



AFRICAN DEVELOPMENT BANK

Project Preparation Financing Instruments

SADC Industrialization Week
Infrastructure Session
1 August, 2017



OUTLINE OF THE PRESENTATION

- I. The Bank's Strategic Priorities
- II. ADF Project Prep Facility
- III. AfDB Trust Fund Resources
- IV. Multi Donor Thematic Trust Funds
- V. NEPAD-IPPF
- VI. Sustainable Energy Fund for Africa (SEFA)

1. THE BANK'S HIGH 5S

STRATEGIC FRAMEWORK

UN Sustainable Development Goals (SDGs)



AfDB Ten Year Strategy 2013-2022

Operational priorities



Areas of special emphasis



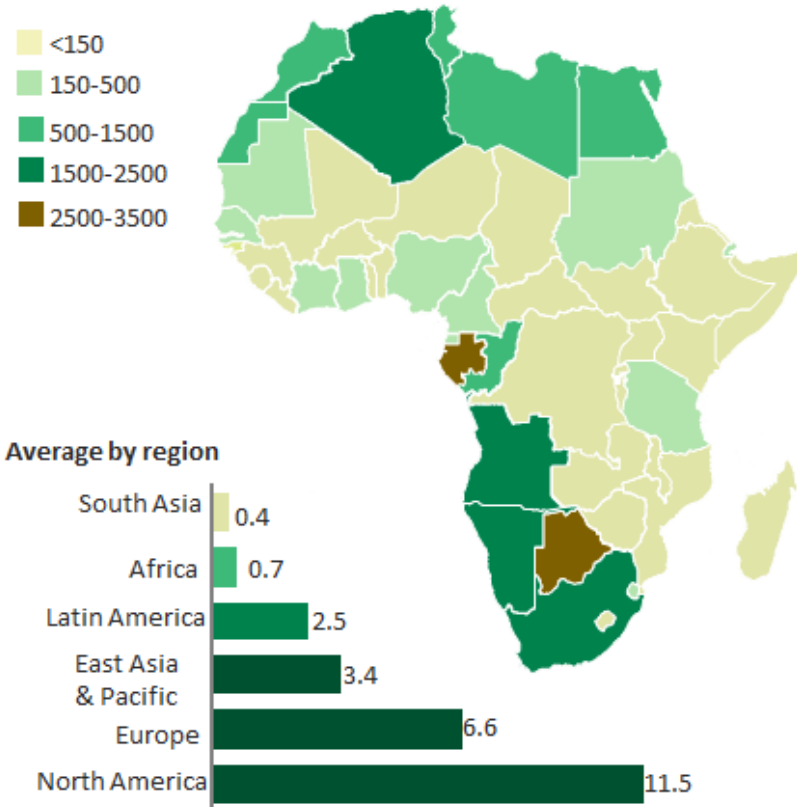
AfDB 'High 5' priority areas



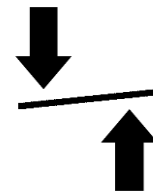
INDUSTRIALIZE AFRICA

Per capita industrial GDP remains below 1500 USD in ~45 African countries, lower than in most other regions

