

# Social Bond Newsletter

## The African Development Bank at a glance

The African Development Bank Group is the premier development finance institution in Africa with a mandate to spur sustainable economic development and social progress on the continent, thereby contributing to poverty reduction.

The Bank's Ten-Year Strategy for 2013–2022 reflects the aspirations of the entire African continent and is firmly rooted in a deep understanding and experience of how far Africa has come in the last decade, and where it wishes to go to in the next.

In 2015, a new strategic operational agenda was laid out for the Bank, the “High 5s”, which are to light up and power Africa; feed Africa; integrate Africa; industrialize Africa; and improve the quality of life for the people of Africa. These operational priorities are consistent with the SDGs and therefore essential in transforming the lives of the people of Africa through rapid, sustained, and inclusive growth.

Issue 01 • June 2019

## Working together for Africa's progress

Africa is a continent of contrast, rich in natural resources, yet its people are among the poorest in the world. The image of Africa projected throughout the world is that of a continent plagued by disease, hunger, corruption, and needing development aid now and beyond the near future. However, there is another story less told, which acknowledges the challenges faced by the continent but also recognises progress made; more children at school, reduced civil and military conflicts, improved governance, a large and youthful workforce, an untapped market of 1.2 billion consumers, and an expanding middle class. The African Development Bank is part of that story.

The Bank encourages sustainable and inclusive growth, whose benefits can be shared by all Africans across age, gender and geography; not just for equality of treatment and opportunity but to eliminate poverty and create jobs, particularly for women and youth.

For Africa, the next few years provide an opportunity to accelerate progress towards the UN Sustainable Development Goals (SDGs) and the Bank's High 5s.



AFRICAN DEVELOPMENT BANK GROUP



## Key Highlights

### Creating a social bond framework

In order to reinforce its presence in Socially Responsible Investment (SRI) markets, the African Development Bank established its **Social Bond program** in October 2017. In November 2017, the Bank issued its inaugural **EUR 500 million 7-year Social Bond**, following a roadshow to present its newly established framework to European SRI investors.

### The Bank celebrates its successful 10-year social bond transaction

In May 2018, the Bank issued its sophomore **EUR 1.25 billion 10-year Social Bond**, which was also its largest ever EUR benchmark.

### Pioneer transaction in the Scandinavian SRI market

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

### Name recognition in the SRI market

At the GlobalCapital SRI Awards ceremony held in Amsterdam in September 2018, the African Development Bank took 2<sup>nd</sup> place in the **Most Impressive Social or Sustainability Bond Issuer** award.



"We are very proud of the capital market's recognition of the Bank's Social Bond. Our investments into the continent address the unmet needs of vulnerable groups and make a positive difference." — **Hassatou N'Sele**, Treasurer of the African Development Group

### Leadership in the Uridashi market



mtn-i's 1<sup>st</sup> Uridashi Editor's Award presented in Tokyo in October 2018 recognises the Bank's leadership in the development of the social capital markets. Uridashis linked to the High 5s provide Japanese retail investors with a clear connection between their investment and the impact the Bank's work is having.

### "Feed Africa" theme bond awarded 2018 Asia-Pacific deal of the year

In 2018, the Bank issued a **CAD 60 million 10-year "Feed Africa" theme bond**. The proceeds of the issue were allocated on a "best-efforts" basis to "Feed Africa" projects. The Bank's strategy for Agricultural Transformation 2016–2025 aims to invest \$24 billion to help reduce extreme poverty, eliminate malnutrition, reduce dependency on food imports and move Africa to the top of the value chain. This innovative

SRI private placement in Canadian dollars won the mtn-i Asia-Pacific deal of the year award for 2018.

### Bank ranks high on transparency

The **2018 Aid Transparency Index Report** released by "Publish What You Fund", ranked the African Development Bank 4<sup>th</sup> among 45 development organizations, a gain of six positions since 2016. This improved ranking reflects the Bank's operational capabilities and the efficacy of its systems and processes, including a strict adherence to best-in-class reporting and disclosure of its programs, projects, aid and financial interventions.

### African Development Bank issues first ever SOFR-linked Green Bond









In November 2018, the Bank successfully priced a **dual tranche \$500 million 3-year fixed and \$100 million 2-year SOFR-linked Green Bond**, becoming the first issuer to launch a SOFR-linked green bond. This transaction highlights the Bank's role as a leader in climate finance in sectors such as renewable energy, energy efficiency, clean transportation, biosphere conservation and sustainable water and wastewater management.



# The African Paradox

Despite the challenges that the continent is facing, Africa's potential is enormous and waiting to be unleashed.

## Unlocking human capital, an opportunity for prosperity

THREATS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>• <b>90% of primary schools</b> lack electricity</li> <li>• <b>Nearly 50%</b> of the population and <b>70% of rural areas</b> have no access to electricity</li> <li>• <b>600 million</b> Africans are trapped in energy poverty</li> <li>• <b>600,000</b> Africans die each year due to a lack of clean cooking energy</li> </ul>	<p>Extensive renewable energy potential</p> <div>  <p>solar <b>10 million MW</b></p> </div> <div>  <p>wind <b>110,000 MW</b></p> </div> <div>  <p>hydro <b>350,000 MW</b></p> </div> <div>  <p>geothermal <b>15,000 MW</b></p> </div>
<ul style="list-style-type: none"> <li>• <b>More than 1 in 4 Africans</b> are malnourished</li> <li>• Annual food trade balance costs <b>\$35 billion net</b>, rising fast to \$110 billion net by 2025</li> </ul>	<p>Africa has:</p> <ul style="list-style-type: none"> <li>• <b>25%</b> of the world's most fertile land</li> <li>• <b>65%</b> of the world's unused arable land</li> </ul> 
<ul style="list-style-type: none"> <li>• <b>300 million</b> Africans suffer water stress and water scarcity</li> <li>• <b>39% of the population</b> have low access to sanitation and only <b>71%</b> have access to safe drinking water</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Africa has 10%</b> of the world's renewable water resources, while <b>66% of the continent is arid or semi-arid</b></li> </ul> 
<ul style="list-style-type: none"> <li>• <b>Over 50% of Africa's young people</b> are unemployed or underemployed</li> <li>• <b>12 million</b> come new to the job market each year, and <b>only 3 million find jobs</b></li> <li>• Migration from Africa has increased <b>by 3% annually from 2010 to 2015</b></li> </ul>	<ul style="list-style-type: none"> <li>• African labour force will increase by <b>40%</b> by 2030</li> <li>• The <b>world's youngest workforce</b> by 2025</li> <li>• The world's youngest population: <b>420 million aged between 15 and 35 years old</b> in 2017, expected to double by 2040</li> <li>• <b>36 out of the world's 40 youngest countries</b> are in Africa</li> </ul> 
<ul style="list-style-type: none"> <li>• <b>41% of Africans</b> live below the poverty line and wealth inequality is worsening</li> <li>• <b>1/3 of children</b> completing primary school do not stay literate in their adulthood</li> </ul>	<ul style="list-style-type: none"> <li>• Growing middle-class and largely untapped <b>consumer market of 1.2 billion people, spending \$1.2 trillion by 2025</b></li> </ul> 

