Implementation of ADF-11 core operational commitments

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Key Messages

1 A Changing African Context

2 ADF-11 Operational Commitments

3 Emerging Issues and Opportunities
Unprecedented demand for Bank financing and policy advice, partly owing to global financial crisis

Immediate Needs

- Fast tracking support to needy countries
- Keeping trade moving
- Helping Africa stay the course on sound policies and progress toward MDGs
- Protecting fragile and post-conflict states
ADF Response to the Crises

- Accelerated delivery of resources (frontloading)

- Restructuring portfolio

- Shortened processes
Key Messages

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Mid-term Assessment of ADF-11 Operational Priorities

<table>
<thead>
<tr>
<th>Category</th>
<th>PBA</th>
<th>RO</th>
<th>FSF, excl arrears clearance</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>49%</td>
<td>79%</td>
<td>69%</td>
<td>55%</td>
</tr>
<tr>
<td>Governance/PBLs</td>
<td>33%</td>
<td>4%</td>
<td>20%</td>
<td>28%</td>
</tr>
<tr>
<td>Agriculture &amp; Rural Devt</td>
<td>13%</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Human Development</td>
<td>5%</td>
<td>5%</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Legend:
- Infrastructure
- Governance/PBLs
- Agriculture & Rural Devt
- Human Development
Infrastructure: our comparative advantage

TRANSPORT
Mombasa-Nairobi-Addis Corridor

ENERGY
Nelsap

WATER AND SANITATION
Kampala Water and Sanitation Project
Regional Operations: Integrating African Economies

- Bugesera Natural Resources Management Project (Rwanda and Burundi)

- Transport Corridor (Cameroon- Nigeria)

- Demobilization and Reintegration Program (Great Lakes)

- River Blindness (West/Central Africa)
Promoting Good Governance

**Budget/ Revenue management:** Liberia, Mali, Comoros and Gambia

**Public procurement:** Tanzania, Benin, Togo, Burkina Faso

**Government auditing:** Gambia, Sierra Leone, Liberia, Rwanda

**Business environment:** Zambia, Cap Verde, Rwanda
Building Foundations in Fragile States

Pillar I (top up resources): UA 133 million committed in 8 States – (Liberia public financial management program)

Three Pillars:

Pillar II (arrears clearance): UA 233 million to Togo and Cote d’Ivoire

Pillar III (targeted support): UA 17 million committed (Comoros TA in the water sector; Guinee Bissau in Public Administration).
Commitment by Priority Areas

- **Sept 2009 (actual)**
  - PBA utilization: 55%
  - RO utilization: 81%
  - FSF utilization: 75%

- **end 2009 (projected)**
  - PBA utilization: 75%
  - RO utilization: 87%
  - FSF utilization: 77%

- **end 2010 (projected)**
  - PBA utilization: 97%
  - RO utilization: 100%
  - FSF utilization: 100%
Key Messages

1. A Changing African Context

2. ADF-11 Operational Commitments

3. Emerging Issues and Opportunities
Emerging Issues and Opportunities

- **Regional Operations**
  - Cost Sharing and RPGs

- **Fragile States**
  - Resources for re-engaging states

- **Flexibility**
  - Policies
Concluding Remarks

- ADF tested by crises
- Adapted and responded well
- Kept focus on strategic priority areas
- Pipeline and demand remain high
BACKUP SLIDES
Due to approvals early in the cycle, the share of governance projects will go down from 27% to 23%.
Sector focus in line with core priorities was preserved for PBA, as well as RO and FSF.
Disbursement rates increased significantly

Disbursement rates* (%)

25%
20%
15%
10%
5%
0%

Q1 Q2 Q3 Q4

* disbursement rates are calculated as disbursements within the calendar year divided by stock of undisbursed loans and grants at the beginning of the year; Dudget Support operations and transfer to FSF are excluded
# Details of disbursements

<table>
<thead>
<tr>
<th>in UA m</th>
<th>Data</th>
<th>2008 (12 months)</th>
<th>2009 (9 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects</td>
<td></td>
<td>687</td>
<td>701</td>
</tr>
<tr>
<td>FSF</td>
<td></td>
<td>150</td>
<td>408</td>
</tr>
<tr>
<td>PBL</td>
<td></td>
<td>288</td>
<td>318</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>1,125</td>
<td>1,427</td>
</tr>
</tbody>
</table>
Governance and Budget Support under ADF-11

