Resourcing
the African Development Bank
for accelerated performance
and effective delivery:

Eastern Africa Regional Perspective

A Partner of Choice for the Eastern Africa We Want
Eastern Africa – A Region of Diversity and Promise
ADB, Supporting You to Consolidate the Present and Shape the Future

Mix of countries
- 10 low income countries
- 2 middle income countries
- 1 high income country

Some
- Fragile and conflict-affected countries

5 out of 10 fastest growing economies in Africa (2016)
3 out of 10 economies with best environment for doing business in Africa (2017)

5.9% estimated growth in 2017 and also projected for 2018
Strong macroeconomic discipline and openness to private sector investment

340 million inhabitants, accounts for 16% of Africa’s nominal GDP

Uneven progress on SDGs, high youth unemployment, and inadequate infrastructure investments

Good macro-economic performance and openness to private sector investment

Leveraging effects
Eastern African countries have leveraged an average of 11 times their contributions to the Bank’s General Capital Increase
Your Bank is now better poised to respond to the region’s challenges

- New Development and Business Delivery Office in Nairobi and 7 supporting country offices and streamlined business processes.
- Our “High-Fives” are the blueprint for Africa’s sustainable development.
Eastern Africa – Responding to the challenges

- Bank’s current active portfolio in Eastern Africa: 268 projects, representing a total commitment of UA 8,046m.

- About 70% committed on infrastructure mainly: Light up and power Africa (21%); Integrate Africa (35%) and Improve the quality of life of the people of Africa (13%).

- DBDM has translated into faster disbursement (26% increase in 2017 as against volume disbursed in 2016) mainly driven by ADF investment operations. However, disbursement on ADB Sovereign operations (in Uganda, Tanzania, Kenya, Rwanda, and Ethiopia) remain challenged by slow start-up.

Some challenges affecting the ADB Sovereign portfolio:

- Delayed start-up: RMCs internal processes for ratification (e.g. Uganda), delays in signing subsidiary agreements (Kenya),

- Protracted procurement processes being addressed by use of country systems and application of new procurement policy (especially when there are complaints)
Supporting regional integration in Eastern Africa

- Eastern Africa is the most integrated region in the continent
- The Bank has supported membership of countries in regional institutions such as the Africa Trade Insurance and Trade and Development Bank
- The Bank has supported this integration through projects such as:
  
  **The Northern Corridor:**
  - Ethiopia – Kenya transmission line;
  - Nile Equatorial Lakes Subsidiary Action Program (NELSAP) connecting Kenya, Uganda, Tanzania, Burundi and DRC;
  - Mombassa – Nairobi - Addis Highway which is part of the Africa-wide North-South Corridor

  **The Central Corridor:**
  - Tanzania, Burundi, Rwanda Railway;
  - Kenya – Tanzania backbone transmission line
Eastern Africa – Responding to the Challenges
Since the GCI VI, the Bank has stepped up its support

Speeding up …
African Development Bank’s Group’s Interventions in East Africa
Transforming Lives & Impacting on Your Countries

AfDB has invested
US$ 3.85 billion
in Eastern Africa
from 2010 to 2017

The High 5s are transforming Eastern Africa

Energy
Agriculture
Industrialization
Regional integration:
Urbanisation and social
The Bank has made its products more responsive to the growing needs of its clients...

<table>
<thead>
<tr>
<th>Credit policy</th>
<th>Eastern Africa ADF-only countries have accessed a total of US$ 1.4 bn since 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative instruments for private sector</td>
<td>• Increased support to private sector</td>
</tr>
<tr>
<td></td>
<td>• Private Sector Credit Enhancement Facility</td>
</tr>
<tr>
<td>Allocation of income to ADF countries</td>
<td>• 90% of allocable income directed to ADF countries across Africa since 2011</td>
</tr>
</tbody>
</table>
Eastern Africa – Transformative Projects Are Changing Lives

1.9 million people have access to electricity, for the first time, thanks to:

- Regional integration: 1.2 million
- Creating values: 1.2 million
- Promoting industrialisation: 1.2 million
- Regional integration: 1.2 million
- Given access to clean water, and financial services: 1.2 million

Increased incomes, productivity, and alternative livelihoods will be created through support to industry in:

- Creating values through agricultural transformation, greater productivity for farmers and ensuring food security
- Promoting industrialisation especially in the agricultural sector. Improving exports and balance of payments. Creating jobs which improves the lives of your people.
- Given access to clean water, and financial services through agricultural transformation, greater productivity for farmers and ensuring food security

of people, goods, and services are being enhanced through the following interventions:

- Doraleh Container Terminal
- JKIA Runway Expansion
- Eastern Africa Submarine Cable System
- Mahé Sustainable Water Augmentation
- Kigali Bulk Water Supply

