Annual Development Effectiveness Review 2025

Supporting Africa's resilience and driving transformation

BANQUE AFRICAINE DE DEVELOPPEMENT
AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND
FONDS AFRICAIN DE DEVELOPPEMENT
AFRICAN DEVELOPMENT BANK GROUP

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Cover photo: The Project to Support and Promote Women's and Youth Entrepreneurial Initiatives is enhancing agricultural production across Senegal by supporting local initiatives. By modernizing farming practices and boosting rural employment, the project promotes inclusive and sustainable growth for local communities. Photo: AfDB.

African Development Bank Group
Annual Development Effectiveness Review 2025

Note: In this report, "$" refers to US dollars. Conversion rate as of 31 December 2024: 1 Unit of Account (UA) = 1.30413 US dollars (African Development Bank, 2024 Annual Report).

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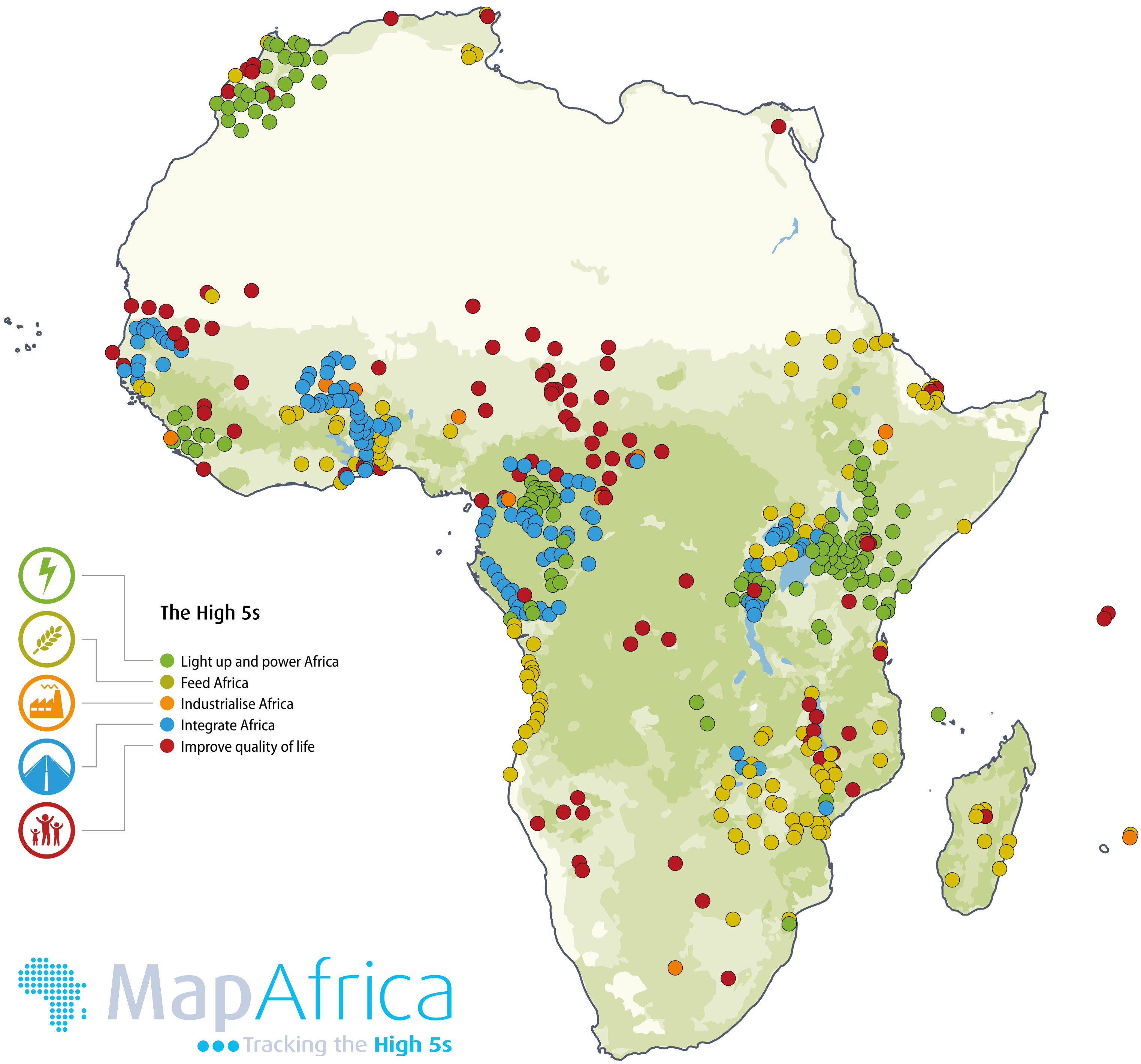
Delivering impact in the Bank's five priority areas

This map plots the 711 geographic locations of the 135 Bank operations that were completed in 2024 in each of the High 5.



The Bank remains committed to increasing the transparency of its operations. MapAfrica, its geocoding tool, focuses on five critical areas of the Ten-Year Strategy: *Light up and power Africa*, *Feed Africa*, *Industrialise Africa*, *Integrate Africa* and *Improve the quality of life for the people of Africa*. Explore our 17 666 project locations through the High 5s by visitin mapafrica.afdb.org.

Supporting Africa's resilience and driving transformation

The Bank promotes youth-led enterprise as a driver of structural transformation. Through the Youth Entrepreneurship and Innovation Multi-Donor Trust Fund, young Africans gain access to training, mentorship, and financing —helping build resilient businesses and foster inclusive industrial growth.

Foreword

Supporting Africa's resilience and driving transformation

Africa currently grapples with an unprecedented array of challenges. Recent global events have raised concerns over sharp reductions in external aid flows and widespread disruptions to international trade, jeopardising Africa's aspirations for deeper integration into the global economy. These new threats exacerbate ongoing challenges stemming from the COVID-19 pandemic, geopolitical tension and economic instability, mounting debt crises, and the accelerating impacts of climate change. These shocks pose a serious risk to Africa's economic transformation and long-term development.

The continent, however, stands at a pivotal moment, rich with potential and promise. To overcome the challenges ahead, it must harness its immense potential — its vast natural resources, rapidly growing urban centres, increasingly integrated markets, and young, dynamic workforce. Africa can achieve its development goals by leveraging these unique strengths to build resilience and drive transformation.

This year's Annual Development Effectiveness Review (ADER) shines a light on the Bank's key role in harnessing and unlocking Africa's immense potential. As the continent's leading development finance institution, the Bank is not only driving transformative infrastructure projects but also reshaping Africa's future. In 2024 alone, it improved access to transport for more than 3.5 million people while advancing the implementation of the African Continental Free Trade Agreement (AfCFTA). This crucial trade initiative helps to integrate economies and connect inland regions to coastal ports and thriving markets. The Bank's investments in Special Agricultural Processing Zones (SAPZs) have strengthened food security and generated jobs across agro-industrial value chains, empowering local communities and stimulating economic growth. The Bank also plays a vital role in Africa's clean energy revolution, facilitating over 200 000 new electricity connections that benefited nearly 1 million people last year. The Bank supported over 25 000 agribusinesses and reached over 1.5 million farmers with climate-resilient technologies.

Furthermore, the Bank has strengthened its role as a leading financier, achieving a record-high lending volume of $11 billion in 2024. It also solidified its position as a key provider of climate finance in Africa by allocating over $5.5 billion, with a strong emphasis on adaptation initiatives to enhance resilience across the continent.

With these results delivered in 2024, the African Development Bank and its partners conclude a decade of transformative investments which have impacted the lives of over 560 million people across Africa, including more than 240 million women.

Africa's potential is boundless, but realising the opportunities requires strategic investments at scale. In a world confronting its own challenges, this is the moment for African institutions like the Bank to take the lead in driving the continent's transformation. However, achieving this vision will require sustained support from international partners to meet the investment needs of low-income countries that remain reliant on concessional finance.

The forthcoming 17th Replenishment of the African Development Fund comes at a critical juncture for Africa. I urge Africa's international partners to commit to a robust replenishment that will help the continent navigate these turbulent times and advance toward a future marked by sustainable and inclusive growth and prosperity.

Akinwumi Ayodeji Adesina

President, African Development Bank Group

About this year's edition

The Annual Development Effectiveness Review (ADER) is a key benchmark for assessing the African Development Bank Group's (the Bank) progress in advancing Africa's development priorities and improving the lives of its people[1]. This year's edition coincides with the rollout of the Results Management Framework (RMF) 2024–2033, which supports the Bank's new Ten-Year Strategy (2024–2033), endorsed by the Bank's Board of Directors in December 2024.

The new RMF marks a major advancement in how the Bank measures and delivers impact. It is fully aligned with the Ten-Year Strategy (2024–2033), ensuring synchronised strategic objectives, implementation timelines, and a mid-term assessment. More than a monitoring tool, the RMF enables Bank staff and leadership to critically assess performance, identify underlying challenges and shortcomings, enhance operational learning and inform decision making for greater impact.

This year's ADER edition reflects the sharper focus of the new RMF with a streamlined set of 69 indicators, including 23 project results indicators that capture outputs and outcomes from operations completed in 2024 —covering also key cross-cutting areas of youth empowerment, gender equality, economic governance, climate action, and resilience.

In line with the G20-led reform agenda for "Bigger, Better, and More Effective" Multilateral Development Banks," the RMF also supports Agenda 2063 and the United Nations Sustainable Development Goals (SDGs). As the Bank shifts toward fewer, larger, and more transformative projects, the RMF will play a crucial role in tracking progress toward the Ten-Year Strategy's goals.

Moreover, the RMF is embedded in the ADER process, serving as the backbone for annual reporting on the Bank's contributions to development progress in African countries. Optimised monitoring tracks actual results yearly against expected outcomes for completed projects, improving transparency and accountability.

This year's ADER examines the impact of global and regional challenges on the Bank's clients and operations. While Africa's economic prospects have improved, growth remains fragile due to inflation, debt pressures, geopolitical tensions, and climate shocks. Despite these challenges, Africa's economic growth showed signs of recovery in 2024, with average real Gross Domestic Product (GDP) growth reaching 3.4% in 2024, up from 3% in 2023.

This comprehensive review also examines the Bank's contributions to its five High 5 priorities: Light Up and Power Africa (Chapter 1), Feed Africa (Chapter 2), Industrialise Africa (Chapter 3), Integrate Africa (Chapter 4), and Improve the Quality of Life for the People of Africa (Chapter 5). Each chapter reviews the continent's progress toward these goals (level 1 indicators) and evaluates the Bank's impact through projects completed in 2024 (level 2 indicators), comparing anticipated and actual results. Beyond the High 5s, the ADER assesses the Bank's contributions to governance, climate change, resilience, gender equality, and youth employment (Chapter 6) and reviews its efforts to improve its development impact and efficiency (Chapter 7). For the first time, this ADER assesses progress towards targets set in the Ten Year Strategy based on expected results from new projects approved in 2024, thus demonstrating their alignment with the priorities and level of ambition of the corporate strategy. Additional details on the ADER methodology are available in the Annex 2.

The Summary Scorecard provides a concise snapshot of the Bank's performance, offering insights into how effectively it contributed to Africa's development in 2024. The respective chapters provide detailed analyses of performance against each performance indicator.

1 In this document, the term "people" refers to all individuals—men, women, and youth—reflecting the Bank's commitment to inclusivity and gender equality as outlined in its Ten-Year Strategy 2024–2033.

THE 2024 SUMMARY SCORECARD

Level 1 – Africa's development progress

Light up & power Africa
- Access to modern energy services increased
- Power generation increased
- Energy efficiency enhanced

Feed Africa
- Agriculture productivity increased
- Processed agricultural products increased
- Reduced food insecurity
- Reduced level of malnutrition

Industrialise Africa
- Private sector investments and manufacturing increased
- Modern industries have progressed

Integrate Africa
- Cross border infrastructure expanded
- Faster flow of goods/services/people
- Increased intra-Africa trade

Quality of life
- Increased employment
- Improved access to basic services
- Reduced inequality

Cross-cutting areas
- Resilience
- Economic governance
- Empowered women
- Young people empowered
- Climate action scaled up

Level 2 – The Bank's impact on development in Africa

Light up & power Africa
- Accelerate access to modern energy
- Promote low carbon development
- Build regional power systems

Feed Africa
- Strengthen agriculture value chains
- Expand input supply chains
- Improve nutrition and food security

Industrialise Africa
- Develop enterprises and industry value chains
- Expand connectivity infrastructure

Integrate Africa
- Scale up regional connectivity infrastructure
- Promote cross-border trade and investment

Quality of life
- Develop health infrastructure
- Increase access to water and sanitation
- Develop technical and vocational education and skills development
- Support entrepreneurship, SME development and jobs creation

Cross-cutting areas
- Promote gender equality
- Promote youth empowerment
- Scale up climate action
- Build resilience
- Strengthen economic governance

Level 3 – The Bank's operational model: Enhancing operational performance

Improve quality of operations
- Operations achieve planned results
- Operations address gender equality

Deliver results at scale
- Deliver multi-year country programmes
- Promote regional integration
- Increase the size of operations

Accelerate implementation
- Increase speed of execution
- Enhance portfolio performance

Enhance impact with knowledge
- Invest in knowledge solutions for operations
- Invest in knowledge solutions for dialogues

Level 4 – The Bank's institutional model: Improving institutional performance and scaling up financing capacity

Build strategic partnerships
- Strengthen MDB collaboration and cofinancing
- Catalyse private capital investments
- Catalyse climate finance

Scale up financing capacity
- Increase financial capacity via financial innovation
- Expand used of de-risking instruments

Safeguard financial sustainability
- Strengthen capital adequacy
- Improve cost efficiency

Invest in people
- Improve staff engagement
- Strengthen staff diversity

How to read the scorecard

The Summary Scorecard provides, at a glance, the Bank's performance across the four levels of the Results Management Framework (2024–2033). Each color-coded dot reflects the average of the underlying indicator dots for a given results area. Performance is assessed as follows: for Level 1, against the 2020 baseline; for Level 2, against planned results at project approval; and for Levels 3 and 4, against anticipated targets. Green indicates improvement (Level 1) or strong performance (Levels 2–4); Amber indicates no change (Level 1) or moderate performance (Levels 2–4); and Red indicates deterioration (Level 1) or underperformance (Levels 2–4). Grey reflects that data unavailable, and Blue indicators are monitored without assessment against specific targets. See methodological note in the Annex for details.

Powering a cleaner energy future

The Bank is supporting cleaner power generation in Africa. In Côte d’Ivoire, the Azito Power Expansion Project increases electricity supply through high-efficiency gas turbines, cutting emissions compared to conventional thermal plants.

Chapter 1

Light up and power Africa

Universal access to affordable, reliable and clean energy is a top priority of the Sustainable Development Agenda in Africa, given its importance in enhancing the quality of life, improving health and education opportunities, and contributing to economic development for the people of Africa. The Bank and its partners significantly contributed to progress on these goals. In 2024, the Bank continued to support improvements in renewable energy generation, transmission and distribution, and catalysing private sector investments. To accelerate progress towards universal access to electricity, the Bank is partnering with the World Bank Group and other institutions in a landmark initiative designed to connect 300 million Africans by 2030.

Africa's ambition in accelerating energy access

Expanding energy access is crucial for Africa's sustainable development. While progress has been made in increasing access, significant challenges remain to achieving universal access to, reliable, and clean energy.

Slow progress towards universal access to electricity and clean cooking

Africa's electrification efforts have shown moderate progress. With access increasing from 54% to 60% between 2018 and 2023. Despite this gradual improvement, the continent still faces a significant electricity access deficit, with approximately 600 million people lacking reliable power. This challenge is compounded by a fast-growing population and a mix of financial, infrastructural, regulatory, and socioeconomic obstacles. Population growth continues to outpace progress, and urgent interventions are necessary to ensure a just and equitable transition toward universal, sustainable, and affordable energy. Achieving universal access by 2030, in line with the IEA's Sustainable Africa Scenario[2] and Sustainable Development Goal 7 (SDG 7), will require annual investments estimated at $25 billion.[3]

The IEA highlights that a combination of national grid expansion and decentralized solutions, such as mini-grids and solar home systems, is an effective strategy, particularly for rural areas. Yet, financing remains a significant challenge, requiring a blend of concessional capital, international private investments, and local funding sources. Despite representing 20% of the global population, Africa attracts only 3% of global energy investment and 2% of global clean energy investment as of 2023.[4]

The Mission 300 initiative, launched in 2024 by the African Development Bank and the World Bank, aims to address this gap by providing first time electricity access to 300 million people by 2030 (see Box 1). The initiative gained strong political traction and was endorsed by 48 countries through the Dar es Salaam Energy Declaration at the Africa Energy Summit in January 2025. A first cohort of twelve countries —Chad, Côte d'Ivoire, DRC, Liberia, Madagascar, Malawi, Mauritania, Niger, Nigeria, Senegal, Tanzania, and Zambia— presented National Energy Compacts with concrete targets for expanding energy access, clean cooking, renewable energy, and sector reforms. To support these efforts, the World Bank Group pledged $30–40 billion, while the Bank committed $18 billion, with additional contributions expected from private sector partners, development institutions, and philanthropies — bringing total announced commitments to over $55 billion.

> *For millions of households, the daily search for fuel and cooking fire maintenance consumes up to five hours — time lost for work, education, and family*

Achieving universal access to clean cooking technologies is another critical challenge for Africa. **Currently, only 34% of the continent's population has access to modern, clean cooking solutions**, leaving almost 1 billion people reliant on polluting fuels such as wood and charcoal. This dependency accelerates deforestation, poses severe health risks, particularly for women and children, due to attendant indoor air pollution, and contributes to greenhouse gas emissions. Inefficient cooking methods also create a significant time burden,

2 The Sustainable Africa Scenario "sets out a pathway that achieves all of Africa's energy-related development goals, including universal access to modern energy services by 2030 and all of the Nationally Determined Contributions (NDCs) and announced net zero emissions pledges on time and in full." IEA (2022).

