Post-TICAD VI Seminar: Implementing the outcomes of TICAD VI

Green and inclusive growth for sustainable industrialization in Africa

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African Development Bank Group
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I. African Development Bank and TICAD VI

AfDB Participation in TICAD VI
AfDB participated in TICAD VI

• AfDB President delivered an opening speech at official plenary of Thematic Session 1.
• President spoke in 6 side events, either keynote speeches, or opening remarks.
• Signed 2 Memorandum of Understandings (MOU) and 2 Letter of Intents (LOI)
AfDB participated in TICAD VI

- AfDB met with influential figures in African politics and economies.
AfDB participated in TICAD VI

- GOJ and AfDB Jointly announced EPSA 3 new commitment
- US$ 1.5 billion each to make US$ 3 billion to support private sector in next 3 years.
- When clean coal technology applies, additional US$ 300 million will be supported by GOJ.
AfDB participated in TICAD VI

- AfDB actively participated in TICAD VI and met with various stakeholders.
- Great opportunity for the Bank and the President to play up the Bank’s new strategy and its strong commitment in the continent’s development.
- Though AfDB is not one of co-organizers of TICAD process, audiences might see how AfDB plays an important role in African development.
- The Bank continues to support and is engaged in TICAD process including through EPSA.
II. Green and inclusive growth for sustainable industrialization in Africa
Ten Year Strategy (2013-2022)

Two objectives to support transformation

Inclusive growth

Gradual transition to green growth

Five core operational priorities

Infrastructure development
Regional integration
Private sector development
Governance & accountability
Skills & technology

Three areas of special emphasis

Fragile states
Agriculture & food security
Gender
High 5s - Scaling up implementation of the Ten Year Strategy

**Light up and power Africa**
Unlock the continent’s energy potential in order to drive much-needed industrialization

**Feed Africa**
Transform agriculture to increase productivity, lower food prices, enhance food security, revive rural areas and create jobs for Africans

**Industrialize Africa**
Lead other partners in the process of industrializing Africa and developing the private sector to create wealth from natural assets

**Integrate Africa**
Address barriers, create regional value chains and leverage complementarities in order to tap the continent’s huge market potential

**Improve the quality of life for the people of Africa**
Develop innovative flagship programs to open up opportunities for youth employment, improve access to basic services and create economic opportunities for the extreme poor
LTS and High 5s are AfDB’s response to SDGs
Objective 2025: Universal Access to Electricity

- +162 GW electricity generated
- + 130 million on-grid connections
- + 75 million off-grid connections

Aspirational goal: to help the continent achieve universal electricity access by 2025 with a strong focus on encouraging clean and renewable energy solutions.

Light Up and Power Africa: “A New Deal on Energy for Africa”

The Bank will invest US $12 billion of its own resources in the energy sector over the next five years.
Objective 2025: Agricultural Transformation

- + 150m people adequately fed
- + 100m people lifted out of poverty
- + 190m hectares with restored productivity

Overall goal of the Feed Africa priority: make Africa a net food exporter by 2025

The Bank Group’s investments in agriculture (both public and private) are envisaged to quadruple from a current annual average of US $612 million to about US $2.4 billion.
Objective 2025: Economic Diversification

- Industrial contribution to GDP increased by 130%
- 35 special economic zones supported
- 30 PPPs developed & strengthened
- The Bank’s ambition: to help double the industrial GDP by 2025, and by so doing help increase its industrial GDP to US $1.72 trillion, with overall GDP increasing to US $5.6 trillion, mainly by giving the private sector the means to effectively drive the industrialization process on the continent.
- Over the next 10 years, the Bank will facilitate cumulative investment of US $56 billion toward implementing the 6 flagship industrialization programs.
Objective 2025: Universal Access to Regional Market

- Building regional infrastructure
- Boosting intra-African trade & investment
- Facilitating movement of people across borders

AfDB Regional Integration Policy and Strategy (2014–2023) acknowledges the opportunities provided by regional integration in boosting infrastructure, trade, industrialisation and movement of people.

- The Bank will (1) develop regional energy markets, railways and highways to link countries’ economic activities; (2) facilitate cross-border investments; (3) eliminate non-tariff trade barriers; (4) harmonise investment and engineering codes, and quality assurance & certification standards; (5) support of changing visa regime (offer visa free or visa on arrival to all Africans), etc.
**Objective 2025: Access to Social & Economic Opportunities**

- Creating 80 million jobs
- Building critical skills
- Improving access to water & sanitation
- Strengthening health systems

Central to this initiative will be an emphasis on job creation, for which the Bank has prepared a Jobs for Youth in Africa (JfYA) strategy. It aims to create **25 million jobs** and impact **50 million youth over the next decade**. JfYA also supports the Bank’s Gender Strategy, supporting skills development and the creation of entrepreneurial opportunities that support gender equality. **50%** of JfYA beneficiaries will be **female youth**.

