



Multi-stakeholder Dialogue on Implementing Sustainable Development

Implementing CSD-17 Decisions: Role of African Development Bank

By

Siham Mohamedahmed

Gender, Climate Change and Sustainable Development Unit

African Development Bank



Current Bank Strategy and Programming Priorities

- Increased selectivity with operational focus on infrastructure, building capable states, private sector operations and higher education.
- Agriculture is being implemented mainly through the infrastructure priority areas, specifically :
 - Expanded agricultural and rural infrastructure
 - Post-harvest technologies, markets
 - Natural resource management and climate change adaptation and mitigation



Current Bank Programming Priorities

- Capacity and institutional building of RMCs ministries of agriculture
- Stimulating private sector investment in agriculture
- Promoting technology development and research
- Mainstreaming cross-cutting issues:
 - Gender mainstreaming
 - Climate change and environment
 - Building and managing knowledge

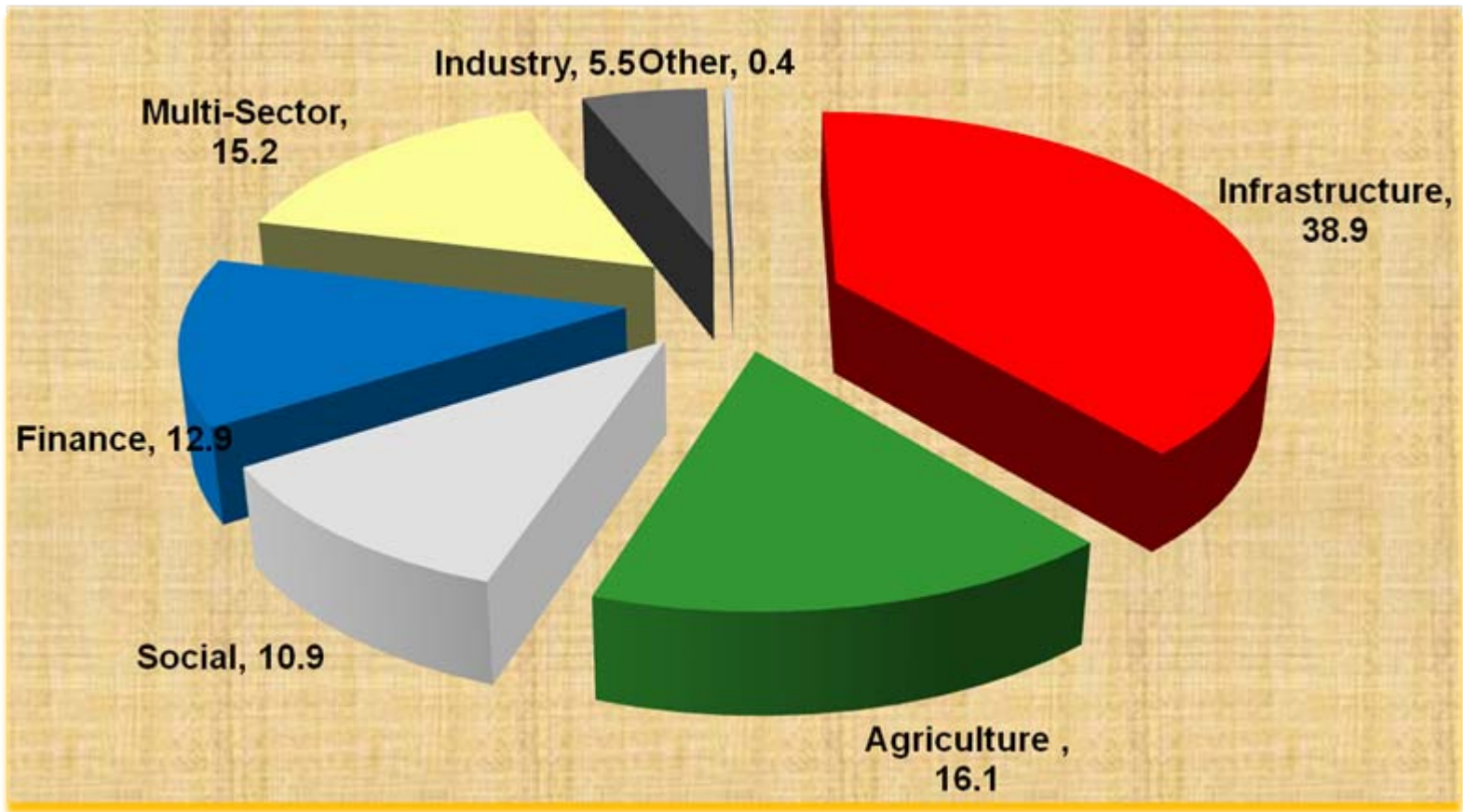


AfDB Funding for Agriculture and Natural Resources Management

- The Agriculture and Agro-industry department (OSAN) manages a portfolio of around 230 operations of around 3 billion USD in 30 African countries
- There are about 84 agricultural and rural infrastructure projects in current pipeline at different stages of preparation.