3 This $25 billion represents just 1% of current global energy investment.

4 International Energy Agency (IEA), Africa Energy Outlook 2023

Box 1 **Mission 300: Powering Africa's future**

Providing electricity to **300 million Africans** by 2030

Driving sustainable energy solutions for Africa's growing population

Goal

Deliver electricity to 300 million people, transforming lives and communities

Focusing on electrifying households, businesses and public facilities

Approach

Using grid extensions, mini-grids, and stand-alone solar home systems to sustainably reach remote areas

Combining on-grid and decentralized energy solutions for efficient, scalable impact

Partnerships

Includes governments, the private sector, and multilateral development partners

Unified efforts across stakeholders to ensure lasting change and infrastructure improvements

Joint reporting

Tracking and reporting progress towards objectives

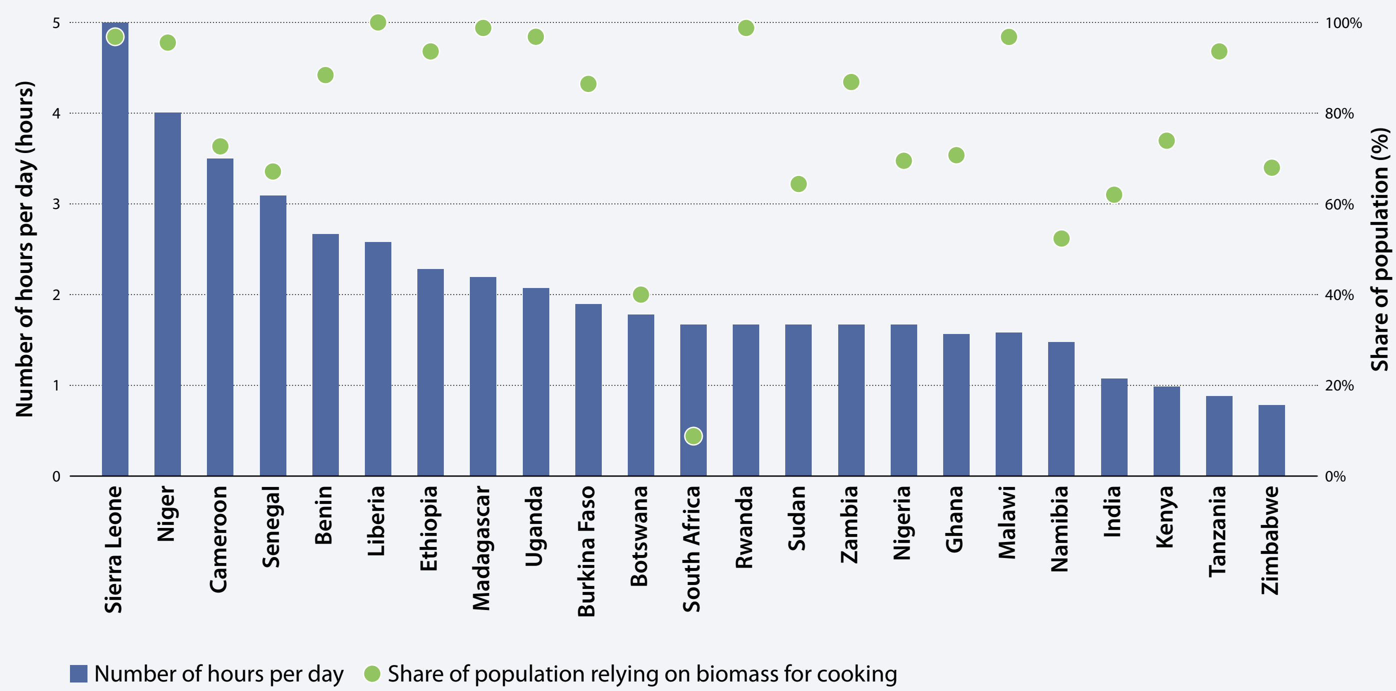
Ensuring stakeholders receive up-to-date information on achievements

Mission 300 **impact**

Empowering communities, revitalizing economies, and ensuring a sustainable, affordable energy future for Africa

Building resilience and fostering economic growth through affordable, clean energy access

Figure 1 **Average number of hours spent collecting fuel per day per household**



Source: IEA analysis, UNEP (2017), Practical action (2014)

Table 1 **Light up and Power Africa (Progress in Africa)**[4]

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest
🟢 People with access to electricity (% population)	56	60 (2023)	44	49 (2023)	32	36 (2023)
🟢 People with access to clean cooking solutions (% population)	29	34 (2023)	12	15 (2023)	12	13 (2023)
🟢 Electricity production (Thousands GWh)	820	894 (2022)	174	197 (2022)	68	79 (2022)
🟢 Share of renewable energy in the energy mix (%)	22.5	22.8 (2022)	66.0	64.3 (2022)	72.7	70.5 (2022)
🔴 Power transmission and distribution losses (% of output)	14.3	15.9 (2023)	16.0	28.6 (2023)	16.0	31.2 (2023)

🟢 Improvement compared to the baseline 🟠 Stability compared to the baseline 🔴 Decline compared to the baseline

with households spending an average of two hours per day collecting firewood and another three hours cooking over open flames (see Figure 1).

Recognising the urgency of this issue, the 2024 Summit for Clean Cooking in Africa, co-hosted by the IEA, African Development Bank, Tanzania, and Norway, secured $2.2 billion in financing to support clean cooking initiatives. This is in addition to the Bank's $2 billion pledge for accelerating access to clean cooking technologies (including electricity and LPG) over the next decade. Additionally, 12 African governments[6] have committed to prioritize clean cooking in their energy compacts developed as part of the Mission 300 and unveiled during the Africa Energy Summit in January 2025. Addressing this crisis requires stronger political will, increased financing, and the deployment of innovative technologies to scale up clean cooking solutions across Africa. From a financing perspective, the requirements are not daunting, and IEA estimates that US$4 billion per annum is required for universal access to clean cooking by 2030.[7]

Expanding power generation and renewable energy in Africa

Africa's total electricity production reached 894 000 GWh in 2022, with renewable energy contributing 22.8% of the total output. The continent holds vast untapped renewable energy potential, boasting 60% of the world's best solar resources and substantial hydropower, geothermal and wind energy capacity. Solar and wind energy investments have increased in recent years, particularly in Egypt, Kenya, Morocco and South Africa, where favourable policies and incentives have encouraged private-sector involvement.

However, developing renewable energy across the continent remains a challenge due to disproportionately low clean energy investments in Africa as well as the variable nature of solar and wind power requires technical solutions to stabilise generation and enhance grid reliability and security of supply. To address this, advanced energy storage technologies are being deployed, including Battery Energy Storage Systems (BESS), which are being rolled out in countries such as South Africa and Egypt. Additionally, mini-grids and solar home systems are playing a crucial role in expanding electricity access, especially in remote and off-grid communities. Estimates suggest that by 2030, nearly half of new electricity connections in Africa must come from decentralised renewable energy solutions, such as solar home systems and mini-grids, underscoring the importance of continued investment in off-grid solutions.[8]

Overcoming utility inefficiencies and regulatory barriers to accelerate energy access

Africa's power utilities face significant governance, operational, human capital and financial challenges, limiting their ability to maintain and expand electricity networks. Sub-Saharan Africa (excluding South Africa) consumes just 180 kWh of electricity per capita annually, far below the global average, highlighting the region's energy poverty. Many utilities struggle with financial viability due to non-cost-reflective tariffs, inadequate supply capacity, operational inefficiencies, and **high transmission and distribution losses (both technical and commercial), which stood at 15.9% in 2023**. These inefficiencies result in frequent power outages, particularly in commercial and industrial zones, stifling economic growth and job creation.

Grid modernisation and digitalisation solutions are essential to improve energy security and efficiency. Implementing demand-side management, reducing transmission losses, and adopting cost-reflective tariffs will make utilities more sustainable. However, regulatory inconsistencies across the continent are a considerable obstacle to attracting investment. The Bank engages Governments to address these challenges through its flagship programmes and platforms, including: (i) the Africa Energy Market Place (AEMP), its flagship policy dialogue platform, which has curated key

5 Level 1 indicators (Tables 1, 3, 5, 7, 9 and 11) are discussed in the main text and highlighted in bold for clarity. These indicators are sourced from internationally recognised statistics and are detailed in the Bank's Results Management Framework (2024–2033) and its Technical Annexes.
6 Côte d'Ivoire, Liberia, Madagascar, Malawi, Mauritania, Niger, Nigeria, Democratic Republic of Congo, Senegal, Tanzania, Chad, and Zambia.
7 International Energy Agency (IEA), World Energy Outlook 2023
8 World Bank Group, An Evaluation of the World Bank Group's Support to Electricity Access in Sub-Saharan Africa, 2015–24, February 2025

Table 2 Light up and power Africa (The Bank's contribution to development)

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND		TRANSITION STATES	
	Planned	Actual	Achievement rate	Planned	Actual	Planned	Actual
● People provided with access to electricity (number)	791 131	930 883	>100%	383 190	500 761	333 290	500 761
● —Of which women	394 810	464 923	>100%	192 398	251 766	167 368	251 766
● Power capacity installed (MW)	1 019	1 019	100%	30	30	-	-
● —Of which from renewable energy	880	880	100%	30	30	-	-
● Cross-border and national transmission lines constructed (km)	2 315	2 066	89%	2 315	2 012	315	272

● Indicator reached 85% or more of the anticipated target ● Indicator achieved between 70% and 85% of the anticipated target
● Indicator achieved below 70% of the anticipated target

reform needs and potential transactions for 25 countries since 2018; (ii) the Electricity Regulatory Index (ERI), a diagnostic tool that assesses regulatory frameworks and highlights areas for improvement; and (iii) the Africa Energy Sector Technical Assistance Program (AESTAP), which supports countries and regions in addressing sectoral gaps across four pillars: knowledge, data, and policy dialogue; power sector policy, regulation and planning, utility transformation; and regional integration and power market trade. These efforts provide a solid foundation for Mission 300 energy compacts.

Transparent and investor-friendly energy policies are crucial for Africa to unlock its full energy potential. Streamlined regulations and market-driven electrification policies and strategies, such as those envisaged under Mission 300, can foster private-sector engagement and long-term financial commitments. Strengthening regulatory frameworks, enhancing grid infrastructure, and scaling decentralised energy solutions will accelerate Africa's just energy transition.

Bank support for advancing green and sustainable energy

In 2024, the Bank reaffirmed its commitment to expanding energy access and promoting sustainability, achieving results closely aligned with its predetermined objectives. Its projects facilitated 198 533 new electricity connections, including 191 101 households —**benefiting approximately 930 883 people**— and 7 432 public facilities. Additionally, the Bank contributed to Africa's generation capacity growth by adding 1 019 MW of capacity, with 880 MW sourced from renewable energy, and extending transmission lines by 2 066 km. These achievements demonstrate the Bank's commitment to driving sustainable energy development.

Strengthening energy security and sustainability

Enhancing energy security and sustainability is a key priority for the Bank, as demonstrated by its transformative projects across Africa, who highlights are provided below.

The Morocco *Integrated Wind, Hydro, and Rural Electrification Programme* notably strengthened energy infrastructure, expanded electricity access, and reduced reliance on fossil fuels. Backed by a €557 million investment—including €319 million from the Bank, $94 million from the Clean Technology Fund, and €150 million from the European Investment Bank—the programme delivered 14 313 km of power distribution lines, 128.5 km of high-voltage transmission lines, and 2,004 transformers. It connected 93 913 households in 3 301 villages while adding 500 MW of wind power and a 350 MW pumped storage facility. This initiative supports Morocco's goal of achieving 52% renewable energy in its mix by 2030, cutting CO_2 emissions by 2.38 million tons annually and creating 4 350 jobs.

In Côte d'Ivoire, the *Azito Power Expansion Project* upgraded a 288 MW gas power plant with combined-cycle turbine technology, increasing generation capacity by 139 MW and generating 800 GWh annually — enough to power 247 200 homes. The project bolstered regional electricity exports and positioned Côte d'Ivoire as a West African energy hub. As a public-private partnership, it mobilised private sector investment while showcasing climate-friendly solutions through waste heat reuse without increasing emissions.

Regional interconnections further advance energy security. For example, the *Kenya-Ethiopia Electricity Highway Project and the Kenya-Tanzania Interconnection Project* facilitate cross-border energy exchanges, improve power supply reliability, stabilise national grids, and reduce reliance on thermal power plants through electricity trade (see Chapter 4: Integrate Africa).

Accelerating electricity access towards M300 objectives

Aligned with its M300 objectives to accelerate electricity access across Africa, the Bank is delivering impactful results through several key projects.

For example, the *Energy Efficiency and Access Project* in Liberia delivered transformative results, surpassing targets while using only 90% of its budget. It constructed 980 km of distribution networks

Box 2 **Scaling up green mini-grids in Africa**

The *Green Mini-Grid Market Development Programme* (GMG MDP) catalysed private-sector investment in green mini-grids across Africa by addressing policy, financial, and technical challenges. The GMG MDP supported the scale-up of investments in commercially viable GMG projects through a broad range of interventions to improve the enabling environment. Funded by a $4.54 million technical assistance grant from SEFA, the programme offered support in market intelligence, business development, policy guidance, quality assurance, and access to finance.

During the programme's implementation period, the GMG MDP supported 110 developers across 36 countries, benefiting 139 projects, mobilising $106 million in funding, and enabling the installation of 46 MW of capacity, resulting in more than 40 000 new energy connections. Additional achievements included the publication of 15 market reports, regulatory reforms in 8 countries, the implementation of a Quality Assurance Framework in Nigeria, Guinea, and Togo, and capacity-building initiatives for developers and policymakers.

—more than triple the planned 280 km— and built two substations, enabling 39 792 new connections for 39 384 households, 50 health facilities, 65 academic institutions, 43 public facilities, and 250 small businesses—triple the original target of 12 950. Additionally, 44.54 km of high-voltage transmission lines were completed with minimal disruption to communities. The project also trained 102 professionals including 21 women.

The *Rural and Peri-Urban Electrification Project* in the Democratic Republic of Congo achieved similar success. It constructed 1 471 km of distribution lines, installed or rehabilitated 420 transformers, and added 2 997 public lighting units. The project connected 54 550 new customers —over three times the target— and trained 72 staff to enhance operational efficiency. PEPUR revitalised SNEL's network by reducing energy losses and outages while expanding electricity access for thousands.

Accelerating clean energy access through private-sector-led decentralised energy solutions

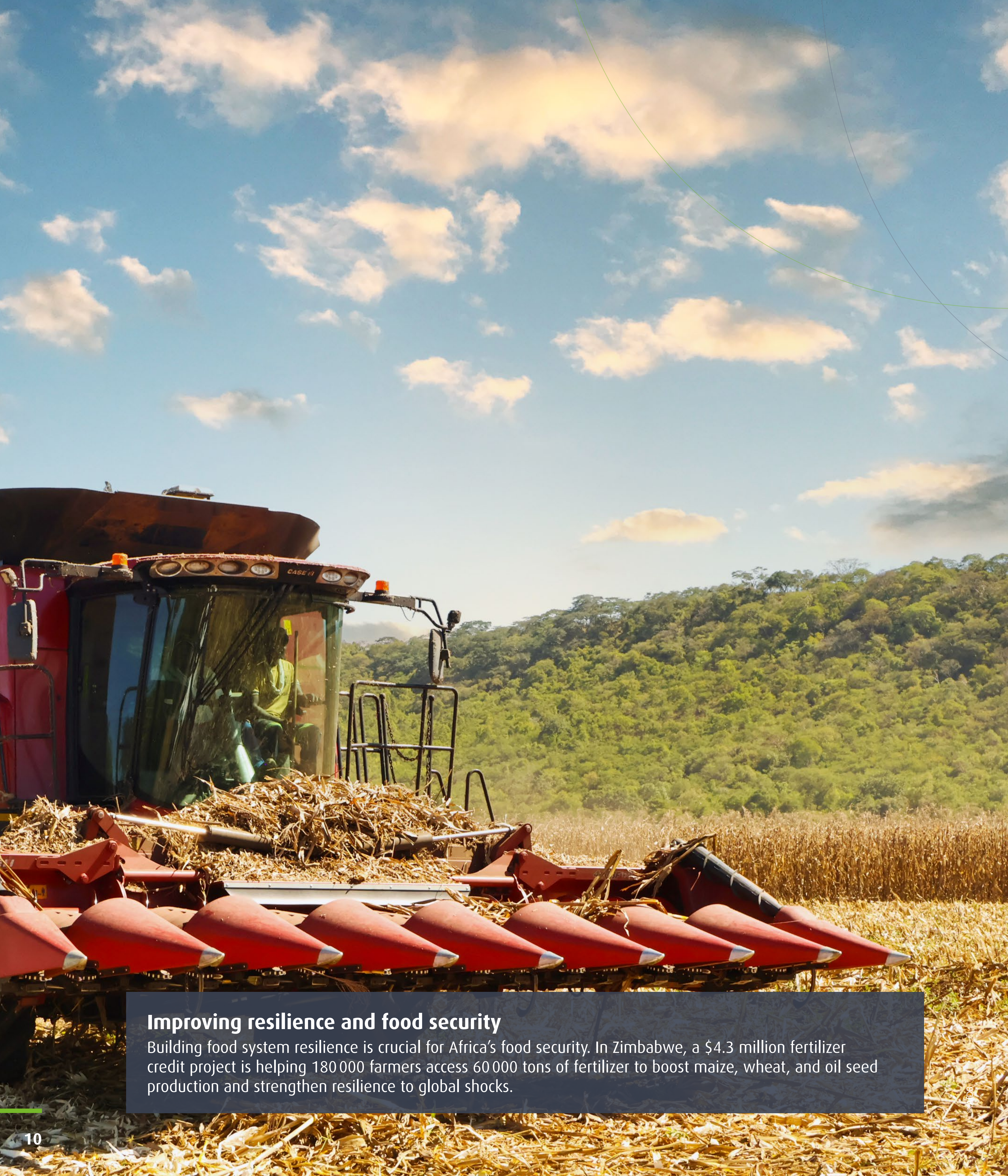
The Bank is driving private sector participation to support the deployment of decentralised energy solutions in Africa. For example, through a Sustainable Energy Fund for Africa (SEFA)[9] technical assistance project, the Bank contributed to ARM-Harith Distributed Power[10] transformation into a $100 million funding platform with a $205 million project pipeline, set to deliver 110 MW of renewable energy, electrify 210 000 households, and cut annual emissions by 450 000 tCO_2e. It also strengthened the capacities of the Lagos State Ministry of Energy and the Rural Electrification Agency, training 25 policymakers (36% women) and launching the Decentralised Renewable Energy Desk. Furthermore, it supported REA's Solar Power Naija Programme by connecting 150 developers and lenders, facilitating $17 million in investments.

Meanwhile, SEFA approved a $10 million junior equity investment in the ARM-Harith Climate Transition Fund to catalyse these efforts. The initiative lays the groundwork for renewable energy investment through private sector engagement, institutional capacity building, and financing access.

Additionally, the Bank has been at the forefront of supporting decentralised energy solutions through the SEFA-funded *Green Mini-Grid Market Development Programme*, which has contributed to accelerating private-sector investment, capacity building, and regulatory reforms across Africa (see Box 2). ■

9 The Sustainable Energy Fund for Africa (SEFA) is a multi-donor fund managed by the Bank. It provides catalytic financing to unlock private sector investments in renewable energy and energy efficiency across Africa, focusing on green baseload, mini-grids, and energy efficiency.

10 This supported consisted of a $500 000 SEFA grant. An additional $150 000 SEFA grant was also allocated to strengthen the Lagos State Ministry of Energy and the Rural Electrification Agency.



Improving resilience and food security

Building food system resilience is crucial for Africa's food security. In Zimbabwe, a $4.3 million fertilizer credit project is helping 180 000 farmers access 60 000 tons of fertilizer to boost maize, wheat, and oil seed production and strengthen resilience to global shocks.

Chapter 2
Feed Africa

Agriculture plays a vital role in Africa, reducing poverty, enhancing livelihoods, addressing nutritional and health challenges, and driving economic growth. Farming in Africa faces persistent challenges due to climate change and insufficient investment in agriculture. In response to these pressing challenges, the Bank is actively tackling food insecurity by improving agricultural productivity and adapting the sector to climate-related stressors. In 2024, the Bank contributed to strengthening Africa's agriculture by supporting agri-businesses, developing agricultural value chains, and increasing agricultural productivity and food security.

Improving agricultural productivity to end food insecurity in the face of climate change

Agriculture is vital cornerstone of Africa's development agenda, offering immense opportunities to combat unemployment, food insecurity, malnutrition, and economic stagnation. However, climate change, inadequate infrastructure investment, and systemic inefficiencies threaten the sector's potential. This section explores Africa's agriculture challenges and highlights innovative solutions to boost productivity and resilience.

Addressing Africa's food security crisis: Challenges, opportunities, and the paths forward

A robust and productive agricultural sector offers immense benefits, including the alleviation of hunger, enhanced food security, and strengthened African economies. **Agriculture accounted for 15% of Africa's economic output in 2023, down from 16% in 2020. While cereal yields have slightly improved, rising from 1.69 tonnes per hectare in 2020 to 1.70 tonnes per hectare in 2023**, they remain significantly below the global average of 4.2 tonnes per hectare.

Despite Africa's abundant arable land, the continent faces a worsening food security crisis driven by multiple factors, including the lingering effects of the COVID-19 pandemic, high global food prices, climate shocks, and conflicts both within and beyond Africa. In 2023, approximately 298.4 million people in Africa experienced hunger, according to the Food and Agriculture Organization (FAO).[11] Hunger increased across most subregions of Africa between 2022 and 2023, except for Eastern and Southern Africa. The prevalence of moderate or severe food insecurity stands at 58%, nearly double the global average. This figure has risen from 54% in 2020 but represents a modest improvement from 61% in 2022. Central Africa remains the most affected subregion, with a staggering prevalence rate of 77.7%, or 157 million people, the highest globally. In the same period, according to the 4th CAADP Biennial Review Report (2023), no member state met the target of spending 10 % of annual national budget in the agricultural sector. This calls for a renewed commitment by African, as was seen in the Dakar 2 Summit in early 2023.

