



# AFRICAN DEVELOPMENT FUND (ADF)

ADF-13 OPERATIONAL PRIORITIES

TRANSFORMING AFRICA AND CHANGING PEOPLE'S LIVES

**Mid Term Review**  
Abidjan, Côte d'Ivoire  
November 11-13, 2015



# ➤ **OUTLINE**

- I. The ADF-13 operational context**
- II. Operational delivery under ADF-13**
- III. The way forward**





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# ➤ THE ADF-13 OPERATIONAL CONTEXT



Evolving development finance landscape



Heightened vulnerability



Increased demand from ADF Countries



Institutional challenges



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## ➤ AT THE OUTSET – ASKING ‘THE BIG QUESTIONS’

**Are we on track with ADF 13?**

**Are we strategic and focused?**

**Are we flexible and creative?**

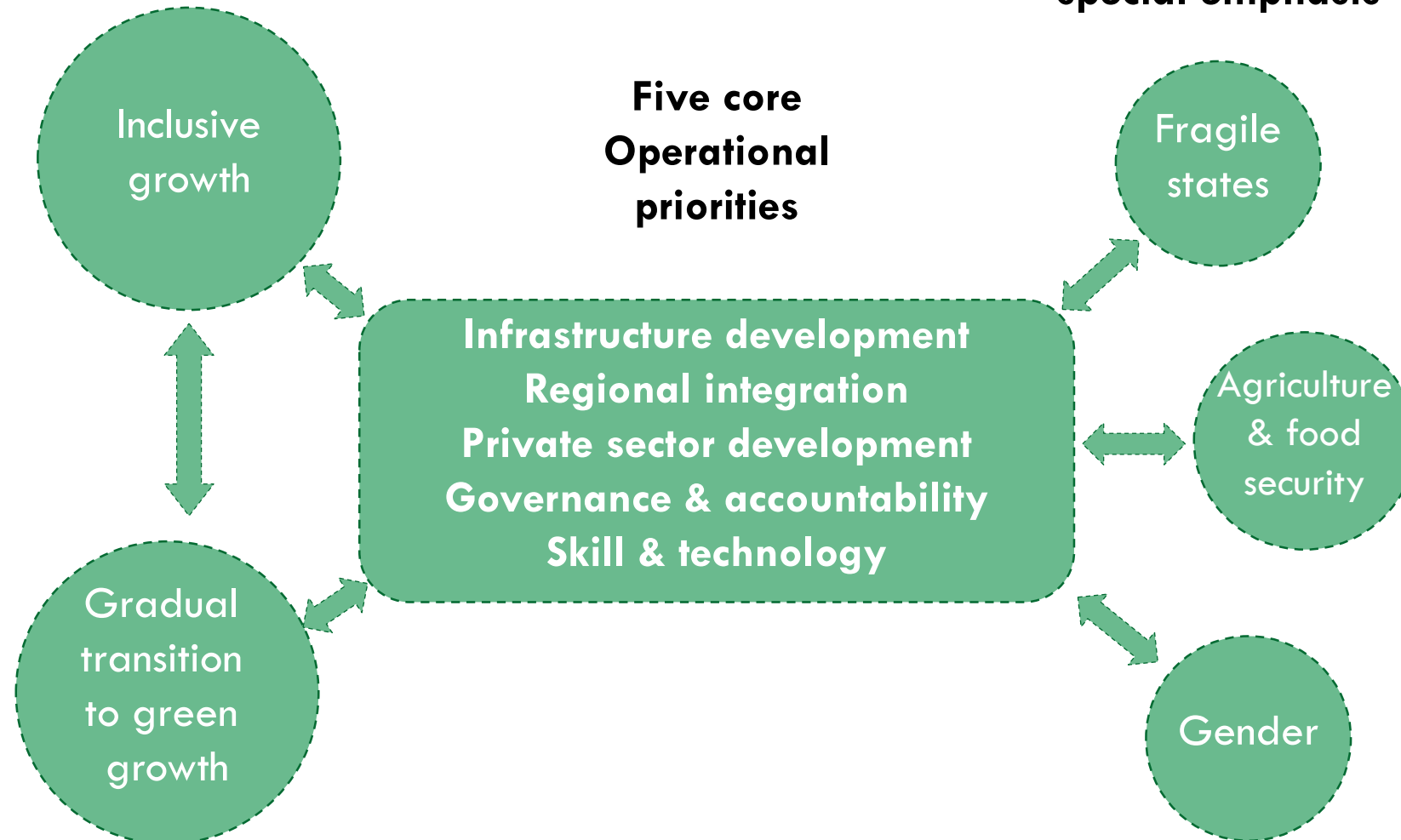
**Are we making a difference in people's lives?**



