African Development Bank
Green & Social Bond Newsletter

Issue 06|March 2020

Africa holds the key to success of the SDGs

In recent years, Africa has undergone myriad changes both economically and demographically. The continent is witnessing sustained economic growth and millions have been lifted out of poverty; however, the population is rising rapidly and is estimated to double to 2.5 billion by 2050; at the same time, the continent is already suffering from the crippling effects of climate change – including higher frequency and intensity of extreme weather events, stress on water resources and reduced crop productivity.

Economic growth in many countries has, unfortunately, not been at a pace to yield results that would meet the demands of the growing population on the continent; most of Africa still has inadequate (or nonexistent) basic infrastructure, which hinders the fight against climate change, threatening to reverse any progress made. This is evident as large parts of the population still live below the poverty line[1]. Not enough jobs are being created for the growing number of youth, who are soon expected to be the world's largest and youngest population, and millions still live without access to electricity, water and sanitation. The poorest African countries, especially those in fragile situations, are most vulnerable to climate change, amplifying water insecurity, exacerbating food insecurity, displacing people and threatening livelihoods, forcing these countries to continue to overspend their limited national budgets on climate disaster management.

The Bank has taken several initiatives to ensure that economic and social progress on the continent is accelerated and sustainable. The Bank's recent General Capital Increase of 125%[2] should lead to a notable growth in operations, thereby supporting the fulfillment of its developmental mandate of lifting the continent out of poverty. This will boost the Bank's efforts to increase its ESG profile on the continent. The Bank plans to increase climate finance mobilized to $25 billion by 2025, providing $3 billion of new financing to women through the Affirmative Finance Action for Women in Africa (AFAWA) and engaging even more with member countries through policy dialogue.

As it is said on the continent, "we go furthest when we go together": the Bank is once again urging for collective and intensified efforts in delivering the Sustainable Development Goals (SDGs) in Africa as **only a decade is left for these goals to be achieved.**

"Yes, the Sustainable Development Goals (SDGs) are daunting. Yet, so much is being achieved that should inspire us. Our collective determination to achieve the SDGs should become like a torrent that propels us. The SDGs are within our reach, they just require that we stretch ourselves more as we race towards the final laps."

Dr. Akinwumi A. Adesina, President of the African Development Bank Group

EXECUTIVE SUMMARY

[1] Defined as less than $2 per day
[2] The 7th General Capital Increase (GCI-VII) was approved by the Board of Governors in October 2019

2019 KEY HIGHLIGHTS

Partnership with Government Pension Investment Fund for ESG investments

In September 2019, the Bank and GPIF of Japan established a partnership to promote Environment, Social and Governance (ESG) related investments in the global capital markets. Through this partnership, the Bank's green and social bonds will provide unique investment opportunities to GPIF's external asset managers to finance climate mitigation and adaptation projects in Africa, and projects leading to poverty reduction, job creation, and inclusive growth. ***"This landmark strategic partnership will help to catalyze investment capital, create more sustainable investments and support the African Development Bank to achieve its High 5 priorities to fast-track Africa's development," said President Adesina.***

The Bank approves historic capital increase

In October 2019, the Bank's shareholders approved a $115 billion General Capital Increase (GCI-VII), the largest in the Bank's history, bringing the Bank's capital base to $208 billion. ***"With the capital increase, the Bank will be able to double financing for climate finance," said President Adesina.***

Pioneer transaction in the Nordic market

In April 2019, the Bank launched an inaugural dual tranche NOK 500 million 3-year Social Bond and SEK 1.25 billion 5-year Green Bond. This was the first social/green dual tranche in the Socially Responsible Investment (SRI) market, but also the first ever social bond issued in the Norwegian market and the Bank's inaugural issuance in NOK. Both tranches were driven by strong SRI demand.

Expanding disaster risk finance program

In October 2019, the Bank, along with the government of Madagascar and the African Risk Capacity (ARC), officially launched the Africa Disaster Risks Financing Programme (ADRiFi) for Madagascar, with the objective of increasing the country's resilience and better managing disaster risks resulting from climate change.

Bank joins major stakeholders to promote Climate Finance

In June 2019, the Bank, the Adaptation Fund (AF), the Green Climate Fund (GCF) and the South African National Biodiversity Institute came together for the first time to discuss how to accelerate and enhance Direct Access to climate finance for developing countries that are vulnerable to climate change. A governance framework and a roadmap of activities were adopted to facilitate access, reception and use of Direct Access project funding from AF and GCF.

Bank's first symposium on climate change

In May 2019, the Bank organized its inaugural Climate Change and Green Growth Day, the first of its kind under the theme: "Moving from emergency relief to building resilience." The 2-day event involved discussions on opportunities and challenges in building resilience and on financing and business models for building climate resilience.

Acclaimed climate policy expert leads Bank's delegation to COP25

In November 2019, the Bank joined global partners at COP25 to advocate for enhanced action, demonstrate results and foster partnerships for the ***Africa we want***. The delegation was headed by Anthony Nyong, Director for Climate Change and Green Growth, who had recently been nominated as one of the top 100 most influential people on climate change policy. Amongst the highlights of COP25 was the **Africa Day** event where decision makers and major stakeholders held discussions on climate action around the continent.

MDBs issue high level statement on climate action

At the UN Climate Action Summit in September 2019, Multilateral Development Banks (MDBs) presented 5 key action plans on climate risk adaptation and mitigation. The action plans involve a commitment to support increased climate finance and a $40 billion annual mobilization of climate investments by 2025.

Global Gender Summit

In November 2019, the Bank with other MDBs organized in Kigali the Global Gender Summit. The event brought together heads of government and other major stakeholders around the theme "Unpacking constraints to gender equality", to consider ways in which gender equality and women's empowerment can be achieved.

Nigeria's Access Bank issues Africa's first Corporate Green Bond

In March 2019, Access Bank issued a NGN 15 billion ($41.8 million) 5-year Certified Green Bond. This first Green Bond issued by a corporate in Africa was certified by Climate Bonds Initiative. The bond proceeds will be allocated to coastal defenses, offering protection against a sea level rise, and solar energy generation. The 15.5% Fixed Rate Notes were fully subscribed.

African countries urged to join the United Nations Water Convention

The UN Water Convention and the African Development Bank, in April 2019, agreed to encourage African countries to join the Convention to promote integrated and sustainable management of transboundary waters through cooperation and partnership.

Africa's crucial decade

The next decade will be crucial for Africa. Its population is the fastest growing in the world, and with this demographic growth comes significant challenges. Climate-related events are already intensifying and efforts to tackle these challenges in the coming years are needed to help the continent maintain steady and sustainable development.

The continent by 2030…

- Population to reach that of India and China
- Young labor force to reach 1 billion
- 50% rise in urban population
- Electricity demand to triple

Based on current trends…

- 10 poorest countries will be African
- 83% of the world's poor will be in Africa
- 100 million youth without jobs
- Only 50% of new labor entrants will find jobs

Only 3 SDGs[3] are on track to be met in Africa by 2030

Gender equality, measured by the proportion of seats held by women in parliament, presents a hopeful picture. The continent leads the world in appointing female legislators. The proportion of women in Rwanda's legislature is 61%, Senegal and Mozambique have more than 40%, while the world's average is 23.6%[4]. Africa also has the highest percentage of female entrepreneurs in the world, with initiatives such as the Bank's Affirmative Finance Action for Women in Africa (AFAWA) bound to empower women

The continent has the lowest CO_2 emissions in the world both in absolute and per capita terms. Only one country in Africa is amongst the 20 worst polluters in the world[4]. 51 countries on the continent have ratified their National Determined Contributions (NDCs)[5]. The initiative to have the financial sector lead efforts on climate action on the continent under the African Financial Alliance on Climate Change will go a long way in helping the continent achieve this goal

46% of the continent's most important biodiversity sites are protected (compared to 23% in Asia). 44% of African countries have their vital land sites protected. The conservation, restoration and sustainable use of land and fresh water target is expected to be met on the continent[4]. The Bank's African Natural Resources Centre is supporting countries to improve the management of natural resources in a transparent manner

Most SDG targets still far from being attained

Between 1990 and 2013, the African continent experienced a fall in the share of population living below the poverty line (defined as living on less than $2 per day) from 54% to 41%. However, as the population grew, over 100 million people were added to this group within this period. The percentage of people living in extreme poverty on the continent is currently estimated at 34% (over 439 million)[6]

20% of young people and 30% of adults in low-income countries[7] will be unable to read by 2030, according to UNESCO[8]. With the school-age population set to grow further, urgent action is needed to curb illiteracy rates. An additional $40 billion is needed to achieve targets in the education sector in Africa

Currently, 72% of the population in Africa has access to drinking water and 40% has access to sanitation. In 2020, up to 250 million people on the continent will witness an increase in water stress[9]. For SDG 6 to be reached by 2030 in Africa, $13 billion per year is needed

With only 10 years remaining to deliver the SDGs, a lot still needs to be done on the continent. Apart from governance and funding issues, rapid population growth and the negative effects of climate change can be seen as the main factors contributing to the slow delivery of the SDGs in Africa. **What happens in the coming decade will be crucial for the continent and for the global delivery of the SDGs**

[3] Africa and the Sustainable Development Goals: A long way to go-Brookings
[4] Sustainable Development Goals: Three -year reality check
[5] Analysis of Adaptation Components of Africa's Nationally Determined Contributions (NDCs)-AfDB
[6] World Poverty Clock
[7] Countries with GNI per capita of $1,025 or less
[8] New Projections Show the World is Off Track in Meeting its Education Commitments by 2030-UNESCO
[9] Responding to climate change-UNEP

Water, a key component of green growth and social welfare

Water security is a cornerstone of climate resilience and a critical component of adaptation. Major concerns for the water and sanitation sector in Africa include limited access to water and sanitation services and limited governance capacity. Inadequate access to water and sanitation in Africa is both a cause and a consequence of poverty[10]. On the continent, the average water accessible per person is insufficient for the preparation of meals and hygiene. Under present climate variability, water stress is already high; in many Regional Member Countries (RMCs), particularly the Sahel, the Horn of Africa and Southern Africa, climate change adds even more urgency for action. In RMCs where climate seasonality, variability and/or extremes are often marked and capacity, institutions and infrastructure are inadequate (like Mozambique), we often see major impacts of specific catastrophic hydrologic events, with serious and economy-wide consequences for growth.

Daily water consumption per person on the continent

UN's minimum daily water consumption per person

50 liters

Source: Water-for-Africa

According to the recent report commissioned by the Global Commission on Adaptation (GCA)[11], economic growth (including irrigation and hydropower development) is dependent on efficient water allocation and use, without which Africa will lose close to 6% of GDP by 2050. Successful adaptation requires scaled-up investments in water infrastructure, improvements in efficiency of water use, investment in healthy watersheds and the integration of new climate risks, such as floods and droughts, in planning and operations. Being able to control water usage through irrigation and storage infrastructure is essential to mitigate the effects of climate change on agriculture. However, water storage is limited at only 120 m^3 of water per capita, as compared to 6,000 m^3 in the US[12].

Countries having water management as a top priority are more likely to adapt to climate change and experience growth

African countries, through their NDCs[13], identify the water sector as the sector most vulnerable to climate change, requiring top priority for adaptation measures. Adapting to increasing climate variability and change through better water management requires policy shifts and significant investments. Mitigation actions focus on reducing untreated wastewater released into rivers, improving sludge management and reducing energy consumption, as well as producing carbon-neutral energy from organic waste.