Industrial GDP per capita, USD, 2014



Share of the global manufactured added value



<1.5%

Share of processed products in exports



<30%

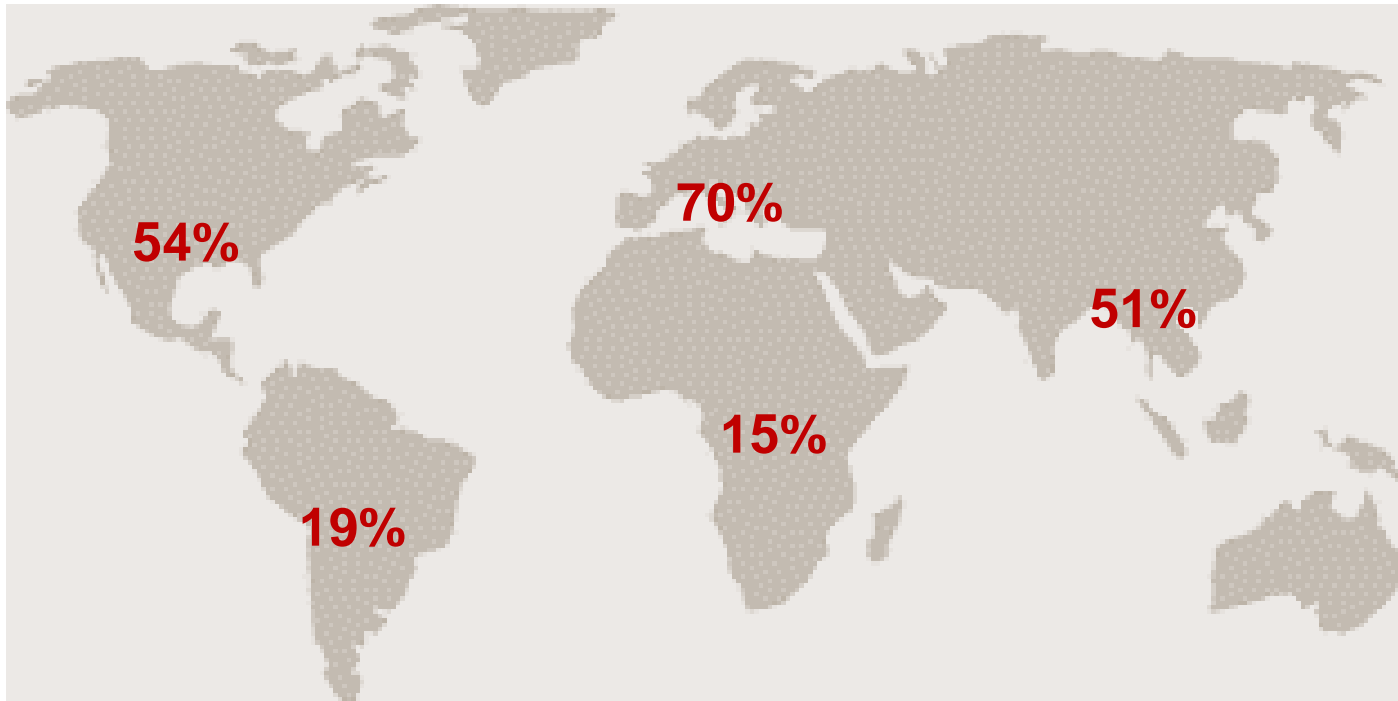


Targets for 2025

- Industrial contribution to GDP increased by 130%
- 35 special economic zones supported
- 30 PPPs developed & strengthened

INTEGRATE AFRICA

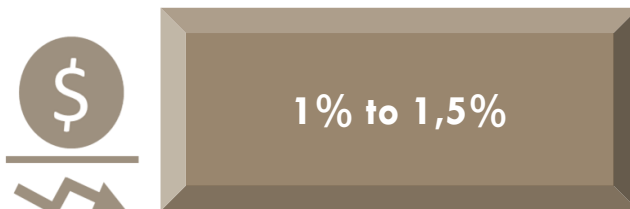
Limited intra-African trade



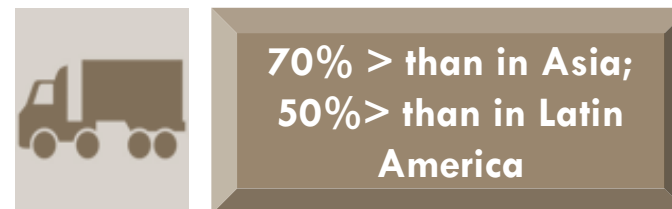
Targets for 2025

- Intra-African trade representing **52%** of total trade
- **US \$172 billion** saved in transportation cost
- **No visa** requirements for Africans travelling across Africa

Annual cost for the economy (%GDP)



Transportation cost



II. ADF PROJECT PREP FACILITY

ADF PROJECT PREP FACILITY

- One-off contribution of UA 19.2M from the ADF-VIII;
- Enhance quality at entry of projects and programmes by supporting the preparatory phase;
- The PPF provides reimbursable advances up to UA 1,000,000 on “**first come first served**” basis;

ACTIVITIES FINANCED BY THE ADF PROJECT PREP FACILITY

- Feasibility studies and detailed designs, including technical studies;
- Environmental impact assessments, gender studies and studies on cross-cutting issues;
- Pre-contract services including revision of designs and tender documents;
- Purchase of goods necessary to study and carry out other activities related to the preparation of viable projects;
- Institutional support, capacity development and human resource development during the preparatory phase;
- Climate proofing of projects, including resilience to climate change;
- Financial & legal structuring of Public-Private Partnerships (PPPs);
- Other related project preparation works and activities

ADF PROJECT PREP FACILITY – REQUEST MANAGEMENT

Eligibility	Countries in categories A (ADF resources only) and B (ADF and ADB resources, blend countries) in conformity with the Bank's credit policy.
Proposals Submission	Requests shall originate from the national Government. Multinational projects requests can emanate from the Government(s) or from Regional Economic Community (REC). Private sector proposal shall be endorsed by Government.
Review Process	Sector department evaluates the request in close collaboration with the relevant Field Office/Regional Department, and within two months submits the PPF proposal to the country or regional team for discussion and clearance (format).
Approval Process	Following adoption of the country team the Regional Director informs Resource Mobilisation Department of the approval who liaise with Legal Department for preparation of Letter of Agreement.

