Implementing ADF-14 Strategic Priorities

ADF-14 Second Replenishment Meeting

June 30 – July 1, 2016
Abidjan, Côte d’Ivoire
Strategic Framework

UN Sustainable Development Goals (SDGs)  

Twin Objective: Inclusive Growth and Transition to Green Growth

Operational priorities:
- Infrastructure Development
- Regional Integration
- Private Sector Development
- Governance & Accountability
- Skills & Technology

Areas of special emphasis:
- Fragile States
- Agriculture & food security
- Gender

AfDB Ten Year Strategy 2013-2022  

AfDB ‘High 5’ priority areas

Light up & power Africa
- Feed Africa
- Industrialize Africa
- Integrate Africa
- Improve the quality of life for the people of Africa
Key Developments Since the 1st ADF-14 Meeting

1st ADF-14 Replenishment Meeting

- Development & Business Delivery Model
- High 5 Priorities To Scale Up TYS

2nd ADF-14 Replenishment Meeting

- Transformation Management Team Established

Strategies and Initiatives:

- Strategy for the New Deal on Energy
- New Loan Pricing Charges
- New Salary Structure
- Strategy for Jobs for Youth
- Special Panel on High5s Launched in Lusaka
- Affirmative Finance Action for Women in Africa Launched in Lusaka
- Strategy for Agriculture Transformation in Africa
- Decentralization Action Plan

April 22
May 16
May 18
May 23
May 24
May 25
June 17
June 22
March 17
June 30
Special Panel on High5s

Co-chairs:

KOFFI ANNAN

HORST KÖHLER

K.Y. AMOAKO

JUSTIN YIFU LIN

ISMAIL SERAGELDIN

PAUL COLLIER

TREVOR MANUEL

JOSEPH E. STIGLITZ

JAY IRELAND

NGOZI OKONJO-IWEALA

LARS THUNELL

MARY ROBINSON
Five Foundations to Deliver Five Goals

- Move closer to clients
- Sector restructuring
- Strengthen the performance culture
- Streamline business process
- Improve financial performance
Business Delivery

Vice Presidency Power, Energy, Climate and Green Growth

Vice Presidency Agriculture and Social Development

Vice Presidency Private Sector, Infrastructure and Industrialization

Vice Presidency Agriculture and Social Development

Chief Economist/Vice Presidency for Economic Governance and Knowledge Management

Vice Presidency Regional Development and Business Delivery

• Five Regional Development & Business Delivery Hubs (Centre, East, North, South and West) led by Director Generals

• Fiduciary Safeguards, Procurement Policy and Inspection

• Transition States Coordination

• Regional Integration Coordination Unit
Implementing the High 5s: A Consistent Approach

- Clarity of Goals
- Targeted Results and Detailed Implementation Plans
- Strong Focus on Enablers: Policies and Institutions
- Explicit Role for Partnerships
- Monitoring, Evaluation and Accountability
Implementing the High 5s: ADF-14 Pipeline

Distribution by Region
- North: 0.2%
- West: 31.8%
- East: 33.8%
- Central: 20.4%
- South: 14%

Distribution by High 5 Operational Priority (Million UA)
- Light up and Power Africa (20%): 2102
- Feed Africa (15%): 1524
- Industrialise Africa (12%): 1180
- Integrate Africa (19%): 1964
- Improve the Quality of Life (13%): 1330
- Other (19%): 2408
Strategy for the New Deal on Energy

7 Strategic Areas

12 Flagship Programs

Partnerships

Access to electricity (ADF) <30%

Electricity consumption/capita (ADF) <200 kWh

Cost to the economy (SSA) 2% of GDP

ADF-14 pipeline UA 2.1bn

Power capacity (ADF-14) 4,600 MW installed

Access to electricity (ADF-14) 23.6m with new connections

Access to clean cooking (ADF-14) 20m households
Strategy for Agricultural Transformation in Africa

4 Goals

7 Enablers

18 Value chains

Partnerships

Low Productivity
Average yields across Africa vs. best practice (tones per Ha or animals, 2013)

<table>
<thead>
<tr>
<th>Crop</th>
<th>Africa</th>
<th>Best practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>9.4</td>
<td>25.4</td>
</tr>
<tr>
<td>Maize</td>
<td>2.0</td>
<td>19.2</td>
</tr>
<tr>
<td>Rice</td>
<td>2.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Soy</td>
<td>1.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Cassava</td>
<td>0.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Beef</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Milk</td>
<td>0.5</td>
<td>10.0</td>
</tr>
</tbody>
</table>

ADF-14 pipeline

UA 1.5bn

Improved water management (ADF-14)

280,000 Ha of land irrigated

New agriculture technology (ADF-14)

49.9m beneficiaries
Industrialization Strategy for Africa

5 Enablers

6 Flagships Programs

Partnerships

Industry value added (ADF)

<20% of GDP

Share in global manufacturing (SSA)

<1.5%

Per capita industrial GDP

<$150 in several ADF countries

ADF-14 pipeline

UA 1.2bn

No. of new SME created (ADF-14)

1.4m

Expansion of microfinance (ADF-14)