As climate change affects water resources and leads to negative effects on socio-economic development, promoting water resource management, building on the interlinkages between SDG 6 (Clean water and sanitation) and SDG 13 (Climate action), becomes a tool for optimized climate mitigation and climate adaptation and contributes towards poverty reduction.

Provision of better access to water and sanitation improves people's lives and strengthens their adaptive capacity. The African Development Bank also promotes transboundary water management, protection of vital rivers and lake basins, infrastructure development and resource management capacity building.

[10] Africa Water Vision for 2025
[11] Adapt Now: A Global Call for Leadership on Climate Resilience-GCA
[12] Climate Change and Africa's Future, WS Issue 119-Hoover Institution
[13] Analysis of Adaptation Components of Africa's Nationally Determined Contributions (NDC's)-AfDB

Bringing hope to water-starved eSwatini communities

The Ezulwini Valley in eSwatini is home to about 26,000 people. Currently, water supply and sanitation services in the area are unreliable, inadequate and are undermining planned growth. **Sithembiso Nhlabatsi**, a 40-year-old laborer, lives with his daughter and sisters in the town of Ebuka, in the municipality of Ezulwini. They use community water, managed by a committee and sourced from a river, which is not fit for human consumption if untreated, and the available quantity reduces during the dry season. Nhlabatsi's main worry is the water rationing by the water committee. ***"They can cut the water for 3 days, without informing us."*** Due to his physical condition, he cannot go to the river to fetch water as the others can do when water has been cut. Nhlabatsi awaits the completion of the **Ezulwini Sustainable Water Supply and Sanitation Service Delivery Project,** which is due to be completed at the end of 2020. The principal beneficiaries of the project are the entire population within the supply area, currently estimated to be 26,000 (of which 52% are women), and projected to reach 50,000 in 2030. The project, which is part of the Bank's Social Bond portfolio, is financed by the African Development Bank with a $23 million loan to the Government of eSwatini.

This project seeks to develop more reliable and sustainable sources of water, promote appropriate technologies and address sanitation issues in the community, in ways that are friendly to the environment. This will strengthen their adaptive capacity to manage climate change-related risks to freshwater availability. After completion, the project will help the community to reach 100% access rates to improved water supply and sanitation services.

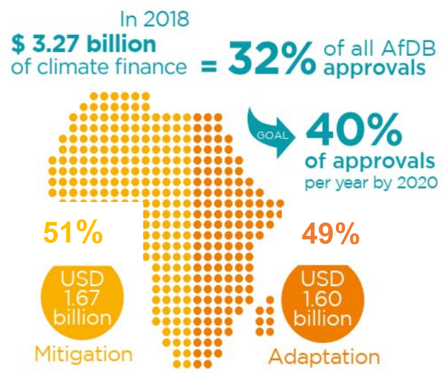
Mitchelle Dludlu, a 21-year-old student, is looking forward to implementing her plan to generate a small income. ***"As soon as the water kiosk is ready to use, my family and I will stop using the community water for drinking and cooking, but we will use it for gardening and for livestock."*** The residents of the Manzini region are excited about the **Manzini Region Water Supply and Sanitation Project**. The project, which is part of the Bank's Social Bond portfolio, is a $51 million loan to the eSwatini Water Services Corporation to expand access to water supply and sanitation services in this locality. This project will also provide the Gundvwini primary school located in the district and home to 400 pupils with access to water. ***"Often, the pupils have no water at home. We cannot offer them water at school either. It affects their learning process and there is nothing we can do about it",*** says **Mkhatjwa Mduduzi**, a mathematics and social sciences teacher at the school. The Manzini Project will provide Gundvwini with water kiosks and an improved sanitation facility. The community is expected to reach 100% access rates to improved water supply and sanitation services and witness a 25% decrease in infant mortality rate. The project is based on the development of more reliable and sustainable water sources in the area and promotion of more environmental friendly solutions for sanitation. This will contribute towards addressing water scarcity, building long-term resilience through stronger institutions, and community-based water and sanitation infrastructure.

Walking the talk on climate change and green growth

Long before the Paris Agreement, the African Development Bank had set up a clear action path on climate change. The Bank established its first Climate Change Action Plan (CCAP1) spanning the period 2011 – 2015. CCAP1 was built on the notion that addressing climate change and advancing development on the continent could be done simultaneously.

The Bank's Ten-Year Strategy (TYS) for 2013-2022 focuses on two overarching objectives: to support African countries transition to green growth and to promote inclusive growth. In order to accelerate the achievement of the TYS, the Bank decided to focus on 5 operational priorities, known as the "High 5s", which are to "light up and power Africa"; to "feed Africa"; to "industrialize Africa"; to "integrate Africa" and to "improve the quality of life for the people of Africa".

The second phase of the action plan (CCAP2) for the period 2016 – 2020, focuses on scaling up climate financing and helping African countries with the implementation of their National Determined Contributions (NDCs)[14]. As of November 2019, 51 African countries out of 54 had ratified their NDCs. Under CCAP2, the Bank intends to reach 40% of climate financing by 2020 and focus on developing energy access, renewable energy and energy efficiency operations, climate smart agriculture, water-use efficiency and the reduction of emissions. Results witnessed so far show that the Bank is indeed walking the talk, with climate finance reaching 36% of Bank approvals and climate change mainstreamed in 90% of Bank projects as of end of 2019.



The Bank also launched the pilot phase (2019 – 2023) of the Adaptation Benefit Mechanism (ABM) – an innovative mechanism for mobilizing new public and private sector finance for adaptation. By 2023, after executing several demonstration projects, the Bank will deliver to the global climate change community an operational mechanism for the ABM in Africa.

Going forward, the Bank intends to play a leading role in guiding progress on climate change on the continent. **For 2020-2025, the Bank has committed to mobilize $25 billion as climate finance** to assist RMCs with the design and implementation of climate-friendly investments, increasing its capacity to leverage additional financing from other development finance institutions and the private sector. In 2020, the Bank will develop a new Climate Change Policy and Climate Change Action Plan that will be geared towards supporting African countries to implement their NDCs commitment under the Paris Agreement.

Financing climate-smart development: 2018 results

197 MW

Created in green energy capacity

719,000 tons

Avoided in GHG emissions

$450 million

Raised for climate smart agriculture

$306 million

Mobilized from external climate funds

[14] NDCs are initiatives to be done nationally by each country to reduce GHG emissions and adapt to climate change

Interview with Anthony Nyong, Director of Climate Change and Green Growth Department

Could you tell us about the climate change and green growth department?

The Climate Change and Green Growth Department (CCGG) was established in 2016 to lead the Bank's efforts in transitioning Africa to low-carbon and climate-resilient development. The Department is organized around 4 objectives:

- Mobilizing climate finance for investments that support low-carbon and climate-resilient development in Africa
- Ensuring the Bank's investments are based on climate-change and green growth-informed designs
- Strengthening capacities of African Meteorological Centers and RMCs to generate and use climate data to reduce vulnerability to climate change
- Managing various climate change and green growth initiatives

How is the Bank leading the continent towards green growth?
Transitioning towards green growth entails pursuing inclusive economic growth through policies, programs and projects that invest in sustainable infrastructure, better manage natural resources, build resilience to natural disasters and enhance food security. This transition requires engagement across all sectors, and we are coordinating this engagement through initiatives and actions both internal and external to the Bank.

Internally, we developed a green growth framework and a climate change action plan to guide the transition implementation. We also screen all Bank's investments and ensure resilience is built into projects vulnerable at design stage and screen for GHG emissions. As of December 2019, 90% of all Bank's investments were based on climate-change and green growth (we aim to achieve 100% by the end of 2020). We mobilize resources from global climate finance mechanisms to co-finance climate change and green growth.

Externally, we assist RMCs in developing national climate and green growth strategies, in line with their NDCs, and strengthening capacities. We also strengthen capacities of the private sector to access green finance including through Green Bond issuance.

Specific Bank initiatives to transition Africa to green growth:

- **Africa NDC Support Hub** provides technical assistance and financial support to RMCs for NDC implementation. 51 of 54 African countries have ratified their NDCs.
- **Circular Economy Program** – RMCs get support through a trust fund launched by the Bank, the Finnish Ministry of Foreign Affairs and the Nordic Development Fund to mainstream circular economy principles into investments to maximize resource efficiency and minimize waste.
- African Financial Alliance on Climate Change (AFAC) puts the financial sector in the lead in efforts to mobilize resources towards green growth.

How important is transition to green growth for the continent?
Current development paradigms based on resource-use intensity are not sustainable. There is a global need to change our production and consumption patterns, and to decouple development from high emissions and energy intensities through the pursuit of green growth strategies. Africa's development is still driven by natural resource availability and dependency. Current reports show that our ecological footprint is not sustainable.

Pursuing green growth enables Africa to use its abundant natural resources sustainably. For instance, the continent has abundant renewable energy resources that it can tap into to achieve SDG 7 (Affordable and clean energy).

The transition to green growth will contribute to the eradication of poverty, sustained economic growth, enhanced social inclusion, improved human welfare and the creation of opportunities for employment and decent work for all, while reducing pressure on essential natural assets and better managing environmental and socioeconomic risks. Green growth has the potential to preserve the livelihoods of millions of Africans through improved food security and reduced water stress in the face of climate change, competition for natural resources and the risk of disease.

Agriculture and water sectors have been identified through African NDCs as sectors most vulnerable to climate change, how is the Bank providing leadership in the quest for solutions?
Yes, African NDCs have identified agriculture and water sectors as the most vulnerable. Incidentally, these 2 sectors also provide the greatest opportunities for mitigation as carbon-sinks.

Africa's NDCs present a $3 trillion investment opportunity by 2030, with much expected to come from the private sector. Consequently, the Bank established AFAC to direct financial sector flows to meet NDC targets.

Specifically, the Bank established a $2.7 billion **Africa Climate-Smart Agriculture Program** to support low-carbon and climate resilient agricultural practices. We also implement innovative water projects in countries particularly vulnerable to water scarcity and droughts. For instance, we are involved in global efforts to save Lake Chad as an economic and environmental asset of critical importance to the riparian countries, Africa, and the world. The Bank is investing $350 million in the Lake Chad region in order to strengthen resilience of socio-ecological systems, support socio-economic reintegration of vulnerable groups in the Basin in Cameroon, and help Lake Chad become a deemed World Heritage site. We also have investments to strengthen resilience in water and agriculture across the Sahel, the Horn of Africa and Southern Africa.

Green growth could entail more climate adaption initiatives. Yet there is a huge adaptation finance deficit globally. What are some of the strategies envisaged by your department to direct climate finance into adaptation on the continent?
Indeed, adaptation is not receiving as much attention in the global climate change discourse. Current estimate shows a split of 10% for adaptation and 90% for mitigation. For Africa, which contributes

less than 4% of global GHG emissions, this is a double tragedy. The Bank therefore supports the efforts of the Global Commission on Adaptation where President Adesina is a Commissioner, with the objective of raising global attention on adaptation. Internally, in 2018, we achieved parity between adaptation and mitigation. And in 2019, adaptation exceeded mitigation finance. We hope to continue in this trajectory, as adaptation and building resilience are priorities. About 75% of global climate finance is expected to come from the private sector and much through mitigation, as adaptation is generally seen as a public good that generates little or no financial returns. To address this, the Department established the **Adaptation Benefits Mechanism** that assigns value to resilience to incentivize the private sector to invest in adaptation.