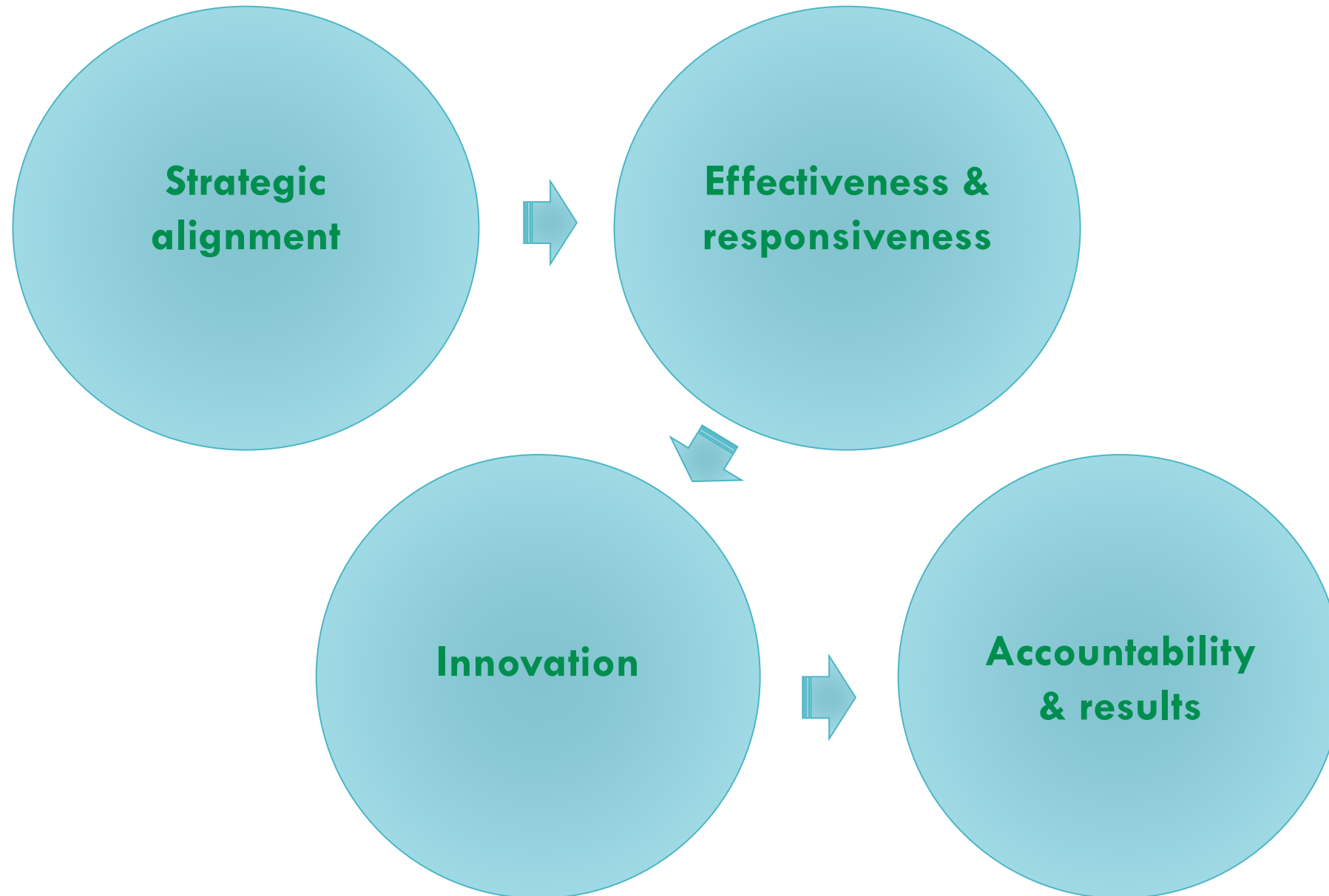
# ➤ ADF & the TEN YEAR STRATEGY 2013-2022