# Africa's \$1.3 Trillion Financing Deficit

From 1990 to 2015, the continent has demonstrated economic resilience and reported average growth rates at around 5%. After a dip in 2016, largely due to the drop in commodity prices, Africa's economic performance is now back on an upward trend, with **gross domestic product growth reaching an estimated 3.5% in 2018**<sup>1</sup>.

Although higher than that of most other emerging and developing countries, economic growth in Africa remains insufficient to decrease unemployment and poverty significantly, and to address the structural challenges of persistent current fiscal deficits and debt vulnerability.

There remains a clear need for sustainable and inclusive economic development in Africa across age, gender and geographies. Major development challenges persist, including extreme poverty, political instability, weak economic governance and the negative impacts of climate change, particularly in fragile states. These impede economic progress on the continent.

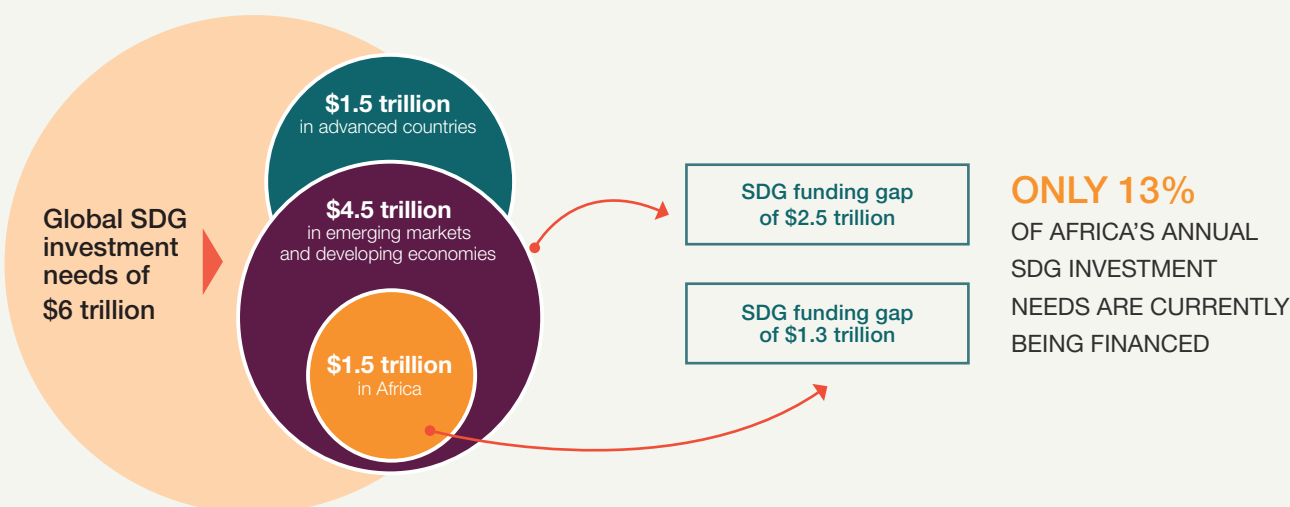
Africa's solid economic growth of recent years has thus not led to the elimination of poverty, nor of extreme poverty. Africa continues to suffer financing gaps that affect particular sectors and groups. These gaps require immediate action to promote sustainable development by attracting financial resources to the continent.

The most significant decision African political leaders made in recent months was to confirm their collective will to make a decisive step forward in Africa's economic integration from the **Kigali Declaration** at the African Union in March 2018 and the ratification of the **African Continental Free Trade Agreement** in April 2019, which brought the Agreement into force. An Africa without barriers to trade or to the movement of goods, services, people, and capital across the continent is not just a political ambition. It will lay the solid foundation for a competitive single market, which will accelerate growth and allow Africa to build global trade and improve value chains across borders, creating economies of scale for investors as they look for new, strong and integrated markets and investment opportunities.

According to a study by the UN Environment Program Finance Initiative (UNEP-FI)<sup>2</sup>, SDG investment needs are \$6 trillion per year globally, with \$1.5 trillion in advanced countries and \$4.5 trillion in emerging markets and developing economies (of which \$1.5 trillion would be in Africa). The UNCTAD World Investment Report 2014<sup>3</sup> shows that emerging markets and developing countries face an annual SDG financing gap of \$ 2.5 trillion. **The annual funding gap in Africa is estimated at \$1.3 trillion, close to 90% of its SDG investment needs** (see Figure 1), higher than the 15% in Europe and the US, according to the UNEP-FI. That puts Africa in the spotlight!

Africa has achieved one of the fastest and most sustained growth spurts in the past two decades, yet growth has not been pro-employment.

**Figure 1: Annual SDG financing gap**



Source: UNEP-FI - Rethinking Impact to Finance the SDGs

<sup>1</sup> Source: AfDB African Economic Outlook 2019. [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2019AEO/AEO\\_2019-EN.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2019AEO/AEO_2019-EN.pdf)

<sup>2</sup> <http://www.unepfi.org/wordpress/wp-content/uploads/2018/11/Rethinking-Impact-to-Finance-the-SDGs.pdf>

<sup>3</sup> [https://unctad.org/en/PublicationsLibrary/wir2014\\_overview\\_en.pdf](https://unctad.org/en/PublicationsLibrary/wir2014_overview_en.pdf)

# A Compelling Opportunity to Accelerate Africa's Transformation

To address the critical development challenges that Africa faces, the Bank's Strategy 2013–2022, which aims to promote inclusive growth and support African countries' transition to green growth, focuses on the High 5s. The High 5s exist alongside other global development agreements, including the African Union's Agenda 2063 and the Paris Climate Change Agreement, and will contribute towards achieving 14 of the 17 UN SDGs.