Many RMCs are vulnerable to climate risks because they are unable to get insurance against this risk. To address this, the Bank established a Disaster Risk Insurance Facility to help African countries pay premiums to insure themselves against extreme weather events. The Bank will mobilize global partners to provide \$250 million to help RMCs, including the most vulnerable and small island states, to get an insurance payout of \$1 billion by 2030.

Is the continent doomed with regards to climate change?

Not at all. There are a few challenges, but the continent cannot be doomed with climate change. Africa is a resilient continent. There is global support to address climate change, though insufficient, and we all missed the opportunity of COP25 to take decisive actions in this regard. Africa's climate change risks are not created in Africa but globally, and it affects everyone everywhere. High emitting countries need to urgently cut their emissions so we can keep global temperature rises below 2°C. The consequences of Africa's vulnerability and global inaction will be felt across the world. I am convinced that the global community will rise to this global challenge.

Africa has abundant natural resources that can be deployed to address climate change, with increasing focus on nature-based solutions. However, this requires significant support from the international community with regards to finance, capacity building, technology development and transfer. We have demonstrated this level of commitment before and I believe that rising out of Africa is yet another clear solution to climate change. For instance, while Africans did not create cell-phones, we embraced them and transformed them, creating useful products like Mpesa that took the world by storm and created the foundation for mobile money. I believe that we can do same with technologies to address climate change.

During COP25, did the Bank play its role of presenting the continent's case?

The Bank is Africa's premier development finance institution and we are driving efforts to support Africa's development, even in the face of climate change. At COP25, African delegates pushed for support for climate finance to build resilience against climate change and for special consideration for Africa around targets contained in the treaties under discussion. It is very disappointing that there was no consensus on this, especially on how to generate the \$100 billion per annum that was promised at COP15 to take effect in 2020. The AfDB participated actively at COP25 and provided strategic support to RMCs in negotiations. The Bank used this opportunity to showcase innovative climate change solutions like the Desert-to-Power project. We also strengthened partnerships with other institutions and governments to channel more financial resources to Africa.

We further raised the need for global attention on adaptation. We reiterated the Bank's commitment in building resilience rather than prioritizing post-disaster interventions. We presented our initiatives under the ClimDev Special Fund that aims to strengthen Africa's meteorological centers to enable RMCs to build resilience against the impacts of natural disasters caused by extreme weather.

You were recently ranked in the top 20 of the 100 most influential people in the world on climate policy. What would you say is the main driving force behind your fight against climate change?

I am grateful for that recognition, which indeed goes to the entire team that I have worked with at the Bank and prior to joining the Bank. I also acknowledge the leadership that the Bank's senior management has provided, especially Dr. Akinwumi Adesina, President of the Bank Group. About 25 years ago, I had the privilege of exploring the science of climate change as part of my Ph.D. program and was astonished by the potential consequences of unmitigated climate change in Africa. I had the privilege of being a Contributing Lead Author to the Chapter on Africa in the 4th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), where the IPCC was listed as a Co-winner of the Nobel Peace Prize with Al Gore, former Vice President of the USA. At this point I was convinced that the science was unequivocal, and that Africa needs to take urgent and indeed drastic action to address its climate change vulnerability with strong support from developed countries as contained in the Climate Change Convention.

I was convinced that any systematic effort to achieve this would require sound policies that can also be implemented. I have therefore spent the last decade supporting climate policy initiatives on the continent. I was privileged to play a significant role in shaping Africa's narrative at the RIO+20 Summit that defined Africa's pathway to green growth. When I joined the Bank in 2018, I also saw the need to develop a strategy to guide the Bank's climate change intervention and led the development of the Bank's first Climate Change Adaptation and Mitigation Strategy. I am glad that the AfDB has given me the space to engage with Africa's policy makers on a journey that has culminated in African countries clearly taking the lead in not only developing robust policies to address the challenges of climate change, but also in taking advantage of the opportunities that climate change brings.

While a lot has been achieved on the continent, a lot more still needs to be done considering the disappointing outcome of COP25 in Madrid. The AfDB will continue to forge ahead in supporting African countries in the battle against climate change.

Harnessing the sun to power the Sahel region

The Sahel region sits below the Sahara Desert and battles against the encroachment of desert. The population in the Sahel has grown faster than the African average (73% compared to the continent's 62%) since the year 2000. By 2040, the Sahel will be home to 1.6 billion people. This population growth combined with the changing climatic conditions in the region, which is expected to lead to a 2 – 4 % annual decline in GDP in the region by 2040, pose significant challenges to the economic and social development of the Sahel, where 64% of the population lives without electricity, with consequences on education, health and businesses. A great portion of pastural land is disappearing due to increasing temperatures, droughts and floods. People are forced to move to other areas or communities, which themselves are already overburdened with their own needs, and this frequently fuels conflict and violence.

It is therefore important to enable the Sahel region to adjust to its challenging environment by adopting lifestyles that lead to growth as opposed to fragility. As the region is facing a large energy deficit and is heavily reliant on fossil fuels, providing clean and affordable electricity will reshape the livelihoods of the population in the region.

The African Development Bank, recognizing the high untapped solar potential of the Sahel region, while also aiming to achieve universal energy access on the continent by 2025, launched the Desert-to-Power Initiative in 2018, aiming to transform the region's most abundant resource – the sun – into electricity. This initiative will transform the Sahel region into the **world's largest solar power production zone**.

11 countries benefiting
Burkina Faso, Ethiopia, Eritrea, Djibouti, Mali, Mauritania, Niger, Nigeria, Senegal, Sudan and Chad

Accelerated electrification at scale:

10 GW of new solar capacity created

250 million people provided with green energy

At least 90 million people will be connected to electricity for the first time, lifting them out of energy poverty

Desert-to-Power will fuel inclusive economic growth, stimulate social development, create jobs, attract private sector investments into renewable energy and increase female participation in economic activities, all of which will help to reduce poverty, food insecurity, migration, conflicts and other causes of fragility.

The Desert-to-Power Program will not only create the world's largest solar energy zone across the Sahel, it will also significantly build resilience in the zone by providing enhanced energy access and energy security.

Expected sustainable development outcomes

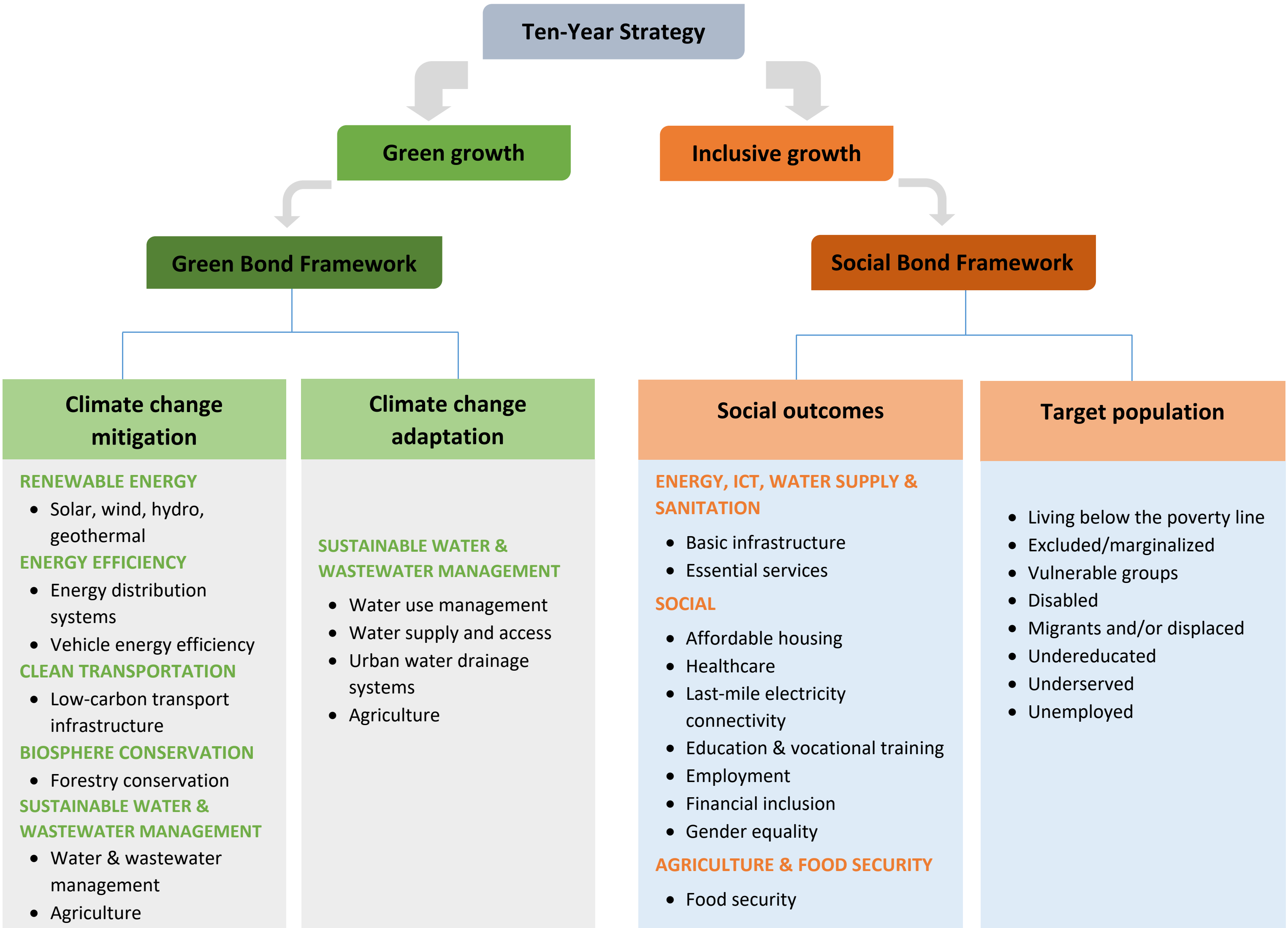
- Improved food-energy-water infrastructure
- Improved manufacturing value chains
- Improved agriculture and food security
- Diversification of the economy and sources of livelihood
- Creation of over 56,000 jobs

Green and Social Bond Programs to lead SDG delivery on the continent

The Green and Social Bond Programs of the Bank, established in 2013 and 2017 respectively, fall within the Bank's Ten-Year Strategy objectives of supporting African countries transition to green growth and promote inclusive growth. These programs address a great number of SDGs on the continent and support Africa's drive towards sustainable development, especially within the context of climate change, which poses serious threats to the continent's economic and social progress.

The Bank established the Green and Social Bond Frameworks in line with the International Capital Market Association (ICMA)'s Green Bond Principles (GBPs) and Social Bond Principles (SBPs). Within these frameworks, the proceeds of the Bank's green and social bonds are used to finance specific eligible green and social projects that have been carefully selected and evaluated by the Treasury Department in collaboration with the operations teams and the Climate Change and Green Growth Department.

The Bank is regularly engaging with major players in the SRI market to ensure its Green and Social Bond programs meet best market practices and respond to SRI investor needs. In 2019, the Bank became a member of the GBP/SBP Executive Committee, taking part in discussions related to rules that would fundamentally shape the development of green and social bond markets.