**Two objectives to  
support transformation**

**Three areas of  
special emphasis**

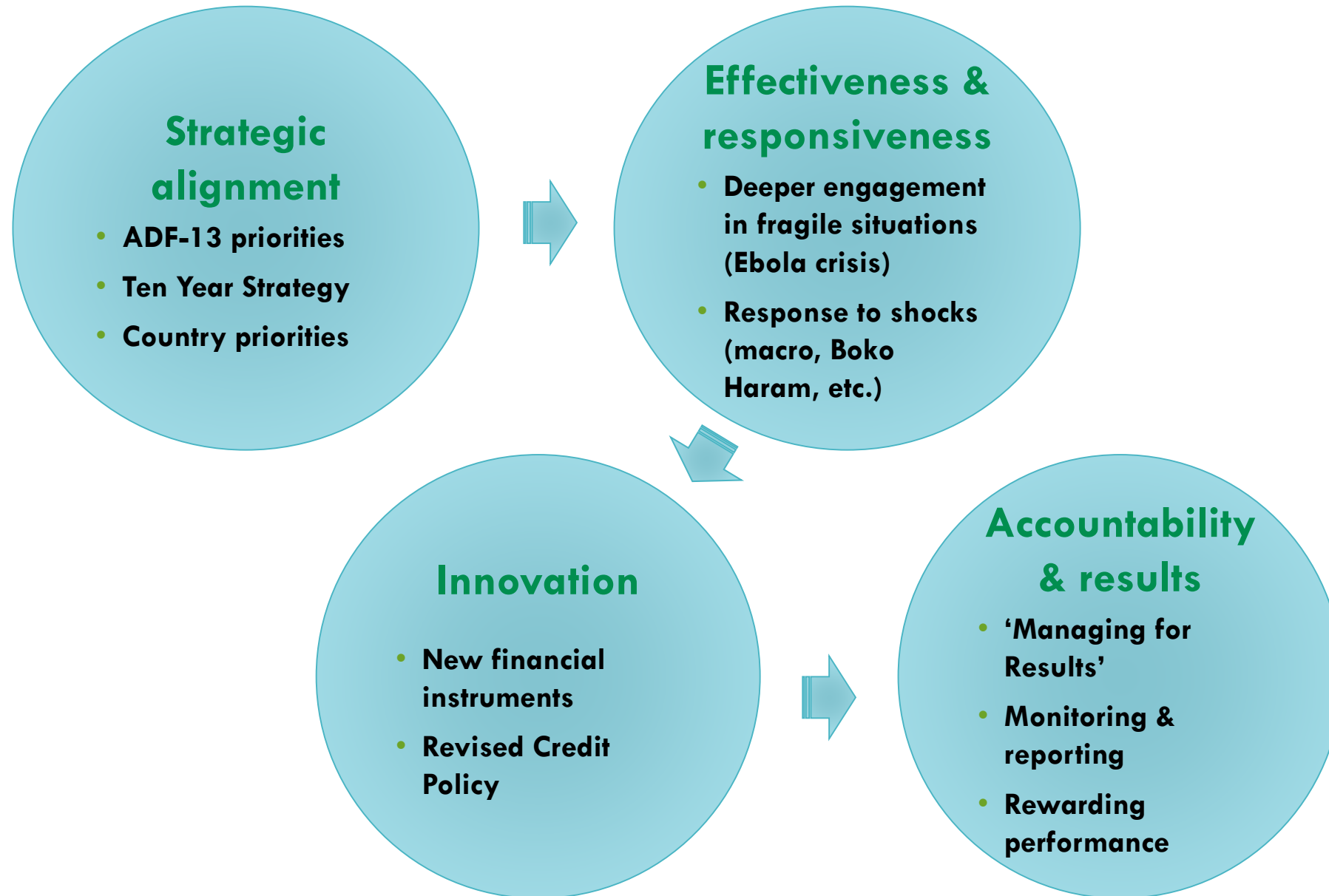


# ➤ DELIVERING ON OUR COMMITMENTS



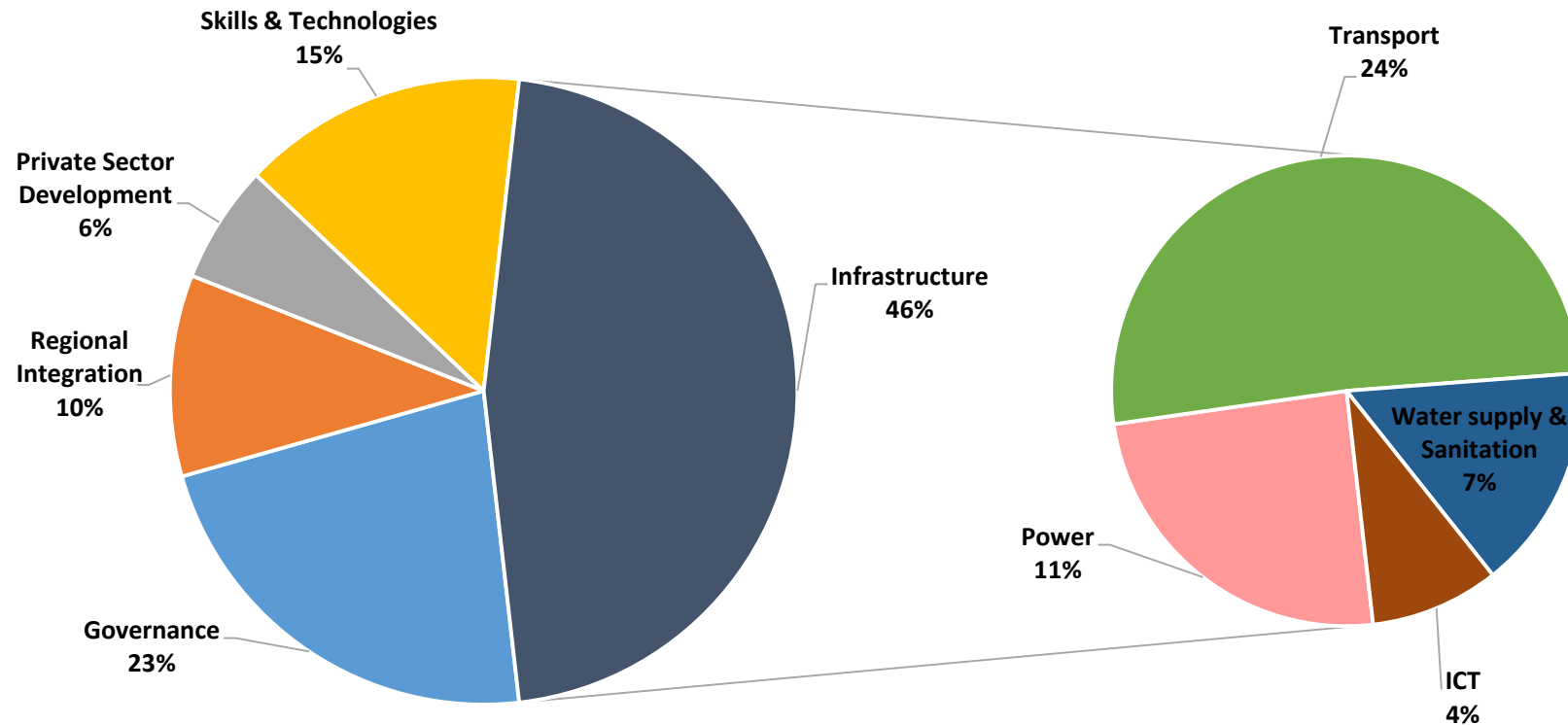


# ➤ DELIVERING ON OUR COMMITMENTS



# ➤ ADF-13 APPROVALS, 30/08/2015

*UA 2.2 billion, or 41% of ADF resources, have been approved, in line with the Bank's Ten Year Strategy 2013-2022*





# ➤ INFRASTRUCTURE

## *Promoting growth and improving lives*

- Africa's infrastructure deficits remain critical
- Closing the infrastructure gap will cost US\$ 93 billion annually
- ADF-13 has contributed UA 1.0 billion to infrastructure:  
Transport, Energy, ICT, Water and Sanitation



