African Development Bank and African Economic Outlook
AfDB and its Mission

Founded: 1964
Headquarters: Abidjan, Côte d’Ivoire
Temporary Headquarters: Tunis (2003-2014)

President Akinwumi Adesina, formerly Nigeria’s Minister of Agriculture and Rural Development,

Mission: Contribute to the economic and social progress of the regional member countries

The African Development Bank (AfDB) is one of Multilateral Development Banks (MDBs). As the World Bank and the Asian Development Bank do, the AfDB’s capital was invested by member governments and raises money from capital market. The AfDB lends money mostly to African governments, but is also able to support private projects.
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>AfDB founded (Membership was initially limited to African countries for the purpose of encouraging African people to make independent efforts for economic development in the region.)</td>
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<tr>
<td>1972</td>
<td>AfDF founded (by AfDB and 13 non-regional member countries)</td>
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<tr>
<td>2003-2014.8</td>
<td>Moved the Temporary Headquarters to Tunis</td>
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<tr>
<td>2014.9</td>
<td>The Headquarters returned to Abidjan, Côte d’Ivoire</td>
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</table>

**CCIA Building in Abidjan**
80 member countries in total:

54 African countries (regional members)

26 non-African countries (non-regional members) *UAE is only a member of ADF
Member Countries in Asia

China
(ADF 1985)
(ADB 1985)

South Korea
(ADF 1980)
(ADB 1982)

Japan
(ADF 1973)
(ADB 1982)

India
(ADF 1982)
(ADB 1983)
### Shareholding as of 31/December/2017

#### General Capital Increases (in USD million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Shareholding</th>
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<tbody>
<tr>
<td>GCI-I 1976</td>
<td>200</td>
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<tr>
<td>GCI-II 1979</td>
<td>541</td>
</tr>
<tr>
<td>GCI-III 1981</td>
<td>1,588</td>
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<tr>
<td>GCI-IV 1987</td>
<td>15,381</td>
</tr>
<tr>
<td>GCI-V 1998</td>
<td>8,075</td>
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<tr>
<td>GCI-VI 2010</td>
<td>62,291</td>
</tr>
</tbody>
</table>

#### African members: 60%
Non-African members: 40%

#### G-7 Shareholding: 28%

### Americas
- **U.S.A.**: 6.623%
- **Canada**: 3.876%
- **Brazil**: 0.332%
- **Argentina**: 0.090%

### Africa
- **Nigeria**: 9.332%
- **Egypt**: 5.622%
- **South Africa**: 5.055%
- **Algeria**: 4.243%
- **Côte d'Ivoire**: 3.738%
- **Morocco**: 3.608%
- **Libya**: 2.652%
- **Ghana**: 2.140%
- **Zimbabwe**: 1.965%
- **Kenya**: 1.440%
- **Ethiopia**: 1.580%
- **Tunisia**: 1.406%
- **D.R.Congo**: 1.293%
- **Angola**: 1.168%
- **Cameroon**: 1.082%
- **Botswana**: 1.077%
- **Senegal**: 1.047%
- **Gabon**: 0.997%
- **Tanzania**: 0.762%
- **Mauritius**: 0.653%
- **Madagascar**: 0.649%
- **Mozambique**: 0.622%
- **Congo**: 0.454%
- **Uganda**: 0.450%
- **Mali**: 0.433%

#### Europe
- **Germany**: 4.157%
- **France**: 3.773%
- **Italy**: 2.438%
- **U.K.**: 1.774%
- **Sweden**: 1.578%
- **Switzerland**: 1.473%
- **Denmark**: 1.182%
- **Norway**: 1.181%
- **Spain**: 1.070%
- **Netherlands**: 0.879%
- **Belgium**: 0.642%
- **Finland**: 0.491%
- **Austria**: 0.449%
- **Portugal**: 0.240%
- **Luxembourg**: 0.202%

#### Middle-East
- **Kuwait**: 0.451%
- **Turkey**: 0.359%
- **Saudi Arabia**: 0.194%

#### Asia
- **Japan**: 5.518%
- **China**: 1.183%
- **Korea**: 0.483%
- **India**: 0.258%
AfDB • ADF and NTF – 3 windows

The AfDB Group: three constituent institutions, separate legally and financially, with a common goal...

