Strategic Objectives: “High 5’s”

AfDB "High 5" goals

- Light up & power Africa
- Feed Africa
- Industrialize Africa
- Integrate Africa
- Improve quality of life

AfDB industrialization objectives

- Play a leading and pivotal development role in Africa
- Support global trade integration and regional value chains
- Grow co-financing and mobilize private sector investment
- Foster the emergence of regional champions
- Create sustainable jobs and increase productivity

Key principles of AfDB industrialization strategy

- Impactful: Focus on areas where AfDB can deliver highest economic, social and environmental impacts
- Catalytic: Be a renown leader in Africa & a pulling force for additional investments and partners
- Differentiated: Adopt a differentiated sector and country approach with a variety of intervention tools
- Actionable: Push pragmatism in project identification, pursue concrete opportunities & clear roadmap
- Fact-based: Analyze value chains to identify opportunities and bottlenecks
<table>
<thead>
<tr>
<th>Flagship Programs within Industrialization “High 5’s”</th>
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</thead>
<tbody>
<tr>
<td>1. Supportive policy, legislature and institutions</td>
</tr>
<tr>
<td><strong>Foster successful industrial policies</strong></td>
</tr>
<tr>
<td>Policy Advise and Technical Assistance to governments (regulatory and institutional framework, implementation and monitoring) and funding of key PPP projects</td>
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<tr>
<td>2. Conducive eco. environment and infrastructure</td>
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<tr>
<td><strong>Catalyse funding into infrastructure and industry projects</strong></td>
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<tr>
<td>Increase and channel funding into GDP catalytic programmes (infrastructure and industrialisation projects, by public and private operators)</td>
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<tr>
<td>- Raise own investment</td>
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<tr>
<td>- Foster investment by others (domestic and foreign) as strategic investor or MLA</td>
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<tr>
<td>3. Access to capital</td>
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<tr>
<td><strong>Grow liquid and effective capital markets</strong></td>
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<tr>
<td>Improve access to market finance for African enterprises</td>
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<tr>
<td>- Advise governments, stock exchanges and regulators on development of liquid capital markets</td>
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<tr>
<td>- Invest directly in capital markets to increase liquidity</td>
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<tr>
<td>4. Competitive talents, capabilities and entrepreneurship</td>
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<tr>
<td><strong>Promote and drive enterprise development</strong></td>
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<tr>
<td>Drive enterprise development (large, small and medium businesses)</td>
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<tr>
<td>- Scale-up investment and financing to lend to SMEs</td>
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<td>- Technical Assistance support to strengthen SME-focused entities</td>
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<td>- Establish linkages of SMEs to domestic projects/companies and provide training of a strong talent pool</td>
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<tr>
<td>5. Partnerships</td>
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<tr>
<td><strong>Promote strategic partnerships in Africa</strong></td>
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<tr>
<td>Link up African enterprises and major projects with potential partners and investors, through promotional activities, notably African Investment Forum (AIF)</td>
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<tr>
<td>Facilitation and management of investor relations (e.g. contract negotiations)</td>
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<tr>
<td>6. Access to markets</td>
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<tr>
<td><strong>Develop efficient industry clusters across the continent</strong></td>
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<tr>
<td>Support governments in developing efficient industry clusters across Africa, through Technical Assistance and funding in implementation and monitoring</td>
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</tbody>
</table>
Prioritization: Sectors with highest impact......

15 Addressable Sectors

Prioritization Criteria

Differentiated Approach

- **Agro-Industries**
- **Textile**
- **Gas Beneficiation**
- **Pharmaceuticals**
- **ICT**
- **Consumer Goods**
- **Mining**
- **Hospitality**
- **Building Materials**
- **Retail**
- **Automotive**
- **Machinery & Equipment**
- **Metals**
- **Consumer Durables**
- **Chemicals & Logistics**

- Additionality of AfDB and link with other 'High 5'
- Ability to play and to foster "champions"
  - Starting point / competitive advantage
  - Potential regional champions
- Alignment with public policies currently launched in African countries
- Catalyst impact and ability to trigger the development of other sectors
- Macroeconomic impact
  - Job creation potential
  - Revenue creation potential
  - Sustainability of future trends

**Tier 1** sectors: aggressive business development
- Investigated in detail through dedicated deep dives
- To address in priority

**Tier 2** sectors: proactive monitoring
- Sector analysis (investigated in detail)
- To monitor

**Tier 3** sectors: addressed opportunistically
- Industry snapshot & long list of companies
- To address opportunistically

*COVID-19 Healthcare system Resilience
** Enabler to financial inclusion & 4IR
## Scope of AfDB Intervention: Financing capacity in mature and underserved markets

<table>
<thead>
<tr>
<th>Description</th>
<th>Finance SME’s, MNC’s and regional players on the continent (including underserved countries) through co-financing with other DFIs and commercial banks</th>
</tr>
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<tbody>
<tr>
<td>Team</td>
<td>PITD</td>
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<tr>
<td>Scope and clients</td>
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</tr>
</tbody>
</table>
| Scope        | Served and Underserved markets  
- Finance and de-risk projects |
| MNC’s        | LohërgeHolcm  
OCP  
VEROD  
AFC  
Mağreb Invest  
HELLO’S  
INDCARAM  
INAC  
Asian Infrastructure Finance Corporation  
European Investment Bank  
IFC | Region: players  
Proparco  
CDC  
Banco Universal  
BNP Paribas  
CITIC | Financial structure | Partners: co-financing with DFIs and private banks  
AfDB typical share: Up to 1/3 of total project cost  
Financial instrument: long-term senior debt / Equity  
Maturity: up to [15] years  
Pricing: Risk Assessed |
| Project size | Average project size $70m-$1bn  
Average AfDB share 1/3  
Number of projects per year 5-7 |
| Size and partners |                                                                                                                                           |
| Resources to mobilize | Yearly targets | Direct / Indirect Employment | ✔ |
| Impact to achieve | in line with industrialization and development objectives | Household Benefits | ✔ |
| Governance and Fiscal Effects | ✔ |
| Regional Integration and Economic Resilience | ✔ |
2

Appendices

Select Pipeline
Select Pipeline

**Fertilizer**
Long term relationship with an African champion
Total project cost: USD >1 billion
AfDB role: TBD

**Project description**
- New production line
- Increase fertilizer production capacity

**Potash mine**
Transformative mining project in fragile country
Total project cost: USD >400 million
AfDB role: TBD

**Project description**
- Development of mine and export infrastructure

**Telecommunication satellite**
Support connectivity infrastructure development and transformative project
Total project cost: USD >1 billion
AfDB role: TBD

**Project description**
First low orbit network of connectivity satellites covering Africa

**Support industrial policies**
Technical assistance to African countries to develop and implement sound industrial policies

**Pilot countries**
- Ethiopia
- Senegal
- Morocco
Thank You