**If the SDGs are not met in Africa, they will not be achieved at all**



The African Development Bank recognises that significant additional resources are required to achieve sustainable development through its High 5s and the SDGs. In 2017, the Bank implemented its social bond program, designed as an innovative way to attract new capital that will improve and accelerate the provision of development aid to individuals and communities living in extreme poverty in Africa.



# Social Bonds to Bridge the SDG Funding Gap

In October 2017, the African Development Bank established a social bond framework, focusing on meeting the critical development challenges that Africa faces and that are at the heart of its social mandate, while simultaneously responding to increasing investors demand for investments that have significant social impact and promote greater transparency in terms of use of funds.

The Bank's social bond program provides SRI investors with the opportunity to help combat poverty and improve lives in Africa, and to contribute to achieving the SDGs, while benefiting from financial returns on their investments.

## The Bank's social bonds met with widespread acclaim

Since the launch of its social bond framework, the Bank has issued two EUR Social Bonds in benchmark size, for a total amount of **EUR 1.75 billion**, and an **inaugural NOK 500 million 3-year Social Bond**, which was issued in a dual tranche format together with an SEK 1.25 billion 5-year Green Bond. The two EUR transactions combined attracted many high quality investors and dedicated SRI funds, and provided **32 new investors** to the Bank. The NOK social bond was the result of a reverse enquiry from Norwegian investors particularly keen to invest in a social format, and attracted dedicated Nordic SRI accounts who incorporate strict Environment, Social and Governance (ESG) guidelines in their investment decisions.

### Social bonds represent 6% of the Bank's current outstanding debt

**November 2017**



0.25% Social Bond  
**EUR 500,000,000**  
Global Benchmark  
Due November 2024

100% allocated

Inaugural social bond was  
3 times oversubscribed in less  
than 150 minutes

**May 2018**



0.875% Social Bond  
**EUR 1,250,000,000**  
Global Benchmark  
Due May 2028

34% allocated

Largest EUR transaction was 1.7  
times oversubscribed

**April 2019**



1.5% Social Bond  
**NOK 500,000,000**  
Public Domestic Issue  
Due April 2022

To be allocated

First ever social bond issued  
in the Norwegian market and  
inaugural AfDB issuance in NOK



**LUXEMBOURG  
GREEN EXCHANGE**

All social bonds issued by the African Development Bank  
are listed on the Luxembourg Green Exchange



The social bond program allowed the African Development Bank to expand its footprint in the SRI market. While the Bank was already an established issuer in the green bond space, by putting in place a social bond program, a first among MDBs, the Bank was able to reach out to a whole new set of investors, who were taking a broader and more holistic view of sustainability.

**Swazi Tshabalala, Vice President Finance, African Development Bank Group**

## Investor quotes

“Mirova welcomes the African Development Bank’s social bond. This transaction has been very well prepared, with an extensive roadshow and an open dialogue with investors, and very nicely executed. We invite other issuers to develop similar social bond frameworks. This market can contribute to channeling more funds to a more sustainable economy and Mirova will support it.”

**Marc Briand, Head of Fixed Income, Mirova**

“We welcome the African Development Bank issuance of a social bond as it offers possibilities of allocating capital into good use and at the same time generating a good return. Social bonds address a wider spectrum of social issues, sourcing investment projects for solutions or to mitigate social effects.” **Lars Lindblom, Fixed Income Portfolio Manager, AP2**

“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 African Development Bank’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**



As a pioneering participant in the SRI market, the African Development Bank is delighted to have launched a dual tranche transaction incorporating the first ever social bond denominated in Norwegian kroner, partnered with a green bond in Swedish kroner. Both tranches were driven by strong Scandinavian demand, a region that has been a very keen supporter of the sustainable investment market. The Bank’s social and green bond programs allow the Bank to highlight its development mandate to the investor community and enables them to ensure that they too can play a significant part in improving the lives of the people of Africa.

**Hassatou N’Sele, Treasurer of the African Development Bank Group**

# A Social Portfolio Addressing the Needs of the Continent

By issuing social bonds to finance socio-economic development in its regional member countries, the African Development Bank is advancing its mission – to spur sustainable economic development and social progress in Africa – and capitalising on its strong track record of financing projects with strong social impact on the continent. The eligible projects to be financed with the proceeds of social bonds are expected to lead to poverty reduction and job creation, as well as inclusive growth across age, gender and geography, thus improving the quality of life for the people of Africa. The projects are selected for their strong social outcomes and are aligned with the Bank’s Ten-year strategy and the High 5s, which include “Improving the quality of life for the people of Africa”.

The Bank’s social bond proceeds are allocated on a semi-annual basis to projects that meet the Bank’s eligibility criteria as follows:

