WHO ARE WE?

Established in 1964, the African Development Bank is Africa’s premier and only multilateral development finance institution with a mandate to develop Africa.

With an authorized capital of over $200 billion, the African Development Bank is subscribed to by 81 member countries comprising 54 African states, known as regional members, and 27 non-regional members (in Asia, Europe and North Africa).

The Bank leverages its AAA rating to provide funding for the continent’s economic development through its public and private sector financing windows. Private sector development is one of the Bank’s operational priorities, as it is a key driver of sustainable economic growth and social progress in Africa. Through its non-sovereign operations (NSO), the Bank supports the African private sector and eligible public sector enterprises to unlock the continent’s economic potential. NSO are investment operations that are not guaranteed by any state and given on non-concessional financial terms. These operations stimulate capital accumulation, job creation, innovation, and productivity in Africa.

WHAT DO WE DO?

- **Finance** private sector and eligible public sector companies, financial institutions, and projects in strategic sectors
- **Mobilize** third-party capital through guarantees, syndications and mobilization of donor funds for technical assistance
- **Invest** in private equity funds
- **Actively manage** our portfolio to ensure financial performance, development impact, and compliance with our environmental, social, fiduciary and governance standards
- **Encourage and support** initiatives for the improvement of the investment and business climate in Africa

OUR SOLUTIONS

- **LENDING INSTRUMENTS** that provide long-term, flexible debt to finance non-sovereign operations
- **GUARanteES** to mitigate the risks attached to investments in Africa
- **EQUITY AND QUASI-EQUITY INVESTMENTS** that bring scarce risk capital to transformative projects
- **RISK MANAGEMENT PRODUCTS** to allow borrowers to hedge and manage their risks responsibly
- **TRADE FINANCE** to bridge the gap in trade financing in Africa
- **TECHNICAL ASSISTANCE FUNDS** to finance the completion of feasibility studies, training and project preparation
- **AFFILIATED PARTNERS** to leverage partnerships with catalytic financial intermediaries. These include Africa 50, Africa Guarantee Fund and AfrEximBank
## OUR SECTOR FOCUS

- **INDUSTRY & SERVICES**
- **AGRICULTURE**
- **ENERGY AND GREEN GROWTH**
- **FINANCIAL INSTITUTIONS**
- **TRANSPORT**
- **HEALTH & EDUCATION**
- **WATER & SANITATION**

## OUR GUIDING PRINCIPLES FOR PRIVATE SECTOR INVESTMENT

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Respect for the right of individual regional member countries to choose their approach to private sector development and to set their priorities for investment</td>
</tr>
<tr>
<td>Client responsibility</td>
<td>Unequivocal communication to clients to make clear their responsibility for their investments’ success</td>
</tr>
<tr>
<td>Selectivity</td>
<td>Identification of opportunities for the Bank’s engagement, mindful of the need to maximize impact and reach with its resources, and of its areas of comparative advantage vis-à-vis other sources of commercial and/or development finance</td>
</tr>
<tr>
<td>Development results and additionality</td>
<td>Focus on the maximization of development outcomes expected from NSOs and their contribution to inclusive and green growth, in addition to the added value of the Bank’s participation that commercial and private investors cannot bring on their own</td>
</tr>
<tr>
<td>Effective partnerships</td>
<td>Collaboration with agencies dedicated to promoting private sector development; catalyzing project co-financing; and ‘crowding in’ (rather than ‘crowding out’) commercial investors and financiers</td>
</tr>
<tr>
<td>Reinforcement of markets</td>
<td>Promotion of open and fair competition</td>
</tr>
<tr>
<td>Compliance with safeguards</td>
<td>Ensuring that the Bank’s non-sovereign operations are anchored on social, environmental, and fiduciary responsibility, anti-corruption standards, and ethical integrity</td>
</tr>
<tr>
<td>Bank’s financial strength</td>
<td>Preservation</td>
</tr>
<tr>
<td>Relevance</td>
<td>Maintenance of the Bank’s relevance to all its regional member countries</td>
</tr>
</tbody>
</table>
Private sector resource mobilization: for each dollar approved, the Bank is able to leverage $8 from co-financing.

55% of approved amounts allocated to projects in low-income countries & transition states.

Bank approvals for climate finance totaled $635 million in 2019, or 30% of total approvals.

Approved amounts by sector:
- Industry: 29%
- Agriculture & Social: 56%
- Energy: 6%

Approved amounts by type of country:
- In Transition: 25%
- LIC: 14%
- MIC: 30%
- Multinational: 31%

Approved amounts by instrument:
- Loans: 54%
- Guarantees: 20%
- Lines Of Credit: 19%
- Equity investments: 7%

Approved amounts by client category:
- PRIVATE: 75%
- DFI: 18%
- SOE: 7%

Climate finance approvals:
- NSO non-climate financing: $1.5 billion
- NSO Climate financing: $841 million
- Mitigation finance: $325 million
- Adaptation finance: $310 million

Approved amount by region:
- North: 8%
- West: 27%
- Central: 1%
- East: 9%
- South: 31%
- Multinational: 24%
EXAMPLES OF PROJECTS

TRANSFORMING THE COCOA SECTOR IN GHANA
GHANA COCOA BOARD

Approval date: 27 Nov 2018
Commitment date: 12 Nov 2019
Sector: agriculture and rural development
African Development Bank committed amount: $150 million

