

# Resourcing

the African Development Bank  
for accelerated performance  
and effective delivery:

Eastern Africa Regional  
Perspective



AFRICAN DEVELOPMENT BANK GROUP

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



**Good macro-economic performance**  
and openness to private sector investment

Mix of countries

**10** low income  
**2** middle income  
**1** high income

**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

**340 million**

inhabitants, accounts for 16% of Africa's nominal GDP

**Uneven progress**

on SDGs, high youth unemployment, and inadequate infrastructure investments

**Leveraging effects**

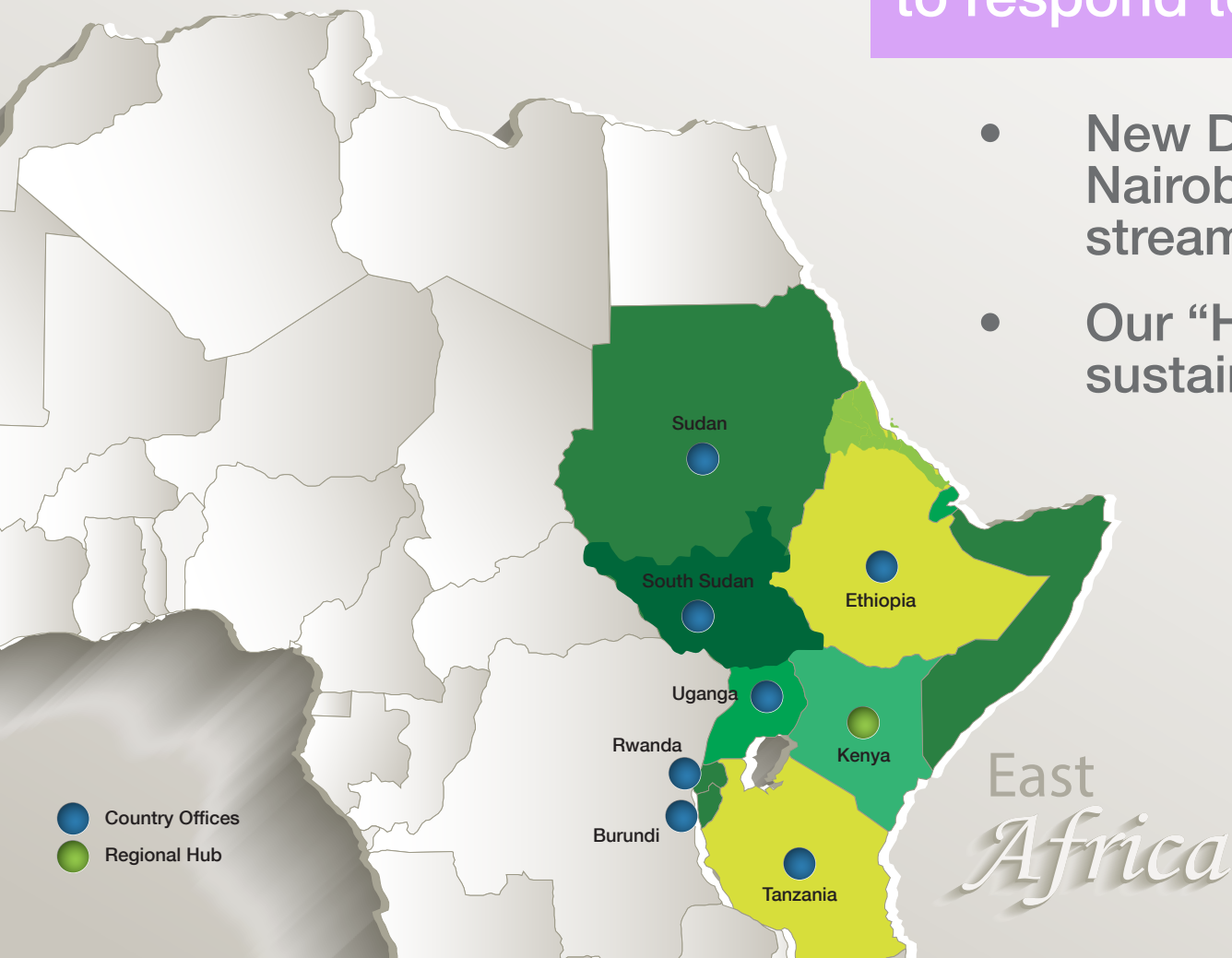
Eastern African countries have leveraged an average of 11 times their contributions to the Bank's General Capital Increase