III. AFDB TRUST FUND RESOURCES

AFDB TRUST FUND RESOURCES

- **The Bank mobilizes additional resources to support development operations in Africa through:**
 - Special Funds: funds entrusted to or established by the Bank for specific purposes under Article 8 of the Agreement establishing the Bank, and approved exclusively by the Board of Governors.
 - Technical Cooperation Trust Funds (TF): bilateral or multi-donor/ thematic grant financing arrangements established with contributions entrusted to the Bank for a specific purpose or theme.
 - Other: Co-financing of projects & in-kind resources (TA, Long term experts).

OVERVIEW OF TRUST FUND MANAGEMENT

- The Bank currently manages 40 Funds with a total amount of approx. UA 974 million.
- There has been a shift from Bilateral Trust Funds (BTFs) to Thematic Trust Funds (TTFs): 77% of resources mobilized are channeled to TTFs and 14 % to BTFs.
- Others and special funds account for 9% of resources.
- As at March 2017, UA 845 million or 85% had been committed and UA 129 million was available for commitment.
- TF resources have been key in improving the Bank's upstream analytical work and helping prepare bankable projects.

IV. MULTI-DONOR THEMATIC TRUST FUNDS

MULTI-DONOR THEMATIC TRUST FUNDS

N°	Trust Fund	Managed By	Pledge in Uam	Available in UAm	Sectors	
1	Africa Legal Support Facility (ALSF)	ALSF	25,88	-	• Legal Support	
2	Africa Trade Fund (AfTRA)	RDRI	8,16	2,34	• Trade • Economic Growth • Regional Integration • Infrastructure (water and energy)	
3	African Community Practice (AfCOP)	SNDR	4,62	0,02	• Regional Integration • Capacity building • Technical assistance	
4	African Water Facility (AWF)	AHWS	134,39	10,35	• Water Sector	
5	Agriculture Fast Track Fund (AFT)	AHAI	14,81	10,52	• Agricultural infrastructure • Health	
6	Congo Basin Forest Fund (CBFF)	AHAI	100,23	13,79	• Environment • poverty reduction • sustainable forest management	
7	Fund for African Private Sector Assistance (FAPA)	FIST	44,65	17,85	• Private Sector Development	
8	Global Strategy to Improve Agriculture & Rural Statistics	ECST	3,97	0,01	• Agricultural statistics	
9	Governance Trust Funds (GTF)	FIRM/ECGF	4,65	-	• Governance	
10	Infrastructure Consortium for Africa (ICA)	ICA	3,62	0,70	• Help improve the lives and economic well-being of Africa's people through encouraging Supporting and promoting increased investment in infrastructure in Africa, from both public and private sources.	
11	Making Finance Work for Africa (MFW4A)	PIFD	4,50	0,01	• Financial sector development ranging from access to finance to Capital Markets.	
12	Microfinance Capacity Building Fund (MCBTF)	AHHD	4,53	2,86	• Microfinance	
13	Migration and Development Initiative Fund	PIFD	6,48	3,65	• Migration and Development	
14	Multi-donor Water Partnership Programme (MDWPP)	AHWS	4,73	0,17	• Water Sector	
15	NEPAD Infrastructure Project Preparation Facility Fund (NEPAD-IPPF)	RDRI	48,71	2,45	• ICT • Transport • Energy • Water and Sanitation	
16	Rural Water Supply and Sanitation Initiative Grants (RWSSI)	AHWS	133,07	6,48	• Water Sector	
17	South - South Cooperation Trust Fund (SSCTF)	FIRM	3,91	0,67	• Agriculture and Agribusiness • Private Sector Development • Clean Energy	
18	Special Fund for Reconstruction and Development for the Great Lakes Region (SFRD)	RDRI	3,02	0,39	• Security • economic development • regional integration	
19	Sustainable Energy Fund For Africa (SEFA)	PERN	63,22	15,37	• Renewable Energy • Energy Efficiency	
20	Trust Fund for Countries Transition (TFT)	DFID	RDGN	6,02	-	• Finance • Governance • Trade
21	Value for Money Sustainability & Accountability in Social Sectors (VfM)	AHHD	0,47	0,45	• Health • Education • Social protection	
22		RDGS/COZW	95,48	4,19	• Infrastructure investments in water & sanitation • Energy	
23	MENA Trust Fund	RDGN	14,71	-	• Finance • Trade • Governance	
24	Clim-dev Fund	AHAI	34,48	5,25	• Climate change	
25	Africa Climate Change Fund (ACCF)	PECG	5,59	1,55	• Climate finance readiness • Climate change • Green growth mainstreaming	
	Total		773,92	99,07		