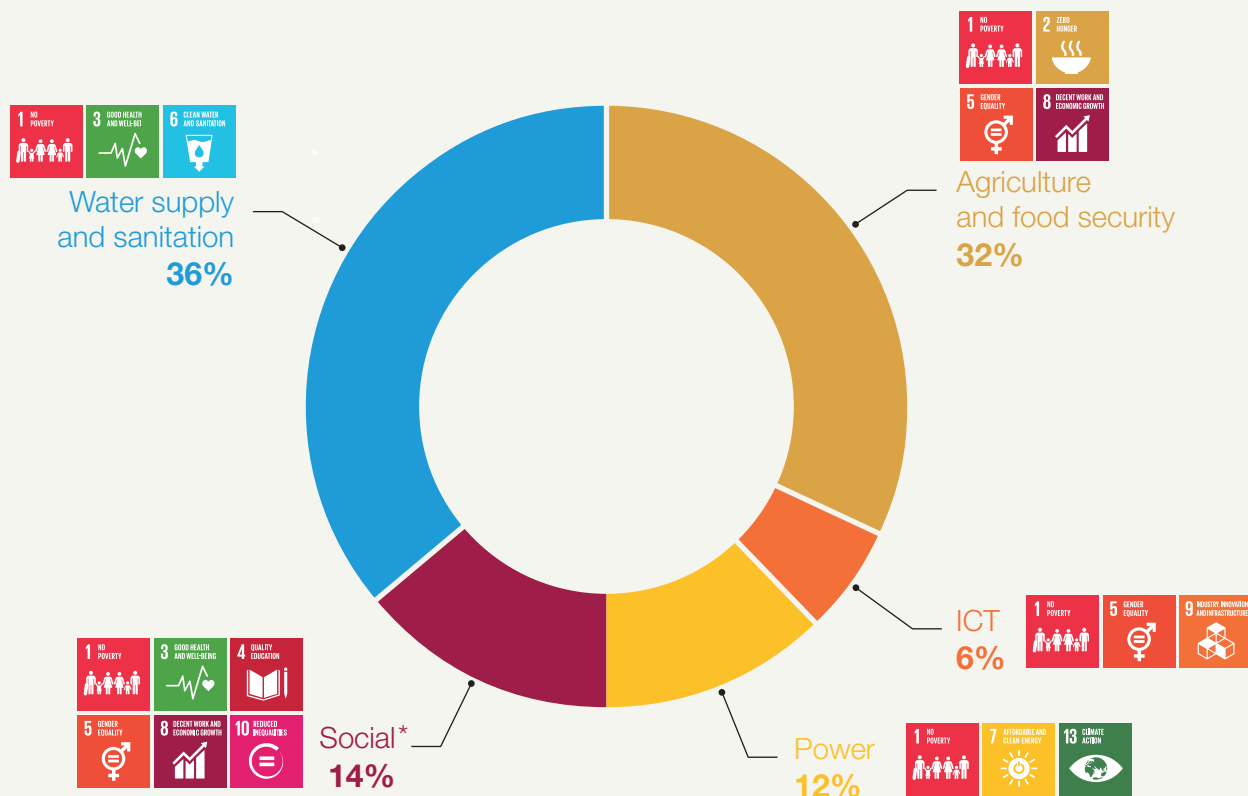


## Exemple of eligible social projects

- Rural electrification
- Small-scale irrigation and agriculture value chain development
- Provision of farm infrastructure and agricultural inputs for rural farmers
- Soft commodity finance facilities
- Small and medium enterprises and value chain financing
- Last mile connectivity for rural communities
- Sustainable water supply and sanitation delivery
- Social housing
- Financial payment systems for populations
- Skills development for employability and entrepreneurship
- Youth employment programs
- Enhanced infrastructure and capacity building schools
- Health systems development
- Construction and/or rehabilitation of hospitals and healthcare centres

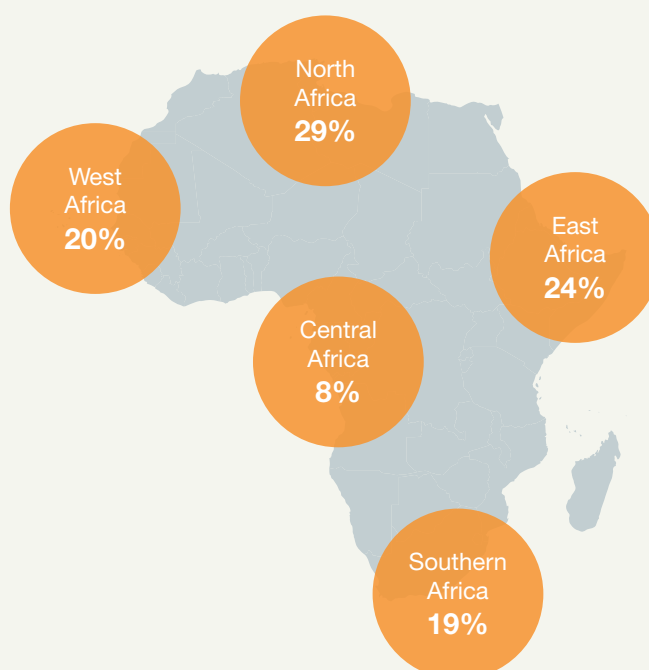
The Bank's social portfolio is composed of 62 eligible social projects and addresses 11 of the SDGs

## Outstanding social portfolio by sector as at 31 December 2018



\*Social, health, education and vocational training projects

## Outstanding social portfolio by region as at 31 December 2018





# Strong Commitment to Finance Environmental and Social Programs

The African Development Bank considers that environmental and social sustainability support economic growth and reduce poverty in its regional member countries. The Bank ensures the environmental and social sustainability of its investments through its **Integrated Safeguards System (ISS)**<sup>4</sup>.

The ISS tool was designed to promote best practices to address environmental and social development challenges in Africa. It contributes to identifying risks, reducing development costs, improving project sustainability and encouraging greater transparency and accountability.

The ISS tool includes 4 components:

- The integrated safeguards policy statement
- 5 operational safeguards (OS)
- The environmental and social assessment procedures (ESAP)
- The integrated environmental and social impact assessment (ESIA)

The OS are applied to the whole portfolio of Bank operations, help to support clients and countries, and ensure that clients engage in meaningful consultations with affected groups. They respect and promote the protection of Africa's most vulnerable communities.

---

The environmental and social safeguards of the Bank are a cornerstone of the Bank's support for inclusive economic growth and environmental sustainability in Africa.

---

The Bank's commitment to improve environmental and social sustainability in its investments is not only reflected through its ISS tool and policies but also in its ESG performance.

The Bank's ESG and Corporate Social Responsibility (CSR) performance is assessed on a regular basis by sustainability rating agencies. They collect publicly available ESG and CSR information disclosed by companies through sustainability reports, annual reports, company websites and other public sources, as well as through direct contact with the company.

 <b>SUSTAINALYTICS</b>			
<b>61/100</b> <b>65<sup>th</sup> percentile</b> <b>(Average Performer)</b>	<b>63/100</b> <b>(Advanced)</b>	<b>C+</b> <b>"Prime"</b>	<b>A</b> <b>(Average)</b>
December 2018	July 2018	January 2018	July 2018

<sup>4</sup> [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/December\\_2013\\_-\\_AfDB'S\\_Integrated\\_Safeguards\\_System\\_-\\_Policy\\_Statement\\_and\\_Operational\\_Safeguards.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/December_2013_-_AfDB'S_Integrated_Safeguards_System_-_Policy_Statement_and_Operational_Safeguards.pdf)

# Transformative Social Projects

## WATER SUPPLY AND SANITATION

### **ZAMBIA:** Lusaka Sanitation Program



**Project cost:** \$128 million

**Bank financing:** \$50 million

**Year of approval:** 2015

Zambia's sanitation crisis costs 1.3% of GDP annually, Lusaka being the worst affected area, with annual outbreaks of cholera, typhoid and dysentery. 60% of Lusaka's water supply is from groundwater, vulnerable to pollution, and 75% of waste is not adequately collected, treated and disposed of, and ends by polluting the environment and water supply sources.