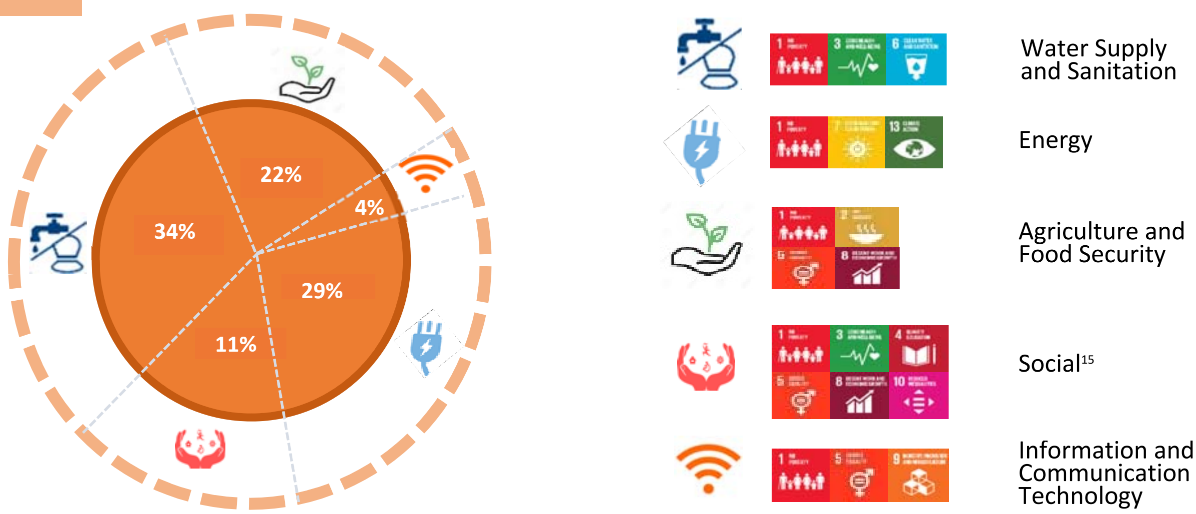


The Bank's Green and Social Bond Portfolios (as of 31 December 2019)

Projects under the Green and Social Programs address 13 of the 17 SDGs.

Green Portfolio

Social Portfolio



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[15] Social projects are projects in the health, education and vocational training sectors

Growing investor interest in the Bank's SRI issuance

The Bank is increasingly attracting a large number of high-quality investors in the SRI market. This growing number of investors has permitted the Bank to diversify its investor base and launch some pioneering transactions.

2013 – Green Bond Framework Establishment
$500 million Green Bond due October 2016
Inaugural Green Bond transaction

2014 | **2015** | **2016**

2017 – Social Bond Framework Establishment
€ 500 million Social Bond due November 2024
Inaugural Social Bond transaction

2018 – First to issue a SOFR-Linked Green Bond
Dual tranche $100 million SOFR-linked due November 2020 and $500 million Green Bond due December 2021
Inaugural SOFR-linked issuance

2019 – First Dual-Tranche Green and Social Bond in SRI market
Dual Tranche NOK 500 million Social Bond due April 2022 and SEK 1.25 billion Green Bond due April 2024
Inaugural Social Bond in Nordic market and AfDB bond issuance in NOK

SRI awards and distinctions

GlobalCapital SRI Awards

2018 Second most impressive social or sustainability bond issuer

€ 1.25 billion Social Bond due May 2028

emeafinance Achievement Awards 2018

2018 Best Green Bond in Africa

Dual tranche $100 million SOFR-linked due Nov 2020 & $500 million Green Bond due Dec 2021

2019 Green and Social Bond issuance

- SEK 1.25 billion Green Bond due April 2024
- SEK 750 million Green Bond due April 2024 – Tap 1
- NOK 500 million Social Bond due April 2022
- NOK 500 million Social Bond due April 2022–Tap1
- USD 50 million SOFR-linked Green Bond due Nov 2020–Tap1
- USD 100 million SOFR-linked Green Bond due Nov 2020–Tap2
- USD 100 million SOFR-linked Green Bond due Nov 2020–Tap3

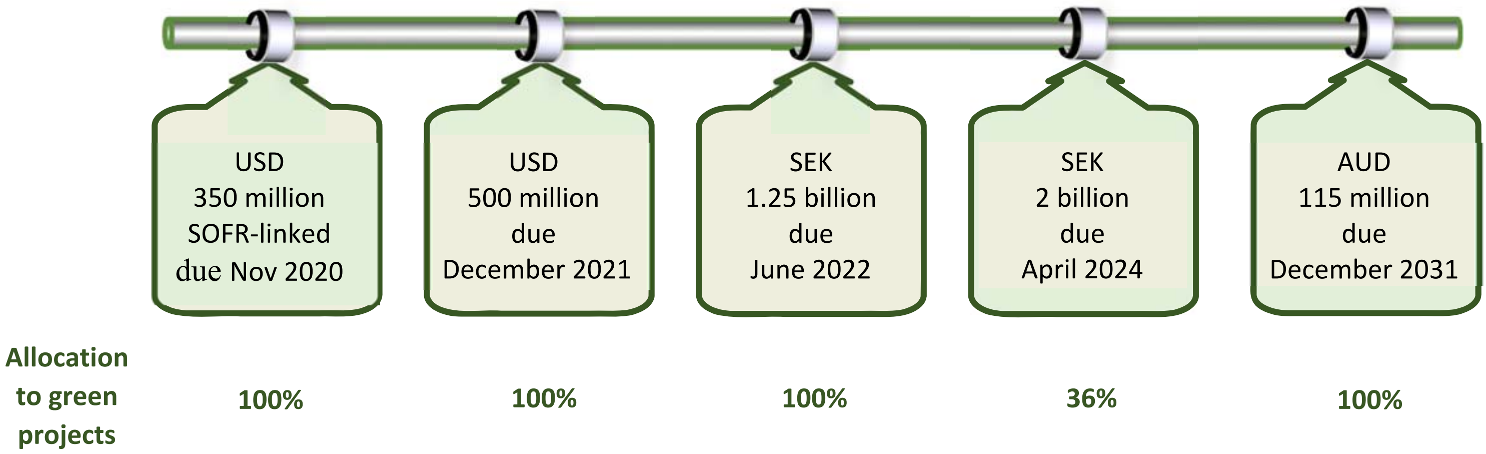
"We are proud to be part of this specific issuer's Green Bond initiative, contributing to green development in Africa. In particular, we find it important to finance renewable energy, waste management, urban development and water supply on this rapidly growing continent." **SEB Investment Management, Fixed Income team**

"Nordea Investment Management is proud to invest in the first ever Social Bond in the Norwegian market and by doing so we can support specific social projects that address the AfDB's strategic goal of achieving inclusive growth for Africa. We hope the success of this transaction will encourage other issuers to tap the Norwegian market with Social Bonds in the future." **Torgeir Stensaker, Head of Fixed Income Norway, Nordea Investment Management**

Allocation of outstanding Green/Social Bonds (as of 31 December 2019)

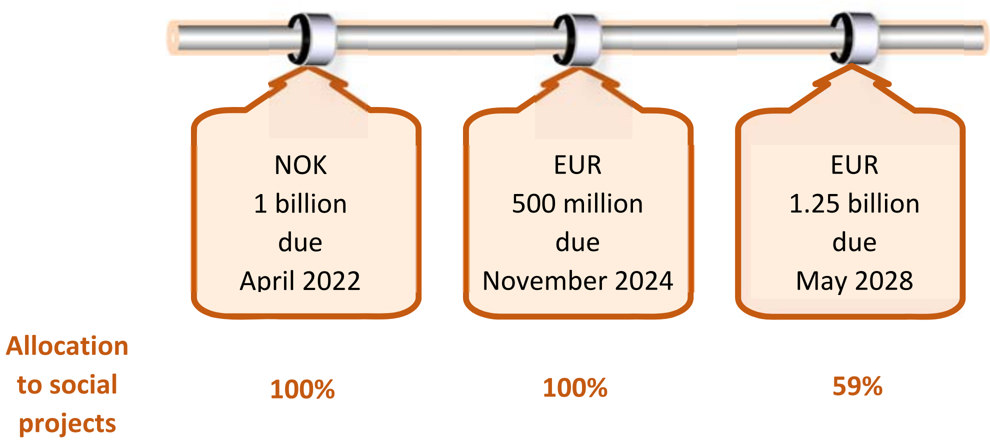
Since the establishment of its Green Bond framework in 2013, the Bank has raised approximately **$2.5 billion** in Green Bonds through **9 transactions** denominated in **USD, SEK and AUD**.

Outstanding Green Bonds



Since the establishment of its Social Bond framework in 2017, the Bank has raised approximately **$2 billion** in Social Bonds through **3 transactions** denominated in **EUR and NOK**.

Outstanding Social Bonds



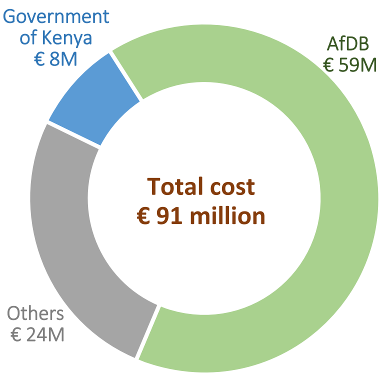
Proceeds from AfDB green and social bonds are used to finance eligible projects that have significant environmental and social benefits. Some of these benefits are observable in improved access to basic facilities such as electricity, water and sanitation, and improvement of livelihoods such as flood risk reduction, access to clean transportation and employment generation.

KENYA

Sector: **Water & wastewater management**

Year of approval: **2018**

Sources of funding:



Nairobi River Basin Rehabilitation and Restoration Program: Sewerage Improvement Project Phase II

The objective of the program is to improve access, quality, availability and sustainability of wastewater services in Nairobi and contribute to the restoration of the Nairobi River Basin. It prioritizes sanitation investments to improve health and living conditions in the city.

Each year, Kenya loses an estimated 0.9% of GDP due to poor sanitation. Urban services have not kept pace with rapid expansion and in Nairobi the existing sewerage infrastructure serves only 48% of the city. Delayed and inadequate investments in wastewater management have resulted in poor wastewater services and the disposal of raw sewage in rivers continues to affect the quality of surface and ground water, increasing disease incidence, health risks and associated economic burdens. When drought frequencies increase, water quality in the river suffers because of reduced dilution of pollutant concentration, with potential health impacts; when flood frequencies increase, human health is impacted by sewage contamination.

The project includes the construction of wastewater treatment facilities, a 200km sewer reticulation network and the rehabilitation and construction of 100 ablution blocks in Nairobi's informal settlements.

The project will enhance the provision of reliable safe urban sanitation services, which will improve health and quality of life and increase economic opportunities. In addition, it will significantly improve the environmental situation in Nairobi through the collection and treatment of wastewater, which is currently discharged directly into Nairobi's Rivers. This will result in improved surface water quality and contribute to the improved public health of the surrounding population. The provision of ablution blocks will improve water supply and sanitation conditions of communities in the riparian zone.