> *Food insecurity in Africa stands at 58%, nearly double the global average, with Central Africa the worst affected region globally*

Stunting—a largely irreversible condition caused by poor maternal health, infant malnutrition, and recurrent infections—continues to affect African children disproportionately. In Africa, **stunting affects 30% of children under five years old**, significantly higher than the global average of 22.3%. Central Africa is the worst affected subregion, with a prevalence rate of 37.4%.[12] The long-term consequences of stunting are profound, including impaired cognitive and educational outcomes, increased susceptibility to diseases, reduced labour productivity, and a heightened risk of obesity in adulthood.

Climate change is a major driver of rising food insecurity and malnutrition across Africa.[13] Disrupted weather patterns, rising temperatures, and extreme climate events are reducing agricultural productivity and limiting food availability. Additionally, climate change exacerbates water stresses in many regions, diminishing irrigation potential and further restricting agricultural outputs. In response to these challenges, the Bank emphasises the urgent need for action, underscoring the critical necessity of adapting Africa's

11 Food and Agriculture Organization (FAO), The State of Food Security and Nutrition in the World (2024)
12 Food and Agriculture Organization (FAO), SOFI Statistics Africa 2023: Stunting among Children (2023)
13 Intergovernmental Panel on Climate Change (IPCC), Climate Change 2022: Impacts, Adaptation, and Vulnerability. Working Group II. Contribution to the Sixth Assessment Report of the IPCC, Chapter 9: Africa (2022)

Table 3 **Feed Africa (Progress in Africa)**

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest
● Cereal yield (ton/hectare)	1.69	1.70 (2023)	1.46	1.45 (2023)	0.98	0.94 (2023)
● Africa's share of agriculture value-added (% GDP)	16	15 (2023)	23	23 (2023)	22	23 (2023)
● Prevalence of moderate or severe food insecurity in Africa (%)	54	58 (2023)	58	61 (2023)	60	63 (2023)
● Prevalence of stunting among children under 5 (%)	30.8	30.0 (2022)	31.0	30.0 (2022)	32.7	31.7 (2022)

● Improvement compared to the baseline ● Stability compared to the baseline ● Decline compared to the baseline

agricultural sector to climate-related stressors while enhancing its sustainability and resilience.

By addressing these interconnected challenges —food insecurity, malnutrition, and climate change impacts— and investing in sustainable agricultural practices. Africa has the opportunity to fully harness the potential of its agricultural sector, paving the way for a healthier and more prosperous future for its people.

Mobilising agricultural productivity and boosting agri-food processing

A robust agro-processing industry has the potential to transform Africa's agricultural sector by enhancing food security, driving industrialisation, and fostering structural economic transformation. Agro-processing is steadily growing in importance, accounting for 46.3% of intra-African agricultural trade during the 2019–2021 period (latest available data).[14] Africa's food and agribusiness sector is also projected to reach $1 trillion in value by 2030, highlighting immense opportunities to expand processing capacity and add value across agricultural supply chains. These developments highlight the growing opportunities for investment in agro-processing.

Complementing these developments, the Bank actively enhances agricultural productivity through both long-term programmes and targeted emergency responses. The Technologies for African Agricultural Transformation (TAAT) is a flagship, multi-year initiative focused on deploying scalable, proven technologies like drought-resistant maize and heat-tolerant wheat to increase yields and lift millions out of poverty. In contrast, the African Emergency Food Production Facility (AEFPF), approved as a rapid response to recent global shocks, is a time-bound intervention designed to address urgent food security challenges by providing smallholder farmers in 35 countries with access to certified seeds, fertilisers, and digital platforms to enhance production. While TAAT aims to create lasting, systemic change across African agriculture, AEFPF offers immediate support to stabilize food production during crises. Together, these programmes are integral to the Bank's broader strategy to transform agriculture into a driver of economic growth and food security across Africa, laying a robust foundation for agro-processing by improving productivity at the source — farm-level agriculture.

The Bank has played a pivotal role in promoting agro-industrial development through Special Agro-Industrial Processing Zones (SAPZs) to support this transformation. SAPZs are designed to strengthen agricultural supply chains by improving rural infrastructure in high-potential regions and attracting private sector investment to boost productivity and socio-economic development. These zones are rapidly emerging as critical hubs for agro-industrial activities, enabling the processing of raw agricultural commodities into higher-value products. This reduces Africa's reliance on food imports while generating employment opportunities across the value chain. By linking improved productivity from initiatives like TAAT and AEFPF with processing capacity in SAPZs, the Bank is creating an integrated approach to agricultural transformation.

In November 2023, at the African Investment Forum in Marrakesh, the Bank launched the Alliance for Special Agro-Industrial Processing Zones (A-SAPZ), an innovative financing platform to accelerate private sector investments into SAPZs across Africa. The Alliance comprises eight members: The African Development Bank, Afreximbank, the Islamic Development Bank, the United Nations Industrial Development Organization, Arise IIP, the ECOWAS Bank for Investment and Development, the Arab Bank for Economic Development in Africa, and the West African Development Bank, underscoring partner institutions' interest in agro-industrial development. The Bank and Alliance partners pitched the Nigeria SAPZ II programme at the Africa Investment Forum 2024, successfully mobilising $2.2 billion in commitments with significant contributions pledged by various stakeholders, including the Bank.

The demand for SAPZs increased, particularly following the "Dakar 2: Food Sovereignty and Resilience" Summit in January 2023. The summit emphasised the importance of achieving food sovereignty and resilience through innovative approaches like SAPZs

14 ReSAKSS, 2023 Africa Agriculture Trade Monitor (2023)

(see Chapter 3: Industrialise Africa for more details on the Bank's SAPZ interventions).

The Bank's role in transforming Africa's agriculture

In 2024, the Bank made steady progress in transforming African agriculture, achieving key results aligned with its strategic goals. Its operations **supported 25 074 agribusinesses**, including 8 634 led or owned by women, and **reached 1.5 million farmers with climate-resilient technologies**, doubling the initial target. The Savannah Agriculture Value Chain project in Ghana contributed substantially, reaching 0.4 million people, well above its initial target of 50 000, driven by project expansion, the adoption of modern practices, and partnerships with research institutions. Through the Bank's financed interventions, more than **27 million people achieved food security** in 2024, on target.

Boosting agricultural productivity

The Savannah Zone Agricultural Productivity Improvement Project in Ghana exemplifies the Bank's efforts to enhance agricultural productivity, strengthen market linkages, and promote environmental sustainability. The project has delivered notable outcomes, including a considerable increase in crop yields. For example, maize yield rose from 2.5 to 5.5 tons per hectare, with similar gains seen in rice and soybean production. The project has also contributed to gender equity, particularly through irrigation dam rehabilitation, which allowed women to improve their vegetable production and achieve higher yields, thus supporting their economic empowerment. The project has also facilitated the sale of 165 000 MT of maize, soybeans, and rice, expanding market access for farmers and enabling them to acquire essential production assets. Additionally, the construction of 57 km of feeder roads improved access to markets and agricultural inputs. Environmental sustainability was a key focus, with efforts like tree planting and buffer zone protection helping to mitigate land degradation. Concurrently, training programmes reached over 100 farmers and farm managers, promoting the adoption of climate-smart agricultural practices.

The Bank also promotes private sector-driven growth and resilience by making strategic investments in agriculture (see Box 3).

Box 3 **DAL Group Co Ltd – Enhancing food security and resilience through private sector investment**

DAL Group Co Ltd, Sudan's largest conglomerate, is a key player in the agri-food sector with over 40 years of experience. The Group has expanded across countries in East and Central Africa including Sudan, South Sudan, Chad, Ethiopia, Cameroon. The Bank supported DAL Group's 2021–2025 investment programme, which focuses on strengthening agricultural value chains — particularly in wheat, rice, gum arabic, and cotton — while advancing agro-industrial activities across the region.

Leveraging its regional presence, DAL Group has been able to sustain operations and contribute to food security in the region, even in the face of challenging circumstances in Sudan. This resilience underscores the importance of private sector-led growth in fostering stability and sustainable development.

Key impacts:

- **2 042 direct jobs created**, strengthening local employment opportunities.
- **$49 million increase in exports outside Africa**, expanding market reach and trade opportunities.
- **Government revenue growth in host African countries**, supporting economic stability.
- **3 892 farmers integrated into agricultural value chains**, improving food production by 22%.
- **$206 million paid to local suppliers**, reinforcing regional economies and livelihoods.

This project highlights the critical role of the private sector in accelerating economic development, strengthening food systems, and building resilience across East and Central Africa.

Strengthening resilience and food security

The Bank has spearheaded initiatives to combat malnutrition and enhance resilience, particularly among vulnerable populations. A key success story is the Bagré Growth Pole Support Project, which has improved agricultural productivity and resilience in Burkina Faso. Maize yields increased slightly from 1.5 to 2.5 tons per hectare, while market garden yields rose by 66.7%, driven by improved access to quality inputs and farmer training. Rice production grew from 8 376 to 10 000 tonnes, and vegetable farming —including potatoes, tomatoes, and onions— also expanded. At the same time, women farmers benefited from improved market access, which led to higher incomes. Similarly, small-scale farmers experienced a 61.42% increase in incomes, enhancing their families' well-being. The establishment of essential services such as banks, fuel stations, and agricultural equipment factories at the Bagré Growth Centre created over 6 000 jobs, further strengthening economic resilience. This transformation has reinforced food production, job creation, and economic growth, helping farming communities in Burkina Faso become more resilient.

Table 4 **Feed Africa (The Bank's contribution to development)**

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND		TRANSITION STATES	
	Planned	Actual	Achievement rate	Planned	Actual	Planned	Actual
● Agribusinesses supported (number)	22 770	25 074	>100%	21 838	24 403	1 820	2 044
● —*Led/owned by women*	7 943	8 634	>100%	7 571	8 380	771	784
● Farmers using improved and climate-resilient technologies and inputs (number)	1 242 835	1 541 945	>100%	247 825	524 780	162 220	180 221
● —*Of which women*	485 392	511 201	>100%	128 612	266 714	89 854	101 383
● Food-secure population (number)	27 038 382	27 154 470	>100%	24 996 373	24 888 825	327 263	457 265
● —*Of which women*	13 302 005	13 229 173	99%	12 436 443	12 395 704	171 193	222 719

● Indicator reached 85% or more of the anticipated target ● Indicator achieved between 70% and 85% of the anticipated target
● Indicator achieved below 70% of the anticipated target

Box 4 **Transforming Nigeria's wheat production**

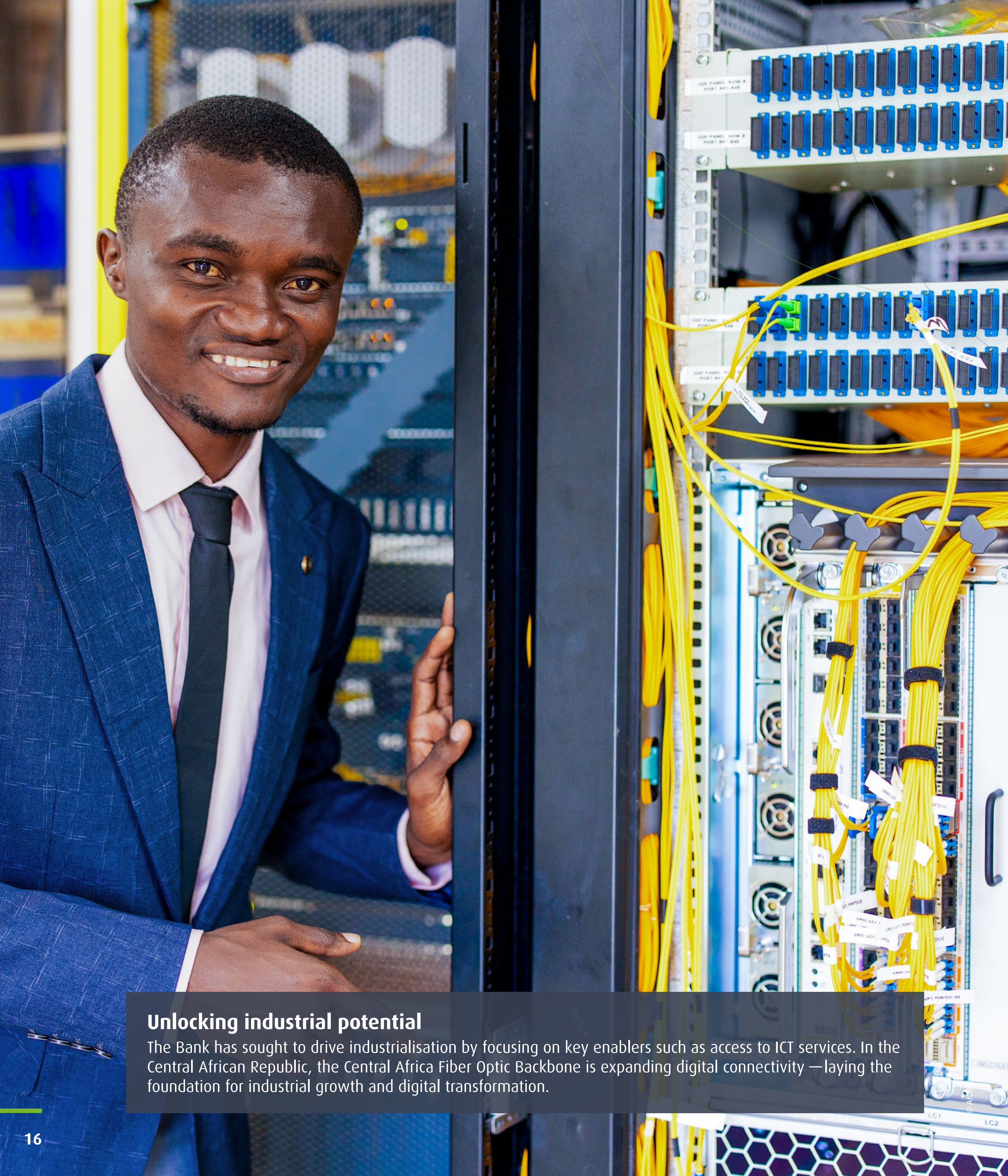
For smallholder farmers in Nigeria, access to quality seeds and inputs has been a persistent challenge. The *National Agricultural Growth Scheme – Agro-Pocket Programme*, funded by the Bank, is designed to address this issue. Launched under the Africa Emergency Food Production Facility (AEFPF), the programme provides farmers with heat-tolerant wheat seeds, fertilisers, and agro-chemicals. In the 2023/2024 season, it supported the cultivation of 118 000 hectares of wheat, tripling production to 0.5 million metric tons. Productivity increased from 1.7 t/ha to 4–6 t/ha in farmers' fields and over 280 000 households benefited.

"The support we have received is really helping us earn more income and take care of our families," says Shittu B., a wheat farmer in Jigawa State.

In response to global food supply disruptions, the project is reducing Nigeria's reliance on wheat imports. By 2024/2025, farmers will cultivate 273 657 hectares, bolstering national food security. Through NAGS-AP, the Bank is building a resilient agricultural sector, ensuring that farmers are able to withstand global shocks and improve their livelihoods.

The Bank remains committed to enhancing agricultural resilience across Africa through projects like Nigeria's *National Agricultural Growth Scheme – Agro-Pocket Programme*, which boosts wheat production (see Box 4).

Finally, the Africa Emergency Food Production Facility (AEFPF), set to close in December 2025, is one of the Bank's most significant contributions to food security in Africa. Approved in May 2022, the AEFPF aims to rapidly support farmers in 35 countries with certified seeds and fertilizer in response to global supply disruptions. As of January 31, 2025, $1.385 billion had been disbursed across 37 operations, representing 92.6% of the approved budget. Achievements to date include distributing 459 490 metric tons of certified seeds (19.7% above target), 2.87 million metric tons of fertilizer (81.2% of target), and reaching 12.3 million farmers (61.6% of the 20 million target). ICT platforms are operational in 24 countries, and food production has reached 37.6 million tonnes —meeting 100.3% of the target— with an estimated market value of $14.5 billion (20.6% above target). Additionally, 72 policy reforms have been completed in 20 countries, further strengthening the enabling environment for food security. These results highlight AEFPF's pivotal role in mitigating global shocks and building resilience across Africa's food systems. ■



Unlocking industrial potential

The Bank has sought to drive industrialisation by focusing on key enablers such as access to ICT services. In the Central African Republic, the Central Africa Fiber Optic Backbone is expanding digital connectivity —laying the foundation for industrial growth and digital transformation.

© AfDB

Chapter 3
Industrialise Africa

A strong industrial sector is crucial for generating formal employment and driving economic growth in Africa. Despite a rapidly expanding domestic market and an abundant labour force, industrialisation remains limited. The Bank is advancing industrial development by strengthening value chains, particularly in agriculture, critical mineral processing and other key sectors. In 2024, the Bank improved enterprise access to finance, facilitated trade finance, supported digital transformation, and promoted the processing of agricultural commodities, all which contribute to economic growth and job creation.

Africa's progress towards industrialisation

Industrial development offers significant substantial benefits for Africa's economic growth and structural transformation. The continent has vast growth potential, particularly through creating enabling environments for the private sector, improving raw commodity processing capacity, and unlocking financing for the sector.

Resilience and challenges in Africa's manufacturing sector

Africa's manufacturing sector has shown resilience amid global challenges with **manufacturing value-added growing from $282 billion in 2020 to $302 billion in 2023**. Its share of GDP has hovered around 10% since 2010. However, this growth could be at risk as investment levels decline. Gross capital formation fell from 1.6% of GDP in 2023 to 0.9% in 2024, signalling reduced investment that may hinder growth. Tightened monetary policies and declining Foreign Direct Investment (FDI) inflows (-3.4% in 2023), totalling $52.6 billion, reflect global challenges such as geoeconomic fragmentation, regulatory divergence, and shifting supply chains. Despite these setbacks, Africa's performance remained stronger that of other developing regions, which saw a nearly 7% decline.

Although **Africa holds 10.9% of the global processed commodities market**, many economies remain reliant on raw exports and face challenges in achieving structural transformation. The African Commodity Strategy, part of the African Union's Agenda 2063, aims for a commodity-led industrialisation strategy to increase the value of African commodities and drive growth.

Diversifying African economies through critical minerals

Africa has great potential to diversify beyond reliance on primary product exports by integrating into high-value global supply chains. The demand for minerals is set to surge, with revenues from copper, nickel, cobalt, and lithium projected to reach $16 trillion over the next 25 years.[15] Africa is positioned to capture over 10% of these revenues,[16] offering a unique opportunity to channel these flows into manufacturing. By shifting from raw mineral extraction to processing, African economies can integrate into value chains such as automotive, mobile phones, renewable energy, and healthcare, while creating high-skilled green jobs and strengthening foreign exchange reserves.

> *Shifting from raw extraction to processing can create green jobs and strengthen Africa's economies*

Currently, only a few countries—South Africa, Egypt, Algeria, and Morocco—have developed in automobile production capabilities and renewable energy technology, while high-tech industries still dominate Africa's imports. However, measures like promoting franchising and leveraging foreign firms' technological expertise can foster cross-border investment, complementing local-content policies where technical and financial capacities are limited.

To capitalise fully, targeted policies, infrastructure investments, and regional cooperation are essential. This is exemplified by Morocco's success in automobile production. With strategic infrastructure investments and industrial policies incentivising relocation, Morocco implemented the Industrial Acceleration Plan (2014–2020), attracting major automotive groups. Foreign direct investment in the sector rose from 15% in 2010 to 37% in 2019. In 2023, Morocco became Africa's leading car producer and exporter, with manufacturing contributing 15% of GDP.

Bolstering the pharmaceutical industry

The pharmaceutical industry is crucial for Africa's industrialisation. The Bank's 2030 Pharmaceutical and Vaccine Manufacturing Vision aims to boost local production, innovation, and infrastructure.