Rapid urbanisation in Lusaka is expected to lead to a doubling of the population over the next 20 years to 5 million people, exacerbating the sanitation problem. The Lusaka Sanitation Program, which consists of the construction and rehabilitation of 72 km of climate-resilient sewerage infrastructure, will increase access to sustainable sanitation services for Lusaka residents, especially the urban poor, and strengthen Lusaka Water and Sewerage Company's capacity to manage sanitation services.



#### **Expected outcomes:**

- More than 1 million Lusaka residents will live in healthier conditions due to the improved environmental and sanitary environment
- 360,000 people will be served with adequate wastewater management
- Population living below the poverty line will decrease dramatically from 75% in 2013 to 20% in 2030
- Under-five mortality rate per 1,000 live births in Zambia will reduce from 87 in 2013 to 50 in 2030
- Volume of wastewater treated will increase from 2 million m<sup>3</sup> in 2014 to 4.8 million m<sup>3</sup> in 2020
- 150,000 people will be trained to improve hygiene behavior and sanitation practices

## AGRICULTURE AND FOOD SECURITY

### NIGERIA: ENABLE YOUTH



**Project cost:** \$523 million

**Bank financing:** \$250 million

**Year of approval:** 2016

Nigeria's unemployment and underemployment rates are increasing, especially among young people, and with a much greater concentration in rural areas. In the last 10 years, approximately 20 million youth entered the labour market, with only 20% securing employment. The unemployment rate doubled to 25% in 2013 (more than 40 million people), with an estimated 56% of youth unemployed. There is also a substantial problem of underemployment, with two thirds of young people with jobs who live on less than \$1.25 per day.

Agriculture employs 70% of Nigeria's workforce, but accounted for only 20% of GDP in 2016, showing that the sector's productivity and incomes are very low. The Enable Youth program, established in all 36 states, aims to contribute to job creation, food security and nutrition, rural income generation and improved livelihoods for the youth. The objective of the program is to create business opportunities and decent employment along priority agricultural value chains. The program will promote reforms to ease the process of setting up new agribusinesses by young people and enable youth to have equal access to financial resources.



#### Expected outcomes:

- Agricultural annual GDP growth will increase to 7%
- Youth unemployment in Nigeria will reduce by 10%
- Youth income will increase by 40%
- 185,000 jobs will be created
- Access to finance will increase by 8%
- 7,000 new agriculture-related businesses will be created by 37,000 young people

## EDUCATION AND VOCATIONAL TRAINING

### NIGERIA: AFE BABALOLA UNIVERSITY EXPANSION PLAN



**Project cost:** \$80 million

**Bank financing:** \$20 million

**Year of approval:** 2016

The project consists in the construction of new facilities, including a 400-bed teaching hospital for the Medical School, an industrial research park, a post-graduate school, student hostels, a central library and a Small-Hydropower Plant (SHP) installation. The SHP would have a capacity of 1.1 MW and provide water as well as electricity for the University and the local community.

In 2014, only 30% of eligible high school students gained admission to university in Nigeria. More than one million young people are unable to get admission to a tertiary institution in Nigeria due to capacity constraints. At the same time, the training offered by universities in Nigeria is not producing market ready graduates as it is reported that over 75% of Nigerian young graduates are not fully employed.

The Afe Babalola University commenced operations in 2010 with 240 students and reached 6,500 students in 2016. For the 2016–2017 school year, enrollment exceeded 7,500 students (+15%), which explains the need to accelerate the university expansion plan so its teaching and hosting facilities can accommodate the fast-growing student intake.



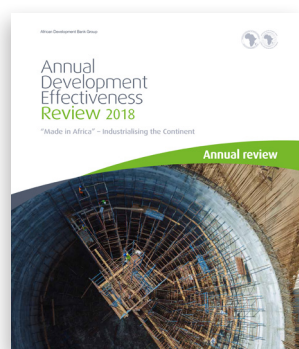
#### Expected outcomes:

- Expanding access to high quality education to over 10,000 students per year (65% of female students)
- The university will generate 12,000 high quality employable and self-employable graduates
- Full/partial scholarships will be provided to over 500 students
- 250 permanent jobs and 1,000 temporary jobs will be created
- The enhanced farmer training program will benefit over 2,400 smallholder farmers
- Savings of 2,640 tons of CO<sub>2</sub> emissions per year
- 35 contracts will be signed with local SMEs/suppliers

# Transparency and Development Results

## ADER report

Each year, the Annual Development Effectiveness Review (ADER) reviews development trends in Africa and considers how the African Development Bank has contributed to these changes. The ADER report reviews development trends across Africa in each of the High 5s and assesses how much progress the Bank is making towards Africa's development.

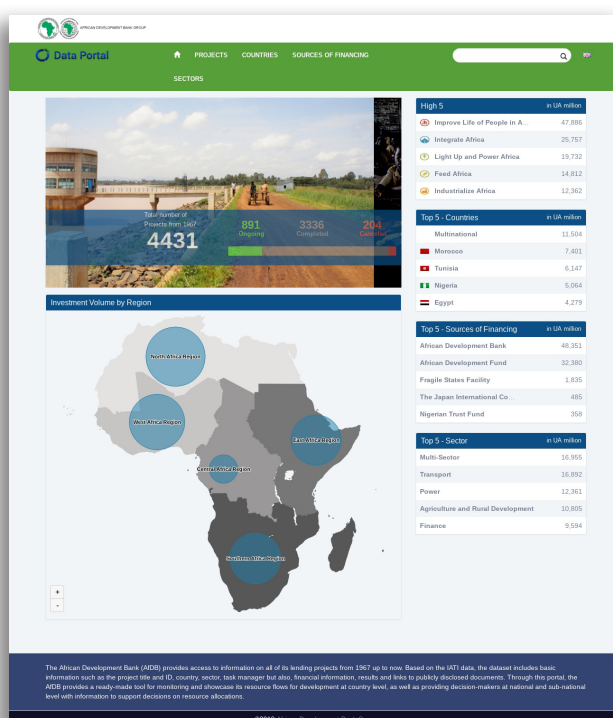


### 2017 development impact results from projects completed in 2015–2017:

- 8.3 million people had better access to water and sanitation
- 14 million people had improved access to transportation
- 8.5 million people benefited from improvements in agriculture
- 210,000 SMEs had better access to financial services
- 1.5 million direct new jobs were created

## Data portal

The Projects Data Portal provides access to information on all African Development Bank's lending projects from 1967 to date. With one-click navigation, this user-friendly portal provides a ready-made tool for monitoring and showcasing more than 4,300 Bank projects, as well as a bird's-eye perspective on countries, regions, sectors and High 5s. Altogether, this portal enables a better understanding of where there might be gaps between needs and resources.