V. THE NEPAD INFRASTRUCTURE PROJECT PREPARATION FACILITY (IPPF)





NEPAD-IPPF
INFRASTRUCTURE
PROJECT PREPARATION
FACILITY

NEPAD-IPPF CORE AREAS OF SUPPORT

**Grants to African Countries,
RECs, Power Pools, RBOs,
Corridor Agencies, Others**

**Full Feasibility Studies,
Engineering & Technical
Designs**

**Environnemental & Social
Impact Assessment Studies
(ESIA)**

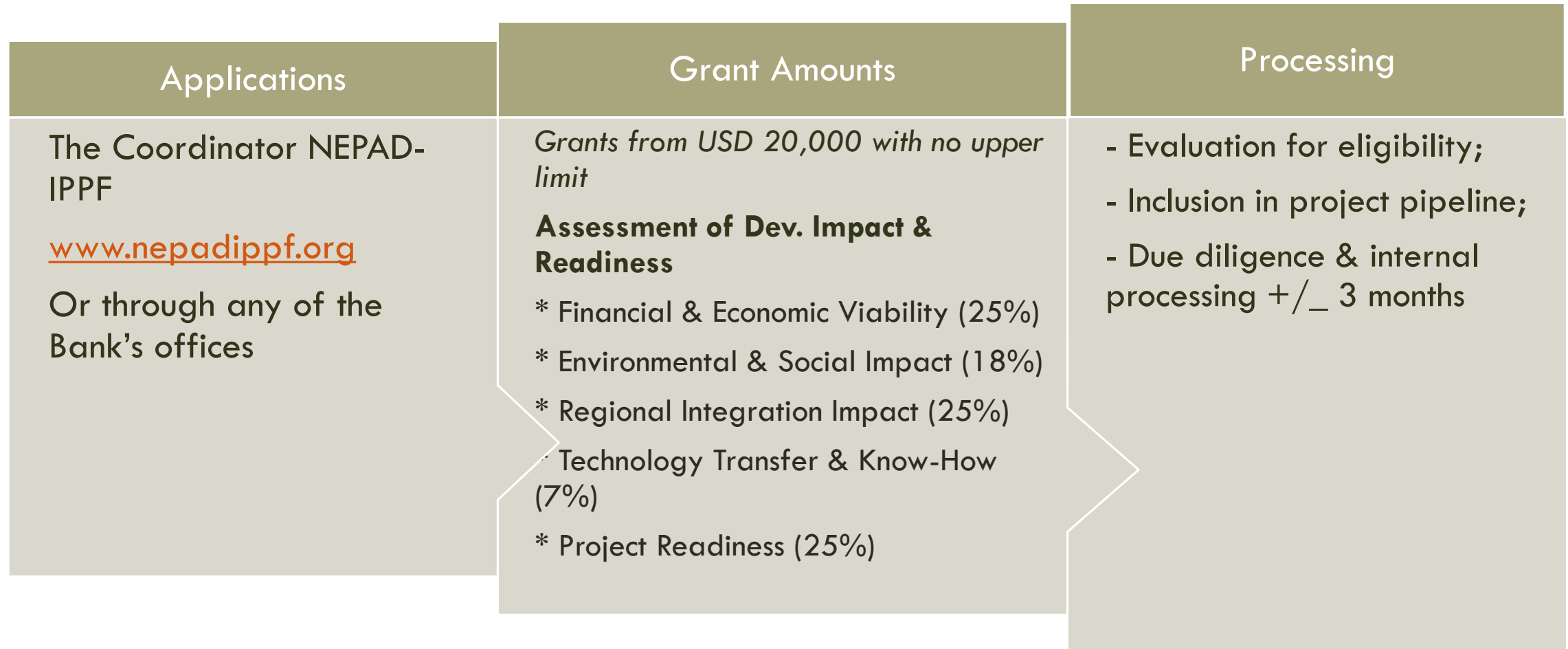
**Preparation of Tender &
Bidding Documents**