# ➤ INFRASTRUCTURE – TRANSPORT

*Connecting countries, communities and people*



## Approach

- Promoting regional integration:
- Enhancing urban & rural connectivity
- Improving mass urban transport and reducing gas emission

## Impact

- 650 km of main road and 50 km feeder road across 12 countries.
- Over 10 million people will access economic services and markets



# ➤ INFRASTRUCTURE – TRANSPORT .... in practice



## **Mano River Regional Road**

- Connection: 2.8 million people
- Job creation: 11,030 local workers

## **Batchamba – Tshikapa Road in DRC**

- Connection: 1.75 million people
- Reduction in travel time to markets; educational and medical centres
- Job creation: 3,125 local workers
- Improvement of access to drinking water

# ➤ INFRASTRUCTURE — ENERGY

*‘Light up and power Africa’*



## Approach

- Increase energy supply and access
- Connecting countries and communities
- Emphasis on clean energy and power pools
- Leverage private financing

## Impact

- UA 286.16 million approved
- Additional 400 MW power to be generated



# ➤ INFRASTRUCTURE – ENERGY ... in practice



## **Bissau City Electricity Improvement Project (Guinea-Bissau)**

- 287,000 beneficiaries expected
- Women's time released for income-generating activities

## **Organisation pour la Mise en Valeur du fleuve Gambie ('OMVG Project')**

- Access provided to 1.3 million households
- 520,000 tons of CO<sub>2</sub> avoided per year
- 3,500 jobs created during the construction phase
- 1,677 km of regional interconnection

# ➤ INFRASTRUCTURE – ICT

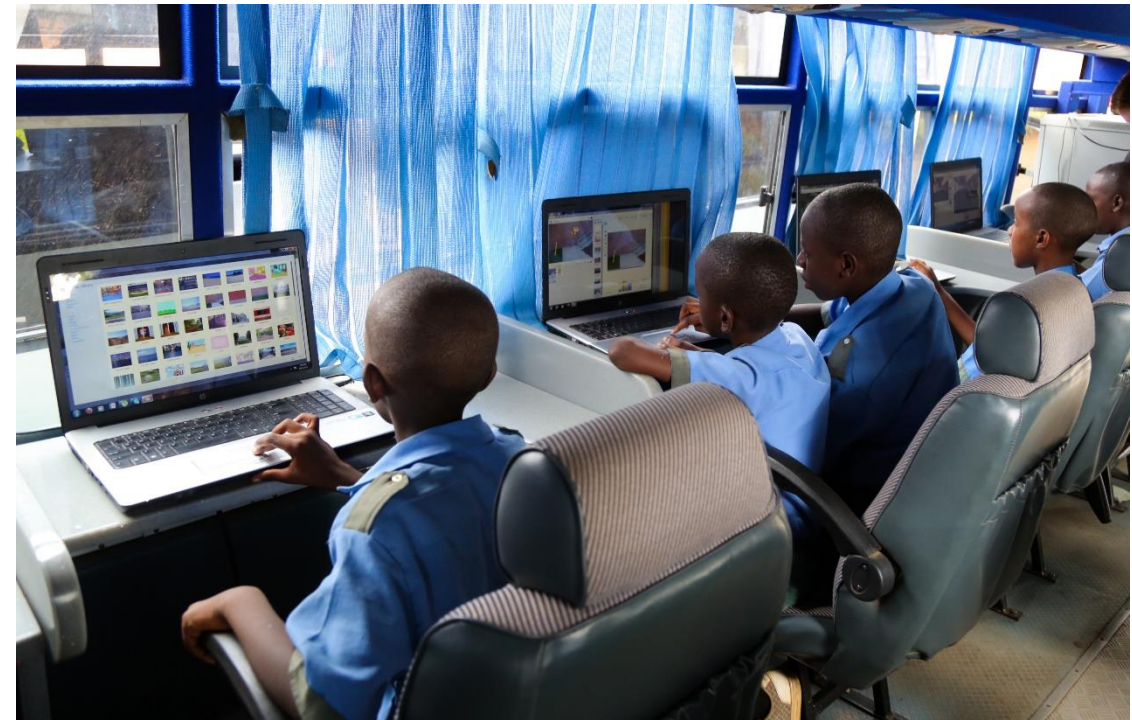
*Greater connectivity, for improving efficiency and human development*