EXPECTED DEVELOPMENT RESULTS

- 500,000 people provided with sewer connection
- 40,000 people will benefit from 100 ablution blocks
- 200 staff will be trained

- 58,000 million m^3 of wastewater treatment capacity will be added
- 22% increased access to improved sanitation services

- 5% reduction in water-borne disease incidence
- 40,000 people reached with messages on health and hygiene practices

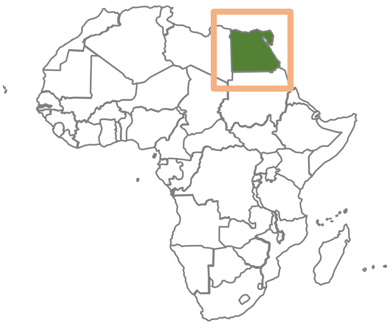
- 50% reduction in under-5 infant mortality rate

- 10,000 trees planted in schools and along rivers

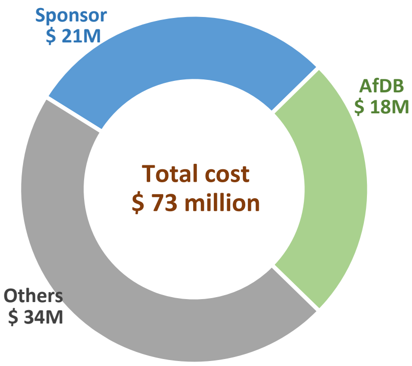
EGYPT

Sector: Renewable energy

Year of approval: 2017



Sources of funding:



Egyptian Feed-In Tariff Program Round 2 – Alcazar I

The project entails the design, construction, operation and maintenance of a 50 MW capacity turnkey solar PV project, to be implemented under the Egyptian Solar Photovoltaic Feed-in Tariff ("FiT") Program Round-2, an initiative where the Government of Egypt seeks to implement 4,300 MW of Solar PV projects.

Egypt relies heavily on thermal generation, which accounts for over 90% of its electricity generation capacity. Egypt has some of the best solar resources in the world, with daily sunshine averaging 9-11 hours, low humidity and global horizontal irradiation of around 2230-2330 kilowatt hours per year. Despite strong solar and wind resources in the region, installed wind and solar capacity is limited to 887 MW. In order to meet the increasing energy demand, diversify the energy mix and improve the environmental and climate footprint of the power sector, Egypt has developed an overarching regulatory framework for the development of renewable energy capacity with the aim of securing 20% of its energy generation from renewable sources by 2022.

The FiT program intends to generate 300 MW of rooftop solar PV, 2,000 MW of large-size solar PV and 2,000 MW of wind power.

The project is expected to increase Egypt's power generation capacity, diversify the energy mix, enable fuel savings and reduce carbon emissions.

EXPECTED DEVELOPMENT RESULTS

- 72,000 households will be beneficiaries
- 61,000 tons of CO_2 avoided per year
- $13.4 million will be collected as government revenue
- 270 jobs will be created

Ghana

Sector: Forestry conservation

Year of approval: 2016

Form Ghana Reforestation Project

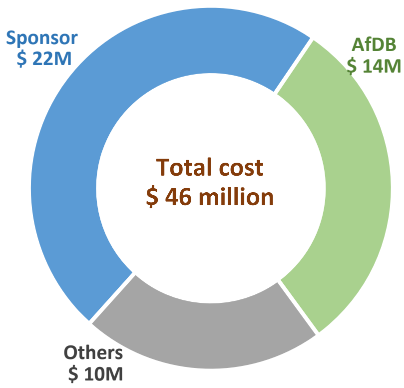
The project aims at restoring degraded forest reserves by establishing a large scale sustainable commercial forest plantation of 11,700 hectares, composed of local tree species (10%) and teak (90%). This project is an innovative opportunity to catalyze private sector involvement in climate change mitigation and green growth efforts.

Forestry is a critical sector in Ghana. It supports the livelihoods of 43% of the population, employs 380,000 Ghanaians, accounts for 11% of export earnings and contributes to 6% of GDP. However, Ghana's forest resources have been severely degraded over the last decades, due to overexploitation, bush fires and conversion to agricultural land. Forest cover has dropped by half since the beginning of the 20th century, with only 2% of the country's 1.6 million hectare of forest reserves now in excellent condition.

The project will contribute to addressing degradation while protecting livelihoods, spurring innovation in the forestry sector, mitigating climate change and helping economic development. Specifically, on climate change, the project will increase the overall climate resilience of project areas by contributing to the conservation of biodiversity through the restoration of buffer zones, regulation of water regimes, improvement of soil quality and reduction of erosion.

In addition, the project will provide social benefits to forest fringe communities and tax revenues to the Government of Ghana, generate jobs in less-urbanized North Ghana and transfer knowledge and skills in sustainable forest management.

Sources of funding:



EXPECTED DEVELOPMENT RESULTS

- 2.8 million tons of CO_2 reduced over 40 years
- 2.3 million tons of CO_2 sequestrated by 2035

- 11,700 ha of degraded forest land will be restored
- 10% of plantation will be regenerated with local species

- 80% of planted areas will be available to farmers for intercropping
- $12 million of tax revenues for Government of Ghana
- 860 jobs will be created

ANGOLA

Institutional Support for the Sustainability of Urban Water Supply and Sanitation Service Delivery

The project aims to improve water sector governance, strengthen institutional capacity and efficiency in the water and sanitation sector institutions, and improve access to sustainable water supply and sanitation services.

The project's main outcomes include the establishment and effective functioning of 7 Provincial Water Supply and Sanitation Utilities, enhanced capacity for service provision and improved access to water supply and sanitation. Sustainable use of existing water resources will reduce risks related to projected decreases in water supply and increases in service demand, thereby increasing the operational flexibility and resilience of water service provision.

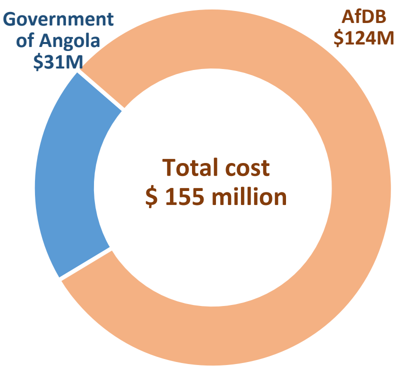
Sector: Water supply & sanitation

Year of approval: 2015

Access to water and sanitation (as at 2012) stood at 54% and 60% respectively. Six out of the seven provinces of the beneficiary provinces have coverage below the national average (ranging from 7% to 56%). Climate change impacts, such as increasing temperatures and the increased risk of prolonged periods of drought, combined with non-climate impacts such as population growth, can contribute to unsustainable demands on water services, increasing the risk of water shortages.

Angola has been investing heavily in infrastructure and has made progress in many areas including water supply and sanitation services. However, the investment in physical infrastructure has not been matched with adequate institutional and capacity emphasis. The lack of capacity and appropriate institutional mechanisms have negatively influenced the sustainability of the investment made so far. Service delivery is erratic, inefficient and highly subsidized with no cost recovery mechanisms in place. As a result of inefficient service delivery, the poor and vulnerable are the most affected in the peri-urban areas.

Sources of funding:



EXPECTED DEVELOPMENT RESULTS

- 2.3 million beneficiaries
- 338,000 people with new access to water supply

- Access to improved sanitation will increase to 100% by 2025
- 75,000 people with access to safe disposal of wastewater

- Access to safe and clean water will increase to 100% by 2025
- 37,100 new water supply connections to households

- Under-5 infant mortality rate will be reduced by 38%

CAMEROON

Sector: Agriculture & food security

Year of approval: 2016

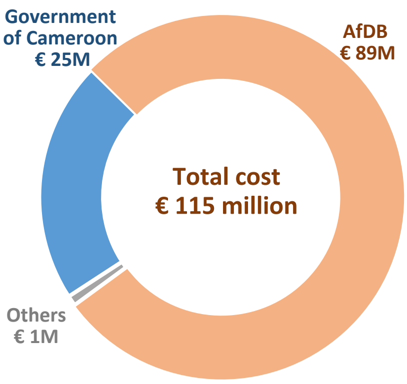
Agricultural Value Chain Development Project

The project aims to create wealth and employment, especially for the youth, as well as boost food and nutritional security by enhancing the competitiveness of the oil palm, banana and pineapple value chains.

In Cameroon, underemployment affects 71% of the labor force and is more prevalent in rural areas (79%) than in urban areas (56%). The employment structure shows that youths operate essentially in the informal agricultural sector, either as self-employed workers (44%) or as dependents serving as family workers or apprentices (43%). Their employment conditions are precarious due to the significant shortage of decent work in rural areas. This shortage is characterized by low incomes and lack of social protection. Yet Cameroon's agricultural sector holds great potential for widespread distribution of growth dividends, since 60% of the population earns its income from this sector.

The project will address insufficient rural infrastructure with the construction of 1,000 km of roads, 30 warehouses, 15 rural markets, 30km of electricity networks, 30 drinking water supply systems and a quality control laboratory for agricultural products. Another outcome of the project will be crop sector development through the establishment of 10 processing units, institution buildings for farmers' organizations, technical guidance, facilitation of the interface with service providers, training, research support to produce quality seeds and the establishment of a crop sector development fund to finance value chains. The project will also support the development of youth agricultural entrepreneurship and ensure access to credit.

Sources of funding:



EXPECTED DEVELOPMENT RESULTS

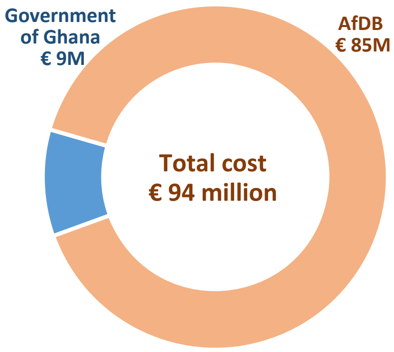
- 1.2 million beneficiaries in rural communities
- 2,000 youth trained
- Annual surplus production: 484,000 tons of palm fruit bunches, plantain, pineapple and palm oil
- Agricultural GDP growth rate will increase from 5 to 8%
- Annual income will increase by $850 per household and $9,900 for young entrepreneurs
- 8,000 jobs will be created
- 600 new agribusinesses created for 1,500 graduates

GABON

Sector: Education & vocational training

Year of approval: 2016

Sources of funding:



Capacity Building for Youth Employability and Social Protection Improvement Project

The project's goal is to contribute to improving youth employability and strengthening social inclusion. The Government of Gabon requested financing for this project in response to the current high youth unemployment rate in the country.

In Gabon, unemployment affects 36% of the labor force within the 15 to 24-year age bracket, and 26% of the labor force within the 25 to 34-year age bracket. Graduates from first cycle general and technical schools are the most affected with unemployment rates of 24% and 27%, respectively. This situation is due, amongst other reasons, to the mismatch between training and the labor needs of the production sector and the low qualification of the graduates. According to the 2012 World Bank report on growth and employment in Gabon, more than 80% of technical and vocational education graduates are not recruited in sectors for which they were trained, and only one graduate out of three finds a job.

This project will contribute to developing the skills and abilities of youths with a view to their employability and self-employment, given the mismatch between training and employment.

The rehabilitation of 7 vocational training centers and 10 technical education establishments will contribute to strengthening technical education and vocational training systems. In addition, this project will improve youth and women's capacity and skills, job creation and vocational insertion of young unemployed graduates or school dropouts. It will also contribute to the training of health and social insurance staff while extending universal health insurance coverage to workers in the informal sector and to those who are self-employed.