**Transaction Advisory Support
especially for PPP Type
Projects**

**Financing Plans and Financing
Linkages**

Complex Projects - Regional - PIDA & RIMP – Partnership

NEPAD-IPPF MORE INFORMATION

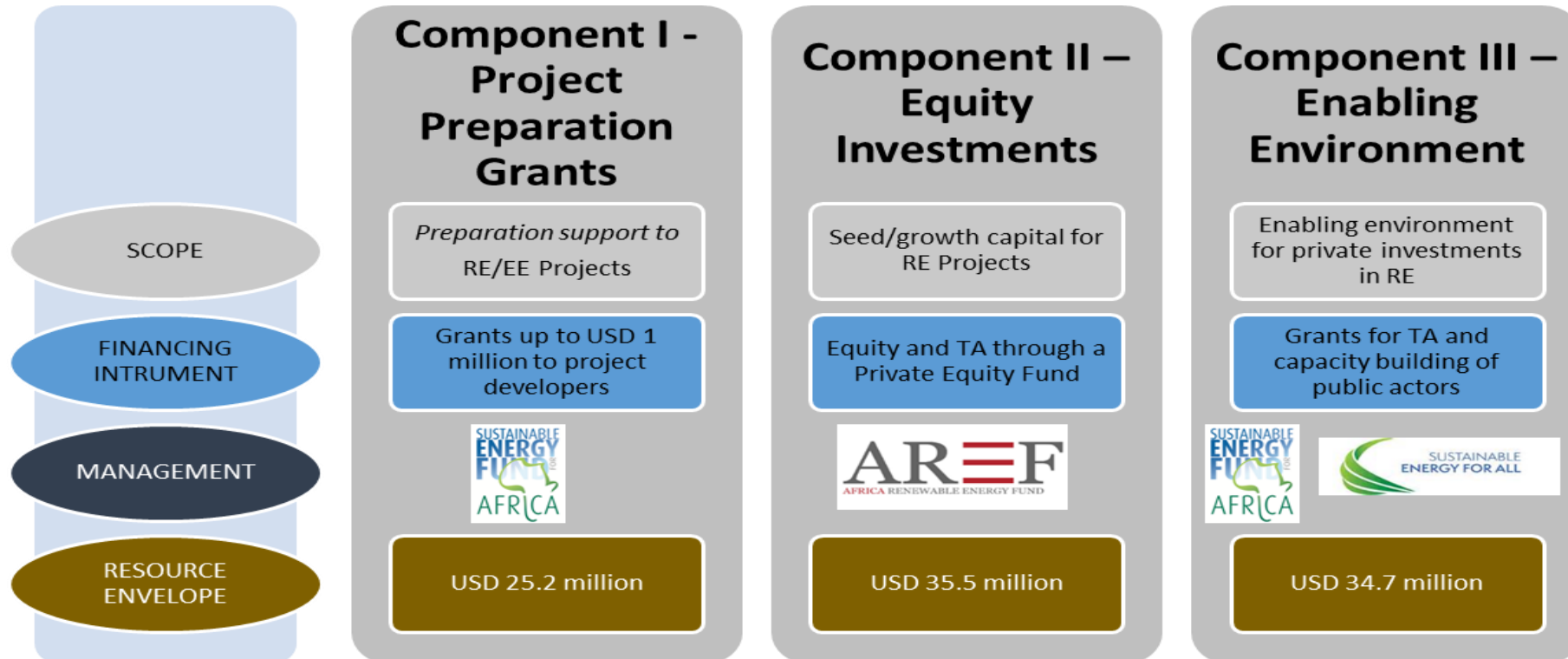




VI. THE SUSTAINABLE ENERGY FUND FOR AFRICA (SEFA)

ABOUT SEFA

- SEFA is designed to scale-up AfDB's involvement in small and medium sized private-sector driven RE/EE projects, as a means of stimulating economic growth and job creation.



SEFA PROJECT PREP WINDOW

PROJECT PREPARATION

*(small/medium sized
clean energy projects)*

Geography – RMC of AfDB / low-income countries focus (ADF)

Project Size – CAPEX of USD 30 million to 200 million

Funding Limit – Grants of up to USD 1 million

Beneficiaries – Private enterprises, Public Private Partnerships

**Eligible Activities – Feasibility Studies, ESIA studies, Engineering studies,
Transaction Advisors**

IN CONCLUSION

- **Multiple number** of project prep facilities within the Bank, some sector focused whilst others have a thematic focus
- **Applicants should go through Bank Country or Regional Offices** who would then assign a Task Manager for further investigation and development of project
- What is key is to ensure the **project being proposed aligns** with both the country priorities and the Bank's areas of strategic focus – **High 5s**

THANKS FOR YOUR ATTENTION

Mtchera Johannes Chirwa
Chief Infrastructure & PPP Specialist
Regional Operations Southern Africa
Pretoria, South Africa
Tel: +27 12 003 6900
Email: m.chirwa@afdb.org