15 International Energy Agency, Global Critical Minerals Outlook 2024
16 International Monetary Fund, Harnessing Sub-Saharan Africa's Critical Mineral Wealth

Table 5 **Industrialise Africa (Progress in Africa)**

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest
● Value-added of the manufacturing sectors ($ billions)	282	302 (2023)	74	79 (2023)	24	22 (2023)
● Africa's share of market value for key processed commodities (%)	10.4	10.9 (2023)	9.6	10.3 (2023)	1.5	1.6 (2023)

● Improvement compared to the baseline ● Stability compared to the baseline ● Decline compared to the baseline

With only 1% of vaccines produced locally, Africa remains heavily reliant on imports. To address this, the Bank launched the African Pharmaceutical Technology Foundation with a $12 million investment, focusing on technology exchange, manufacturing standards, and regulatory alignment. In November 2024, the Bank approved a $15 million loan for the VAXSEN project in Senegal to establish a vaccine manufacturing facility with a 300 million-dose annual capacity, reducing import dependence, improving access, and strengthening pandemic preparedness.

Expanding access to finance for the private sector

African financial systems have significantly improved in recent years, driven by financial sector reforms in the 1990s and early 2000s. These reforms included interest rate liberalisation, restructuring state-owned financial institutions, easing entry and exit barriers, and strengthening supervisory and regulatory frameworks. The rapid adoption of digital financial services has further transformed the banking sector, with the percentage of Africans with access to a bank account rising from 34% in 2014 to 55% in 2021.[17]

Despite this progress, access to long-term financing remains a major constraint on private sector growth, particularly for micro, small, and medium-sized enterprises (MSMEs), which face an estimated $331 billion funding gap. Investment in sub-Saharan Africa is also hindered by the high share of bank lending directed toward the public sector, as reflected in the decline of private sector credit as a percentage of GDP from 43.9% in 2007 to 33.4% in 2022.[18]

Moreover, African capital markets remain illiquid, fragmented, and unable to effectively connect investors with those in need of capital, such as governments and corporations. In 2022, the market capitalisation of domestic listed companies as a percentage of GDP stood at 13.8% in Zambia, 14.2% in Kenya, 16.7% in Namibia, 19.3% in Nigeria, and 25.9% in Rwanda — far below the global average of 106.5%.

To address these challenges, the Bank, through the Capital Markets Development Trust Fund, supports financial market regulatory reforms in several West African countries to strengthen and integrate capital markets across the continent.

Bridging Africa's infrastructure gap through Public-Private Partnerships

The Bank estimates that Africa needs $130 billion to $170 billion annually for infrastructure, with a financing gap of $68 billion to $108 billion. This shortfall is driven by a lack of bankable projects, limited private investment, and domestic financing. Public-Private Partnerships are essential to bridging this gap. The Bank's Public-Private Partnerships Strategic Framework (2021–2031) focuses on fostering PPPs, improving project preparation, and increasing financing access. The Bank is working on the establishment of the Africa PPP Development Fund to support structuring projects in key sectors like transport, energy, and water.

The Bank's support to Africa's industrialisation

In 2024, the Bank made significant progress in driving Africa's industrialisation by focusing on key areas such as infrastructure development, capital markets, enterprise growth, and access to finance. The Bank's efforts were essential in facilitating regional integration, expanding market access, and promoting industrial growth across the continent. By providing **access to finance for 1 177 enterprises**, of which 598 were women-owned, the Bank contributed to job creation and economic growth. Additionally, **it improved basic ICT access for 21 million people** and enhanced transportation infrastructure, which is critical for industrial development (see Chapter 4: Integrate Africa). The Bank also supported agribusinesses, boosting agricultural productivity (see Chapter 2: Feed Africa).

Promoting enterprise development through access to finance

The Bank's support for industrialization is exemplified by its $7 million equity investment in the Business Partners International Southern African SME Fund, which raised $30 million. The Fund promoted private sector growth across sectors such as tourism, construction, and real estate by investing in 58 small and medium enterprises (SMEs) in Zambia, Namibia, and Malawi. These enterprises generated $2.6 billion in net turnover, contributed $322 million in tax revenue, and created over 3 433 jobs between 2018 and 2022. The Fund also supported regional integration

17 The World Bank's Global Findex Database 2022
18 World Bank data

Table 6 **Industrialise Africa (The Bank's contribution to development)**

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND		TRANSITION STATES	
	Planned	Actual	Achievement rate	Planned	Actual	Planned	Actual
🟢 Enterprises supported with access to finance (number)	1 096	1 177	>100%	830	1 020	750	825
🟢 — *Led/owned by women*	507	598	>100%	425	557	400	426
⚪ Trade supported by Bank's trade finance facilities ($ million)[18]	-	880	-	-	-	-	-
⚪ —*Intra-African trade*	-	79	-	-	-	-	-
🟢 People with improved access to basic ICT services number)	16 325 250	21 326 200	>100%	1 325 250	1 326 200	1 320 000	1 320 000
🟢 — *Of which women*	7 988 252	10 496 536	>100%	464 750	465 200	462 000	462 000

🟢 Indicator reached 85% or more of the anticipated target 🟠 Indicator achieved between 70% and 85% of the anticipated target
🔴 Indicator achieved below 70% of the anticipated target ⚪ Data is not available to measure progress

by providing technical assistance to 57 enterprises in export certification.

The Bank also extended a loan to Credit Bank PLC Kenya, which provided long-term funding to SMEs in key sectors like agriculture and manufacturing. This programme helped businesses survive global shocks, such as the COVID-19 pandemic, and provided loans to 16 enterprises, boosting their average sales by 30% and creating around 1 007 jobs, 38% of which were for women.

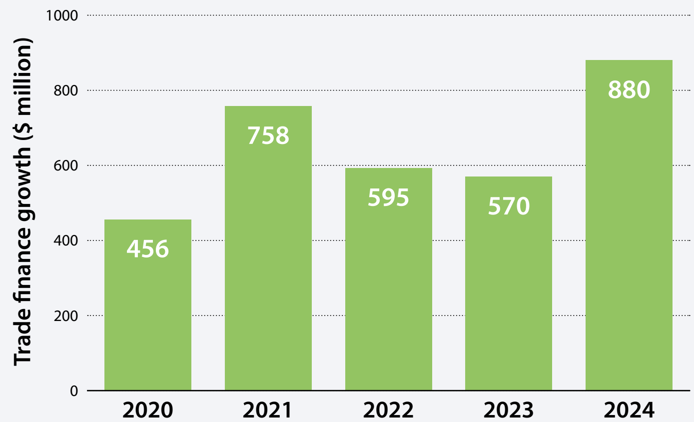
Leveraging trade finance to drive industrialisation and regional integration

Trade finance plays a vital role in industrialisation by supporting SMEs, many of which operate in sectors critical to industrialisation such as agriculture, pharmaceuticals, automotive, and transport. By improving trade finance access, these businesses can scale up production, integrate into regional supply chains, and contribute to manufacturing growth. **In 2024, the Bank's active trade finance portfolio facilitated $880 million in transactions across 50 African Issuing Banks in 20 countries, including two transition states.** This marks a significant increase from 2023 ($570 million) and reflects a strong recovery in trade finance. West Africa led with 52% of the transactions, followed by East Africa (19%), North Africa (14%), Central Africa (12%), and Southern Africa (4%). SMEs accounted for 34% of these transactions, reinforcing their pivotal role in economic diversification and industrial expansion. Over the past five years, the Bank's trade finance volumes have fluctuated, reaching $456 million in 2020, peaking at $758 million in 2021, and stabilising around $595 million in 2022, before rebounding sharply in 2024 (see Figure 2).

Despite this progress, intra-African trade remains an untapped opportunity, representing just 9% of the total supported trade in 2024. This sustained growth underscores the critical role of trade finance in supporting industrialisation, particularly for SMEs in key sectors such as agriculture, pharmaceuticals, automotive, and transport. By improving access to trade finance, these businesses can scale up production, integrate into regional supply chains, and drive manufacturing growth.

Figure 2 **The Bank is driving industrialisation and trade through trade finance**

Trade finance growth (2020–2024): $3.3 billion facilitated to drive industrialization and regional trade



Improving industrial efficiency through connectivity infrastructure

Strengthening connectivity infrastructure, such as roads and ICT, enhances industrial efficiency and supply chain integration. One example is the Central Africa Fibre-Optic Backbone Project in the Central African Republic, which installed 900 km of fibre optic cables and constructed 11 technical sites, including a Network Operations

19 For the indicator "Trade supported by the Bank's trade finance facilities, of which intra-African trade," the ADER relies on active trade portfolio transactions rather than completion reports. Active portfolio data offers a more accurate and dynamic reflection of ongoing trade activities, while completion reports are less suited to capturing the fast-evolving nature of trade finance transactions. This ensures the assessment aligns with real-time progress and market realities. Management will review the indicator and its assessment methodology.

Box 5 **How SAPZs are driving industrial growth and jobs in Ethiopia**

The Integrated Agro-Industrial Parks Support Project in Ethiopia, which received $15.2 million from the Bank and $10.4 million from European Union co-financing, is transforming the agricultural sector by improving value chains and creating jobs. It focuses on infrastructure development, market linkages through agro-industrial parks, rural transformation centres, and empowering communities by connecting farmers to agro-processing businesses.

Key achievements:

- 13 917 jobs created, with 3 613 permanent positions and 10 304 temporary jobs.
- 4 agro-industrial parks and 19 rural transformation centres established.
- 3 892 farmers linked to value chains, increasing food production by 22%.
- Infrastructure established, including water supply to Yirgalem park.
- 14 companies building factories, with eight already operational.
- Over 82 Memorandum of Understandings signed and $60 million in additional funding.

The project has also empowered youth and women. One young factory manager says, *"At just 28, I lead the dairy production factory at the Bure Park. We aim to double production in the coming months."* A female professional in coffee processing adds, *"Once fully operational, we will produce 2 000 coffee capsules per hour, with 80% destined for export... This project showcases the potential of young women in agro-industrialisation."*

The project aims to create 200 000 jobs over the next five years, fostering economic growth and rural transformation.

Centre in Bangui. The project increased internet penetration from 2.2% to 30%, creating over 4 000 jobs and benefiting local communities. It also laid the foundation for future digital transformation, ICT growth, and economic development in the country.

Processing agricultural commodities for industrial growth

Given agriculture's role as the backbone of many African economies, the Bank's industrialisation strategy is closely linked to agricultural transformation. Since Special Agro-Industrial Processing Zones (SAPZs) bridges between farmers and agro-processors, promoting economic diversification and ensuring agricultural productivity contributes to industrial expansion, the Bank is strengthening value chains, enhancing agro-industries, and driving job creation and rural development through SAPZs.

In 2024, the Bank mobilised approximately $2.4 billion for SAPZs.

With 18 ongoing projects across 11 countries and 27 sites, SAPZs demonstrate the potential to transform agriculture from subsistence farming into a business-driven sector. In Ethiopia, for example, the Integrated Agro-Industrial Parks Support Project is modernising agriculture, creating jobs, and enhancing food security (see Box 5). ■

Promoting sustainable regional mobility

Improving regional transport corridors is essential for economic growth and integration in West Africa. The Lomé–Cotonou Road Rehabilitation Project, part of the Abidjan–Lagos Corridor, enhances cross-border connectivity, road safety, and access to jobs and services along the route.

Chapter 4
Integrate Africa

Improving regional integration through the free movement of goods, services, people and finance is a key lever for economic development and industrialisation in Africa. In its new Ten-Year Strategy, the Bank reaffirmed its commitment to supporting regional integration through scaling up infrastructure connectivity, promoting cross-border trade and investment, and deepening financial integration. In 2024, the Bank made significant progress in furthering these priorities to foster a more productive African economy and drive industrialisation.

Revitalising Africa's regional integration agenda

Fragmented markets, low industrialisation, poor infrastructure, and governance challenges have historically hindered Africa's global competitiveness. Despite these obstacles, informal cross-border trade —especially among women and youth— has thrived, often exceeding official trade figures. This highlights the untapped potential for deeper regional integration and underscores the need to leverage existing trade dynamics to drive growth and development across the continent. Enhancing integration is key to overcoming these barriers and fostering a more connected and resilient African economy.

Regional integration through the Africa Continental Free Trade Area (AfCFTA)

Intra-African trade as a proportion of total goods' trade declined slightly from 13.7% in 2020 to 12.5% in 2024, reflecting ongoing structural and logistical challenges in regional trade integration. This decline is attributed to several interrelated factors, including persistent non-tariff barriers, weak transport and logistics infrastructure, and slow implementation of AfCFTA protocols at national levels. Many countries have yet to fully operationalise customs harmonisation and rules of origin, while limited access to trade finance and underdeveloped productive capacities further constrain participation — particularly among SMEs. Moreover, informal trade remains undercounted, masking actual trade volumes and limiting targeted policy responses. However, promising trends are emerging in some regions, particularly within the East African Community, where intra-regional trade remains resilient. Under the AfCFTA, regional trade is gaining momentum, with 39 countries expressing their interest in the Guided Trade Initiative (GTI)[20] — a key mechanism designed to accelerate trade among member states and assess private sector's readiness under the new trade framework. The GTI serves as a testing ground for operational, institutional, legal, and trade policy frameworks, helping to identify and address barriers to seamless trade. Stakeholders have welcomed the GTI as an innovative catalyst for trade under AfCFTA. As more countries align their policies and infrastructure with AfCFTA provisions, the continent is expected to witness progressive gains in regional integration, fostering economic resilience and strengthening Africa's position in global trade.

> *Infrastructure is the backbone of regional integration — connecting markets, boosting trade, and unlocking economic growth across Africa*

Through a technical assistance operation, the Bank played a key role in establishing and operationalizing the AfCFTA Secretariat (See Box 6).

Infrastructure to facilitate the free movement of goods and people

Infrastructure is a cornerstone of regional integration and economic growth, and the Bank remains committed to enhancing cross-border connectivity. The Africa Infrastructure Development Index, which assesses the quality and availability of infrastructure across transport, energy, information and communication technologies (ICT), and water and sanitation, stood at 0.31 out of 1 in 2024, a marginal increase from 0.28 in 2020. This underscores persistent challenges in infrastructure development, particularly in cross-border connectivity. Improvements in transport and power infrastructure, especially across borders, are crucial for facilitating trade and the free movement of goods and people, making it a key driver of regional integration.

To address these challenges, the Bank has intensified its support for cross-border infrastructure through the Programme for

20 United Nations Economic Commission for Africa, The Guided Trade Initiative: Documenting and Assessing the Early Experiences of Trading under the AfCFTA

Table 7 **Integrate Africa (Progress in Africa)**

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest
Regional infrastructural integration index (low = 0 / high = 1)	0.22	-	0.15	-	0.11	-
African visa openness index (0 Low – 1 High)	0.48	0.48	0.54	0.52	0.48	0.49
Intra-Africa trade as a proportion of total goods' trade (%)	13.7	12.5(2023)	23.4	22.8(2022)	24.2	22.6(2022)

Improvement compared to the baseline   Stability compared to the baseline   Decline compared to the baseline

Box 6 **Key achievements of the AfCFTA institutional support project**

The Bank was instrumental in the launch of the AfCFTA Secretariat, a cornerstone institution supporting the largest market in Africa, encompassing over 1.3 billion people. The AfCFTA Institutional Support Project Phase 1, approved in 2019 and completed in 2024, played a crucial role in establishing and operationalising the AfCFTA Secretariat.

Key achievements:

- Facilitated early meetings, contributing to the successful launch of AfCFTA trading on January 1, 2021.[20]
- Provided substantial financial support, becoming the largest funding source in 2021 and the second largest in 2022.
- Strengthened institutional capacity through tariff scheduling, Rules of Origin negotiations, and the Guided Trade Initiative.
- Supported Phase 2 negotiations on Investment, Competition Policy, and Digital Trade.

The project also contributed to the recruitment of technical experts, the establishment of the Dispute Settlement Body, and the development of the Secretariat's Ten-Year Strategic Plan. These efforts established a solid foundation for the Secretariat's long-term sustainability.

The Secretariat commended the Bank for its pivotal role in ensuring a smooth transition to an independent institution in Accra. Phase 2 is now focused on enhancing oversight and implementation capabilities.

Box 7 **Promoting regional connectivity by supporting rail infrastructure**

The *Tanzania-Burundi Standard Gauge Railway Project Phase II* aims to enhance regional integration and trade by improving transport connectivity along the Central Corridor, linking Tanzania, Burundi, and the Democratic Republic of Congo. The project will provide high-capacity railway services to support large-scale mining and agriculture. With a total cost of $3.9 billion, the Bank contributed $310 million and leveraged an additional $2.7 billion from the markets. Once completed, the project is expected to create 10 000 jobs by 2030, reduce freight costs from $160 to $70 per ton, and foster economic and social transformation through improved transport efficiency, increased freight volume, and greater access to markets. Approved in 2023, the project is expected to be completed by 2028.

Infrastructure Development in Africa (PIDA) — the African Union's blueprint for regional connectivity. Key investments in energy, transport, cross-border waterways, and ICT are stimulating regional trade and economic cooperation. In 2024, the Bank financed the *Standard Gauge Railway Project Phase II*, linking Uvinza, Musongati, and Gitega (Burundi) to Kigoma (Tanzania) and the port of Dar es Salaam (see Box 7). Additionally, the second edition of the Bank's Transport Forum, held in Abidjan, Côte d'Ivoire, from September 18–20, 2024, provided a platform to explore innovative solutions for enhancing sustainable transport and logistics across Africa. Regarding power infrastructure, the Bank recently provided financing of $153.6 million. It mobilised €48.93 million from the European Union for the *South Sudan–Uganda 400 kV Interconnector Project*, to integrate South Sudan into the Eastern Africa Power Pool to improve electricity reliability in Juba and create an export market for Uganda's clean energy. The project will spur business, support local industry, create jobs, and help reduce poverty and fragility in South Sudan.

Overcoming barriers to financial integration

Regional financial integration is crucial to achieving the AfCFTA goals. Concurrently, strong, liquid financial markets, backed by well capitalised and properly regulated institutions, are essential for economic growth, market connectivity, and the

21 AfCFTA trading refers to the commencement of trade under the African Continental Free Trade Area, launched on January 1, 2021, to eliminate tariffs and non-tariff barriers, harmonise trade policies, and facilitate the free movement of goods, services, and investments across Africa.

Table 8 **Integrate Africa (The Bank's contribution to development)**

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND		TRANSITION STATES	
	Planned	Actual	Achievement rate	Planned	Actual	Planned	Actual
🟠 Cross-border and national roads constructed or rehabilitated (km)	1 471	1 223	83%	608	614	267	240
🟢 People with improved access to transport (number)	3 579 008	3 574 539	99%	3 529 992	3 537 018	258 000	260 026
🟢 —*Of which women*	1 835 154	1 834 113	99%	1 816 804	1 820 537	131 580	132 613

🟢 Indicator reached 85% or more of the anticipated target 🟠 Indicator achieved between 70% and 85% of the anticipated target
🔴 Indicator achieved below 70% of the anticipated target ⚪ Data is not available to measure progress

competitiveness of cross-border and regional value chains. Integrated financial systems lead to deeper, more liquid capital markets, create economies of scale, and enhance capital supply. Strengthening Africa's financial markets is critical to ensuring they effectively mobilise and allocate resources to priority sectors, businesses, and initiatives that drive economic growth, inclusivity, and market development.

Deepening Africa's financial integration remains a key priority for the Bank. It also aims to support financial institutions in becoming regional players capable of facilitating cross-border trade, banking, and payments while promoting the integration of capital markets. In collaboration with the African Securities Exchanges Association, the Bank is implementing the African Exchange Linkages Project to connect key stock exchanges across the continent. This initiative seeks to create a critical mass of market activity, enhance liquidity, and accelerate regional capital market integration.

Facilitating the movement of people

The free movement of people is vital to regional integration, boosting mobility, trade, investment, and cultural exchange. The **Africa Visa Openness Index**, jointly produced by the Bank and the African Union Commission, tracks countries' openness to African travellers. The 2024 index results highlight countries such as the Gambia, Rwanda, Benin, and Seychelles, which have removed visa requirements for all African citizens. Overall, 17 countries improved their scores, 29 maintained them, and 8 noted declines. In 28% of intra-continental travel, African citizens no longer need a visa, reflecting a slight increase from 27% in 2022. The rise of e-visas in 26 African countries has further facilitated travel. These changes support AfCFTA and Agenda 2063, strengthening intra-African connectivity.