<https://projectsportal.afdb.org/dataportal/?lang=en>



# Impact Reporting

The tables below highlight selected projects of the Bank's social bond portfolio. As defined in the Bank's internal debt allocation policy, social bonds are allocated to a pool of eligible social projects. The reporting is based on ex-ante estimates of expected socio-economic impacts and is computed prorata of the Bank's share of financing.

## Selected water and sanitation projects

Project Description	Year of approval	Signed amount (in million)	Share of Bank financing	Number of beneficiaries	Job creation	Increase in access to water	Increase in access to sanitation	Decrease in under 5 mortality rate	Decrease in population living below poverty line	Other indicators
<b>EGYPT - SUSTAINABLE DEVELOPMENT OF ABU RAWASH WASTEWATER TREATMENT PLANT - PHASE II</b> Protect the environment and water resources from pollution, reduce health risks due to discharge of untreated wastewater and enhance water re-use through improving existing treatment system.	2017	\$100	26%	2.65 million	400			From 33 to 10/1,000		Waterborne diseases to decrease from 17,000 to 3,000/100,000
<b>RWANDA - SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAM</b> Ensure equitable access to adequate, reliable and sustainable water and sanitation services in targeted cities to promote industrialization and food security, enhance economic and social resilience and improving lives	2017	\$121	46%	727,000	13,400	From 73% to 100%		Prevalence of diarrhea to decrease by 5%	From 39% to 24%	Secondary school enrollment to increase from 28% to 98%
<b>ZAMBIA - INTEGRATED SMALL TOWNS WATER SUPPLY AND SANITATION PROGRAM</b> Increase access, quality and sustainability of water supply and sanitation services in 12 towns and ensure effective management of water supply and sewerage facilities.	2016	\$109	72%	627,000		From 51% to 91%	From 22% to 40%	From 64 to 50/1,000	From 61% to 20%	Daily water supply to increase from 9 to 22 hours
<b>SENEGAL - REINFORCEMENT OF MULTIPLE-USE WATER SUPPLY ALONG LOUGA-THIES-DAKAR ROAD FROM KEUR MOMAR TREATMENT PLANT</b> Construction of a 100,000 m <sup>3</sup> /day treatment plant, 216 km of water supply pipeline, 2 water storage reservoirs, 3 distribution reservoirs and 792 km of extension network, to improve access to drinking water, strengthen industrial activities and support agricultural production	2016	€65	15%	478,000	5,400			Prevalence of diarrhea to decrease by 15%		<ul style="list-style-type: none"> <li>Daily water supply to increase from 6 to 24 hours</li> <li>85,000 new electric connections (60% female)</li> </ul>
<b>KENYA - TOWNS SUSTAINABLE WATER SUPPLY AND SANITATION PROGRAM</b> Improve access, quality, availability and sustainability of water supply and wastewater management services, through construction and rehabilitation of water supply and sanitation infrastructure, to catalyze commercial activities, economic growth and employment	2016	€381	84%	1.62 million	12,700	From 63% to 75%	From 57% to 71%	From 51 to 20/1,000		Daily water supply to increase from 8 to 24 hours



Project Description	Year of approval	Signed amount (in million)	Share of Bank financing	Number of beneficiaries	Job creation	Increase in access to water	Increase in access to sanitation	Decrease in under 5 mortality rate	Decrease in population living below poverty line	Other indicators
<b>MOROCCO - DRINKING WATER QUALITY AND SERVICE IMPROVEMENT PROJECT</b> Improve water quality and performance of drinking water services, strengthen and secure drinking water supply in several towns	2016	€89	50%	4.23 million	Unemployment to decrease from 9% to 7%			From 30 to 25/1,000	From 9% to 7%	Waterborne diseases reduced from 23% to 10%
<b>ETHIOPIA - FOUR TOWNS WATER SUPPLY AND SANITATION IMPROVEMENT PROGRAM</b> Improve health and socio-economic development through better access to sustainable water supply and sanitation services. Construction of pipeline, storage capacity, treatment capacity, water production, public water kiosks, public latrines	2016	\$76	67%	576,000		From 53% to 100%	From 76% to 100%	From 64 to 30/1,000	From 22% to 16%	
<b>TANZANIA - ARUSHA SUSTAINABLE URBAN WATER AND SANITATION DELIVERY PROJECT</b> Provide safe, reliable and sustainable water and sanitation services through improvement of existing infrastructure, contributing to better health, well-being and living standards	2015	\$144	61%	614,000		From 44% to 100%	From 8% to 30%	From 81 to 54/1,000		
<b>ZAMBIA - LUSAKA SANITATION PROGRAM - CLIMATE RESILIENT SUSTAINABLE SANITATION PROGRAM</b> Increase access to sustainable sanitation services for the urban poor and rehabilitate and construct climate resilient sewerage infrastructure, institutional strengthening and capacity building	2015	\$50	39%	420,000	330		From 63% to 77%	From 87 to 50/1,000	From 75% to 20%	Waterborne diseases reduced from 17,000 to 3,000/100,000
<b>NIGERIA - URBAN WATER SECTOR REFORM AND PORT-HARCOURT WATER SUPPLY AND SANITATION PROJECT</b> Provide sustainable access to safe drinking water and sanitation, strengthen capacity to reform the urban water and sanitation sector and improve service delivery. Rehabilitation and expansion of water supply system and constructing sanitation facilities	2014	\$200	58%	1.03 million		From 61% to 100%	From 31% to 80%	From 142 to 22/1,000	From 72% to 20%	
<b>ANGOLA - INSTITUTIONAL SUPPORT FOR THE SUSTAINABILITY OF URBAN WATER SUPPLY AND SANITATION SERVICE DELIVERY</b> Improve water sector governance, strengthen institutional capacity and efficiency in water and sanitation sector and improve access to sustainable water supply and sanitation services in 7 provinces	2005	\$124	80%	2.9 million		From 54% to 100%	From 60% to 100%	From 173 to 108/1,000		