The Bank signed a $600 million Ghana Cocoa Board (COCOBOD) syndicated receivables-backed term loan to boost cocoa productivity and transform the cocoa sector in Ghana—the world’s second-largest cocoa producer. Cocoa plays a crucial and strategic role in Ghana’s economic development, employing about 800,000 cocoa farmer families from six of the country’s ten regions. The COCOBOD transaction is poised to transform Ghana’s key economic sector through increased yields and improved quality. This is complemented by core ancillary activities such as effective warehousing and value addition. COCOBOD will use the facility to raise cocoa yields and increase Ghana’s overall production, increase plant fertility, improve irrigation systems, and rehabilitate aged and disease-infected farms. The funds will also help increase warehouse capacity and provide support to local cocoa-processing companies. Ghana’s cocoa sector employs some 800,000 rural families and produces crops worth about $2 billion in foreign exchange annually. COCOBOD is a wholly state-owned company, solely responsible for Ghana’s cocoa industry, controlling the purchase, marketing, and export of all cocoa beans produced in the country.

MOZAMBIQUE–LARGEST FOREIGN DIRECT INVESTMENT IN AFRICA FROM ALL SOURCES
MOZAMBIQUE LNG AREA 1

Approval date: 21 Nov 2019
Commitment date: 15 July 2020
Sector: Power & Industry
Committed amount: $400 million

Mozambique received the largest-ever foreign direct investment ($25 billion) into the African continent. The Bank approved senior debt of $400 million in support of the Mozambique Liquefied Natural Gas Project, a trailblazing and transformative project that raises the bar in supporting RMCs in critical phases of economic development. The Bank’s support will partially close the project’s funding gap and help make the project economically viable. The Bank is also working on two unique workstreams within the project: climate change monitoring and a good governance and anti-corruption compact. The policy dialogue led by the Bank provides a powerful platform for efficiently using gas revenues through the public budget, developing a policy framework to attract private investment in downstream processes, and strengthening linkages between small and medium enterprises (SMEs) and the gas value chain. The project will turn Mozambique into a leading global gas producer and help power domestic industrialization. The switch from carbon-heavy coal and biomass to gas will spur a transition to a green growth path for Mozambique and the rest of Southern Africa. Part of the gas production is earmarked for domestic use and transformation, with downstream projects being developed for energy generation, fertilizer production, and gas-to-liquid.
<table>
<thead>
<tr>
<th>Priority Areas</th>
<th>Number of projects contributing to the priority area / AIDB’s approved financing</th>
<th>Results Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCESS TO ELECTRICITY</td>
<td>19 PROJECTS</td>
<td>5,576 MW of total electricity generated 310 MW of renewable energy generated 8,03 million connected electricity users 256,594 households with new connections 1,644 MTs of reduced annual carbon emissions</td>
</tr>
<tr>
<td>AGRICULTURE AND RURAL DEVELOPMENT</td>
<td>10 PROJECTS</td>
<td>343,298 farmers supported (new markets, financing, Value chains and processing) 125,386 Ha of land under cultivation 27,500 people with access to clean water</td>
</tr>
<tr>
<td>ACCESS TO FINANCIAL SERVICES</td>
<td>49 PROJECTS</td>
<td>57,000 people with access to financial services 728,853 SME loans provided 10,782 business supported with financial services 10,464 beneficiary SMEs</td>
</tr>
<tr>
<td>GOVERNMENT REVENUES</td>
<td>45 PROJECTS</td>
<td>$12,217 million of revenues</td>
</tr>
<tr>
<td>ACCESS TO EDUCATION</td>
<td>17 PROJECTS</td>
<td>71,505 students benefiting from loans 25,351 professionals trained 8 new schools constructed</td>
</tr>
<tr>
<td>HEALTHCARE FACILITIES</td>
<td>1 PROJECT</td>
<td>43 healthcare facilities improved 4,548,119 patients attended</td>
</tr>
<tr>
<td>REGIONAL INTEGRATION</td>
<td>12 PROJECTS</td>
<td>1,524 km of roads constructed, rehabilitated or maintained $5,4 billion of trade</td>
</tr>
<tr>
<td>ACCESS TO HOUSING UNITS</td>
<td>4 PROJECTS</td>
<td>1,696 units constructed</td>
</tr>
<tr>
<td>JOB CREATION</td>
<td>49 PROJECTS</td>
<td>414,053 jobs created (permanent and temporary) 75,309 jobs created for women (permanent and temporary)</td>
</tr>
</tbody>
</table>

*Based on 63 Extended Supervision Reports covering mature debt projects and direct equity investments

The Bank’s Unit of Account (UA) is a currency whose value fluctuates monthly. For this brochure’s purposes, all figures have been converted according to the formula 1 UA = 1.38 USD. Due to rounding, some totals may not correspond with the sum of the separate figures.
ABOUT THE AFDB PRIVATE SECTOR WINDOW

The African Development Bank identifies private sector development as one of its fundamental areas of focus, to reduce poverty and support sustainable growth in Africa. The Non-Sovereign Operations and Private Sector Window of the Bank is aimed at implementing the Bank’s vision for private sector development by improving the business environment, supporting private companies, strengthening institutions and financial systems, promoting regional integration, and creating a demonstrative impact that attracts resources from other donors.

CONTACT

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