EXPECTED DEVELOPMENT RESULTS

- 720,000 beneficiaries

- Success rate in professional exams will improve from 40 to 60%
- 900 additional graduates per year from vocational training and technical education centers

- Youth (25 – 34 years) unemployment will reduce from 26 to 23%
- 250 job-seekers inserted
- 80 youth and business promoters incubated and financed

- 350,000 self-employed and informal sector workers will get health insurance coverage

GREEN BONDS IMPACT REPORTING[16]

Selected Renewable Energy Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Annual energy savings (MWh)	Annual energy produced (MWh)	RE capacity constructed or rehabilitated (MW)	Annual GHG emissions reduced or avoided (tons of CO_2e)	Other indicators
Redstone 100 MW Concentrated Solar Power Project – South Africa The project involves the design, construction, operation and maintenance of a 100 MW Concentrated Solar Power generation plant using tower technology, heat storage with molten salt. The project also includes associated transmission assets	2018	ZAR 3,000	27%	-	126,500	27	135,700	* 8% reduction in coal usage * 980 jobs created
Kenya Quantum Power project – Kenya The Project involves the development of a 35 MW geothermal power plant at the Menengai Geothermal Field under Build-Own-Operate (BOO) model. The electricity generated will be evacuated through a 13 km 132 kV transmission line completed by Kenya Electricity Transmission Company Limited (KETRACO)	2018	USD 29.5	30%		87,776		27,450	* 100 jobs created
Kopere Solar Power Project – Kenya The project involves a 40MWac net solar photovoltaic plant to be constructed and operated under a 20-year PPA contract. It will involve the construction of a 1.8 km transmission line to evacuate the electricity	2018	USD 18	28%	-	28,200	11	307,200	* 170,500 beneficiaries * 100% electricity access * 1.3% increase in GDP growth * 90 jobs created
Singrobo - Ahouaty Hydropower Project – Cote d'Ivoire The project entails the design, construction and operation of a 44 MW hydro power plant to be done by Ivoire Hydro Energy on Bandama River near Singrobo-Ahouaty villages	2017	EUR 50	30%	-	56,800	13	33,100	* 160 jobs created
Shapoorji Pallonji Solar PV Egypt – Egypt The project entails the design, construction and operation of a 50 MW solar PV plant, implemented under the Egyptian Solar Photovoltaic Feed-in Tariff Program Round 2. This program, composed of 3 projects including Alcazar I, will increase Egypt's power generation capacity, diversify the energy mix, enable fuel savings and reduce carbon emissions	2017	USD 12	17%	-	21,788	8	10,146	* 11,900 household beneficiaries * 88 jobs created
Nachtigal Hydro Power Project – Cameroon The project entails the design, construction and operation of a 420 MW run-of-river hydro power plant. The project also entails the construction of a 225kV substation and a 50 km transmission line	2017	EUR 150	13%		381,016	56	180,480	* 211 jobs created
Segou Solar Power Plant - Mali The project involves the design, construction and operation of a 33 MW solar PV power plant. The construction of 33 kV transmission line is included in the project	2016	EUR 8	17%	-	8,987	6	9,385	* 10,200 household beneficiaries * 43 jobs created
Lake Turkana Wind Power Project – Kenya The project involves the construction and operation of a 300 MW wind farm near Lake Turkana in Great Rift Valley, which will have 365 turbines of 850 KW capacity each. The project will provide clean and affordable energy that will reduce the overall energy costs to end customers	2013	EUR 115	18%		264,960	55	135,537	* 138 jobs created

[16] This impact reporting is computed proportionately to AfDB's share of financing in the eligible green project

Selected Energy Efficiency Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Annual energy savings (MWh)	Annual energy produced (MWh)	RE capacity constructed or rehabilitated (MW)	Annual GHG emissions reduced or avoided (tons of CO_2e)	Other indicators
Project to develop and equip the Power and Transmission Grid (PAERTE) – Tunisia The project aims to strengthen the transmission network and improve electricity supply quality. It also aims to strengthen the electricity grid for the integration of renewable energies expected from solar and wind power plants that are being developed	2019	EUR 108	37%					* 0.7% reduction in energy transmission losses * Increase of 10% in share of renewable energy * 149,000 beneficiaries * 447 jobs created
Supplementary Financing for Kenya under the Ethiopia-Kenya Electricity Highway Project – Kenya & Ethiopia This project consists of supplementary financing to Kenya for the integration of the ongoing Ethiopia-Kenya Electricity Highway Project and the reliable operation of the Kenyan grid through the construction of a 400/220 kV substation and 16.5 km 132 kV underground cable to interconnect 2 substations	2018	EUR 27	3%					* 109 jobs created
Cameroon and Chad Power Interconnection Project – Cameroon & Chad The project involves the construction of 450 kV high-voltage transmission lines between Cameroon and Chad, related high-voltage/medium-voltage transformer stations and rural electrification distribution networks along transmission line corridors	2017	EUR 218	55%				124,140	* 328 jobs created
Mekele-Dallol and Semera-Afdera Power Supply for Industrial Development and Access Scale-up Project – Ethiopia The project consists in the construction of two 230 kV transmission lines (130 km Mekele-Dallol and 175 km Semera-Afdera) and 2 substations. At completion, 36 rural towns (estimated 102,000 people) will benefit from improved access to affordable and sustainable electricity from 55% in 2014 to 90% in 2020, and basic social services in education and health	2016	USD 105	85%	523,390			209,357	* 3.3 million new domestic customers * 30 health centres and 37 schools connected to electricity *5,300 jobs created
Uganda Rural Electricity Access Project – Uganda The project's main objective is to provide reliable and affordable electricity. The project will expand the grid medium and low voltage distribution networks spread over 5 service territories in 16 districts and provide last-mile connections to rural households, public infrastructure services (schools, health centers and administrative offices) and SMEs	2015	USD 100	82%				38,713	* 90,200 trees planted * 890 jobs created
The Electricity Distribution Networks Rehabilitation and Restructuring Project – Tunisia The project aims to reduce the national energy intensity, improve service quality, preserve the environment, cut costs and ensure a more reliable and safer electricity distribution network. Lines built would reduce electricity loss on the distribution network. The project will reduce fossil fuel consumption, production loss and damage caused by electricity and cases of electric shock linked to power generation and consumption, while helping to improve the people's living standard	2009	EUR 48	81%	178			347	
Power Transmission and Distribution Development Project – Morocco The project aims to minimize energy transmission losses from production sites to distribution grid, improve security of electricity customers and network reliability. The project is expected to improve the transit capacity of transmission lines and reduce technical losses from 4.7% to 3.5%	2009	EUR 110	82%	308,106			149,956	

Selected Sustainable Water and Wastewater Management Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Annual absolute (gross) water savings (million m^3)	Annual GHG emissions reduced or avoided (tons of CO_2e)	Volume of water saved or treated (million m^3)	Other indicators
Green Zones Development Support Project - Phase 2 – Kenya The project aims to increase the national forest cover and household incomes through rehabilitation of degraded forests, improvement of forest infrastructure and community capacities and livelihoods. It will be implemented in 15 counties selected based on levels of forest degradation, social economic and environmental vulnerability	2018	EUR 5.2	12%	-	35,870	-	* 92,600 tons increase in production and marketing of potatoes, maize, beans and fruits * 0.7% decrease in poverty levels * EUR 57 increase in average annual household income * 7,700 female-headed households will benefit from value addition and other income generating activities
National Irrigation Water Saving Programme Support Programme - PHASE II (PAPNEEI-2) - Morocco This project supports the National Irrigation Water Saving Programme (PNEEI), which aims to protect water resources and improve the living conditions of the rural population. This project promotes water efficiency and water and soil conservation, through the construction of irrigation infrastructure within 2 water basins covering 26,000 ha	2016	USD 88	91%	98	-	-	* Direct beneficiaries: 9,300 farms, with a target population of 55,800 * 1.1 million jobs created
Farm Income Enhancement and Forestry Conservation Programme – Project II – Uganda The project will develop 5 new small-scale irrigation schemes that will improve production and farm incomes, rural livelihoods, food security and climate resilience, through the sustainable management of land, forest and water, and the development of agribusiness	2016	USD 77	84%	-	10,276	-	* Direct beneficiaries: 1.5 million people * 3,300 ha of irrigated land * 4,200 ha of degraded forest rehabilitated * 42% increase in crop yield * 75,500 farmers trained
Mahe Sustainable Water Augmentation project - Seychelles The objective of the project is to contribute to economic development through improving water supply capacity and resilience to climate variability and change. This project will strengthen the foundation of economic growth by providing reliable and affordable water supply which is critical in supporting tourism, the main employer and economic driver, and other manufacturing sectors (fishing and beverages)	2015	USD 20.6	79%			0.48	* Water production capacity increased by 3,400 m^3/day * Storage capacity increased by 481,800 m^3 * 82 jobs created
Project to Improve the Quality of Treated Water – Tunisia The project consists in the rehabilitation of 30 water treatment plants and related pumping stations in 17 Governorates. It aims to upgrade sanitation infrastructure and build capacity to improve treated water quality. The project will benefit urban dwellers with a cleaner environment and rural dwellers who will be able to use treated water for agriculture	2012	EUR 32	87%	236	-	87	* 3.4 million inhabitants will benefit from a healthy environment * 4,900 ha of land irrigated * Improvement in coastal fishing * 1,200 farmers trained * 875 jobs created
National Irrigation Water Saving Programme Support Project (PAPNEEI) – Morocco The project involves the construction of irrigation infrastructure within 3 basins as well as irrigation water development measures and capacity building. The project focuses on water resource use efficiency in an environment of climatic uncertainty marked by the predominance of droughts. The project has climate adaptation and mitigation co-benefits as it seeks to convert conventional irrigation systems (gravity-and sprinkler irrigation) into on demand (drip) irrigation systems, and to establish an irrigation warning system	2009	EUR 54	78%	54	-	54	* Direct beneficiaries: 4,500 farms and 23,400 inhabitants * 183,630 jobs created
Gabal El-Asfar Wastewater Treatment Plant - Stage II, Phase II Project – Egypt The project aims to improve the quality of wastewater discharged into the drainage system in Cairo, thereby contributing to improved sanitation and clean environment for 8 million people living in the area. The construction of phase II of GAWWTP will provide an additional wastewater treatment capacity of 500,000 m3/day	2009	EUR 53	23%	42	166,734	42	* 400 trees planted * 126 jobs created

Selected Clean Transportation Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Annual GHG emissions reduced or avoided (tons CO_2e)	Other indicators
Dakar-Diamniadio-AIBD Regional Express Train Project - Phase I – Senegal The project entails the designing and construction of a 55 km public transport system from Dakar center to Blaise Diagne International Airport via Diamniadio, capable of transporting 113,000 passengers per day	2017	EUR 183	21%	1,781	* 18,500 new passengers per day * 14 minutes gained in travel time * 12km of new railway constructed * 4,430 jobs created
Railway Infrastructure Reinforcement Project - Morocco This project consists in doubling 141 km of track between Settat and Marrakech and constructing 5 modern railway stations between Tangiers and Casablanca. The project will improve logistical competitiveness of the national economy	2016	USD 112	28%	1,811,240	* 786,800 new passengers * 83,160 tons of additional freight transported * 6 additional trains running per day * 11 minutes gained in travel time * 20,900 jobs created
Dar-Es-Salaam Bus Rapid BRT Project – Tanzania The project involves the construction of 20.3 km of exclusive Bus Rapid Transit (BRT) lanes and Non-Motorized Transport (NMT) infrastructure from Temeke District to the Central Business District in Dar-Es-Salaam	2015	USD 97	61%	1,340	* 732,000 beneficiaries * 24% reduction in accidents * 43 minutes gained in travel time * 64,050 new passengers * 1,530 jobs created
Transnet Rail Expansion – South Africa The project entails a loan to Transnet to improve the efficiency in the transport and logistics sector. It aims to repair or replace existing infrastructure to sustain current capacity and also to build additional capacity	2014	ZAR 3,500	13%	3,500,000	* 824 jobs created