Bank Group Approvals, 1967-08 (% Distribution by Sector)



- Between 1967 and 2008 the Bank approved a total of 3,276 loans and grants, amounting to UA 44.75 billion
- Agriculture represents 16.1% or UA 7.2 billion



Bank's Agric Sector Lending Program (2009-2012)

□ Context

- 2008 World Development Report (WB)
 - Agriculture remains the main source of growth, poverty reduction and environmental sustainability.
- Global Financial Crises
 - Declines in government revenue
- Global Food Crisis
 - Driven by events exogenous to the food sector
 - Africa's recent gains in economic jeopardized by the 2008 global food crisis
- Climate Change
 - Climate change threatens the agriculture sector
- AfDB/IFAD Joint Evaluation
 - Concludes AfDB should remain engaged in the Sector, but should be more focused, selective and innovative



Strategic Framework for the Bank AgSS

- Millennium Development Goals
 - Goal of eradicating poverty (by 2015) and hunger and ensuring environmental sustainability
- NEPAD-CAADP:
 - Framework for accelerating agricultural growth in Africa: at least 6% annual rate of growth
- AfDB Medium Term Strategy, 2008 – 2012
 - Providing high-impact, well-focused development assistance and solutions
 - Priority Areas: Infrastructure, Governance, Private Sector, Higher Education
 - Investment Support: Poverty Reduction, Agriculture, Regional Integration, Human Development



AgSS Value Chain – Objectives, Purpose and Strategic Goal



Strategic Objectives

- To improve agricultural production and marketing infrastructure , and ensure long-term and profitable use of natural resources