# Eastern Africa – A Region of Diversity and Promise

ADB, Supporting You to Consolidate the Present and Shape the Future

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

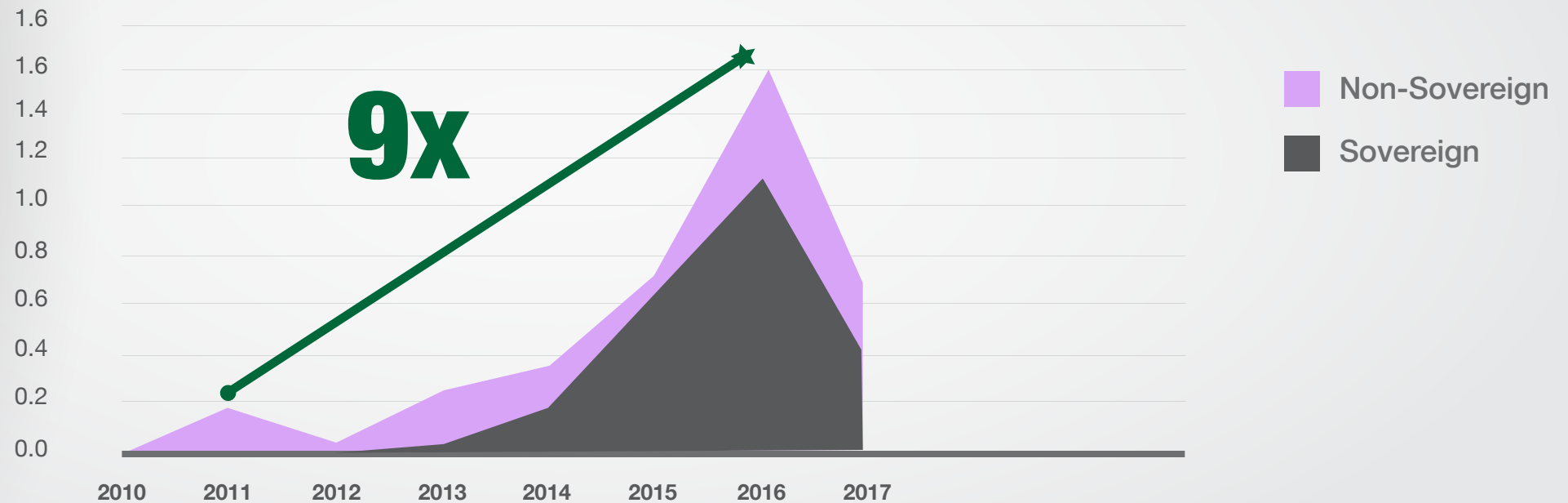
# Eastern Africa – Responding to the Challenges

Since the GCI VI, the Bank has stepped up its support



Speeding up ...

US\$ 3.85 bn investment in Eastern Africa (2010-2017)