African Development Bank (“AfDB”)
- Established in 1964
- 80 member countries
- Authorized capital: USD 95 billion
- Resources raised from capital markets
- 0% risk-weighting under Basel II
- Level 1 under Basel III

African Development Fund (“ADF”)
- Concessional financing, established in 1972
- Financed by 27 State participants and 4 regional donors
- Subscription: USD 42 billion
- Focus on low-income countries
- Replenished every 3 years

Nigeria Trust Fund (“NTF”)
- Established in 1976 by Nigeria
- Targeted at the Bank’s needier countries
- Maturing in 2018
- Total resources: USD 242 million

Governance and Oversight

Board of Governors
- Highest decision-making body
- Composed of Ministers of Finance and Ministers of Cooperation of the Bank’s member countries

Board of Directors
- 20 Executive Directors elected by the Board of Governors
- Oversees the general operations of the Bank

Decisions by both Boards require two-thirds majority or 70%, should any member request so

...focused on combating poverty, and improving living conditions on the continent
Addressing Diverse Needs of African Countries

**ADF Concessional Financing**
27 low-income countries are eligible to receive loans and grants from ADF only

**AfDB Sovereign Operations**
17 middle-income countries eligible to receive AfDB funding
- Criteria:
  - GNI per capita
  - Country's creditworthiness

**Access to AfDB and ADF financing**
10 countries eligible
- 4 Blend countries (Cameroon, Kenya, Senegal and Zambia)
- 6 Countries have been granted access to AfDB through the revised credit policy in 2014 (Benin, Burkina Faso, Cote d’Ivoire, Rwanda, Tanzania and Uganda)

**Additionality and development outcome assessment – core indicators**
- Job creation
- Government revenues
- Financial return
- Foreign currency earnings

**Private Sector Operations**
Viable enterprises and multinational projects with an additionality and development outcome
- Direct loans
- Lines of credits
- Equity participation
- Guarantees

**Enclave Finance**
Self-sustaining, export-oriented projects, located in ADF countries

Providing selective access to Bank resources for countries with sound macroeconomic position and sustainable debt profile
Investment and Loans by AfDB Group

Enhancing operations as Africa’s preferred financial partners

Loans, grants, equity investment, emergency operation, Heavily Indebted Poor Countries (HIPC) Initiative, debt relief, refinancing, guarantee, credit lines for post-conflict countries
AfDB Investment Trend in 2017

ADB USD6.37 billion
- Industry, mining, and quarrying: 3%
- Agriculture and rural development: 12%
- Social (Education, Health, etc): 5%
- Infrastructure (Water & sanitation, energy, transport, etc): 36%
- Finance: 22%
- Multisector: 22%

ADF USD1.36 billion
- Industry, mining, and quarrying: 0%
- Agriculture and rural development: 21%
- Multisector: 11%
- Social (Education, Health, etc): 6%
- Infrastructure (Water & sanitation, energy, transport, etc): 60%
- Finance: 2%
AfDB’s Field Presence/ Representation Office

Strong presence in 41 countries, expanded to fragile states

- 39% of Bank staff working in field offices
- 76% of projects managed from those field offices

Asia External Representation in Tokyo

Officially opened on 15 October, 2012

In order to promote partnerships with Asian members (Japan, China, South Korea and India), etc.
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
High 5s – A compelling opportunity to accelerate Africa’s transformation

If the Sustainable Development Goals (SDGs) are not met in Africa, they will not be met globally

Priority areas

- Light up and Power Africa
- Feed Africa
- Industrialize Africa
- Integrate Africa
- Improve the quality of life for the people of Africa

The High 5s will help Africa achieve close to 90% of the United Nation’s SDGs and are intrinsically linked to the African Union’s Agenda 2063

Delivering on the Bank's Ten Year Strategy to achieve inclusive growth and help Africa gradually transition to green growth
## New Direction of AfDB Investment

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Benefits</th>
<th>Bank Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power and Light Up Africa</strong></td>
<td>+162 GW electricity generated&lt;br&gt;+ 130 million on-grid connections&lt;br&gt;+ 75 million off-grid connections</td>
<td>The Bank will invest US $12 billion in next 5 years.</td>
</tr>
<tr>
<td><strong>Feed Africa</strong></td>
<td>+ 150m people adequately fed&lt;br&gt;+ 100m people lifted out of poverty&lt;br&gt;+ 190m hectares with restored productivity</td>
<td>The Bank will invest US $2.4 billion average per year.</td>
</tr>
</tbody>
</table>
| **Industrialize Africa**                        | + Industrial contribution to GDP increased by 130%
+ 35 special economic zones supported
+ 30 PPPs developed & strengthened               | The Bank will facilitate US $56 billion in 10ys for 6 flagship projects.       |
| **Integrate Africa**                            | + Building regional infrastructure<br>+ Boosting intra-African trade & investment<br>+ Facilitating movement of people across borders | The Bank will promote PPPs in infrastructure development.                        |
| **Improve the Quality of the Life of People of Africa** | + Creating 80 million jobs in next 10 years<br>+ Building critical skills<br>+ Improving access to water & sanitation<br>+ Strengthening health systems |                                                                              |
Morocco
ONEE Integrated Wind/Hydro Programme

AfDB financing USD 450 million

- Three wind farms of **100-300MW** capacity and **two hydro facilities** to supply base-load power
- Annual **GHG reductions of 3.3 MT CO2e** per year
- **4000 jobs** during construction and **350 permanent jobs**
- 86,000 new rural household connections

