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

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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?
Two objectives to support transformation:

- Inclusive growth
- Gradual transition to green growth

Five core Operational priorities:

- Infrastructure development
- Regional integration
- Private sector development
- Governance & accountability
- Skill & technology

Three areas of special emphasis:

- Fragile states
- Agriculture & food security
- Gender
DELIVERING ON OUR COMMITMENTS

- Strategic alignment
- Effectiveness & responsiveness
- Innovation
- Accountability & results
DELIVERING ON OUR COMMITMENTS

Strategic alignment
- ADF-13 priorities
- Ten Year Strategy
- Country priorities

Innovation
- New financial instruments
- Revised Credit Policy

Effectiveness & responsiveness
- Deeper engagement in fragile situations (Ebola crisis)
- Response to shocks (macro, Boko Haram, etc.)

Accountability & results
- ‘Managing for Results’
- Monitoring & reporting
- Rewarding performance
UA 2.2 billion, or 41% of ADF resources, have been approved, in line with the Bank’s Ten Year Strategy 2013-2022

- Governance: 23%
- Regional Integration: 10%
- Private Sector Development: 6%
- Skills & Technologies: 15%
- Infrastructure: 46%
- Transport: 24%
- Water supply & Sanitation: 7%
- Power: 11%
- ICT: 4%
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 CO2 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

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)
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

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

Separate presentation to follow
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)
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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

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

Hi-5s & TYS

- **Light Up & Power Africa**

- **Integrate Africa**

- **Industrialize Africa**

- **Feed Africa**

- **Improve the quality of life for Africans**
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