## Approach

- To build ICT connectivity
- To use existing infrastructure efficiently and effectively

## Impact

- Emergency alert system established in the Ebola-affected countries
- Maritime Communications systems for increased safety on Lake Victoria; will save 5000 lives





# ➤ INFRASTRUCTURE – WATER & SANITATION

## *The source of life*



### Approach

- Strengthening sector governance, systems & processes
- Strong urban and rural focus
- Tackling water related epidemics

### Impact

- 3.3 million people with improved access to water & sanitation
- Improved health outcomes



Mrs. Tiknesh Tulu: From a 4-hour round trip to a leech-infested river, to having a tap in her yard

# ➤ PRIVATE SECTOR DEVELOPMENT

*The private sector as the dynamo for growth and jobs in Africa*



## Approach

- Promoting an enabling environment for business
- Leveraging private financing in LICs with PCG, PRG, PSF

## Output

- PSF: UA 46.4 million of ADB capital for new transactions in LICs
- PCG being operationalized for ADF countries
- PRG (ADF-12) gaining momentum

## Impact

- New private sector transactions in LICs
- More financing leveraged



# ➤ PRIVATE SECTOR DEVELOPMENT ... in practice

## Partial Risk Guarantee

Catalyzed more than USD 2.7 billion in investments :

- Lake Turkana Wind Power - Kenya
- Menengai Geothermal - Kenya
- Framework for Energy sector privatization - Nigeria



*Turkana Wind Power*

## Partial Credit Guarantee

Pipeline under development

## Private Sector Credit Enhancement Facility (PSF)

- UA 46.4 million of ADB capital for new transactions in LICs
- 14 transactions approved in 10 LICs



# ➤ REGIONAL INTEGRATION

*Linking markets and people across borders*

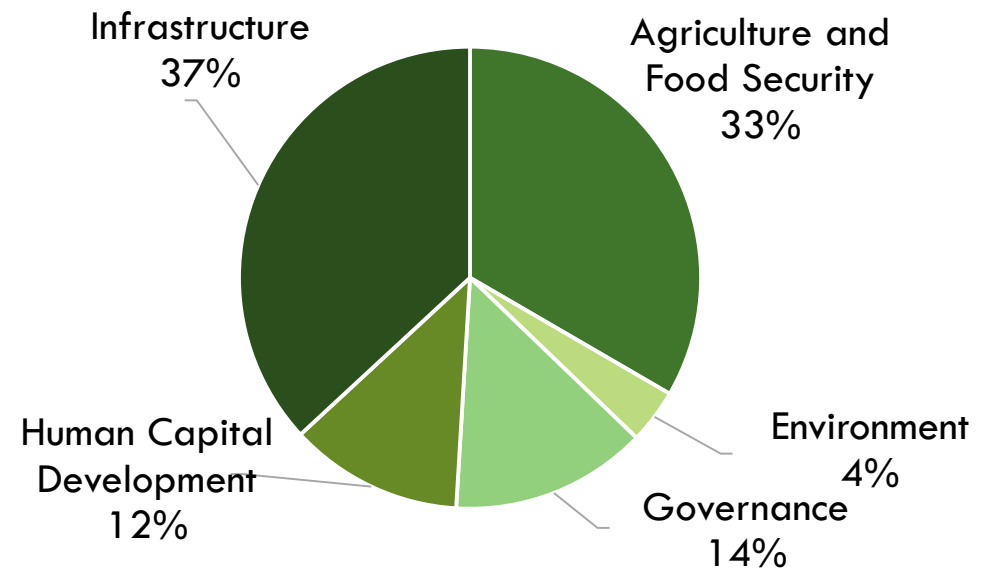
## Approach

- Reducing fragility
- Accelerating “hard” and “soft” regional Infrastructure
- A dedicated instrument: 21% of ADF-13

## Outputs

- 19 projects approved (UA 709 million)