**Positively impacting 16 million people and creating more than 32,000 jobs**

## Selected agriculture projects

Project Description	Year of approval	Signed amount (in million)	Share of Bank financing	Number of beneficiaries	Job creation	Other indicators
<b>MOROCCO - INCLUSIVE AND SUSTAINABLE DEVELOPMENT SUPPORT PROGRAMME FOR AGRICULTURAL SECTORS</b> Boost agricultural sector competitiveness to ensure inclusive and sustainable economic growth by promoting value chains, job creation, improvement of business environment and sustainable natural resources management, leading to poverty reduction in rural areas	2018	€200	100%	13,000	20,000	<ul style="list-style-type: none"> <li>Rural poverty rate to decrease from 10% to 5%</li> <li>Value of agricultural exports to double to \$4.9 billion</li> <li>Irrigation water savings of 990 million m<sup>3</sup></li> </ul>
<b>GABON - GRAINE PROGRAM SUPPORT PROJECT - PHASE 1</b> Support the Gabonese Agricultural Achievements and Initiatives of Committed Nationals (GRAINE) program through development of 10,000 ha of food crops and 10,500 ha of oil palms, and help Gabon become food self-sufficient and a net exporter of palm oil	2017	€99	85%	536,000	19,000	<ul style="list-style-type: none"> <li>Poverty rate to decrease from 34% to 28%</li> <li>Value of food imports to decrease by \$215 million</li> </ul>
<b>COTE D'IVOIRE - BELIER REGION AGRO-INDUSTRIAL POLE PROJECT</b> Support emergence of first agropolis for agriculture's transformation and modernization, by providing key infrastructure (irrigation, roads, storage, marketing facilities, livestock infrastructure etc.) for agricultural sub-sectors development (rice, maize, cassava, fish etc.)	2017	€64	52%	241,000	9,900	<ul style="list-style-type: none"> <li>Additional agricultural production of 465,000 tons/year</li> <li>Agricultural processing to increase 5 times to 581,000 tons</li> <li>Food insecurity to decrease from 13% to 3%</li> <li>Chronic malnutrition to decrease from 32% to 20%</li> </ul>
<b>NIGERIA - ENABLE YOUTH</b> Established in 36 states, program contributes to job creation, food security and nutrition, rural income generation and improved livelihoods for the youth. The aim is to create business opportunities and decent employment along priority agricultural value chains	2016	\$250	48%	18,000	88,000	<ul style="list-style-type: none"> <li>Agricultural annual GDP growth to increase from 3% to 7%</li> <li>Youth unemployment in Nigeria to be reduced by 10%</li> <li>Youth income to increase by 40%</li> </ul>
<b>CAMEROON - AGRICULTURE VALUE CHAIN DEVELOPMENT PROJECT</b> Create wealth, youth employment and food security by enhancing competitiveness of 3 value chains (oil palm, banana and pineapple). Infrastructure: 1,000 km of rural roads, 30 warehouses, 15 rural markets, 30 km of electricity networks, 30 drinking water supply systems, quality control laboratory for agriculture products	2016	€89	78%	965,000	6,200	<ul style="list-style-type: none"> <li>Annual income to increase by \$1,400 per household</li> <li>Annual income gains of \$10,300 for young entrepreneurs</li> <li>Agricultural GDP growth rate to improve from 5% to 8%</li> </ul>
<b>EGYPT - NATIONAL DRAINAGE PROGRAMME</b> Optimize irrigation benefits by draining excess water from agriculture to reduce water usage and make more land available for cultivation. Expected to result in higher crop yields, higher farm incomes and increased food security.	2015	€50	67%	418,000		<ul style="list-style-type: none"> <li>Agricultural growth rate to increase from 3% to 4%</li> <li>Household incomes to increase by 10%</li> <li>Crop productivity to increase by 15-20%</li> </ul>
<b>UGANDA - MARKETS AND TRADE IMPROVEMENT PROGRAMME (MATIP II)</b> Reconstruction and modernization of 11 markets. Key impacts include improved marketing conditions, value addition and trading capacity, increased volumes and sales of agriculture commodities, increased employment and income.	2014	\$84	90%	855,000		<ul style="list-style-type: none"> <li>20% increase in new businesses</li> <li>Access to water/sanitation to increase from 30% to 90%</li> <li>Annual Council revenues to increase by 30%</li> </ul>

**Positively impacting 3 million people and creating more than 140,000 jobs**

## Selected social projects

Project Description	Year of approval	Signed amount (in million)	Share of Bank financing	Number of beneficiaries	Job creation	Other indicators
<b>TUNISIA - INCLUSIVE REGIONAL DEVELOPMENT SUPPORT PROGRAMME - PADRI II - PHASE II</b> Contribute to inclusive growth in 16 regions, through equitable access to basic services (education, health, social protection). The main objectives are: economic & social inclusion and support for local and regional governance	2017	€122	100%	11.53 million (Tunisia's population)	Graduates unemployment to decrease from 42% to 32% (female)	<ul style="list-style-type: none"> <li>GDP growth rate to increase from 1% to 3%</li> <li>Proportion of population living below poverty line reduced from 17% to 10%</li> <li>Unemployment rate of young female graduates reduced from 42% to 32%</li> </ul>
<b>GABON - CAPACITY BUILDING FOR YOUTH EMPLOYABILITY AND SOCIAL PROTECTION IMPROVEMENT</b> Contribute to improving youth employability and social inclusion, through strengthening technical and vocational training system, capacity and skills of youth and women and job creation	2016	€85	90%	988,000	230	<ul style="list-style-type: none"> <li>youth [25-34y] unemployment rate to decrease from 26% to 23%</li> <li>Health insurance coverage to increase from 60% to 80%</li> <li>Success in professional exams to increase from 40% to 60%</li> </ul>
<b>NIGERIA - AFE BABALOLA UNIVERSITY</b> The expansion plan consists in construction of 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	\$20	25%	3,600	310	<ul style="list-style-type: none"> <li>Poverty in Ado-Ekiti region reduced from 38% to 35%</li> <li>University ranking to improve from 25 to Top 10</li> <li>Annual GHG emission savings of 650 tons of CO<sub>2</sub></li> </ul>
<b>ZAMBIA - SKILLS DEVELOPMENT AND ENTREPRENEURSHIP PROJECT - SUPPORTING WOMEN AND YOUTH</b> Support women and youth through job creation, gender equality and poverty reduction. Improve lives of working poor through enabling infrastructure for MSMEs competitiveness and cassava value chain targeting rural poor	2015	\$30	85%	4.57 million	17,900	<ul style="list-style-type: none"> <li>Reduction in extreme poverty from 42% to 30%</li> <li>Reduction in unemployment rate from 42% to 35%</li> <li>25% increase in business volumes for youth/women MSMEs</li> <li>Cassava yields to double from 5 to 10 ton/ha</li> <li>Cassava farmers' incomes to increase by 30%</li> </ul>
<b>MOROCCO - MEDICAL COVERAGE REFORM SUPPORT PROGRAMME - PHASE III</b> Improve social protection and medical coverage, particularly for most vulnerable segments of the population, by extending basic medical coverage and improving physical/financial access to quality health and social services, and the establishment of a scheme for self-employed workers	2013	€115	70%	5.65 million		<ul style="list-style-type: none"> <li>Infant mortality rate to decrease from 30 to 20/1,000</li> <li>Coverage of Medical Assistance Scheme for the Economically Disadvantaged to increase from 40% to 60%</li> <li>Population eligible for basic medical coverage to increase from 63% to 93%</li> </ul>