Increased incomes, productivity, and alternative livelihoods will be created through support to industry in:

- Kenya Last Mile Connectivity Project
- Rural Electrification Access Project
- Kenana Sugar Project
- Small Scale Irrigation & Agriculture Value Chain
- Farm Income Enhancement & Forest Conservation (FIEFOC2)
- Derba Midroc Cement Plant
- Dar Es Salaam Rapid Bus Transit Infrastructure
- Ethiopian Airlines
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Eastern Africa – Your Transformative Visions Are Bold
...and they require increased funding

- Infrastructure investments for growth and poverty reduction
- Structural transformation to foster growth and create jobs
- Reinforcing human capacities and social safety nets systems
- Addressing challenges food insecurity and climate change

Additional financing 50%-80% is expected to emanate from the private sector
Eastern Africa – Leveraging & Private Sector Lending

...is pivotal to address increasing funding demand projections

**ADF-only countries are increasingly graduating as eligible for accessing to the Bank’s sovereign lending window.**

This is creating opportunities for the Bank to deploy its leveraging effects to mobilize significant additional resources.

The Bank will also catalyze additional private finance that is critical in helping the region to transform and grow sustainably.

**All 13 East African countries have access to the Bank’s private sector lending window.**
Eastern Africa – Financial Assistance Plus End to End Solutions

- Accelerated delivery with more impact
- Robust pipeline
- Blended finance
- Partial Credit and Risk Guarantees
- Representing interests in global fora
- Leveraging up to 7x of invested amount
- Support to regional African DFIs
- P.E. Funds
- Scaling up the Highs
- Innovating to better serve clients
- Leading voice of continent
- Catalyzing resources
WITH MORE RESOURCES, IMPORTANT REGIONAL INITIATIVES WILL BE SUPPORTED

LAPSSET Corridor Program

• Eastern Africa’s largest and most ambitious infrastructure project bringing together Kenya, Ethiopia and South Sudan.

• Consists of seven key infrastructure projects including a new Berth port at Lamu; inter-regional highways; crude oil pipelines between the 3 countries; 3 resort cities and multipurpose high grand falls dam along the Tana river.

Estimated Cost: USD 24.5 Billion
WITH MORE RESOURCES, IMPORTANT REGIONAL INITIATIVES WILL BE SUPPORTED

Lake Tanganyika Transport Corridor

• Represents a coordinated initiative between various stakeholders to deliver an integrated, efficient and cost effective transport system connecting Burundi, DRC, Tanzania, and Zambia.

• Planned infrastructures are, ports, roads, railways, one-stop border posts and inland container terminals

• This will reduce transport costs by 30 per cent.

Estimated Cost: Total USD 1 Billion
With more resources, important regional initiatives will be supported.

- One of the regional corridors identified by the EAC as an innovative public-private partnership (PPP) with several co-financiers.
- Expected to reduce the cost of doing business and enhance regional trade.
- Will commence with construction of a 95km turnpike expressway that will have strong regional spill-over effects.

Estimated Cost: USD 1.14 Billion

Kampala-Jinja Corridor
## Eastern Africa – Accelerating Delivery

### Eastern Africa (2020)
**USD 6.1 Billion**

- **USD 1.2 billion**
  - Access to energy for all
  - Energy security
  - Renewable energy

- **USD 1.3 billion**
  - Food security
  - Agricultural technologies
  - Agroindustry parks

- **USD 1.5 billion**
  - Economic diversification
  - Building and upgrading major trade transport routes
  - Building ports to facilitate transfer of goods

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### Continent (2025)

- **USD 12 billion**
  - Additional 160 GW
  - 130 million persons connected to the grid and 75 million persons off-grid
  - 130 million persons access clean cooking

- **USD 24 billion**
  - 300 million people fed
  - 100 million persons exit poverty
  - Productivity restored to 190 million hectares

- **USD 24 billion**
  - 130% increase in industrial contribution to the GDP
  - Support 35 industrial clusters
  - 30 Public-Private Partnerships

- **USD 24 billion**
  - Strengthen infrastructure
  - Promote intra-regional trade and investment
  - Facilitate movement of goods and persons

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### Key Achievements

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### Additional

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- **USD 24 billion**
  - Improve water and sanitation countries' cities
  - Reinforce human capacities
  - Youth employment

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- **USD 24 billion**
  - 25 million jobs
  - Enhance skills
  - Widen access to water and sanitation
  - Strengthen health systems

### Breakdown

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  - Facilitate movement of goods and persons
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  - Widen access to water and sanitation
  - Strengthen health systems
Thank you.
Merci beaucoup.
Asanteni sana.
Shukran jazira.
Amesegnalehu.
Yakenle.
Mahadsanid.