# African Development Bank's Group's Interventions in East Africa

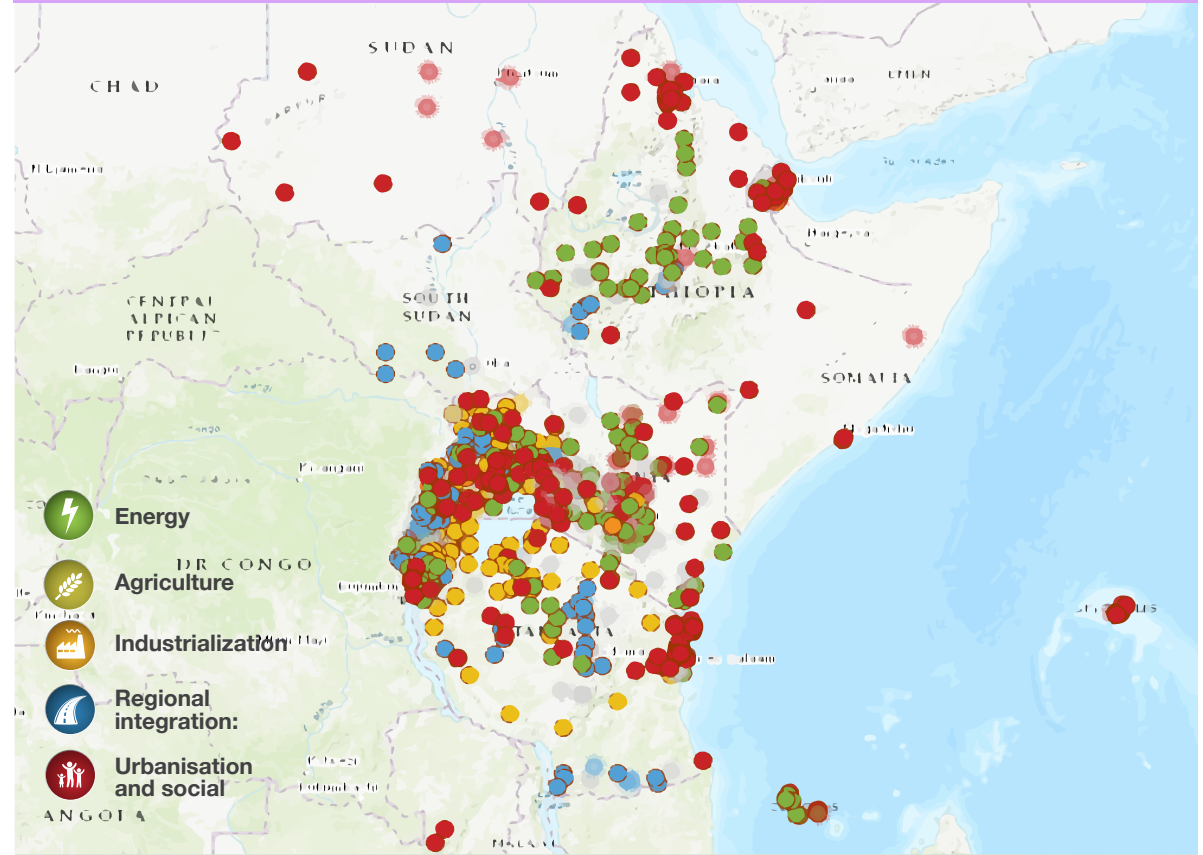
## Transforming Lives & Impacting on Your Countries



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



### The High 5s are transforming Eastern Africa



# Eastern Africa – Responding to the Challenges

Since the GCI VI, the Bank has stepped up its support

The Bank has made its products more responsive to the growing needs of its clients...

## Credit policy

Eastern Africa ADF-only countries have accessed a total of US\$ 1.4 bn since 2014

## Innovative instruments for private sector

- Increased support to private sector
- Private Sector Credit Enhancement Facility

## Allocation of income to ADF countries

- 90% of allocable income directed to ADF countries across Africa since 2011



# Eastern Africa – Transformative Projects Are Changing Lives

have access to electricity, for the first time, thanks to:

Increased incomes, productivity, and alternative livelihoods

will be created through support to industry in:

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

Given access to clean water, and financial services



1.9 million people

have access to electricity, for the first time, thanks to:



Kenya

Last Mile Connectivity Project



Uganda

Rural Electrification Access Project



Creating values

through agricultural transformation, greater productivity for farmers and ensuring food security



Sudan

Kejana Sugar Project



Kenya

Small Scale Irrigation & Agriculture Value Chain



Uganda

Farm Income Enhancement & Forest Conservation (FIEFOC2)



Promoting industrialisation

especially in the agricultural sector. Improving exports and balance of payments. Creating jobs which improves the lives of your people.



Ethiopia

Derba Midroc Cement Plant



Tanzania

Dar Es Salaam Rapid Bus Transit Infrastructure



Regional integration

of people, goods, and services.



Kenya

JKIA Runway Expansion



Djibouti

Doraleh Container Terminal



Ethiopia

Ethiopian Airlines



Seychelles

Eastern Africa Submarine Cable System



1.2 million

Given access to clean water, and financial services



Seychelles

Mahé Sustainable Water Augmentation



Rwanda

Kigali Bulk Water Supply

# 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



# 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

## Kampala-Jinja Corridor

- 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**

# Eastern Africa – Accelerating Delivery



**US\$ 1.2 billion**

- Access to energy for all
- Energy security
- Renewable energy



**US\$ 1 billion**

- Food security
- Agricultural technologies
- Agroindustry parks



**US\$ 1.3 billion**

- Economic diversification



**US\$ 1.5 billion**

- Building and upgrading major trade transport routes
- Building ports to facilitate transfer of goods



**US\$ 1.1 billion**

- Improve water and sanitation countries' cities
- Reinforce human capacities
- Youth employment

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

**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

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

- Strengthen infrastructure
- Promote intra-regional trade and investment
- Facilitate movement of goods and persons

- 25 million jobs
- Enhance skills
- Widen access to water and sanitation
- Strengthen health systems





**Thank you.**  
**Merci beaucoup.**  
**Asanteni sana.**  
**Shukran jazira.**  
**Amesegnalehu.**  
**Yakenele.**  
**Mahadsanid.**



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