**Positively impacting 22.7 million people and creating more than 18,000 jobs**

## Selected information, communication and technology projects

Project Description	Year of approval	Signed amount (in million)	Share of Bank financing	Number of beneficiaries	Job creation	Increase in ICT share in GDP	Other indicators
<b>RWANDA - INNOVATION FUND</b> Address funding gap faced by tech-enabled companies in Rwanda and East Africa, by establishing funding mechanisms for growth companies, equity financing for tech-enabled SMEs and training for tech entrepreneurs	2018	\$30	44%	13,000	3,500	From 3 to 7%	<ul style="list-style-type: none"> <li>Creation of 6-8 companies with valuation of \$50m</li> <li>150 businesses supported with 1/3 contributing to lower GHG emission reductions</li> </ul>
<b>CONGO - CENTRAL AFRICA BACKBONE PROJECT</b> Complete the missing link in national optical fiber backbone, by extending network coverage in the region and to border with Cameroon and Central African Republic.	2016	€52	78%	145,000		From 4% to 10%	<ul style="list-style-type: none"> <li>Internet service penetration to increase from 7% to 30%</li> <li>550 km of optical fiber cable</li> </ul>
<b>SENEGAL - DIGITAL TECHNOLOGY PARK</b> Establish a Digital Technology Park in Diamniadio, diversifying Senegalese economy into tech-enabled business, with data center, business process outsourcing facilities, ICT incubator, training, research and audio visual & content production centers	2016	€61	86%	35,000	120,900	Doubled to \$1.74 billion	<ul style="list-style-type: none"> <li>Foreign investment in ICT sector to increase from \$5 to 200 million</li> <li>500 additional ICT companies</li> </ul>
<b>CAMEROON - CENTRAL AFRICA BACKBONE PROJECT</b> Construction and deployment of 916 km of optical fiber infrastructure and optical fiber skills development center to complete missing links, reducing cost of high-quality ICT services. Optical fiber network coverage extended to borders with Congo, Nigeria and Central African Republic	2015	€37	81%	100,000			<ul style="list-style-type: none"> <li>Internet access to increase from 6% to 20%</li> <li>Mobile density to improve from 76% to 90%</li> <li>At least 50% reduction in internet access costs</li> </ul>
<b>CABO VERDE - TECHNOLOGY PARK PROJECT</b> Supports ICT sector, which promotes efficiency and competitiveness of other sectors, fosters innovation and job creation. Construction of a Technology Park, Data Centre and Business Continuity Plan, Business and common facilities Centre, Incubation Centre and Training and Qualification Centre	2013	€32	88%	469,000	1,300	From 0.7% to 2.1%	<ul style="list-style-type: none"> <li>Internet penetration to increase from 38% to 50%</li> <li>Internet speed to increase from 1 Gbps to 10 Gbps</li> </ul>

**Positively impacting 760,000 people and creating more than 125,000 jobs**

## Selected electricity distribution projects

Project Description	Year of approval	Signed amount (in million)	Share of Bank financing	Number of beneficiaries	Job creation	Other indicators
<b>COTE D'IVOIRE - POWER TRANSMISSION AND DISTRIBUTION NETWORKS REINFORCEMENT PROJECT</b> Improve grid performance to provide high quality energy and increase electricity access rate, thereby improving lives and contributing to economic structural transformation through industrialization. Construction of transmission and distribution lines and sub-stations	2016	€138	85%	214,000	2,570	<ul style="list-style-type: none"> <li>Electricity access to increase from 80% to 81%</li> <li>GHG emission reduction of 1,200 tons of CO<sub>2</sub> annually</li> <li>Energy produced to increase by 4,400 GWh</li> <li>Electrification of 252 rural localities</li> </ul>
<b>KENYA - LAST MILE CONNECTIVITY PROJECT II</b> Maximize the use of 45,000 distribution transformers through extending low voltage network to 1.2 million people in rural areas. Supply of distribution material to reach 300,000 new connections, construction of low voltage distribution lines	2016	\$135	88%	1.58 million	2,190	<ul style="list-style-type: none"> <li>Electricity access to increase from 53% to 70%</li> <li>12,000 km of low voltage distribution line constructed</li> <li>40,000 trees planted</li> </ul>
<b>SIERRA LEONE - CECASL HEAVY FUEL OIL POWER PROJECT</b> Address current energy supply deficit of 50%, with only 10% electricity access rate, through construction and operation of 50 MW heavy fuel oil fired power plant, interconnection facilities and 1 km fuel pipeline. Will boost economic activity and facilitate social services delivery (healthcare, education, clean water supply, etc.).	2015	\$20	21%	238,000	50	<ul style="list-style-type: none"> <li>Additional power supply capacity of 50 MW</li> </ul>
<b>MAURITIUS - ST. LOUIS POWER PLANT REDEVELOPMENT PROJECT</b> 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 <sup>3</sup> tanks for storage and one 132 kV substation for connecting power plant to existing electricity grid	2014	\$117	90%	1.14 million		<ul style="list-style-type: none"> <li>GDP per capita to increase from \$8,000 to \$14,000</li> <li>Gap in power supply to decrease from 60 MW to 36 MW</li> <li>Installed electricity generation capacity to increase by 60 MW</li> </ul>

**Positively impacting 3.2 million people and creating 5,000 jobs**

**Please visit the African Development Bank [Social Bond webpage](#)**

- Social bond framework
- Social bond newsletter
- Bank's Strategy 2013–2022
- High 5s
- Integrated safeguards system
- Sustainability second opinion
- Eligible social projects
- Annual development effectiveness reports
- ESG rating reports

(225) 20 26 39 00

(225) 20 26 29 06

FundingDesk@afdb.org

[www.afdb.org](http://www.afdb.org)