Promoting integration of energy infrastructures and cross-border energy trading

In 2024, the Bank secured financing for the 300 km South Sudan–Uganda 400 kV power interconnector, a 1 000 MW transmission project that will improve power reliability in Juba and, ultimately, across South Sudan. The interconnector is also expected to link with Ethiopia and Sudan, creating an alternative transmission route to the Ethiopia–Kenya electricity highway, which is already operational.

Further strengthening regional integration, the *400 kV Kenya–Tanzania Interconnector Project* was energized, extending the electricity highway to the Tanzania–Zambia border. This expansion reinforces the Eastern Africa Power Pool (EAPP) and prepares the groundwork for future connections with the Southern Africa Power Pool (SAPP), enhancing regional energy security and trade.

Additionally, in February 2024, the **80 MW Regional Rusumo Falls Hydropower Project** —jointly developed by Burundi, Rwanda, and Tanzania— completed commissioning tests and entered full production, providing clean, reliable energy to support economic growth in the region.

The Bank's commitment to regional integration

The Bank is deepening its focus on continental integration and regional connectivity as part of its Ten-Year Strategy, aiming to create interconnected economies that boost prosperity, resilience, and shared growth opportunities across Africa. It is also expanding its support for African countries and Regional Economic Communities to meet long-term objectives. In 2024, the Bank's contributed to the construction of over **1 223 km of roads**, improving transportation access for more than **3.5 million people**. In the energy sector, the Kenya–Tanzania Power Interconnection Project, Ethiopia–Kenya Electricity Highway Project and Regional Rusumo Falls Hydropower Project (Burundi, Rwanda and Tanzania) installed **1 678 km of high voltage cross-border transmission lines**. These transmission lines were completed and became operational in 2024, delivering 1 614 GWh of energy. The new cross-border lines expanded the Eastern Africa Power Pool's connections from 7 countries in 2023 to 10 in 2024. This led to decreased power generation costs, improved electricity supply, and a reduction in greenhouse gas emissions from the energy sector. The Bank also supported regional integration through strategic investments in regional interconnections throughout the continent (see Chapter 1: Light Up and Power Africa) and by fostering increased intra-African trade (see Chapter 3: Industrialise Africa).

Enhancing connectivity through road infrastructure

A key example of the Bank's transformative work in regional integration is the *RN2 Rehabilitation and Access to Morphil Island*

Project in Senegal. With an investment of $126.8 million, the project improved rural connectivity, fostering economic inclusion. It rehabilitated 149 km of roads and reinforced 29 km of urban infrastructure, improving access to markets, education, and healthcare for 35 000 people. Travel time on key corridors was also reduced by 2 hours and 45 minutes, and vehicle operating costs dropped by 34%, improving trade efficiency. In addition to infrastructure, the project generated 4 505 temporary jobs, including opportunities for young engineers, and women-led businesses benefited from multifunctional platforms that boosted small-scale agro-processing. This initiative increased women's average income by 10%. The project also incorporated climate-resilient road designs, including the construction of three bridges, to mitigate seasonal flooding risks and ensure long-term sustainability. By improving road infrastructure in one of Senegal's most agriculturally productive regions, the project has strengthened economic productivity, improved rural inclusion, and enhanced the resilience of local communities.

> *The regional power interconnection projects ensure a stable energy supply and paves the way for a sustainable, green energy future in East Africa*

Similarly, the *Ndendé-Dolisie Road and Corridor Facilitation Project*, co-financed by the Bank ($37.6 million) and the EU Africa Infrastructure Trust Fund ($2.5 million), and the Government of Congo, has played a crucial role in advancing regional integration along the Libreville (Gabon)-Brazzaville (Congo) corridor. The project rehabilitated 130 km of rural roads, constructed 103 km of new corridors, and eliminated a major transport bottleneck at the Niari River bridge, reducing travel time from three days to just 4.5 hours. As a result, household incomes in Nyanga increased from 125 000 to 442 416 FCFA. The project also created 700 000 jobs during construction, empowered women and youth, and integrated climate resilience measures, such as reforestation and vehicle overload control. Additionally, training for transport authorities strengthened institutional capacity, ensuring the sustainability of these improvements. The project has also enhanced transport efficiency, stimulated trade flows, and reinforced social resilience in Central Africa, bolstering the region's competitiveness and infrastructure development.

These interventions exemplify the potential of integrated infrastructure investments to enhance regional connectivity, promote inclusive growth, and foster sustainable development across Africa. The Bank's Road operations benefited a wide range of communities, as reflected in the testimonies from a road project in Burundi (see Box 8).

Harnessing clean energy for regional integration

The Ethiopia-Kenya Electricity Highway Project has improved electricity supply in Kenya and other Eastern African Power Pool countries through power imports from Ethiopia. The project entailed the construction of a 1 045 km transmission line (433 km in Ethiopia and 612 km in Kenya) with a transfer capacity of 2 000 MW, facilitating an additional supply of 1 305 GWh of energy to Kenya in 2024. In Kenya, 7.2 million households and small businesses, along with 7 200 large businesses and industries have been connected to electricity, thereby accelerating electricity access and driving industrialization. The project has also led to a substantial reduction in CO_2 emissions in Kenya amounting to 1 044 kt CO_2e, by reducing reliance on thermal plants through the import of clean energy from Ethiopia, further supporting the country's sustainability goals. In addition to its environmental benefits, the project has had a positive economic impact. During construction, 2 024 temporary jobs were created. The development of business areas near energy facilities, like those near Suswa, has spurred local economic growth. Notably,

Box 8 **Testimonies of transformation following the rehabilitation of rural roads in Burundi**

The rehabilitation of rural roads in the Nyakararo-Mwaro-Gitega Road Project (RN18) Phase II in Burundi has unlocked economic potential.

- Honoré H., Administrator of Kayokwe, shared, *"With improved roads, motorcycles are accessible, and our potatoes reach Mwaro easily,"* boosting trade and tax revenues.
- Leonce N., a farmer, said, *"Transportation was a challenge. Now, selling our produce is simple."*
- François N., Chief of Nyakibari, recalled, *"Before, the sick were carried on stretchers. Now, they reach Kibumbu Hospital quickly and safely."*

Education and commerce have flourished.

- A Kibiri school official noted, *"Classrooms are spacious, and enrollment increased."* At Bihanga Market, *"A protected space boosts trade and food security."*
- A Kibumbu trader shared, *"Bars and restaurants have emerged."* A passenger observed, *"Mwaro-Gitega fares dropped from 7 000 to 2 000 BIF."*
- A carrier added, *"Travel time is now 30 minutes instead of two hours."* A farmer shared, *"A four-hour bike trip now takes just 50 minutes."*

These testimonials highlight reduced travel time, lower costs, and improved access to essential services.

Box 9 **Transformative impact of regional power projects completed in Eastern Africa in 2024**

The *500 kV Ethiopia–Kenya Electricity Highway Project, the Regional Rusumo Falls Hydropower Project*, and the *400 kV Kenya–Tanzania Power Interconnection Project* have enhanced energy security, affordability, and regional integration across Eastern Africa.

Since its commissioning, the Ethiopia–Kenya Electricity Highway Project has been instrumental in advancing Kenya's energy transition. In the last six months of 2024, electricity imports from Ethiopia accounted for over 12% of Kenya's national energy purchases, displacing approximately 635 GWh of fossil fuel generation. This shift reduced pass-through costs for consumers, improved the financial standing of Kenya Power and Lighting Company, and increased Ethiopia's foreign exchange revenues from electricity exports compared to 2023. During its testing phase, the project secured a firm capacity of 200 MW for Kenya.

The completion of the *Regional Rusumo Falls Hydropower Project*, jointly developed by Burundi, Rwanda, and Tanzania, alongside the commissioning of associated interconnection lines, facilitated the export of 307 GWh of electricity in 2024. This allowed Burundi and Rwanda to decommission 35 MW and 30 MW of diesel generators, respectively, resulting in over $17 million in cost savings for Burundi and preventing 81 608 tonnes of CO_2e emissions. Additionally, power imports from Rusumo have strengthened the financial sustainability of national utilities in Burundi and Rwanda.

The commissioning of the *400 kV Kenya–Tanzania Power Interconnection Project* at the end of 2024 signified another milestone in regional energy cooperation. The project enabled cross-border power exchanges, improved voltage stability in northern Tanzania, enhanced supply quality in both countries, and reduced national grid blackouts.

the Suswa power station created thousands of permanent jobs, with 70 of its 100 employees recruited from the local community, fostering a sense of local ownership and development.

In 2024, the Bank completed three major regional projects that have considerably enhanced energy security, affordability, and regional integration across Eastern Africa (see Box 9). ■

Empowering youth

Investing in youth skills and entrepreneurship is key to inclusive growth. In Madagascar, the Bank supports the Program for Promoting Youth Entrepreneurship in Agriculture and Agro-industry —helping young people build sustainable agribusinesses and create employment opportunities.

Chapter 5

Improve the quality of life for the people of Africa

Africa's immense resources could spur growth and development that contribute to the well-being and quality of life for people across the continent. Yet, progress in key areas such as healthcare, access to clean water, sanitation, and hygiene has remained slow. Economic challenges, including high youth unemployment and insufficient opportunities for formal employment and skills development, continue to hinder the continent's human development potential. To address these issues, the Bank continues to focus on improving living standards through its Ten-Year Strategy, which aims to bridge infrastructure gaps in health systems, delivering climate-resilient and sustainable water and sanitation services, supporting small businesses, expanding access to education and vocational training, and investing in skills development to boost employment. By targeting these priorities, the Ten-Year Strategy seeks to create jobs, enhance productivity, and build resilient communities while harnessing Africa's potential for sustainable growth and inclusive prosperity.

Africa faces quality of life challenges

Unlocking Africa's youth potential: bridging gaps in education, skills, and employment

Young men and women under the age of 35 make up 73.3% of Africa's population, presenting a critical opportunity to accelerate economic growth and transformation.[22] However, persistent challenges remain, with 26.1% of youth classified as Not in Employment, Education, or Training (NEET), three out of five of whom are women,[23] according to the International Labour Organisation (ILO). By 2063, Africa's working-age population is projected to reach 2 billion, with youth accounting for 50% of the population, highlighting the urgent need for quality education, relevant training, and employment opportunities to harness this demographic dividend. Between 2020 and 2023, there were marginal improvements in employment indicators across Africa. **The employment-to-population ratio rose from 62.5% in 2020 to 64.6% in 2023, with female employment increasing from 58.5% to 61% and youth (ages 15–34) employment improving notably from 46.9% to 53% over the same period.**

Despite these gains, the continent still faces significant hurdles. An ILO report warns of an impending "youthquake," estimating that 75.9 million jobs will be needed by 2050 to match population growth[24], while current job creation remains insufficient — only 3 million formal wage jobs are generated annually, far short of the 15 million required by 2030, according to the IMF.[25] In 2024, general unemployment stood at approximately 6.6%, translating to 37.1 million people willing and available to work but not finding a job. While recent progress in employment indicators appears encouraging, it is marked by high levels of vulnerable employment, with 83.1% of workers engaged in informal employment linked to inadequate earnings, low productivity, and challenging working conditions.[26] This situation underscores the need for accelerated efforts to expand the creation of formal jobs and provide Africa's youth with the skills and opportunities necessary for sustainable development and economic resilience.

> *By 2063, Africa's youth will comprise 50% of a 2 billion-strong workforce, but unlocking this potential demands urgent action on education, skills, and jobs*

Recent data highlights critical challenges in Africa's education sector that contribute to youth unemployment. Access remains limited, with 85 million children out of school across the continent, and tertiary enrolment rates at just 9%, far below the global average of 38%.[27]

22 United Nations Department of Economic and Social Affairs (UNDESA), World Population Prospects 2023
23 International Labour Organization (ILO), World Employment and Social Outlook 2024
24 International Labour Organization (ILO), Global Employment Trends for Youth 2024: Decent Work, Brighter Futures
25 Athene Laws, Faten Saliba, Can Sever, and Luc Tucker, "The Clock is Ticking on Sub-Saharan Africa's Urgent Job Creation Challenge," IMF Blog, 2024
26 ILO, World Employment and Social Outlook 2024
27 UNESCO Institute for Statistics, "Out-of-School Children and Youth," accessed April 2025

Table 9 **Improve the quality of life (Progress in Africa)**

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest
Employment to population (%)	62.5	64.6 (2023)	64.8	66.8 (2023)	62.0	65.6 (2023)
Employment to population, female (%)	58.5	61.0 (2023)	59.8	61.7 (2023)	58.6	61.9 (2023)
Employment to population, youth [15–34] (%)	46.9	53.0 (2023)	57.1	54.1 (2023)	53.5	48.7 (2023)
Access to at least basic drinking water services (% population)	68	70 (2022)	58	59 (2022)	53	54 (2022)
Coverage of essential health services (Index 0 low – 100 high)	46.5 (2019)	47.3 (2021)	42.4 (2019)	43.6 (2021)	39.5 (2019)	40.8 (2021)
Population living below the poverty line (%)	32.4	31.6 (2023)	40.9	39.8 (2023)	52.6	51.9 (2023)
Income inequality / Gini index (perfect equality = 0 / perfect inequality = 100)	40	39 (2022)	40	39 (2022)	40	39 (2022)

Improvement compared to the baseline · Stability compared to the baseline · Decline compared to the baseline

Relevance is a major issue, as nearly 90% of African children in school cannot read or understand simple text by age 10, pointing to a severe foundational learning crisis.[28] Furthermore, competitiveness is hindered by underinvestment in research and development, which accounts for only 0.6% of Africa's GDP compared to the global average of 1.79%, limiting innovation and technological advancement.[29] Addressing these gaps is vital for equipping Africa's youth with the skills necessary for sustainable employment and economic growth.

Addressing access to water, sanitation, and hygiene: Slow progress and sustained action needed

Approximately 418 million people in Africa lack access to safe drinking water, 779 million lack basic sanitation services, and nearly 839 million remain without basic hygiene services. **Between 2020 and 2022, access to at least basic drinking water services increased slightly from 68% to 70%, highlighting slow progress in improving water accessibility.** Since 2015, Africa's access rate to at least basic water services has grown by approximately 6% (from 59% to 65%), compared to a more significant increase of nearly 15% between 2000 and 2015. Similarly, access to at least basic sanitation services has grown by only 4.1% during the same period (from 30.5% to 34.6%).[30]

Achieving the Sustainable Development Goal (SDG) targets for Water, Sanitation, and Hygiene (WASH) will require a dramatic acceleration: a 12-fold increase in progress for safely managed drinking water, a 20-fold increase for safely managed sanitation, and a staggering 42-fold increase for basic hygiene services.[31] These challenges are particularly acute in rural areas, where three out of four people lack safely managed drinking water and sanitation, and seven out of ten lack basic hygiene services. Increasing efforts to protect water resources, through measures such as watershed reforestation, wetland restoration, and integrated water resource management, are crucial to ensuring the availability of safely managed water for current and future generations.[32]

Access to WASH services is fundamental for human life, socioeconomic development, and environmental sustainability. However, contributing factors such as conflict, economic instability, and climate change continue to threaten access across the continent. The Bank remains committed to addressing these challenges by delivering climate-resilient and safely managed water and sanitation services as part of its Ten-Year Strategy (2024–2033). This commitment is further guided by the Bank's Policy on Water (2021), which aims to enhance Africa's water security and transform water assets to foster sustainable, green, and inclusive socioeconomic growth. The Bank's Water Strategy for 2021–2025, entitled "Towards a Water-Secure Africa", builds on this policy and focuses on four strategic pillars: integrated water resources management, sustainable WASH services, food production and nutrition, and hydropower development.

More resources are needed to improve healthcare access in Africa

In recent years, Africa has made notable progress in health outcomes. Life expectancy at birth is increasing faster than in any other region, and improved healthcare access has contributed to the elimination and eradication of several communicable diseases.[33] Deaths caused by communicable, maternal, perinatal, and nutritional diseases fell to 4.12 million in 2019, a 30.6% reduction since 2000.[34] Additionally, **the coverage of essential health services improved slightly, with the index rising from 46.5 in 2019 to 47.3 in 2021**.

Despite these gains, Africa still has the lowest life expectancy and highest mortality rates for women, children, and newborns globally.[35]

28 World Bank, "Learning Poverty in Africa: Results from the Learning Poverty Index," October 2023
29 UNESCO Science Report, "Towards 2030", updated December 2024
30 UNICEF and WHO Joint Monitoring Programme (JMP), Progress on Sanitation and Hygiene in Africa: 2000–2022, November 2023
31 WHO Global Water, Sanitation and Hygiene: Annual Report 2023, February 2025
32 UNEP-DHI Centre on Water and Environment, 2025 IWRM-related Progress in Africa Technical Note, March 2025
33 WHO Regional Office for Africa. (2023). Communicable and non-communicable diseases in Africa in 2021/22
34 WHO Africa Region and iAHO. (2023). What are the leading causes of death in the African Region? Analytical Fact Sheet June 2023
35 Africa Centres for Disease Control and Prevention (2023). Annual Report 2023: Realizing Africa CDC's Autonomy Making Measurable Impact in Africa's Health Security

The continent faces persistent challenges such as inadequate health infrastructure and a significant financing gap that limits millions of people's access to quality healthcare. Recent cuts to official development assistance have further strained healthcare systems, jeopardising access to lifesaving treatments for tens of millions of Africans and underscoring the continent's heavy reliance on foreign aid.[36]

Persistent poverty and inequality in Africa

Africa continues to face considerable socioeconomic challenges, as poverty and inequality persist as key challenges. **The percentage of the population living below the poverty line decreased slightly from 32.4% in 2020 to 31.6% in 2023**, reflecting the ongoing struggle to alleviate poverty amid economic and population growth. At the same time, income inequality, as measured by the **Gini index, improved modestly, declining from 40% in 2020 to 39% in 2022**. However, this slight reduction in inequality has not translated into substantial poverty alleviation, as high levels of inequality continue to hinder inclusive economic growth.

The persistence of poverty and inequality is driven by factors such as limited access to education and healthcare, inadequate infrastructure, and reliance on external aid. Rural areas remain disproportionately affected, with higher poverty rates compared to urban centres. Addressing these interrelated challenges requires targeted investments in social services, infrastructure development, and policies aimed at fostering equitable economic growth across the continent.

The Bank's contribution to improving Africans' quality of life

In 2024, the Bank advanced human development across Africa by supporting sustainable water and sanitation infrastructure, promoting innovative solutions in health and education, implementing impactful training programmes and creating jobs. In 2024, **over 14 million people gained improved access to health services**, exceeding planned targets by nearly threefold, with 43% of people comprising women. The Bank also provided nearly **5 million people with new or improved access to water and nearly half a million with sanitation**, surpassing targets in transition states and reaching underserved areas. In education, the Bank facilitated the enrolment of **50 040 individuals in skills development programmes**, including 42 630 in technical vocational education and training (TVET) and 820 in higher education, exceeding all targets. In employment, the Bank supported the creation of **260 822 direct jobs** —35% filled by women and 46% by young people— and exceeded its target in transition states by creating 40 273 jobs despite institutional challenges. Moreover, the Bank supported more than **1 million indirect jobs**, of which 42% were for women and 48% for young people. These achievements underscore the Bank's commitment to fostering inclusive growth and resilience across the continent.

Strengthening health systems

The Bank actively supports initiatives that strengthen health systems and promote economic resilience through social coverage programmes. The *Support Programme for the Generalization of Social Coverage for Better Employability* in Morocco effectively demonstrates how health outcomes can be improved alongside employability. The project exceeded expectations, creating 203 097 jobs —more than the planned 200 000— with women filling 30% of these roles. Healthcare coverage also improved from 74% to 84% overall, while the percentage of women covered rose from 51% to 51.25%. In rural areas, the number of healthcare workers per 1 000 inhabitants increased from 50‰ to 54‰ by 2022. A major achievement was the generalization of compulsory health insurance, which expanded coverage to 23.2 million people, up from 7.8 million. This included 40 000 women who lost their jobs, 1.5 million private-sector workers, 1 million farmers, approximately 4 million self-employed workers, and 1 455 informal businesses. The programme also supported vital reforms, including an overhaul of the healthcare system and a significant increase in the health investment budget, contributing to the long-term sustainability of the country's healthcare infrastructure.