Purpose of the AgSS

- Agricultural productivity and income enhancement on a sustainable basis

AgSS Strategic Goal

- Contribute to sustainable food security and agriculture-led growth in Africa

AgSS Pillars and Areas of Intervention – Pillars 1 & 2 of the four CAADP Pillars



Pillar I: Agricultural Infrastructure

RURAL AND COMMUNITY ROADS

MARKET/STORAGE INFRASTRUCTURE AND AGRO-PROCESSING

AGRICULTURE WATER AND WATER STORAGE

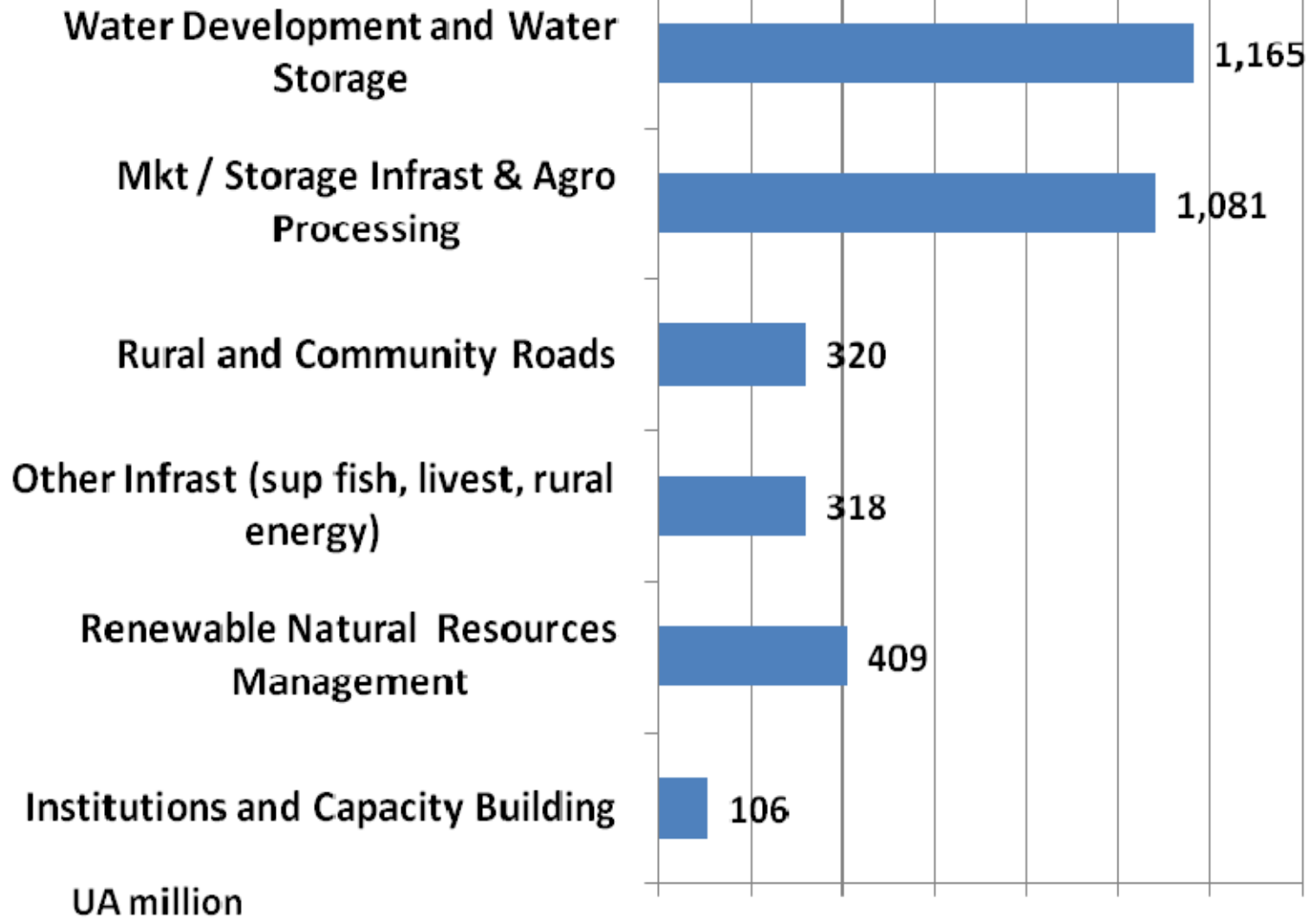
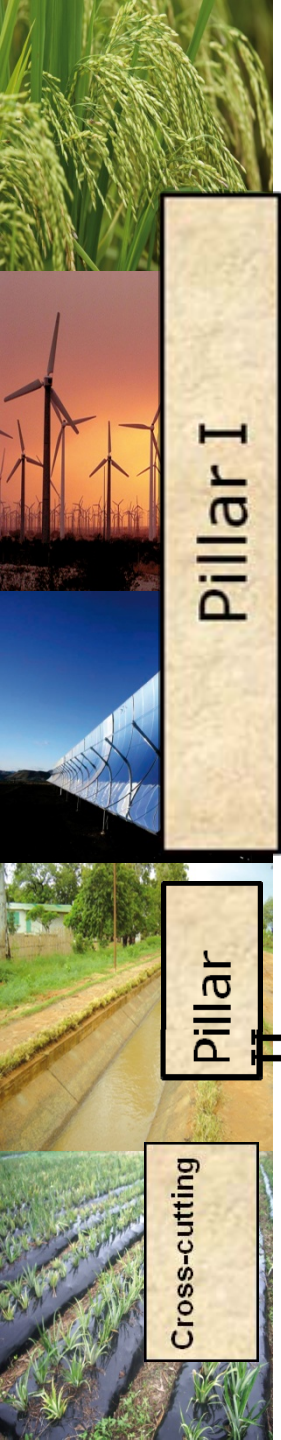
OTHER INFRASTRUCTURE (Supporting Fisheries, Livestock, etc)

Pillar II: Renewable Natural Resources

RENEWABLE NATURAL RESOURCES MANAGEMENT (including Forestry)

CLIMATE CHANGE (Mitigation & Adaptation)

Indicative Pipeline of Projects / Programs for Financing, 2010 - 14



UA million

0 200 400 600 800 1,000 1,200 1,400

Africa Food Crisis Response; Short and M-L Term actions

- ❑ The AFCR provides a framework to reduce the risks associated with the crisis in Africa.
- ❑ The projection was to inject into Africa's Agriculture Sector, about UA 496.57 Million in the short Term and UA 1.4 Billion in the Medium to Long Term



Africa Fertilizer Financing Mechanism (AFFM)

- The AFFM focuses on:
 - Increasing agricultural productivity
 - Mobilizing investments needed to increase fertilizer use from current average of 8 to 50 Kg/Ha by 2015
- Two types of activities:
 - **Facilitation:** to remove policy and structural obstacles to investment in fertilizer production, distribution, and use:
 - **Capital investments:** to promote fertilizer supply and use



Engaging the Private Sector for Agricultural Development

- The Bank's private sector window is supporting agriculture SMEs – as well as financing fertilizer plant projects across different regions.
- The Bank, in collaboration with partners (AFD, AGRA, IFAD, and BMZ/KfW) has established the African Agriculture Investment Fund. With a startup capital of 200 million Euros
- This fund will focus on making available private capital for African agriculture