19.7m beneficiaries

<20% of GDP

<1.5%

<$150 in several ADF countries
Regional Integration Strategy

**Intra-regional trade (% of total trade)**
- Africa: <15%
- Asia: >50%
- Europe: >70%

**Paved road (SSA)**
- 25%

**Cost to Annual African GDP**
- 1-1.5%

**Building Regional Infrastructure**
- (transport, water, ICTs, energy)

**Enhance Trade & Transport Facilitation**

**Promote Intra-regional Migration**

**Promote Financial Integration**

**Scale-up productive capacities**
- (agricultural value chains)

**ADF-14 Pipeline**
- UA 1.2bn

**Intra-regional trade (% of total trade)**
- Current: 15%
- AU Objective: 52% by 2022

**Proportion of countries allowing Visas on arrival (intra-African)**
- Current: 25%
- AU objective: 100% by 2018

**Promote Financial Integration**

**Building Regional Infrastructure**

**Enhance Trade & Transport Facilitation**

**Promote Intra-regional Migration**

**Scale-up productive capacities**
- (agricultural value chains)
Improve the Quality of Life for the People of Africa

Youth Unemployment (Africa) 30%

Informal Sector Employment (Africa) 80%

Drinking water coverage (SSA) 61%

Jobs for Youth Strategy
Integrate: Across Bank Programs
Innovate: Flagships & Partnerships
Invest: SMEs, Skills, Job Platforms

Water & Sanitation

Health Systems

Jobs created (ADF-14) 3m
Income generated (ADF-14) $5bn
Improved access to water & sanitation (ADF-14) 8m people

ADF-14 pipeline UA 1.3bn
## Cross Cutting Priorities and the High 5s

<table>
<thead>
<tr>
<th>CLIMATE CHANGE</th>
<th>FRAGILITY</th>
<th>GENDER</th>
<th>GOVERNANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Light up &amp; power Africa</strong></td>
<td><strong>Feed Africa</strong></td>
<td><strong>Geez Africa</strong></td>
<td><strong>Geez Africa</strong></td>
</tr>
<tr>
<td>• Renewable Energy Initiative</td>
<td>• Food security</td>
<td>• Jobs for Youth Initiative</td>
<td>• Supportive policy, legislation and institution</td>
</tr>
<tr>
<td>• Clean cooking</td>
<td>• Drought resilience</td>
<td>• Health Systems</td>
<td>• Enabling business environment</td>
</tr>
<tr>
<td><strong>Feed Africa</strong></td>
<td>• Regional approach for addressing fragility (e.g. Ebola Crisis; Horn of Africa)</td>
<td>• Economic empowerment (e.g. SME support)</td>
<td>• Public finance management to ensure public investment for infrastructure</td>
</tr>
<tr>
<td>• New agriculture technology</td>
<td>• Expansion of economic opportunities through free movement of people and labour</td>
<td>• Knowledge management and capacity building (e.g. training, access to market, development of industry clusters)</td>
<td>• Legal and property rights</td>
</tr>
<tr>
<td>• Agro-ecological zones (smart climate approach)</td>
<td></td>
<td>• Public finance management to ensure public investment for infrastructure</td>
<td></td>
</tr>
</tbody>
</table>
Climate Change

Climate Change Vulnerability Index (CCVI)

Source: Maplecroft, Environmental Dataset 2016

Developing Climate Change Action Plan 2 (2016-2020)

Partnerships

Climate Finance by 2020

$5bn/year

Climate Finance by 2020

40% of project approvals

Climate Smart Projects (ADF-14)

Increase from 80% to 100%

ADF-14 Pipeline

UA 315m
Gender

Africa: Gender Equality Index

- Economic Empowerment: 20m
- Legal Status & Property Rights: 5m
- Knowledge & Capacity Building: 80% CSPs

Source: AfDB, Africa Gender Equality Index, 2015
Fragility

People in humanitarian need and displaced

73m

Ebola epidemic (2014/2015)

5 countries hit and $6bn economic losses for SSA

Transition Support Facility

Monitoring, Assessment & Fragility Lens

Partnerships

ADF-14 TSF envelope UA 614m

Source: Fund for Peace, 2015
Governance

Percentage of GDP that regions are losing in illicit financial flows

- 3.5% Western Europe
- 3.5% MENA
- 4% All developing countries
- 4.5% Developing Europe
- 5.7% Sub-Saharan Africa

Public sector & economic management
Business environment
Natural resource management
Curbing illicit financial flows

ADF countries domestic resource mobilization (revenue, % of GDP)

Source: (1) Africa Progress Panel, 2014; (2) World Bank, WDI, 2015
Phased Implementation

Q4 2015 – Q2 2016: Establish Systems & Resources
- Internal & External (Partners & RMCS) Consultations
- Needs & cost assessment
- Approve strategies
- Review pipeline
- Establish staffing requirements
- Sector restructuring for alignment with TYS & High 5s

Q3 2016 – Q4 2016: Scale-up
- Pilot activities & programs
- Strengthen collaboration with existing & new partners
- Recruit required staffing & senior management
- Review early results
- Review external & internal coordination for next phase

Q1 2017 and onward: Full Scale Implementation
- Increase volume & variety of operations that draw on partnerships
- Refined activities & investments brought to scale
- Increase responsiveness & client orientation
- Reduce project lifecycle & procurement
Going Forward

- Approval of Industrialize Africa Strategy
- Implementation of DBDM
- Recruitment of senior vacant positions
- Background papers for Special Panel
Implementation, Implementation, Implementation