Transforming communities through water and sanitation

Access to clean water and sanitation is fundamental to health, education, and economic growth. In Africa, the Bank has played a crucial role in transforming communities through targeted investments in water and sanitation infrastructure. These projects have improved access to safe drinking water, enhanced livelihoods, boosted local economies, and empowered women.

In Mauritania, the *National Integrated Rural Water Sector Project* has dramatically improved access to clean water and sanitation. It has provided 110 000 people with drinking water, 50% of whom are women, and ended open-air defecation in 140 villages. Additionally, 78 public institutions (schools and health centres) now have latrines, and 47 wells have been built for livestock, easing water competition. Beyond water access, the project adopted a water-energy-food nexus approach, maximising social and economic benefits. It developed 40 hectares of irrigated land and trained 24 women in market gardening to enhance their food security and income. The project has brought relief to El Menzah, a drought-affected agro-pastoralist town, ensuring farmers and pastoralists can coexist with sufficient water. Women have been central to the project's success. In Mbahé, a Senegal River Valley village, over 260 women formed the Pellital cooperative ("determination" in Pular language). They have established thriving market gardens using borehole fed irrigation, creating new income opportunities. The project's impact is particularly

36 Mutapi, F. (2025, February 24). Africa relies too heavily on foreign aid for health – 4 ways to fix this

Table 10 **Improving the quality of life (The Bank's contribution to development)**

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND		TRANSITION STATES	
	Planned	Actual	Achievement rate	Planned	Actual	Planned	Actual
People with access to better health services (number)	5 250 000	14 516 449	>100%	1 400 000	1 203 658	1 000 000	803 658
— *of which women*	2 356 175	6 226 335	>100%	710 627	610 492	510 000	409 866
People with new or improved access to water (number)	4 654 806	4 943 130	>100%	2 738 400	2 852 794	2 500 000	2 600 000
— *of which women*	2 381 353	2 527 874	>100%	1 396 584	1 454 925	1 275 000	1 326 000
People with new or improved access to sanitation (number)	510 930	494 222	97%	292 930	306 222	162 000	135 000
— *of which women*	261 424	253 490	97%	148 064	155 730	83 220	69 150
People enrolled in skills development including digital skills (number)	49 937	50 040	>100%	937	1 020	150	200
— *of which women*	33 291	23 601	71%	380	353	60	20
Directs jobs supported (number)	249 837	260 822	>100%	101 723	115 564	36 531	40 273
— *of which women*	79 745	92 333	>100%	33 909	29 575	13 364	11 466
— *of which youths [15–35]*	112 408	118 700	>100%	49 340	56 519	18 481	20 494
Indirect jobs supported (number)	1 160 812	1 029 804	89%	529 705	449 224	180 309	152 673
— *of which women*	493 986	433 657	88%	257 315	217 767	83 565	70 952
— *Of which youths [15–35]*	566 450	498 897	88%	276 780	234 437	93 924	79 624

Indicator reached 85% or more of the anticipated target Indicator achieved between 70% and 85% of the anticipated target
Indicator achieved below 70% of the anticipated target

Box 10 **Clean water, a new life – Testimony from El Menzah village, Mauritania**

For the people of El Menzah, access to clean water was previously limited. Long, exhausting walks to find water often ended in disappointment, with dried-up wells and unsafe drinking sources.

Binetou E., El Menzah Village:

"Before, I spent hours fetching water, sometimes returning empty-handed. My children often fell sick, and even regular baths were a luxury. Now, with a tap outside my home, we have abundant clean water. My children are healthy, and I can tend to my vegetable garden. Sometimes, I even sell extra produce at the market. A few buckets of water have truly changed my life."

With water close to home, the community's health has improved, daily hardships have eased, and women have new opportunities to support their families and communities.

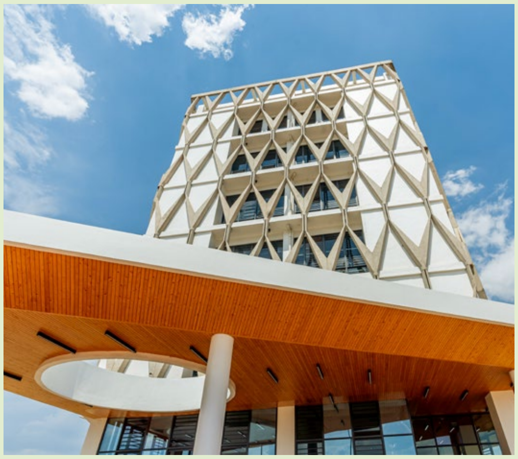
visible in El Menzah, where access to clean water has transformed daily life. Women like Binetou E. now grow food, earn an income, and are able to secure a better future for their families (see Box 10).

In the Democratic Republic of Congo, the *Socio-Economic Infrastructure Reinforcement Project* has provided 168 815 people with access to drinking water, and 41 000 people have benefited from improved sanitation services. The project also constructed a Multifunctional Gender Centre in Mbuji-Mayi, offering training to over 1 000 women in income-generating activities. The establishment of 60 schools and 60 health centres, along with sensitisation/training efforts, has resulted in a 98% enrolment rate for children aged 6 to 11. Women are also now less likely to experience gender-based violence, and the distance required to fetch water has decreased, enabling women to use their time more efficiently for productive activities, which has led to improved school attendance rates for children.

In Tanzania, the *Arusha Sustainable Water and Sanitation Delivery Project* has provided 605 641 people with clean drinking water and created direct and indirect employment opportunities for 19 443 people, including 479 positions for women and 16 404 for youth aged 18 to 35. Jobs were generated through infrastructure development, local economic stimulation (TZS 150 billion or approximately $65 million, spent locally), and training programmes. The project also integrated climate resilience measures and community participation to ensure long-term sustainability.

These interventions have had profound socio-economic impacts, from reducing waterborne diseases to improving school attendance and

Box 11 **Developing skills for healthcare innovation in Rwanda**



Rwanda's Centre of Excellence in Biomedical Engineering and E-Health has advanced access to biomedical training, which was once a distant dream for many in East Africa. Today, the Centre established under the University of Rwanda has made this a reality, empowering individuals to contribute to their communities and healthcare systems.

Jackline G.M. shared: *"In 2014, I began my journey in prosthetics and orthotics with a vision to empower persons with disabilities. Thanks to the AfDB's investment in CEBE, I was able to further my education and refine my skills."*

Professor T. expressed optimism for the future: *"The Centre aims to bridge the gap between education, research, and healthcare innovation. With continued investment, we envision Rwanda becoming a leader in biomedical engineering and e-health, globally."*

More than a training hub, the Centre is stimulating sustainable development in Rwanda's healthcare system and beyond.

promoting gender equality. The Bank continues to support Africa's progress toward sustainable development through such initiatives.

Building skills for health workforce development

At the intersection of health and skills development, the Bank has made significant contributions to advancing human capital in East Africa. In Tanzania, the Bank supported the establishment of the East African Centre of Excellence for Cardiovascular Science, facilitating the development of a highly skilled workforce in biomedical sciences. This initiative led to the creation of four specialised Master of Science programmes and facilitated the training of 38 academic staff, 42% of whom are women, demonstrating a commitment to gender equity.

In Rwanda, the Bank supported the construction of the *Multinational Regional Centre of Excellence for Biomedical Engineering and E-Health*. This project has trained 680 professionals, including students, faculty, and health practitioners, with women comprising 40% of trainees. Notably, it supported Rwanda's first two female PhD students in biomedical engineering, demonstrating progress toward inclusivity and gender equity. Furthermore, all graduates have achieved 100% employment, contributing to Rwanda's healthcare system by designing assistive technologies and addressing critical healthcare challenges (see Box 11).

These initiatives are part of a broader regional effort that also includes support to Kenya's East Africa Kidney Institute (EAKI), which focuses on nephrology and urology. Together, these Centres of Excellence aim to strengthen healthcare systems across East Africa by reducing reliance on external medical care and building capacity within the region. These efforts highlight the Bank's commitment to building sustainable health systems and fostering gender-balanced skills development across Africa.

Creating employment opportunities and engaging youth as co-creators and development partners

The Youth, Jobs, and Skills Marker System is a groundbreaking effort by the Bank, the first of its kind among Development Finance Institutions, adopted in 2024. This achievement, noted by an ILO assessment, reflects the Bank's Ten-Year Strategy (2024–2033) commitments to prioritise investment in young people, Africa's greatest assets. The Marker aims to maximise development outcomes for youth, including employability and decent job creation, by leveraging the Bank's investment operations, strategies, and partnerships in Africa.

The Bank is developing a Youth, Skills and Jobs Action Plan (2026–2032) aligned with its new Ten-Year Strategy. The Action Plan will provide an operational framework and guidance for achieving the Ten-Year Strategy (2024–2033), with a cross-cutting priority of investing in young women and men in Africa, as along with commitments related to skills development primarily targeting youth. It will consolidate and scale up achievements under Jobs for Youth in Africa (2016–2025) and the Skills for Employability and Productivity Action Plan (2021–2025), while drawing on their implementation experiences to amplify promising solutions and strengthen these gains. One example is the *Project to Develop Youth Skills, Entrepreneurship, and Employment* in Côte d'Ivoire, funded by the Bank €126.3 million. This project aims to create 43 216 direct and 153 094 indirect jobs (50% for women). It will support 10 000 young entrepreneurs with financial and non-financial services, build and equip 14 training institutions, and train 15 000 youth in key sectors.

The Bank's operations facilitated the creation of quality jobs, as shown in the joint employment impact assessment by the African Development Bank and the ILO of a bridge project connecting Cameroon and Chad (see Box 12).

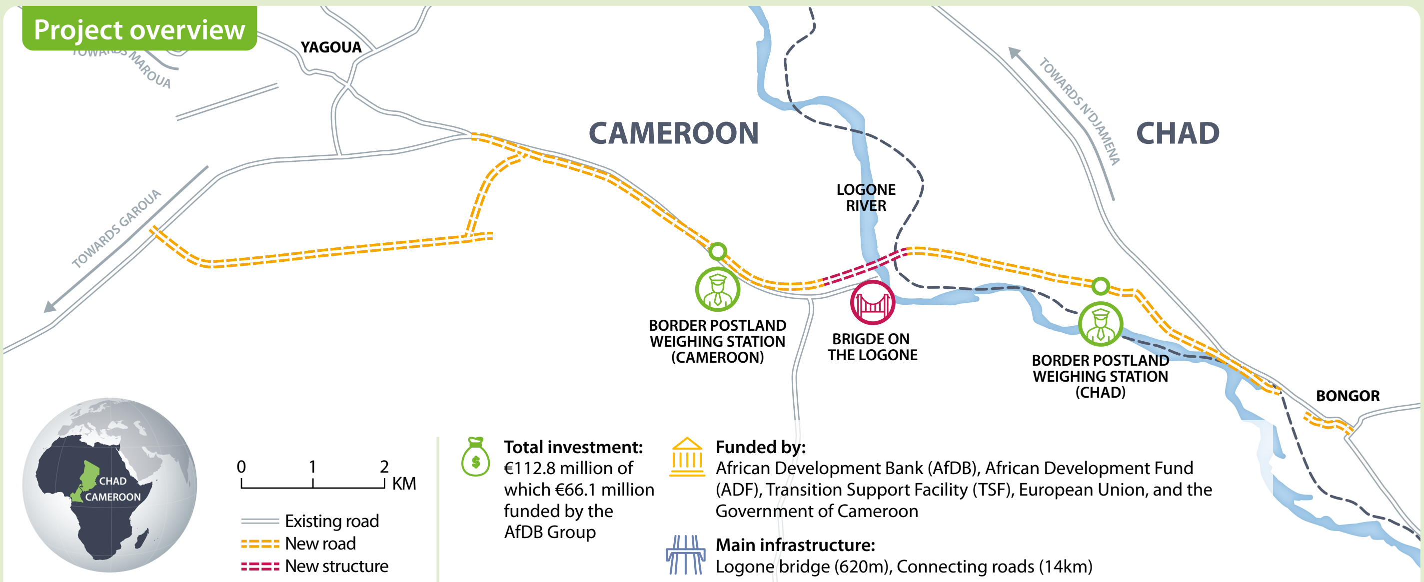
The Bank utilises the Joint Impact Model to estimate the indirect jobs its investments support. Operations approved in 2024 are anticipated to generate 1.25 million direct and 2.0 million indirect jobs. The total number of jobs expected from operations approved in 2024 is 3.25 million, with 1.5 million allocated for women and 1.7 million for

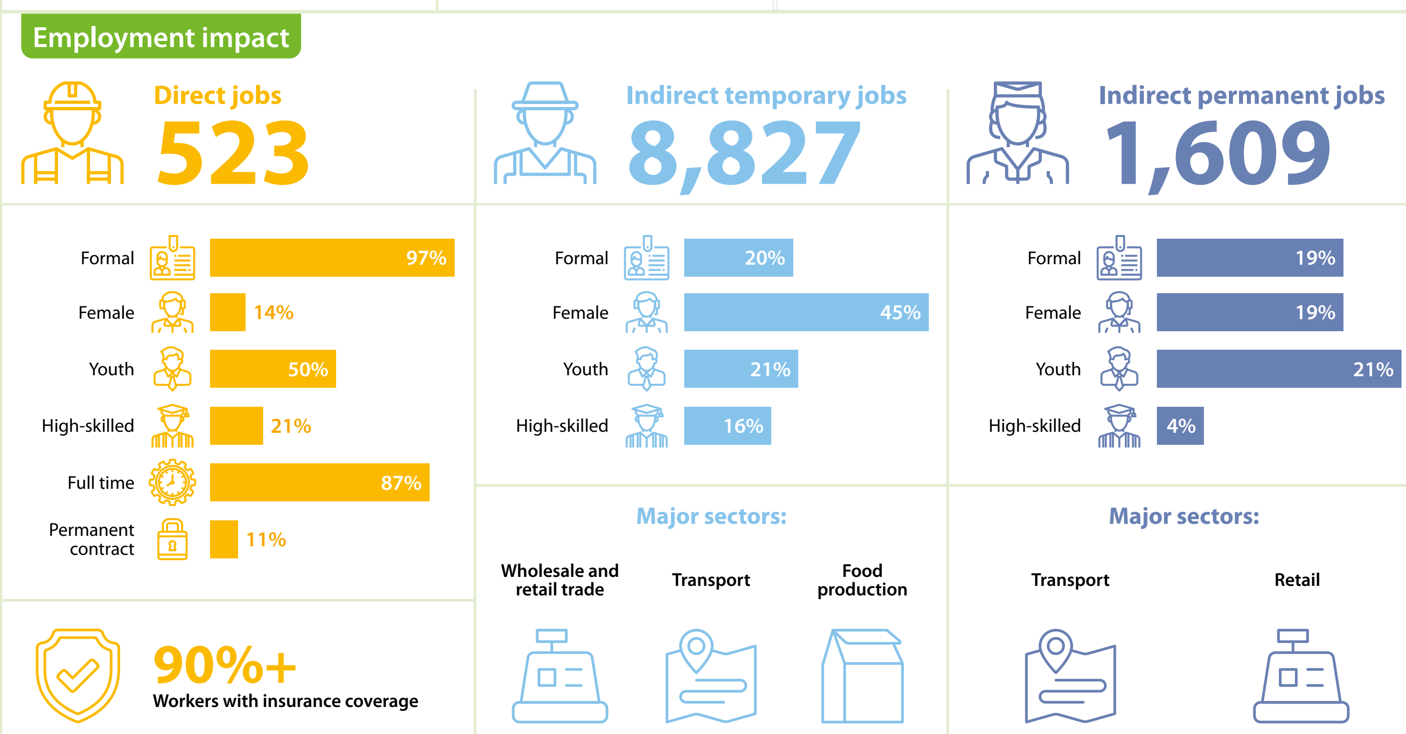
Box 12 **Impact of the Logone bridge project on jobs in Cameroon**

The Logone Bridge, part of the Lake Chad Basin Regional Road Network Integration Project, was constructed between 2020 and 2024, linking Cameroon to Chad via the Logone River, along with 14 km of connecting roads. This key infrastructure enhances regional integration and economic development in Central Africa.

The Bank collaborated with the International Labour Organisation to conduct an employment impact assessment of the construction phase in Cameroon[36]. The study revealed that 97% of direct jobs were formal, with high levels of social protection. Women held 14% of the positions —well above the 2% sector average— while youth accounted for 50%, and 21% of workers were high-skilled. The project also supported 8 827 indirect temporary jobs in trade, transport, and food production. In the long term, the project is expected to create 1 609 permanent jobs, particularly in the transport and retail sectors.

The Logone Bridge Project illustrates how infrastructure investment can foster decent work, gender and youth inclusion, and sustainable progress, offering valuable lessons for future projects.



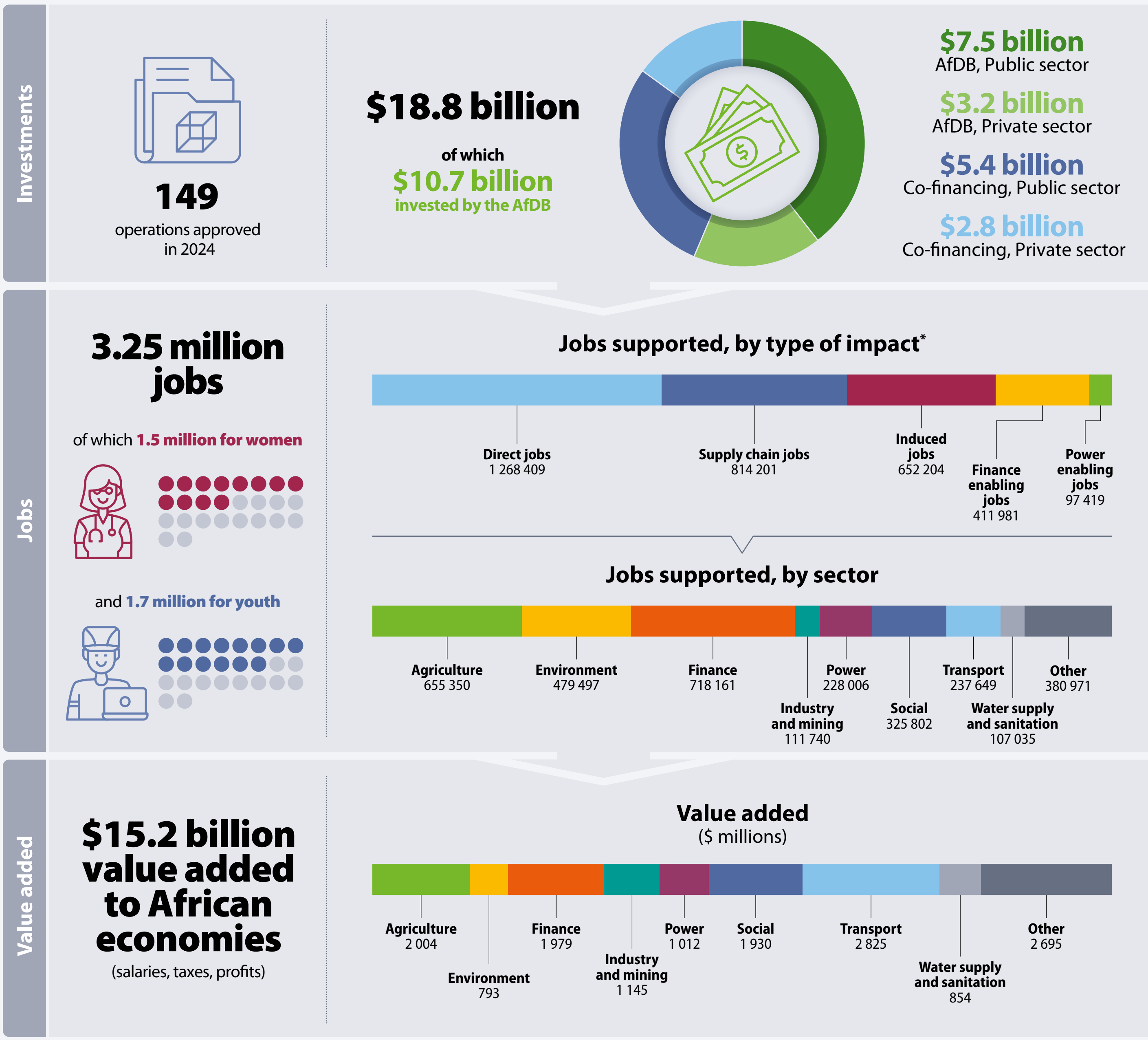


37 International Labour Organization, "Employment Impact Assessment of the Logone Bridge Project in Cameroon", January 2025

Figure 3 **Joint Impact Model: 2024 Bank investments are expected to generate 3.25 million jobs**

According to projections using the JIM, the Bank estimated that, in addition to the 1.25 million direct jobs anticipated, 149 operations approved in 2024 are expected to support 2.0 million indirect jobs.