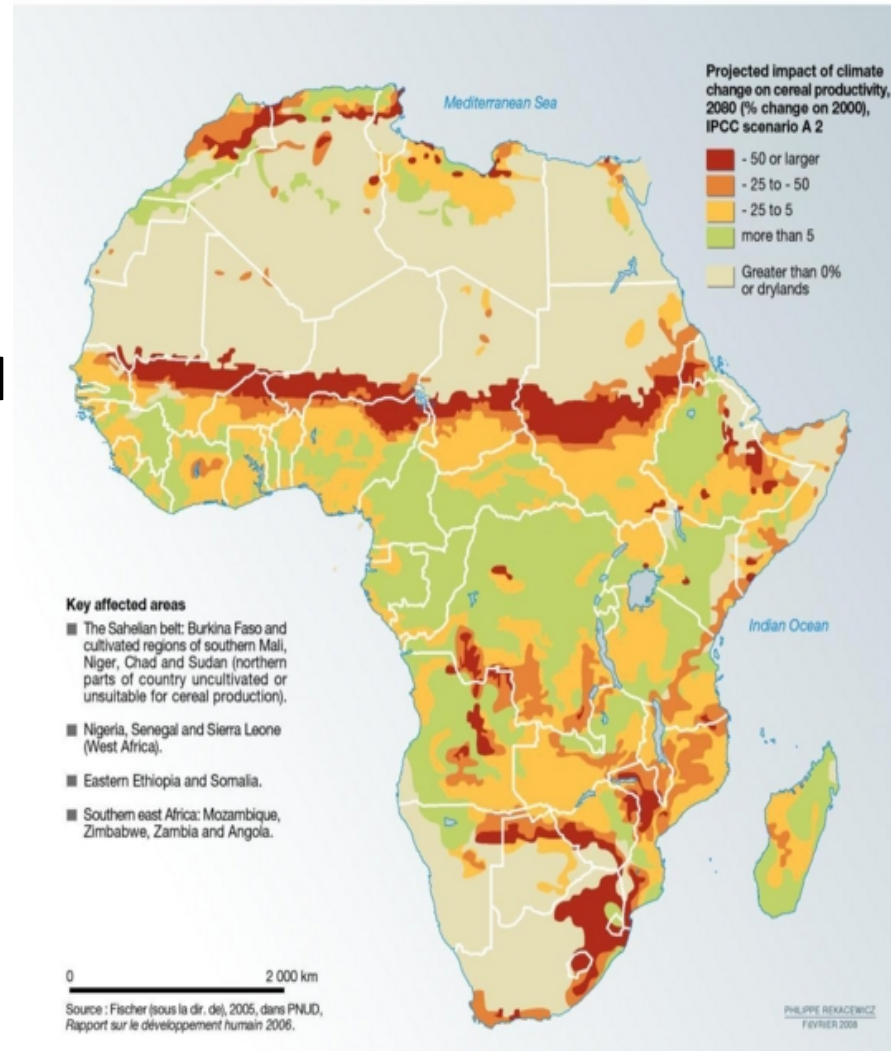
Business Plan for Agriculture & Water Management (2008 – 2013)

- Estimated investment: about UA 4.97 of which the Bank could finance a share of about 30-40%, in collaboration with other co-financing partners
- **Main Areas of Focus:**
 - Agricultural Water Development
 - Water Storage Enhancement
 - Institutional Support and Project Preparation Studies

Climate Change and Africa's Agriculture

- Climate change places new and more challenging demands on agriculture
- Reduction of yields and pest proliferation
- Increase of likelihood of short-run crop failures and long-run production declines
- Climate change is expected to threaten global food security.

Cereal productivity in Sub-Saharan Africa under a scenario of the IPCC that shows CO₂ atmospheric concentrations a level at 520-640 ppm by 2050



Bank's Interventions in Adaptation

□ Bank's Climate Risk Management Strategy

- "Climate proofing" investment
- Mainstream adaptation into development policies
- Strengthen policies and regulatory reforms
- Capacity enhancement

□ Climate for Development in Africa (ClimDev)

- Joint initiative of AUC, ECA and ADB to make climate data more available and mainstream them into development
- The budget for the first phase of the program is estimated at 136 million US Dollars



Congo Basin Forest Fund (CBFF)

- The CBFF, launched in June 2008, intends to alleviate poverty and address climate change challenges by reducing the rate of deforestation in the Congo Basin.
- The Fund (US\$ 200 million) will be used over a ten-year agreement period up to 2018, to finance Central African Forests Commission (COMIFAC)'s Action-Plan in different strategic areas aimed at conserving the Congo Basin rainforest.



Lessons and Best Practices

- ❑ AfDB to remain engaged in agriculture, but in a more focused, selective and innovative manner
- ❑ The Bank to support increased capacity of RMCs for analytical work in the area of policy development
- ❑ Purposeful Partnership based on comparative advantage adds value to agricultural interventions in RMCs; to engage more with the private sector
- ❑ Agricultural Water Development contributes to growth and Poverty Reduction
- ❑ Capacity building and institutional building





Thank You

s.mohammedahmed@afdb.org