SOCIAL BONDS IMPACT REPORTING[17]

Selected Agriculture and Food Security Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Number of beneficiaries	Job creation	Other indicators
Flour Mills of Nigeria PLC - Nigeria This project is to finance part of Flour Mills of Nigeria's long-term investment programme which focuses on increasing domestic processing, vertical integration, product diversification and expansion of its distribution networks. The program includes investments across its agro-operations namely: feeds & protein, oils & fats, starches, and agro-distribution	2018	USD 75	44%	96,403	884	* 22% increase in food production * $6.6 million increase in fiscal revenue * 386,591 million tons increase in the production and distribution of flour-based consumer staples, starch and edible oils * 29%, 22% and 33% increase in fertilizer blended, livestock feed and seeds distributed respectively
Inclusive and Sustainable Development Support Programme for Agricultural Sectors (PADIDFA) - Morocco The aim of the project is to boost competitiveness of the agricultural sector to ensure inclusive and sustainable economic growth by promoting value chains, job creation, improvement of the business environment and sustainable natural resources management, leading to poverty reduction in rural areas	2018	EUR 200	100%	13,000	20,000	* 990 million m^3 in irrigation water savings * Value of agricultural exports more than doubled to $4.9 billion * 4.5% reduction in rural poverty rate
Agricultural Mechanization and Seed Improvement Project - Namibia The project aims to reduce poverty, enhance economic growth through investments in pro-growth infrastructure development, and support the government to accelerate critical pro-growth agricultural interventions through agricultural mechanization and seed systems development, in order to eliminate hunger	2017	ZAR 1,000	70%	1,232,400	-	* $7,670 in income for producers per annum * 0.15 t/ha and 0.27t/ha increase in the yield for pearl millet and maize respectively
Graine Programme Support Project - Phase 1 (PAPG1) – Gabon The project aims to support the Gabonese Agricultural Achievements and Initiatives of Committed Nationals (GRAINE) program through the agricultural development of 10,000 ha of food crops in 6 provinces and 10,500 ha of oil palms. The project's objective is to help Gabon become food self-sufficient and a net exporter of palm oil, by supporting local smallholder farmers	2017	EUR 98.5	85%	535,250	19,030	* $183 million reduction in value of food imports * 5% reduction in poverty rate
Agricultural Value Chain Development Project – Cameroon The project aims to create wealth and employment for the youth and boost food and nutritional security by enhancing the competitiveness of 3 agricultural value chains (oil palm, banana and pineapple). The project will build 1,000 km of rural roads, 30 warehouses, 15 rural markets, 30 km of electricity networks, 30 drinking water supply systems, and a quality control laboratory for agriculture products	2016	EUR 89	78%	964,830	6,200	* $1,080 increase in annual income per household * $8,000 gains in annual income for young entrepreneurs * Surplus production of 167,600 tons of fresh palm fruit bunches, 186,210 tons of plantain, 7,760 tons of pineapple and 13,580 tons of palm oil
Markets and Agricultural Trade Improvement Programme - MATIP II – Uganda The project consists of the reconstruction and modernization of 11 markets in 11 towns. It aims to improve marketing conditions, value addition and trading capacity, increased volumes and sales of agriculture commodities, increased employment and income	2014	USD 84	90%	855,160	-	* 18% increase in new businesses * 54% increase in access to clean water/better sanitation * 27% increase in annual revenues
Gafsa North Integrated Agricultural Development Project (PDAI)– Tunisia The project will allow investment in the development of major rural infrastructure for the benefit of Gafsa Governorate. It will improve governance, involve and empower beneficiaries and civil society in the development of their region	2014	EUR 22	76%	141,355	2,580	* 2.4% reduction in extreme poverty rate * 23% increase in farmers' income * 4,040 ha of public integrated areas established or rehabilitated

[17] This impact reporting is computed proportionately to AfDB's share of financing in the eligible social project

Selected Social Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Number of beneficiaries	Job creation	Other indicators
Technical and Technological Skill-Building Support Project (PADCTT) – Tunisia The purpose of the project is to improve the employability of new technical, technology and science graduates, thereby training a skilled workforce that satisfies private sector needs and the country's ambition to climb up international value chains	2017	EUR 72	61%	250,400	3,130	* 3.6% reduction in unemployment rate * 3% increase in technical and technology courses * 9% increase in absorption rate of new technical, technology and science graduates
Inclusive Regional Development Support Programme – Phase II (PADRI-II) – Tunisia The project aims to contribute to economic and social transformation through greater inclusion of 16 priority regions, marked by high poverty levels. It has 3 objectives: improvement of economic inclusion, strengthening of social inclusion at local and regional levels and support for local and regional governance	2017	EUR 122	100%	11,530,000	-	* 2.9% increase in GDP growth rate * 7% reduction in population living below poverty line * 10% reduction in young female graduates' unemployment rate
Afe Babalola University – Nigeria This project entails a corporate loan to the Afe Babalola University to finance its expansion. The expansion consists of constructing new facilities - including a 400-bed teaching hospital, an industrial research park, a post-graduate school, student hostels, a central library, and a small-scale hydro power installation	2016	USD 20	25%	6,225	310	* 0.8% reduction in poverty in Ado-Ekiti region * 650 tons in annual CO_2 savings
Inclusive Regional Development Support Programme – Tunisia The project aims to contribute to economic and social transformation through greater inclusion of 16 priority regions, marked by high poverty levels. It has 3 objectives: improvement of economic inclusion, strengthening social inclusion at local and regional levels and support for local and regional governance	2016	EUR 180	100%	5,689,000		* 2.2% increase in GDP growth rate * 7% reduction in proportion of population living below poverty line * 10% reduction in unemployment rate of young female graduates
Skills Development and Entrepreneurship Project – Supporting Women and Youth – Zambia The project aims to support women and youth through job creation, gender equality and poverty reduction. The project will improve the livelihood of the working poor by enabling infrastructure and entrepreneurship for MSMEs competitiveness and the cassava value chain, targeting mostly the rural poor	2015	USD 30	85%	4,568,550	17,870	* 10% reduction in extreme poverty * 6% reduction in unemployment rate * 21% increase in business volumes for youth and women MSMEs * 26% increase in volume of sales of farmers * 85% increase in cassava yields * 26% increase in income for cassava farmers
Science and Technology Development Project – Angola The project aims to construct and equip a Science and Technology Park, finance scholarships and research projects, implement promotional activities and strengthen women's participation in scientific, technological and innovative activities, develop skills in secondary education and support intellectual property management	2015	USD 90	90%	288	113	
Horizons Clinic Gambia – Gambia The project involves the design, building and operation of a 60-bed 6,000 m² international standard medical facility in The Gambia. It aims to improve the country's competitiveness as a tourism and investment destination through high quality specialized health services	2014	USD 8	30%	32,800	68	* 6% reduction in readmission rates * 6% increase in in-patients receiving subsidized care * 15% reduction in number of patients referred abroad
Medical Coverage Reform Support Programme - Phase III – Morocco The programme aims to improve social protection and medical coverage for the Moroccan population, in particular the most vulnerable, by extending basic medical coverage and improving physical and financial access to quality health and social services, and the establishment of a scheme for self-employed workers	2013	EUR 115	70%	5,645,455	-	* 23% reduction in infant mortality rate * 20% reduction in maternal mortality rate * 14% increase in population covered by medical assistance * 21% increase in population eligible for basic medical coverage * 13% increase insured people with access to a family doctor

Selected Water supply & Sanitation Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Number of beneficiaries	Job creation	Other indicators
Water Access Sustainability and Security Project (PPSAE) – Morocco The project aims to secure access to drinking water in 5 Provinces by meeting the growing need for drinking and industrial water in these areas	2018	EUR 79	35%	1,139,900	35,130	* 1.6% reduction in poverty in rural areas * 11% reduction in infant mortality rate * 11% reduction in household health expenditure * 4.5% reduction in waterborne disease
Water and Sanitation Sector Development Program-First Libreville Integrated Drinking Water Supply and Sanitation Program (PIAEPAL)-Drinking Water Component – Gabon The project involves building the institutional capacity of the Drinking Water Supply and Sanitation (DWSS) sector, reinforcing and extending the drinking water network in Greater Libreville by 280 km and the preparation of the next phase in the form of a project	2018	EUR 75	64%	621,110	7,850	* People affected by flooding reduced from 35,000 to 0 * 16% reduction in waterborne diseases
Thwake Multi-purpose Water Development Program (Phase I) - Additional Financing – Kenya The project aims to provide additional financing to the Thwake Multi-purpose Water Development Program, which is a multi-purpose dam for water supply, hydropower generation and irrigation development. The project targets broad improvement in productivity and livelihoods of the population	2018	EUR 192	55%	710,470	4,370	* 9% and 14% reduction in urban and rural poverty rates respectively
Sustainable Development of Abu Rawash Wastewater Treatment Plant (Abu-Rawash WWTP) - Phase II – Egypt The project aims to protect the environment and water resources from pollution and reduce health risks due to discharge of untreated wastewater into drains and canals and enhance water re-use by improving the quality of existing primary treatment system to include secondary treatment. It will expand capacity from 1.2 to 1.6 million m^3 per day for both primary and secondary treatment systems	2017	USD 100	26%	2,064,830	1,340	* 18% decrease in infant mortality rate * 21% reduction in waterborne diseases
Drinking Water Quality and Service Improvement Project – Morocco The project entails strengthening and securing drinking water supply in several towns, improving water quality and performance of existing drinking water systems. It aims to meet the drinking and industrial water needs of the targeted areas by 2030	2016	EUR 89	50%	4,233,000	-	* 1% reduction in poverty rate * 1.5% decrease in households health expenditure * 6.5% decrease in water-borne disease rate * 8.5% reduction in infant mortality rate * 27.5% decrease in maternal mortality rate
Arusha Sustainable Urban Water and Sanitation Delivery Project – Tanzania The project aims to provide safe, reliable and sustainable water and sanitation services in Arusha, by improving existing infrastructure, thereby improving health, social well-being and living standards. The project will also reduce waterborne diseases and healthcare costs	2015	USD 144	61%	782,973		* Access to water and sanitation to increase from 65% to 100% * Access to water supply increased from 44% to 100% * 20% reduction in infant mortality rate
Urban Water Sector Reform and Port-Harcourt Water Supply and Sanitation Project – Nigeria The project aims to provide access to safe drinking water and sanitation and strengthen Government's capacity to reform the urban water and sanitation sector and improve service delivery across the country. The project will rehabilitate and expand the water supply system and constructing sanitation facilities	2014	USD 200	58%	1,028,720	-	* 30% decrease in population living below poverty line * Access to water services increased from 61% to 100% * 28% increase in access to sanitation services * 49% reduction in infant mortality rate
Transforming Rural Livelihoods in Western Zambia - (NRWSSP Phase II) – Zambia The project aims to provide sustainable access to water supply and sanitation in 16 rural districts. It comprises of water supply Infrastructure development, support to sanitation and hygiene, sector development activities including capacity building and program management	2014	USD 15.5	41%	534,371	5,068	* 27% reduction in infant mortality rate * 24% reduction in population below poverty line * 15% increase in access to improved drinking water supply