The total number of jobs expected from operations approved in 2024 therefore, amounts to 3.25 million, of which 1.5 million are for women and 1.7 million for young people. These jobs will add $ 15.2 billion to African economies.



* For more details on JIM and definition of different types of jobs supported, see the methodological annex under the section: New approaches to measuring development impact

arise from initiatives focused on sectors rich in employment, particularly those supportive of women and youth in the agriculture, finance, and environment sectors (see Figure 3). Flagship operations approved in 2024 include the Building a Better Tomorrow: Youth Agribusiness Initiative Project in Tanzania, with a total cost of $241 million, of which $130 million was financed by the Bank; and the Nigeria Youth Entrepreneurship Investment Bank, with a total commitment of $300 million, including $100 million funded by the Bank. Approximately 200 000 jobs are expected for each of these two projects.

Scaling up climate action

In South Africa, the 100 MW Xina Solar One project —a concentrated solar power plant with integrated storage—delivers clean and reliable electricity during peak demand periods, supporting the country’s energy transition and climate goals.

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Chapter 6

Cross-cutting and strategic areas

The Bank incorporates key cross-cutting priorities into its portfolio, including economic governance, fragility and resilience, climate change and green growth, and gender equality. These strategic focus areas are essential for advancing the High 5s, fostering inclusive and sustainable growth, and supporting the African Union's Agenda 2063 and the United Nations Sustainable Development Goals. In 2024, the Bank enhanced its commitments by scaling up climate action, targeting vulnerable communities, empowering women and youth, and strengthening economic governance to promote transformative development across the continent.

Bridging the gender gap: Empowering women for Africa's future

Promoting gender equality and driving women's empowerment

Despite progress, gender equality in Africa remains uneven due to structural barriers and compounding economic and global challenges. According to the Africa Gender Index 2023, jointly developed by the African Development Bank and the United Nations Economic Commission for Africa, **Africa's gender parity score stands at 50.3% on a scale of 0 to 100**, where 100 represents full gender equality. This indicates that women have access to just over half the opportunities available to men across economic, social, and empowerment dimensions. While this marks an improvement from 48.6% in 2019, disparities persist. The economic dimension declined to 58.2% from 60.8%, reflecting barriers such as lower earnings, vulnerable employment, and unpaid domestic work. In contrast, the social dimension improved from 95.3% to 98.3%, driven by gains in girls' education despite persistent health challenges like maternal mortality and gender-based violence. Empowerment and representation remain critically low at 24.4% (a slight increase from 22.4%), reflecting women's underrepresentation in politics, leadership roles, and business management positions.

These findings point to the urgent need for targeted policies to address systemic barriers and promote gender parity across all dimensions of development. To address these ongoing challenges, the Africa Gender Index report offers targeted recommendations for policymakers aimed at promoting gender equality and women's empowerment across economic, social, and leadership dimensions (see Box 13).

Women living in fragile and conflict-affected settings face even greater challenges, including the heavy burden of unpaid care work, limited decision-making power, and restricted economic participation.

Box 13 **Recommendations for advancing gender equality in Africa**

- **Reduce sex-segregation in labour markets:** Review laws restricting women's access to certain occupations and address informal barriers to women's participation across sectors.
- **Tackle time poverty:** Expand access to basic infrastructure, particularly clean water and energy, to reduce women's unpaid care burden and enable greater economic participation.
- **Support out-of-school girls:** Develop programmes to help young women who dropped out of school due to COVID-19 or other pressures return to education, including tailored support for young mothers.
- **Investigate barriers to boys' education:** Commission research to understand gender-specific challenges faced by boys in education and inform targeted policy responses.
- **Strengthen reproductive health and rights:** Improve adolescent girls' awareness of HIV and access to contraceptives while addressing barriers to sexual and reproductive health services.
- **Reduce gender-based violence:** Prioritise shelters and essential services for survivors of gender-based violence in national budgets.
- **Introduce and enforce gender quotas:** Strengthen women's participation in politics and government through quotas at all levels, with mechanisms for effective enforcement.
- **Ensure gender-sensitive crisis responses:** Engage women in planning responses to health threats, food insecurity, and climate change to mitigate their impacts on women.
- **Improve gender data:** Review national statistical systems through a gender lens to address biases and enhance the collection of data on the gendered impacts of crises.

Box 14 **Advancing gender equality in mining communities in the Democratic Republic of Congo**

The *Support Project for Alternative Welfare of Children and Young People Involved in the Cobalt Supply Chain* in the Democratic Republic of Congo, funded by the Bank, integrates gender considerations throughout its implementation. It aligns with national and regional gender frameworks to promote inclusivity.

Key gender integration highlights:

- **Beneficiary Identification:** 37 623 people identified in Haut-Katanga and Lualaba provinces include 16 845 children, 10 552 parents, and 8 226 youth. Women and girls form the majority, totalling 29 374 people.
- **Empowering Women through Income-Generating Activities:** Between November 2024 and February 2025, 5 449 women received training in income-generating activities such as poultry farming, baking, soap production, and oil processing across 23 sites.
- **Cooperatives Formation:** People were organised into 1 250 agricultural cooperatives — 60% of members are women. Training covered leadership, financial literacy, agribusiness skills, livestock farming, and fish farming.

Impact:

These initiatives economically empower women by enabling them to engage in sustainable livelihoods, improving food security, and reducing rural poverty. Women are now better equipped to support their families' education, health, nutrition, and civil registration needs. By fostering entrepreneurship and cooperative development, the project addresses systemic inequalities while enhancing women's roles in local economic transformation.

To address these barriers, the Bank published a 2024 study on Empowering Women's Businesses in Transition Contexts in Africa, which provides a structured framework for relief, recovery, and resilience phases. The study emphasises tailored interventions that equip women entrepreneurs with tools to navigate crises, access resources, and integrate into inclusive business ecosystems. By fostering women's economic empowerment, the Bank strengthens their role as drivers of economic recovery, social cohesion, and long-term resilience.

In 2024, the Bank developed four gender profiles and 34 country gender briefs to further integrate gender considerations into its operations. These knowledge products provide critical insights into country-specific gender dynamics, informing project design, policy dialogue, and investment decisions to enhance gender-responsive development outcomes.

The Bank's commitment to women's empowerment

The Bank is committed to advancing women's empowerment through targeted investments in skills development, entrepreneurship support, and access to finance. In 2024 alone, the Bank supported **92 333 direct jobs** and **628 244 indirect jobs for women** (see Chapter 5: Improve the Quality of Life for the People of Africa) while providing **access to finance for 598 women-led enterprises** (see Chapter 3: Industrialise Africa).

The *Rural Livelihoods Adaptation to Climate Change in the Horn of Africa Project* in Kenya played a pivotal role in empowering women by integrating gender-responsive approaches into climate adaptation initiatives. Notably, 60% of the 1,600 agro-pastoralists trained in climate change adaptation were women, highlighting their significant participation. Additionally, 826 women farmers were trained through farmer field schools and demonstration farms, enabling them to adopt adaptive measures that increased household incomes. The project also emphasised strengthening women's access to resources for sustainable food production, renewable energy, and clean water sources, further enhancing their resilience to climate change impacts.

The *Support Programme for the Generalization of Social Security Coverage* in Morocco has achieved remarkable progress in empowering women and fostering social inclusion. The programme created 203 097 jobs, exceeding its target of 200 000, with women accounting for 30% of these positions. Additionally, the generalization of compulsory health insurance (AMO) expanded coverage from 7.8 million to 23.2 million people, including 40 000 women who had lost their jobs. By integrating gender-sensitive reforms into its framework, PAGCS-II has strengthened women's economic resilience, improved their access to social protection systems, and supported their active participation in Morocco's socio-economic development.

The *Support Project for Alternative Welfare of Children and Young People Involved in the Cobalt Supply Chain* in the Democratic Republic of Congo demonstrates how integrating gender considerations into project design and implementation can empower women and address systemic inequalities in fragile contexts (see Box 14).

Empowering youth

Unlocking Africa's youth potential

Africa's rapidly growing youth population offers immense opportunities for economic transformation. With youth comprising 60% of the working-age population, the continent's labour force is projected to triple from 627 million in 2013 to nearly 2 billion by 2063. By 2030, 477 million young people aged 15 to 35 will significantly contribute to the workforce. However, challenges persist: **26% of Africa's youth are classified as Not in Employment, Education, or Training (NEET)**, and the region hosts 43% of the world's out-of-school youth. Economic growth has not translated into adequate job creation, with only 3 million formal jobs generated annually for the 12 million young men and women entering the labour market each year, leaving many unemployed or underemployed in the informal sector.

Education and skills gaps exacerbate this employment challenge. Tertiary education enrolment remains low at 9.4%, far below the global average of 38%, and only 25% of students pursue science, technology, engineering and mathematics (STEM) fields. Technical and vocational education and training (TVET) programmes are underdeveloped, accounting for just 6% of enrolments compared to a global average of 11%. Additionally, nearly half of graduates face mismatches between their qualifications and employer demands. Bridging these gaps through targeted policies in education, skills development, and job creation is essential to unlocking Africa's dynamic youth potential and driving sustainable economic growth.

The Bank's support to empowering youth

The Bank actively drives youth empowerment through entrepreneurship, innovation, and skills development initiatives. Its Jobs for Youth in Africa (JfYA) Strategy 2016–2025 aims to create 25 million jobs and equip 50 million youth with employable skills by 2025. Bank-approved projects in 2024 are expected to generate 1.8 million jobs for young men and women —0.7 million direct and 1.1 million indirect— by targeting job-rich sectors such as agriculture and digital industries. A notable example is the €88 million Benin *Skills for Employment Project*, which will train 42 000 youth and create 38 000 sustainable jobs.

To address skills gaps effectively, the Bank launched the Skills for Employability and Productivity in Africa Action Plan (SEPA) 2022–2025, approving $2.56 billion across 46 operations in 30 countries by 2024 to support youth employment initiatives. Partnerships, such as the Africa Adaptation Acceleration Programme (AAAP) amplify these efforts. The programme leverages youth-led enterprises to drive climate adaptation through its YouthADAPT pillar and has supported 41 enterprises across 20 countries with $5.4 million, creating nearly 11 000 jobs while securing an additional $7 million in funding for youth-led businesses.

The Bank also implements targeted projects like the *Promoting Investment and Competitiveness in Tourism Sector Project* in Malawi, which trained 647 youth in tourism and hospitality, 40% of whom were women, and established a Tourism micro, small, and medium-sized enterprises (MSME) Incubation Centre at Mzuzu University that incubated 24 young entrepreneurs (33% women). Matching grants supported 18 tourism MSMEs, while community-based conservation activities benefited 34 enterprises with over 60% female membership.

As the JfYA Strategy concludes in 2025, the Bank is preparing to launch the Youth, Skills, and Jobs Action Plan (2026–2033) —aligned with its Ten-Year Strategy (2024–2033). This new plan builds on the successes of JfYA and the SEPA, scaling up efforts to empower youth while addressing systemic challenges in employment and entrepreneurship. By leveraging lessons learned, the Bank aims to enhance its impact on Africa's youth, ensuring continuity in its commitment to inclusive growth and economic transformation.

Box 15 **Empowering youth through entrepreneurship and innovation**

Launched in November 2017, the Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI MDTF) supports youth-led enterprises and fosters job creation across Africa. Funded by the Netherlands, Denmark, Italy, Norway, and Sweden, the fund has mobilized approximately $43.7 million to date.

The YEI MDTF has committed $33.7 million to 40 projects in 27 countries, catalysing more than $723 million in Bank investments.

Key outcomes include:

- **86 400+** direct jobs created
- Financing for **6 800+** start-ups and MSMEs
- Capacity building for over **23 000** beneficiaries

Looking ahead, the YEI MDTF Secretariat is aligning the fund's legal and operational framework with the Bank's new Trust Fund Policy, ensuring a robust structure to support the ambitious goals of the Ten-Year Strategy.

The Youth Entrepreneurship and Innovation Multi-Donor Trust Fund is a major initiative driving youth employment. It strengthens Africa's entrepreneurial ecosystem by supporting youth-led businesses and expanding job opportunities (see Box 15). The Bank is fostering entrepreneurship , addressing skills mismatches, and creating sustainable jobs through these innovative programmes to unlock the potential of Africa's dynamic youth population.

Advancing climate action for a resilient Africa

Africa's climate crisis: Impacts, challenges, and opportunities

Climate change impacts are rapidly escalating across Africa, posing a severe threat to the continent's ability to achieve the SDGs by 2030. Countries are increasingly experiencing more frequent and severe droughts, devastating floods, unpredictable rainfall patterns, and rising temperatures. These climate-related disasters jeopardise food security, water availability, infrastructure resilience, and livelihoods, threatening to reverse decades of development progress.

Table 11 **Cross-cutting and strategic areas (Progress in Africa)**

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest	Baseline 2020	2024 or latest
GENDER						
● Africa gender index	48.6 (2019)	50.3 (2023)	47.1 (2019)	48.5 (2023)	42.4 (2019)	44.1 (2023)
YOUTH						
● Youth neither in employment, education, or training (%)	27	26 (2023)	28	27 (2023)	34	33 (2023)
CLIMATE						
● GHG emissions (gigatons CO_2e)	3.0	3.2 (2023)	1.2	1.3 (2023)	0.5	0.6 (2023)
● Green Growth Index (Score: 1 = low; 100 = high)	48.5	48.9 (2023)	48.3	48.9 (2023)	47.0	47.6 (2023)
RESILIENCE						
● Fragile States Index (0 = low; 120 = high)	85.0	83.1	90.1	88.4	94.9	93.5)
● Refugees and internally displaced people (millions)	30.9	45.6	27.3	41.4	21.6	33.8
ECONOMIC GOVERNANCE						
● Tax-to-GDP ratio (%)	12.9	17.2 (2023)	12.2	17.1 (2023)	9.0	10.5 (2023)
● Countries in debt distress or at high risk of debt distress (number)	21 (2023)	20	20 (2023)	19	10 (2023)	9

● Improvement compared to the baseline ● Stability compared to the baseline ● Decline compared to the baseline

Despite minimal contributions to global emissions, African countries disproportionately bear the brunt of climate change impacts, with insufficient financial support. According to the Climate Policy Initiative, Africa received only $43.7 billion of the approximately $1.3 trillion in global climate finance allocated in 2021/22 —just over 3% of total flows— against an estimated annual need of $191 billion.[38] Moreover, this funding is unevenly distributed; 46% is concentrated in just 10 countries, while the 10 most vulnerable nations receive only 11%. Urgent and substantial financial support is essential to help African countries mitigate greenhouse gas emissions and adapt to climate change.

Africa's greenhouse gas (GHG) emissions increased from 3 gigatons of CO_2e in 2020 to 3.2 gigatons of CO_2e in 2023, reflecting a steady increase despite its historical minimal contribution to global emissions. This highlights the pressing need for enhanced mitigation strategies and greater investment in renewable energy and green growth initiatives. Unlocking Africa's vast potential in wind and solar energy could address both climate challenges and growing energy demands while supporting sustainable development.

One of the most critical challenges is the insufficient funding for adaptation efforts, which account for only 32% of Africa's climate finance. Without immediate action, climate-related shocks will push more people into poverty, disrupt economies, and undermine growth trajectories. Increased funding is also vital for strengthening food systems, safeguarding infrastructure, securing water resources, developing early warning systems, and helping vulnerable communities recover from climate shocks.

Africa's progress on climate action remains slow. The continent ranks last on the **Global Green Growth Index with an average score of 48.9 out of 100**. To bridge this gap, green growth interventions must be prioritised to build resilience against climate change while promoting sustainable economic development. By leveraging its untapped renewable energy resources and implementing targeted adaptation measures, Africa can advance toward a more sustainable and resilient future.

The Bank's role in driving climate finance and building resilience

The Bank has integrated climate resilience and green growth principles into its operations in response to Africa's urgent climate challenges. In 2024 alone, 98% of all projects approved by the Bank incorporated measures aligned with these principles to ensure investments contribute to a sustainable future. The Bank has also made substantial progress in aligning its operations with the Paris Agreement by adopting universal mitigation, adaptation, and climate finance methods.

To address Africa's considerable climate finance needs, the Bank has allocated $5.5 billion of its total $11 billion in approvals as climate finance in 2024, **representing 49% of all investments for the year**. Of this amount, 56% was directed toward adaptation, while 44% supported mitigation efforts. The Bank remains committed to its goal of mobilising $25 billion in climate finance by 2025. It has already achieved significant progress, with a cumulative total of $19.5 billion mobilised — 78% of the target amount. Additionally, the Bank facilitated the mobilisation of $333 million from international

38 Climate Policy Initiative (2024). Landscape of Climate Finance in Africa 2024

Box 16 **Africa Circular Economy Facility: Driving Africa's Shift to a Sustainable and Waste-Free Future**

ACEF is an African Development Bank funding facility for advancing the circular economy —a model that minimises waste and maximises resource use.

2024 key results

5 African countries developed National Circular Economy Roadmaps to integrate circular economy into policies

30 small businesses (MSMEs) in Rwanda, Ghana, and Côte d'Ivoire received funding and mentorship to grow circular business models

600 professionals trained on circular economy opportunities through the Africa Circular Economy Alliance (ACEA)

AfriCircular innovators programme – Supporting green entrepreneurs

Provides training, coaching, and mini-grants to early-stage circular businesses

Examples of innovation:

South Circle (Rwanda): Recycles glass waste into sustainable construction materials

Agribanana (Côte d'Ivoire): Creates eco-friendly packaging from banana tree fibres

Eco-Solve (Ghana): Produces biodegradable shopping bags from cassava starch

What's next?

Expanding programmes to additional countries and launching sector projects (e.g., tackling **10 000 tons** of e-waste in Rwanda)

Raising **€10 million** by 2027 to support more businesses and governments in adopting circular economy solutions

partners, including the Green Climate Fund, Climate Investment Funds, and Global Environment Facility, strengthening Africa's access to critical climate finance resources.

The ADF Climate Action Window (CAW) is a key initiative led by the Bank that aims to mobilise between $4 billion and $13 billion to scale up climate action in 37 low-income African countries. In 2024 alone, the CAW generated $4 billion worth of project pipelines following calls for adaptation proposals. Projects under the CAW leverage co-financing at a ratio exceeding 1:3 while supporting low-carbon development and strengthening national policies through technical assistance.

The Africa Adaptation Acceleration Programme (AAAP), a partnership between the Bank and the Global Centre on Adaptation, continues to scale up adaptation efforts across Africa. Between 2021 and 2025, AAAP aims to mobilise $25 billion for catalytic programmes focusing on agriculture, infrastructure resilience, water management, energy transitions, and youth employment. By the end of 2024, AAAP mobilised $12.4 billion in adaptation finance alongside an additional $328.8 million from upstream partners like the Green Climate Fund. Recognised as the "Best Investable NDC Adaptation Investment of the Year" at the 2024 Africa NDC Awards during the United Nations General Assembly, AAAP underscores Africa's leadership in innovative climate solutions.