Bank will continue (1) investing in infrastructure and improving access to basic services such as water and sanitation; (2) promoting an enabling human development policy environment that deliver basic services, particularly in health systems; (3) creating new programs in agriculture, industrialization and ICT that will assess and scale promising solutions to accelerate job creation in Africa.
Power and Light Up Africa

Morocco
ONEE Integrated Wind/Hydro Programme

AfDB financing USD 450 million

Zambia
Itezhi-Tezhi Hydro Project

AfDB financing USD 35 million
Small Scale Irrigation & Agriculture Value Chain Development, Kenya
(Total cost USD 71 million / AfDB USD 40 million)

National Drainage Programme, Egypt
(Total cost EUR 75 million / AfDB EUR 50.2 million)
6 Flagship Programs for Industrialize Africa

1: Development industrial policies,
2: Catalyse funding into industry and infrastructure projects.
3: Grow liquid an effective capital markets,
4: Promote and drive enterprise development
5: Develop effective industry clusters across the continent
6: Promote strategic partnerships in Africa
Integrate Africa

Blaise Diagne Airport - SN

Lekki Port – Nigeria : $1.5B

Dakar Toll Road – SN: $225M
The Rwanda Skills, Employability and Entrepreneurship Project (SEEP)
Sector: Tertiary and higher education

Rwandan government jointly work with Carnegie Melon University to grade up tertiary education and train entrepreneurs.

AfDB invested US $37.5 million from ADF
Nairobi Declaration and AfDB’s H5

• Pillar 1: Promoting structural economic transformation through economic diversification and industrialization
  ⇒ High 5s ((1) Power and Light Up Africa, (2) Industrialize Africa, (3) Feed Africa in terms of agribusiness),

• Pillar 2: Promoting resilient health systems for quality of life
  ⇒ High 5s ((5) Improve the quality of life for the people of Africa and (3) Feed Africa in terms of nutrition),

• Pillar 3: Promoting social stability for shared prosperity
  ⇒ High 5s ((4) Integrate Africa and (3) Feed Africa in terms of environmental issue)
AfDB Investment Trend in 2015 and continue to grow

Bank Group Approvals by Sector in 2015, total US$ 8.8 billion.

- Infrastructure: 49%
- Finance: 21%
- Agriculture and Rural Development: 13%
- Social Sector: 8%
- Multisector: 9%

[NOTE] Infrastructure includes; Water Supply and Sanitation, Energy, Communication, Transport.
The Project

- The Project involves the construction and operation of a 300 MW wind farm near Lake Turkana in the Great Rift Valley, in the north-western part of Kenya. The wind farm will comprise 365 turbines of 850KW capacity each.
- The total project cost is EUR585 million. This will be financed with equity (25%), mezzanine debt (5%) and senior debt (70%). The senior debt will be made up of a DFI tranche arranged by the Bank of EUR309 million and a commercial debt tranche of EUR100 million.

AfDB Role

- Senior/Subordinated lender, MLA, PRG

Key Figures

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<th>Total Project Cost</th>
<th>EUR 585 million</th>
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<td>Debt / Mez/ Equity</td>
<td>25% / 5% / 70%</td>
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<td>AfDB Loan (Approval Basis)</td>
<td>EUR 110 million (Senior)</td>
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<td>AfDB Board Approval</td>
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The Project

- To increase geothermal energy production capacity by 400 MW.
- To provide a reliable, clean and affordable electricity supply to 500,000 households and 300,000 micro-enterprises.
- To accelerate the energy transition of the Kenyan economy through increasing the proportion of geothermal in the national energy mix.
- To reduce the frequency of power outages caused by the volatility of hydroelectric production.

AfDB Role

- ADF
- Additional US$ 8 m for PRG in 2014

Key Figures

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<td>Kenya Government 245m</td>
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AfDB Loan (ADF) | USD 125 million
AfDB Board Approval | 2011
External Representation Office for Asia
AfDB’s First External Office outside Africa

Established in October, 2012

Mission of the ASRO

1. External Partnership and Dialogue
2. Knowledge Dissemination and Exchange
3. Business and Investment Promotion

Head: Tadashi YOKOYAMA
### Economies

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* The rankings of economies with populations over 100 million as of 2013 (China, India, Indonesia and Japan) are based on data for 2 cities.


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- Documentation for Debt Programs
- Rating Agency Reports
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- Annual Report

African Development Bank

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