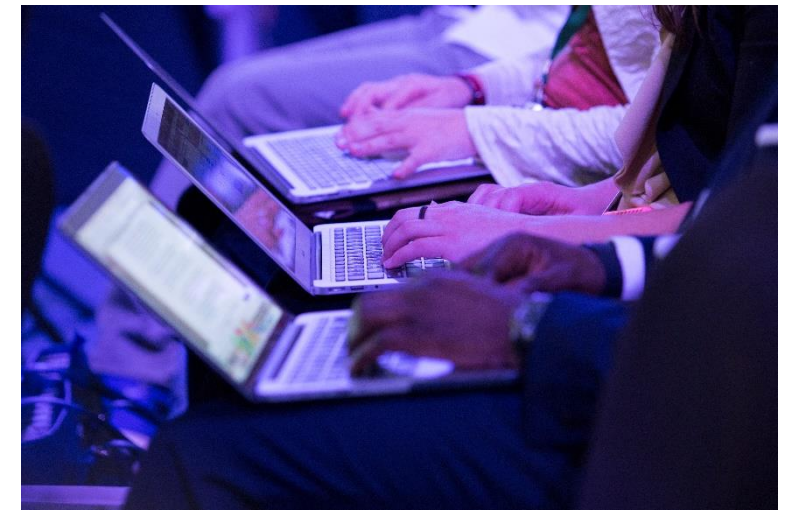
## Approvals by sector





# ➤ REGIONAL INTEGRATION... in practice

Improving feasibility and bankability of major projects: Inga-3 TA, Ruzizi-3, Abidjan-Lagos Highway



Demand for Regional Operations funding is 3x what is available



# GOVERNANCE & ACCOUNTABILITY

*Transparent, accountable, responsive governments; strong institutions*

## Approach

- Public financial management reforms
- Sector governance
- Business-enabling environments & judicial systems

## Impact

- Improved policy & institutional framework
- Increased fiscal revenue collection
- Improved governance of resources
- Reduced time to start up a business

## Output

- New Strategy approved
- 26 operations across 17 countries





# ➤ GOVERNANCE & ACCOUNTABILITY... in practice (1)



## Togo

- 25% increase in tax revenues
- 50% increase in share of revenues from extractives

## Comoros

- Commercial electricity losses reduced by 25%
- Energy sector State subsidies reduced from 10% to 6.5%

## Burkina Faso

- Incubator established
- Credit guarantee schemes for women set up
- Export promotion agency established

# ➤ **GOVERNANCE & ACCOUNTABILITY... in practice (2)**

## *Ensuring that Africans benefit from their natural resources*



### **Approach**

- The African Natural Resources Center (2013)
- Integrated resource development
- Good governance of natural resources.

### **In practice**

- Guinea - Capacity building for the US\$ 20 billion Simandou South project
- Tanzania – Capacity built to negotiate US\$ 30 billion investment in gas sector



# ➤ SKILLS & TECHNOLOGY

*One billion people, one billion opportunities: Building human capital for inclusive growth in Africa*

## APPROACH

- Skills for competitiveness and jobs
- Inclusive financial and social systems

## OUTPUTS

- Linking education, training and the labour market

## IMPACTS

- High level skills developed
- Increased productivity of households and SMEs



# ➤ SKILLS & TECHNOLOGY... in practice



## Côte d'Ivoire

- Integration of 15,500 ex-combatants, including 2,000 women
- Demarcation of 1,760 village lands
- Settle land disputes among the 3.5 million residents



## East African Centres of Excellence

- Increased access to specialised medical treatments across
- 150 students on postgraduate programmes and 300 on short duration programmes



# ➤ AGRICULTURE

*Feed Africa, transform agriculture to agri-business*

## Approach

- Rural infrastructure development
- Enhanced value chains and Agribusiness
- Natural resources management
- Leveraging private finance

## Impacts

- Food insecurity reduced
- Agricultural productivity increased



**President Macky Sall of Senegal: 'Agriculture is the backbone of Africa'**

# ➤ AGRICULTURE ... in practice



## Horn of Africa

- 20 million men and women agro-pastoralists in Horn of Africa livelihoods improved
- 25 percent increase in agricultural productivity