- PBL operations support reforms in Financial Governance and Economic Management, and Strengthen accountability institutions

- PBL operations, along with other aid instruments, add value through improved Quality-at-Entry & Results focus

- Support tailored to country needs; Policy dialogue enhanced through field presence, co-financing and common approaches (chair of joint budget support groups)
# Governance and Budget Support under ADF-11

**Sector focus of PBL conditions (as % of conditions)**

<table>
<thead>
<tr>
<th>Sector Focus</th>
<th>ADF-11 (mid-term)</th>
<th>ADF-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>PFM</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>Public Procurement</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>External Audit</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

## Design and delivery improvements of PBLs

<table>
<thead>
<tr>
<th></th>
<th>ADF-11 (mid-term)</th>
<th>ADF-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>815 m</td>
<td>526 m</td>
</tr>
<tr>
<td>Number</td>
<td>25 (7 in FS)</td>
<td>19</td>
</tr>
<tr>
<td>Average size</td>
<td>38 m (excl. FS)</td>
<td>28 m</td>
</tr>
<tr>
<td>Disbursement Time (after board approval)</td>
<td>2 months</td>
<td>3 months</td>
</tr>
<tr>
<td>Av. number of conditions</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Use of Prior Actions</td>
<td>enhanced</td>
<td>none</td>
</tr>
<tr>
<td>Harmonization within PAF</td>
<td>100%</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Rigorous Conditions for PBLs to select fragile states

- In close Coordination with Donors on the ground;
- With Joint Monitoring, Monthly Budget Reviews & Annual Joint Assessments;
- Limited & timely funding to ensure Bank’s “voice” in Policy Dialogue & encourage Reform Process;
- Jointly agreed Triggers for each Tranche Release;
- Ensures pro-poor budgetary expenditures
ADF -11 & Agriculture Sector Operations

- ADF-11 financed 15 projects UA 363 m; target UA 435 m
- Focused on Agricultural Infrastructure; Water Management; & Natural Resources Management.
- Strengthened linkage with Private sector & linkage to markets
- Revised Agriculture Sector Strategy based on lessons learned from the AfDB/IFAD J. E. & Bank’s comparative advantage
- Worked out mechanisms with Partners to deliver pledged assistance for food security.
Agriculture Sector Response to the Food Crisis

- Combination of Short, Medium and long Term measures
  - Realignment of Portfolio: 96 million; 80 million disbursed
  - Budget support: 300 million; 233 disbursed

- Assisted 2 million people in 29 RMCs; 34% are women.

- Medium to long term measures, mostly: water mobilization and reduction of post harvest loses, and capacity building
Human Development Operations

- Bank’s HD portfolio has 121 operations for UA 1.83 billion (50.9% in Education & Training; 29.6% Health & 19.5% in Social Protection);

- Primary focus: Tertiary Education, Technical Education and Vocational Training thru 3 Pillars:
  - Financing of infrastructure for higher education, science and technology;
  - Establishment of national and regional centers of excellence; &
  - Strengthening linkages between education & productive sectors.
Climate Change Mitigation And Adaptation

- African negotiators requested Bank support for capacity building in the on-going UNFCCC negotiations
- Bank is developing and applying tools and products to assess and address climate risks in all sectors
- 209 projects approved from 2007 to March 2009 profiled for climate risk analysis
- USD 19m mobilised since January 2009 for climate change adaptation in Bank projects (Malawi, Burundi, Gambia, Zambia, and Cote d’Ivoire)
- Bank supports development of appropriate and reliable information in addressing the risks of climate change, through the ClimDev-Africa project.
Gender Mainstreaming

- The Bank has strengthened Gender Mainstreaming in Operations:
  - 4 checklists for priority sectors developed
  - 67 Operations staff trained in their use (since August 2009)
  - Gender profiles provided analytical inputs to 2 CSPs and 13 project design
  - Gender responsive indicators for all sectors established and are being monitored

- Gender issues addressed as Quality-at-Entry
  - Gender aspects in readiness review will kick-in
  - Gender helpdesk already provides on-line support to 8 country teams
  - Country level gender disaggregated statistics to be established for 2 RMCs

- Improved Institutional environment for Gender Mainstreaming
  - The Presidential Award for Excellence in Gender
  - A Bank-wide Gender Network
  - Full staffing by November 2009