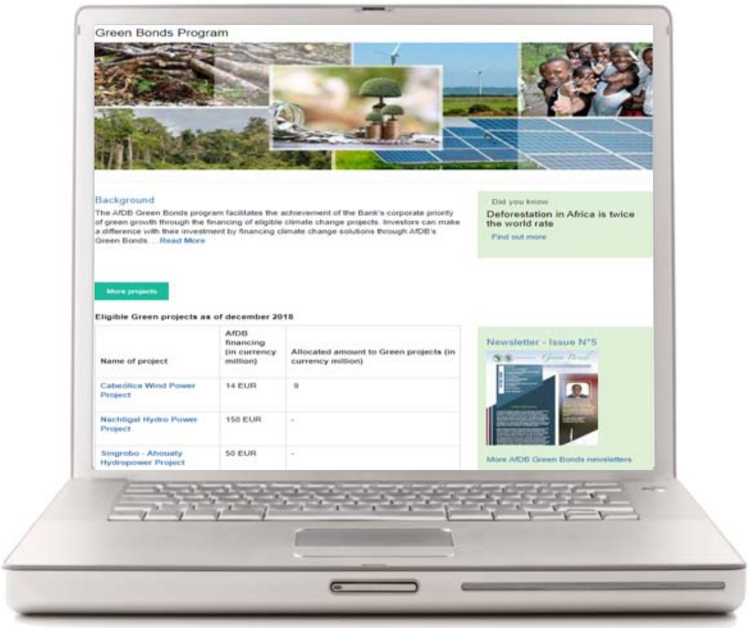
Selected Energy Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Number of beneficiaries	Job creation	Other indicators
North West Grid (400 KV Nyakanizi-Kigoma Transmission Line) – Tanzania The project consists of a 280 km power line construction; extension & construction of a new substation; integration of existing 33 kV distribution networks to the main grid; consultancy and audit services; and compensation and/or resettlement of project affected persons	2018	USD 123	66%	268,500	430	* 2.5% increase in households connected to electricity * 10.6% increase in improved power supply * 12,527 tons of GHG reductions per year
Project to Improve Access to Electricity in Peri-Urban and Rural Areas – Senegal The project seeks to improve electricity distribution and increase the population's access to quality power supply in peri-urban and rural areas outside of Dakar	2018	EUR 36	48%	333,210	120	* 3.3% increase in national electricity access rate * 3.8% reduction in power losses * 374 new localities electrified * 32 staff trained
Nigeria Electrification Project – Nigeria The project aims to deliver energy access to unserved and underserved communities in Nigeria. The project will provide electricity to households, SMEs, and public institutions in a least-cost and timely manner through off and mini-grid solutions	2018	USD 150	75%	450,000	18,750	* 15% increase in national electrification rate * 60 university staff trained * 23 women and youth trained in renewable energy technologies * 15% increase in female students trained on power plant maintenance
RBF - Scaling up energy access II – Rwanda The project aims to improve power supply reliability, increase on- and off-grid access in Kigali and Southern and Western provinces and enhance institutional capacity for effective implementation	2018	EUR 166	72%	232,231		* 26% reduction in electricity interruptions * 89,586 new off-grid connections
Last Mile Connectivity Project II – Kenya The project aims at maximizing the use of 45,000 distribution transformers across 47 counties, by extending low voltage network to 1.2 million people in rural areas. The project, which will achieve 300,000 new connections, construct low voltage distribution lines and build capacity, is expected to support faster economic growth through increased access to electricity	2016	USD 135	88%	1,575,350	2,190	* 15% increase in national electricity access rate * 35,000 trees planted
Power Transmission and Distribution Networks Reinforcement Project – Cote d'Ivoire The project aims to improve the grid performance so as to provide customers with high quality energy and increase the electricity access rate, thereby improving living conditions and structural transformation of the economy through industrialization. It will consists in the construction of transmission and distribution lines and sub-stations	2016	EUR 138	85%	214,200	2,567	* 1% increase in national access to electricity * 1,020 tons reduction in CO2 emissions
St. Louis Power Plant Redevelopment Project – Mauritius The project will provide 4 medium speed, 4 stroke, heavy fuel oil (HFO) driven generators with a capacity of 15 MW each, a power station building, two 1,000 m^3 tanks for HFO storage and a 132kV substation for connecting the power plant to existing electricity grid	2014	USD 117	90%	1,136,860	-	* 67% increase in GDP per capita * 36% decrease in gap in power supply * 22% reduction in annual GHG emissions
The Morupule B Power Project – Botswana The project consists in the construction of a 600 MW (4 x 150 MW) coal fired power plant and associated transmission infrastructure. The plant will be connected to the national grid by 2 new transmission lines. The Morupule B plant will be located adjacent to the existing Morupule A plant	2009	EUR 153	15%	276,940	62	* 5% increase in household electricity rates * 0.5% increase in contribution of the services sector to women employment * 46 local employees trained

Selected ICT Projects

Project Description	Year of approval	AfDB financing (in million)	Share of AfDB financing	Number of beneficiaries	Job creation	Other indicators
Seychelles Cable Systems Company Ltd – Seychelles This project involves the construction and operation of a 2nd Seychelles Submarine Cable (SSC-II) to connect the Pakistan East Africa Cable Express (PEACE) in Kenya to the Seychelles	2019	EUR 6.5	33%			* 8.3% increase in internet and cellular household penetration * 8 days decrease in internet connectivity outages * EUR 2.2 million net present value in government revenue * 7.4 Gbps increase in internet traffic
Rwanda Innovation Fund – Rwanda The project aims to address the financing gap faced by tech-enabled companies in Rwanda and East Africa, by establishing affordable funding mechanisms for growth companies and equity financing for tech-enabled SMEs and training for tech entrepreneurs. The fund is expected to support 150 companies and invest in 20 early growth stage opportunities	2018	USD 30	44%	13,120	875	* 1.7% increase in share of ICT sector in GDP growth * Creation of 6-8 companies with valuation of $50m * 66 businesses supported with 1/3 contributing to lower GHG emission reductions
Support Project for the Implementation of the "Digital Tunisia 2020" National Strategic Plan – Tunisia The project's sector objective is to help improve public services provided to users. Its specific objective is to enhance the performance, openness and quality of the Tunisian administration	2017	EUR 72	53%	6,113,560	9,810	* Households with access to online Government services increased from 18% to 100% * 159 new computerized/online government services * 557new administrative sites connected to the government network
Central Africa Backbone Project – Congo component – Congo This project aims to extend the network coverage to the borders with Cameroon and Central African Republic. This will offer an alternative service for international traffic through submarine cables hence reducing the cost of international connectivity	2016	EUR 52	78%	144,650	-	* 4% increase in ICT contribution to GDP * 18% increase in internet service penetration
Digital Technology Park – Senegal The project aims to establish a Digital Technology Park to diversify the economy to accommodate tech-enabled businesses by putting up a data center, business process outsourcing facilities, ICT incubator, training, research and audio-visual & content production centers	2015	EUR 61	86%	40,580	120,870	* 86% increase in ICT contribution to GDP * $168 million increase in Foreign investment in ICT sector * 430 additional ICT companies
Central Africa Backbone Project-Cameroon component – Cameroon The project involves the construction and deployment of 916 km of optical fiber infrastructure. The optical fiber network coverage will be extended to Cameroon's borders with Congo, Nigeria and Central African Republic	2015	EUR 37	81%	99,900	-	* 11 % increase in internet access * 11% increase in mobile density * 40% reduction in internet access costs
Technology Park Project – Cabo Verde This project entails the installation and management of cutting-edge computer storage and processing facility and the provision of knowledge resources to facilitate the development and transformation of government processes and private sector businesses	2013	EUR 32	88%	467,250	1,570	* 1.2% increase in share of ICT sector in GDP * 10.6% increase in internet penetration * Internet speed increased from 1 Gbps to 10 Gbps

AfDB Green Bond webpage



- Green Bond framework
- Green Bond newsletters
- Ten-Year Strategy (2013–2022)
- Environmental policy
- Energy policy
- Integrated safeguards system
- Joint MDB report on climate finance
- Climate finance tracking methodology
- CICERO second opinion
- Eligible green projects
- Annual Development Effectiveness Report
- ESG rating reports
- New Deal on Energy for Africa

AfDB Social Bond webpage

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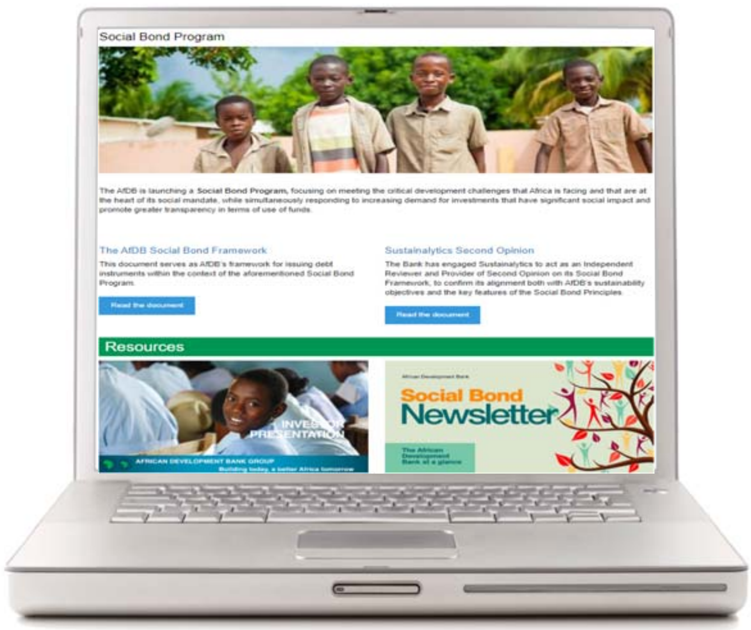
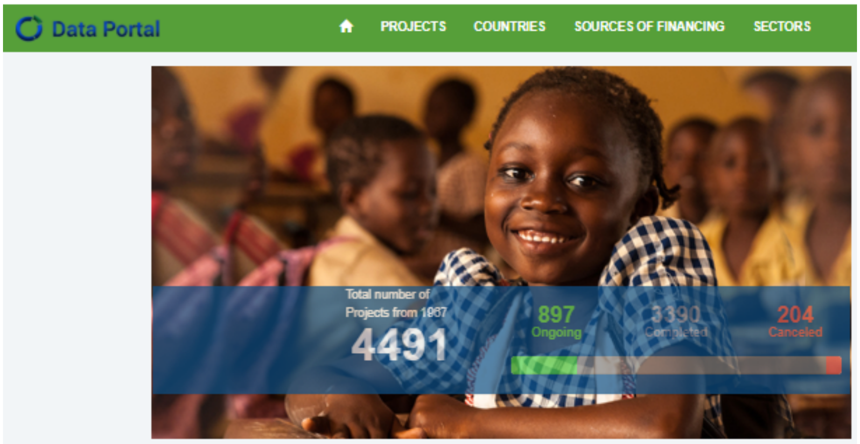
- ESG rating reports



For more details and the impact of Bank projects, please visit the Bank's Data Portal and the Annual Development Effectiveness Report



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