Zambia Itezhi-Tezhi HydroProject

AfDB financing **USD 35 million**
- Installed capacity of **120 MW**
- Annual **GHG reductions of 0.56 MT CO2e** per year
- Creation of **820 jobs**
- Mitigating the severe energy generation deficit of the Zambian electricity network while reducing dependency on coal powered plants
Feed Africa

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
Increased momentum of African economies

Resilience in the face of difficult global environment

- Improvements in agricultural production
- Sustained domestic demand partly met by import substitution
- Recovery in commodity prices, particularly oil and metals
- Better macroeconomic management
- Improved global economic conditions
- Sensible policy frameworks
- Slow changes in structure of production
- Commodity prices recovering but still below super-cycle levels
- Tightening of global financial conditions constraining global liquidity
- Political risks on the horizon
- Increase in protectionism

Jobless growth remains a concern

Real output is up

But challenges remain

Double-digit growth needed to achieve most SDG targets

GDP Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Africa</th>
<th>Euro Zone</th>
<th>Emerging and developing Asia</th>
<th>Latin America and the Caribbean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.8%</td>
<td>2.9%</td>
<td>2.6%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2011</td>
<td>6.5%</td>
<td>3.7%</td>
<td>3.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2012</td>
<td>7.3%</td>
<td>2.6%</td>
<td>3.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2013</td>
<td>3.6%</td>
<td>2.3%</td>
<td>3.4%</td>
<td>2.3%</td>
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<tr>
<td>2014</td>
<td>3.7%</td>
<td>2.3%</td>
<td>3.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2015</td>
<td>3.4%</td>
<td>2.3%</td>
<td>3.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2016</td>
<td>2.3%</td>
<td>2.3%</td>
<td>3.4%</td>
<td>2.3%</td>
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<tr>
<td>2017</td>
<td>3.7%</td>
<td>2.3%</td>
<td>3.4%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
A promising growth outlook across the continent

**East Africa**
- Leading the way
- Best performing region, led by Ethiopia, Djibouti, Rwanda, Uganda and Kenya, fueled by agriculture and industry sectors
- Encouraging projections for 2018 and 2019

**North Africa**
- The second best performer
- Egypt, Libya, Morocco and Algeria contributed substantially to regional growth, driven by economic and fiscal reforms
- Positive outlook for 2018 and 2019

**West Africa**
- Progress in a contrasting panorama
- Performance dependent on commodities, hence vulnerable to price changes
- Growth acceleration expected in 2018 and 2019 as Nigeria consolidate gains, and Cote d’Ivoire, Ghana and Senegal contribute to regional growth expansion

**Southern Africa**
- Growth below potential
- Botswana, Madagascar, Mozambique and Zambia lead growth, but South Africa, the region’s economic powerhouse, performed below potential: services and industry sector’s contribution increased, agriculture contracted due to drought
- Projections for 2018 and 2019: higher growth rates required for poverty reduction

**Central Africa**
- A modest performance
- Underperformance as output contracted sharply in Republic of Congo and Equatorial Guinea
- Resilient regional economies to pave the way to improvement in 2018 and 2019

Most economies operating below full growth potential
Positive economic trends, deep-seated issues

Fiscal deficits, including grants, narrowed

Current account positions leave some countries too exposed

Sharp increase in inflation fueled by depreciation in exchange rates and previous widening of fiscal deficits

Debt-distress risk low or moderate for 60% of African economies

But external debt ratio needs to be monitored carefully
<table>
<thead>
<tr>
<th>Economies</th>
<th>Ease of doing business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td></td>
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<tr>
<td>Singapore</td>
<td>2</td>
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<td>South Korea</td>
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<td>Hong Kong</td>
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<td>Taiwan</td>
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<td>Malaysia</td>
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<td>Mauritius</td>
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<td>Thailand</td>
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<td>Japan</td>
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<td>Rwanda</td>
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<td>Mongolia</td>
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<td>Vietnam</td>
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<td>Morocco</td>
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<td>Seychelles</td>
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<tr>
<td>India</td>
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<td>Cabo Verde</td>
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<td>Africa</td>
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<td>Côte d’Ivoire</td>
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<td>Benin</td>
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<td>Gabon</td>
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<td>Sao Tome and Principe</td>
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<td>Sudan</td>
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<td>Myanmar</td>
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Asia External Representation
AfDB’s First External Office outside Africa

Established in October, 2012

Mission of the SNAR

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

Head: Tadashi YOKOYAMA
For more details, please visit our websites

- Financial and Operational Analysis
- Documentation for Debt Programs
- Rating Agency Reports
- Financial Products for Borrowers
- Annual Report

African Development Bank

- www.afdb.org/en (EN)
- www.afdb.org/fr (FR)
- www.afdb-org.jp (JP)
- www.facebook.com/AfDBGroup

Asia External Representation

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