has already helped connect more than 165 million Africans to electricity — and we believe its work is more important than ever.

B. Health

As with the changing climate, we also know that Africa has been disproportionately impacted by global health challenges. Africa has long been on the world's front lines against severe diseases — from malaria to HIV/AIDS to Ebola.

History demonstrates what we can do together. Together, we have mitigated recurring outbreaks of Ebola in Africa. Our largest foreign assistance program, PEPFAR — designed to



respond to HIV/AIDS — has saved over 25 million lives over the past two decades. Thanks to our sustained partnership, rates of African child and maternal mortality have plummeted, along with the rates of Africans dying from malaria.

U.S.-Africa health cooperation not only saves the lives of people in Africa. It helps mitigate health security threats to the U.S. and the world. That's why the United States has committed nearly \$20 billion to health programs in Africa since 2021. Over the past year, we have worked intensely with our partners — including Senegal — to establish and operationalize the \$1.6 billion Pandemic Fund to prevent, prepare for, and respond to future pandemics, across Africa and beyond.


C. Conflict and Fragility

Another transnational issue that requires attention is conflict and fragility.

Conflict causes immense human suffering. It also stunts economic growth. Growth in countries engaged in intense conflicts is about 2.5 percent lower than countries not engaged in conflict. Last fall, I hosted ten African finance ministers for a dinner in Washington; all of them cited conflict as a major concern. They discussed the strain that security spending places on overstretched budgets at the expense of other public investments like health and education.

Effective solutions to fragility and conflict must include both short-term security responses as well as long-term investments in broadening economic opportunity. Through the Global Fragility Act, the United States is partnering with African countries to outline a comprehensive strategy for tackling conflict and promoting stability. This includes empowering those who have historically been left out.

Maintaining sustained action on these global challenges will require an evolution of our international institutions. The multilateral development banks already play a strong role in supporting poverty reduction and economic growth across Africa. But these banks should also tackle the growing threat of transnational challenges as part of their core work. We believe that these banks can make significant progress on the challenges that I just spoke about: climat



health, and conflict. And we believe that doing so reinforces work on poverty and growth. After all, global challenges have a disproportionate impact on the poor.

Our request for this evolution is already underway with the World Bank. Over time, we intend to roll this out to other banks, including the African Development Bank. We look forward to working with African nations to shape the trajectory of these reforms.

Open and Accountable Institutions

So, success in the work that I've spoken about today requires a reform of international institutions. Success also requires investment in African institutions themselves. Surveys indicate that women and men in Africa are calling for greater accountability and transparency from their governments. Africans know that these reforms are a prerequisite for effective delivery of basic services and sustainable economic growth.

America's own experience demonstrates the power of democratic institutions. Our economic development has been underpinned by institutions that, while imperfect, have enabled us to expand opportunity and grow living standards. We know that the road towards democracy and openness can sometimes be difficult. But our experience shows that it is worth it.

We pledge to work with African countries to help build institutional capacity. Indeed, our engagement with Africa prioritizes adherence to high standards like transparency, good governance, accountability, and environmental sustainability. In certain cases, we also condition our investments on political reforms. These reforms help enable effective use of funds and mobilization of private sector investments.

While our approach may be exacting, we believe it delivers lasting results. Countries need to be wary of shiny deals that may be opaque and ultimately fail to actually benefit the people they were purportedly designed to help in the first place. This can leave countries with a legacy of debt, diverted resources, and environmental destruction.



The United States has taken a different approach. At Treasury, our technical assistance programs have helped African partners build up their public financial management capacities. And we have used our tools to combat corruption and illicit finance. Two months ago in South Africa, we hosted a banking dialogue with government and financial sector representatives from over a dozen African jurisdictions. Our officials discussed common challenges related to combatting corruption and illicit finance, as well as strengthening financial integration between African countries and the United States. We have sanctioned officials in countries from Liberia to Mali for their involvement in corruption. And as illicit actors exploit weaknesses in the international financial system, we are working to strengthen global standards to improve corporate transparency and combat money laundering.

Closing

Africa's transformation over the next few decades will reshape the 21st century global economy. The coming decades will see a demographic shift the likes of which we have rarely seen in recent history. If we make the right investments today, this demographic momentum can translate into economic momentum. And Africa's transformation will have effects that reach far beyond its borders.

Some speak about Africa rising over the next few decades. But I see it differently. While it has not always been adequately highlighted, Africa has always been at the center of world history. It is, after all, the birthplace of humanity. And over the past few centuries, our histories have been intertwined, with our people's drawing strength and inspiration from each other in our respective struggles for civil rights. Today, the world continues to be enriched by the ingenuity and culture of Africa. In this job, I have been fortunate to have had the counsel of an American immigrant born in Nigeria: Wally Adeyemo, who is our Deputy Secretary of the Treasury.

Put simply, the way I see it is that the world is finally catching up to recognizing Africa's contributions — past and future.

Our collective work over the coming years can build a continent — and a world — that is more prosperous, open, and secure. I look forward to working with you to make that vision a reality.



Thank you.

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