## Burkina Faso

### BAGRE Growth Pole Project

- 450,000 tons of agricultural production
- 30,000 new jobs
- 250,000 beneficiaries
- 50,000 Ha land developed



# ➤ INVESTING IN GENDER EQUALITY

*Separate presentation  
to follow*



**ADF-13 Mid Term Review:**  
Progress on the African Development  
Bank Group's Gender Agenda

# ➤ ADDRESSING FRAGILITY & BUILDING RESILIENCE

*Separate presentation  
to follow*



# ➤ CLIMATE CHANGE

## *Addressing climate change through adaptation and mitigation*

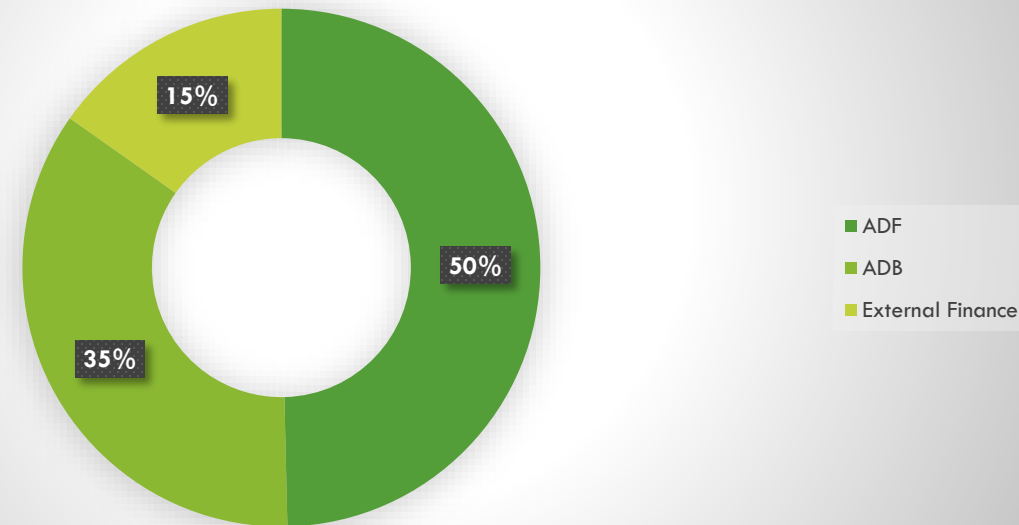
### Approach

- Mainstreaming climate change in CSPs & projects
- ADF co-financing with Climate Investment Funds
- ADF leveraging private finance

### Impacts

- Improved resilience in vulnerable economies (adaptation)
- Reduced GHG emissions (mitigation)

AfDB Climate Finance Sources  
(2011-2014)





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# ➤ THE WAY FORWARD

## Strengthening internal Bank capacity, Improving portfolio quality and disbursement

- ✓ Implementing new procurement policy and new Directive for project development and implementation
- ✓ Implementing the People Strategy

## Furthering decentralization to grow Bank business

- ✓ More delegation of authority for greater responsiveness

## Responding to financing needs and SDGs

- ✓ Leveraging co-financing, climate finance instruments, domestic resources
- ✓ Promoting **PCGs, PRGs, PSF** and the **New Credit policy** to leverage ADB and private financing into ADF countries
- ✓ Delivering on the High Five

# ➤ THE 10 YEAR STRATEGY, THE SDGs, AND THE 'HIGH 5S'

## TYS & SDGs

Infrastructure Development

SDG 6, 7, 9, 10

Regional Integration

SDG 6, 9, 17

Private Sector Development

SDG 8, 17

Governance & Accountability

SDG 16, 17

Skills & Technology

SDG 4, 10, 17

Fragile States

Agriculture & food security

Gender

## Hi-5s & TYS

Light Up & Power Africa

6

Integrate Africa

6

9

17

Industrialize Africa

7

8

9

Feed Africa

2

Improve the quality of life for Africans

6

7

10

8

11

34





# ➤ IN CLOSING - ANSWERING 'THE BIG QUESTIONS'

**ADF-13 is on track**, and delivering in line with the commitments and **the Bank's Ten Year Strategy**

The ADF is:

- Bridging the gender gap
- Building resilient states
- Bringing African countries together
- **Improving the lives of African people**





**THANK YOU**