To further promote sustainability and resilience in Africa's development agenda, the Bank established the Africa Circular Economy Facility (ACEF) as a multi-donor trust fund dedicated to integrating circular economy principles into African economies (see

Box 16). The ACEF focuses on reducing waste generation while promoting resource efficiency across sectors such as agriculture, manufacturing, and urban development.

Finally, the Bank is strengthening staff capacity on climate commitments. In 2024, more than 500 staff members across regional offices received training on mainstreaming green growth principles into Bank operations and aligning projects with the Paris Agreement goals.

Building resilience and addressing fragility in Africa

Conflict hotspots and rising fragility across Africa

In 2024, conflicts and socio-economic challenges deepened across Africa's fragile regions, particularly in the Sahel, Lake Chad Basin, Great Lakes Region, and Horn of Africa. Sudan remained embroiled in active armed conflict. The number of conflict incidents rose sharply to 27 988 in 2024, up from 21 045 in 2021, reflecting worsening instability and escalating security threats.

The human toll of fragility is staggering. Over 250 million Africans are directly affected by conflict, with more than 576 000 lives lost to violence and insecurity over the past two decades, according to the Armed Conflict Location and Event Data Project. **Forced displacement continues to rise for the 13th consecutive year, reaching 46 million people in 2024** (see Figure 4). Displacement grew by 14% during the year, with over 25% of the population in Sudan, Somalia, and South Sudan displaced.

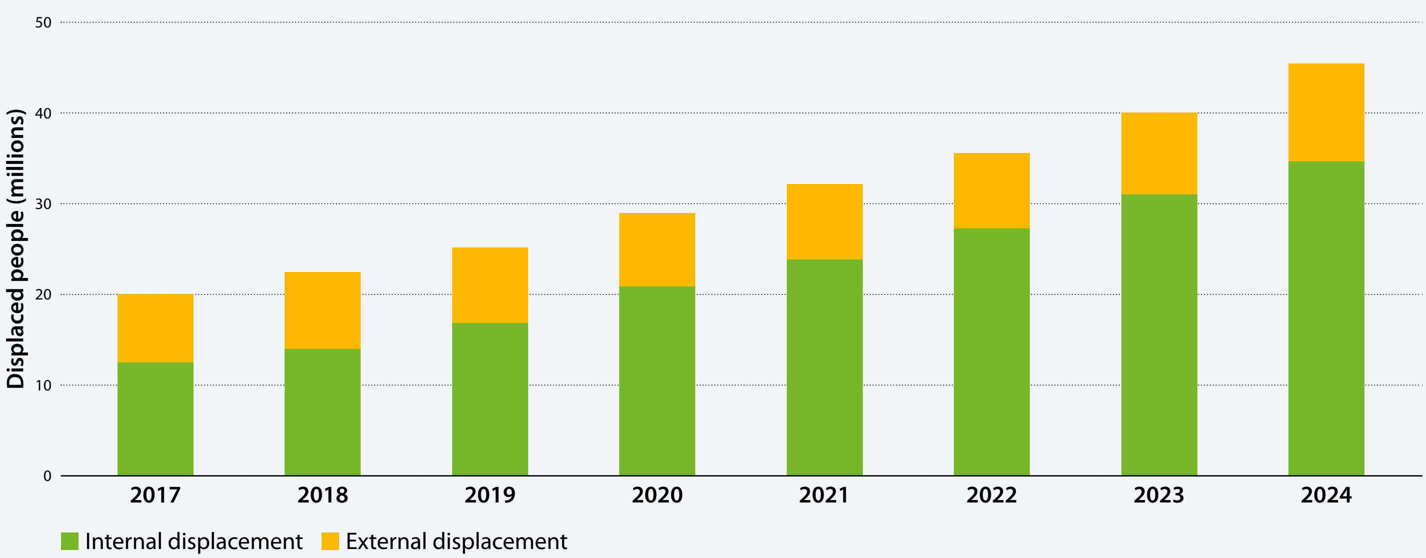
According to the Fragile States Index (FSI) 2024, which assesses overall state fragility on a scale from 0 (low) to 120 (high), Africa's overall fragility score improved slightly, decreasing from 83.8 in 2023 to 83.1 in 2024. This indicates modest gains in stability and resilience, though continued efforts are needed to address underlying vulnerabilities and maintain this positive trajectory. Somalia and Sudan are at the top of the list with FSI scores of 111.3 and 109.3, respectively. These scores reflect persistent political instability, weak governance, and protracted humanitarian crises. However, a few countries demonstrated modest improvements, signalling the potential for reversing fragility trends through targeted reforms and investments. For instance, Eritrea, Liberia, and Madagascar recorded improvements of 2.4, 2.0, and 1.9 points, respectively, compared to 2023. While these countries remain within the high-fragility category, the positive trend indicates progress. This marginal progress reflects efforts to address governance and socio-economic challenges. However, fragility remains a persistent challenge across the continent.

Regions like the Sahel, Lake Chad Basin, and Horn of Africa remain highly vulnerable and continue to be challenged by a complex mix of political instability, economic disparities, climate-induced shocks, weak governance, youth unemployment, and environmental degradation. This highlights the need for sustained interventions to build resilience and tackle the root causes of fragility and instability. Addressing these challenges requires a comprehensive understanding of regional vulnerabilities and structural weaknesses that should inform the design of interventions that meet immediate needs while fostering long-term resilience. In response, the Bank integrates fragility assessments —guided by a robust methodology— into all African countries' project-based interventions and decision-making processes, ensuring that its efforts are evidence-based, sustainable, and sensitive to fragility dynamics.

The Bank's integrated approach to building resilience

The Bank continuously adapts its approach to promoting stability and economic growth in fragile, high-risk environments. Applying a

Figure 4 **Trends in forced displacement in Africa**



Source: UNHCR, IDMC, IOM (mid-year totals)

Table 12 **Cross-cutting and strategic areas (The Bank's contribution to development)**[37]

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND		TRANSITION STATES	
	Planned	Actual	Achievement rate	Planned	Actual	Planned	Actual
CLIMATE							
Climate finance commitments (%)	40%	49%	Exceeded target	N/A	N/A	N/A	N/A
Net GHG emissions (CO_2e)[38]	-	-	-	-	-	-	-
ECONOMIC GOVERNANCE							
Countries supported by AfDB that registered improved CPIA governance score (number)	11	9	82%	7	6	4	4
Countries supported by AfDB that registered improved macroeconomic policy management (number)	13	10	77%	6	4	5	3
Countries supported by AfDB that registered improved competitive business environment (number)	13	12	92%	5	5	3	3
Countries supported by AfDB that registered improved frameworks for enhanced natural resources governance (number)	1	1	100%	-	-	0	0

Indicator reached 85% or more of the anticipated target · Indicator achieved between 70% and 85% of the anticipated target · Indicator achieved below 70% of the anticipated target · Data is not available to measure progress

fragility lens, the Bank ensures its investments are conflict sensitive to maximize positive impact while minimizing the risk of inadvertent harm. These efforts are essential for promoting jobs, sustainable peace, and long-term resilience. In 2024, the Bank deepened its engagement in the Humanitarian-Development-Peace (HDP) nexus, scaled up strategic investments, and expanded partnerships to strengthen resilience across Africa. A key pillar of this strategy involved essential infrastructure development in transition states. This included the installation of energy transmission lines (see Chapter 1: Light up and Power Africa), building transport networks (see Chapter 4: Integrate Africa), and improving water and sanitation access (see Chapter 5: Improve Quality of Life).[40]

For example, in the Lake Chad Basin, the *Programme to Rehabilitate and Strengthen the Resilience of Lake Chad Basin Systems* has helped rehabilitate 300 000 hectares of land and developed sustainable value chains in sectors like fish, cereals, and livestock, improving food security and strengthening regional trade. Reaching 15.3 million people, half of whom were women, the programme also created over 800 income-generating activities and trained 30,500 youth in entrepreneurship skills. It addressed local resource-related conflicts, resolving 79.5% of disputes, and promoted regional cooperation through the Transboundary Biosphere Reserve and the Lake Chad Water Charter.

In Mozambique, the *Job Creation and Livelihood Improvement Project* has been pivotal in addressing fragility in Zambézia and Niassa provinces, focusing on economic empowerment and resilience. The project supported over 1 365 agribusinesses, surpassing its target, with 723 of those businesses led by women. The project also introduced climate-smart agricultural practices, benefiting nearly 20 000 farmers and improving food security for 136 680 people, including improved nutrition and stability for 46 471 women. By targeting vulnerable groups such as youth, women, and ex-combatants, it created 19 660 direct jobs, with 45% of those roles filled by women. These efforts promoted economic reintegration and reduced the risk of instability, demonstrating a replicable model for resilience-building in fragile contexts.

In another example, the *Lomé–Cinkansé–Ouagadougou Corridor Road Rehabilitation and Transport Facilitation Project* strengthened infrastructure in Togo, Burkina Faso, and neighbouring countries. The rehabilitation of 329 km of roads improved mobility and access to essential services for 3.2 million people, facilitating market access and enhancing agricultural supply chains. The project created economic opportunities, particularly for women and youth, and strengthened social cohesion by supporting job creation, healthcare access, and regional trade.

As part of its operational model for fragile and conflict-affected areas, the Bank reinforced its approach through strategic partnerships and joint initiatives. To advance this agenda on the global stage, it co-hosted a high-level event with the United Nations High Commissioner for Refugees during the 79th Session of the UN General Assembly (UNGA 79), promoting adaptive financing, risk-sharing, and support for displaced populations. At the regional

39 Level 2 results indicators related to Gender, Youth, and Resilience are presented in Chapters 1 to 5. Refer to Tables 2, 4, 6, 8, and 10, where results are disaggregated by women and youth (for some indicators), and Transition States (for all indicators).

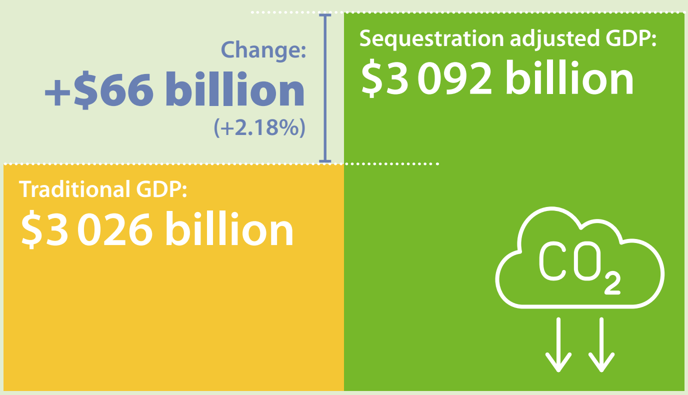
40 The inability to report net GHG emissions for completed projects is due to ongoing efforts to align the Bank's Results Management Framework with the Common Approach for Measuring Climate Results developed by Multilateral Development Banks. This alignment aims to standardise methodologies, improve comparability, and support collaborative climate action.

Box 17 **Key actions for sustainable and inclusive growth**

The Strategic Framework outlines key priorities and strategic actions that will enable Africa to sustainably harness its resources while driving economic transformation to meet the ambitious targets of Agenda 2063, the SDGs and the High 5s:

- Africa should increase **GDP growth rates** to 7% annually from 2025 to 2063 to achieve the goals of Agenda 2063 and the SDGs.
- The continent should also build and deepen national and regional markets, accelerating continent-wide integration, including reducing trade barriers and enhancing **cross-border policies, procedures and investments** to boost intra-Africa trade by 25% by 2030.
- **Substantial infrastructure investments** are required ($130–170 billion annually), to address the significant financing gap ($68–108 billion), including prioritising investments in industrial parks and digital connectivity.
- The continent must prioritise **agricultural transformation**, investing in value chains and sustainable practices.
- Revitalised efforts are required to lift **50 million people out of extreme poverty** through inclusive, pro-poor policies.
- **Service delivery reform** is necessary across multiple themes (e.g., industrialization, food sovereignty and regional integration), as measured by the Bank's African Public Service Delivery Index.

Box 18 **Impact of sequestration on Africa's GDP (2022)**



level, the Bank developed a multi-sector action plan for the Sahel focused on governance, decentralisation, climate adaptation, and community resilience. This was informed by a full-fledged joint fragility assessment in the Central Sahel — conducted with the Islamic Development Bank (IsDB), the United Nation Development Programme (UNDP), and the International Fund for Agricultural Development (IFAD), in line with the Bank's collaborative and evidence-based approach to addressing fragility. Complementing these efforts, and to better address insecurity, the Bank signed an Operational Framework Agreement with the International Committee (ICRC) of the Red Cross, strengthening its capacity to operate in conflict zones and advancing its humanitarian-development-peace nexus approach.

Africa's economic recovery and governance: Building resilience for sustainable growth

Tracking economic growth, inflation, and governance reforms

Africa's economic growth showed signs of recovery in 2024, with average real Gross Domestic Product (GDP) growth increasing from 3% in 2023 to 3.4% in 2024. Inflation surged to an average rate of 18.6%, primarily driven primarily by 16 economies. However, stricter monetary policies implemented by multiple countries have helped to reduce the number of nations with double-digit inflation from 19 in 2022 to 15 in 2024. Looking ahead, growth is projected to reach 4.6% by 2026, supported by economic reforms aimed at curbing inflation and improving debt management.

In 2024, the Bank and the African Union jointly published the *Strategic Framework on Key Actions to Achieve Inclusive Growth and Sustainable Development in Africa*. This framework outlines critical actions required for achieving inclusive growth across the continent (see Box 17). African governments must increase domestic revenue mobilization to fund these development strategies and advance progress toward the SDGs. **Tax collection as a share of GDP rose to 17.2% in 2023 from 12.9% in 2020** but remains below pre-pandemic levels. Progress has been made in countries like South Africa, Tunisia and Senegal, which have enhanced their tax collection efficiency and transparency.

Public debt levels are stabilising due to improved global financial conditions, economic growth, and fiscal consolidation measures. The average debt-to-GDP ratio declined from 63.5% during 2021 to 2023 to approximately 60% in 2024 and is expected to drop further to 59.2% by 2025. Despite this progress, debt distress remains a concern, with **20 African countries classified as in or at high risk of debt distress in 2024**. Mauritania's reduction of its risk level from high to moderate between 2022 and 2024 demonstrates that escaping the debt trap can be achieved through effective fiscal policies. Fiscal consolidation has also reduced Africa's fiscal deficit to 4.7% of GDP in 2024 — the lowest level since the COVID-19 pandemic.

The integration of natural capital into national accounting systems is emerging as a critical tool for understanding Africa's true economic potential. The Bank's policy paper *Measuring the Green Wealth of Nations: Natural Capital and Economic Productivity in Africa* highlights how accounting for carbon sequestration could significantly alter GDP estimates. For example, an analysis of Africa's total GDP in 2022 revealed substantial contributions from natural capital, pointing to the importance of environmental factors in economic assessments (see Box 18). These findings were instrumental in shaping the Baku Declaration at COP29, which advocates for incorporating natural capital into national accounting systems across African countries.

Through these measures, Africa is building resilience for sustainable growth while addressing cross-cutting challenges such as inflation control, debt management, revenue mobilisation, and environmental sustainability — laying the groundwork for a more inclusive and prosperous future.

Strengthening governance and economic stability through strategic interventions

The Bank has been at the forefront of strengthening African governance and economic stability through targeted interventions that address macroeconomic challenges, enhance fiscal discipline, and promote resilience in key sectors. Projects completed in 2024 enhanced governance, macroeconomic policy and management, and the business regulatory environment, as demonstrated by improvements in the CPIA index[41]. **Notably, 10 out of 13 countries supported registered improved macroeconomic policy management, 12 out of 13 countries supported registered improved competitive business environment, and one country successfully improved its frameworks for enhanced natural resources governance.**

In Seychelles, the *Governance and Economic Reforms Support Programme* was crucial in reversing the severe economic impacts of COVID-19, which had caused a 7.7% GDP contraction in 2020. By implementing structural reforms such as excise tax modernisation, customs automation, and measures to combat tax evasion, Seychelles achieved a remarkable GDP growth of 9% in 2022, with projections of sustained growth at 4% in 2024. The programme also tackled illicit financial flows by enacting amendments to the Anti-Money Laundering, Countering the Financing of Terrorism Act, and introducing the Beneficial Ownership Act, which strengthened financial transparency and addressed reputational challenges associated with the offshore financial sector. Additionally, climate change policies were mainstreamed into key sectors like agriculture and energy, reflecting the programme's holistic approach.

In Kenya, the *Competitiveness and Economic Recovery Support Programme* was critical role in ensuring fiscal discipline and supporting recovery from a COVID-19 induced recession that had contracted GDP by 0.3% in 2020. Through comprehensive fiscal reforms such as tax exemption reviews, e-procurement systems, and enhanced debt management strategies under the Medium-Term Debt Management Strategy, Kenya reduced its fiscal deficit from 8.3% of GDP in 2021 to 6.3% in 2022, with further projections to 4.9% by fiscal year 2024. The National Hospital Insurance Fund Amendment Bill of 2021 advanced social protection reforms by which strengthening Universal Health Coverage and ensuring accessible healthcare services for all Kenyans.

In Egypt, the *Food Security and Economic Resilience Support Programme* addressed macroeconomic challenges caused by external shocks while enhancing private sector resilience. The programme supported amendments to public-private partnership laws to expand infrastructure investment opportunities and introduced a new insurance law that simplified licensing for microinsurance companies. These reforms increased microinsurance beneficiaries from 4.5 million to 6.3 million by the end of the programme in 2023, with women accounting for 2.4 million. Furthermore, fiscal reforms led to an annual increase of 21% in tax revenues during fiscal year 2022/23, highlighting the programme's success in strengthening economic resilience.

41 RMCs progress on the CPIA are not fully attributable to the Bank as progress may have resulted from multiple policy measures supported by the Bank and development partners.

Leveraging local institutions for greater impact

The Bank enhances its operational efficiency and development outcomes by working through national financial institutions. In Botswana, a Line of Credit to the Botswana Development Corporation enabled support to Delta Automotive Technologies —advancing industrialization and strengthening private sector competitiveness.

Chapter 7

Improving the Bank's development impact and efficiency

The Bank is committed to enhancing its operational and institutional performance, actively mobilising resources to increase its developmental impact. All new projects were evaluated against cross-cutting priorities during project design, with 95% of new sovereign operations supporting gender equality outcomes. In line with the MDB reform agenda, the Bank also made progress in adapting its operational model to enhance impact by focusing on larger integrated and transformative projects. Its commitment to transparency and accountability has garnered global recognition, with the Bank acknowledged as the most transparent development institution for the second year in a row.

First year of the Ten-Year Strategy shows positive momentum

In 2024, the Bank achieved its highest-ever lending volume of $11 billion, marking an important milestone in its efforts to scale up development impact. This achievement was driven by a strong project pipeline, continuous client engagement, internal collaboration, and a dedicated team focused on business development. Furthermore, disbursements reached $6.4 billion, reflecting a 10% increase from 2023, the highest level since the pandemic. This performance was facilitated by close monitoring of disbursement schedules and proactive implementation support to executing agencies.

Consistent with the innovative features of new the Results Management Framework (2024–2033), this ADER tracks, for the first time, expected development results from the Bank's 2024 project approvals. By tracking expected results, the Bank ensures its investments trajectory aligns with the priorities and the level of ambition of the new Ten-Year Strategy (TYS).

An initial review of 2024 approvals demonstrates good alignment with the TYS objectives, with broad coverage across key indicators. Annex 1 compares expected results of approved projects against several key RMF indicators and targets, confirming that the Bank's strategic priorities are effectively guiding operational decisions.

The expected results from 2024 approvals shows good progress towards annual and ultimate targets set for 2033. Specifically, projects approved in 2024 are expected to improve transport access for more than 16 million people, exceeding the annual target of 15 million people. More than 5.5 million farmers are expected to benefit from improved and climate-resilient technologies and inputs, very close to the planned trajectory towards the cumulative 2033 target of 60 million. Moreover, approved projects are expected to enhance food security for 27 million people, of which more than 12 million will be supported by the African Development Fund (ADF). In energy, projects approved in 2024 are expected to connect 542 000 people once completed, far below the planned trajectory to achieve 50 million people by 2033. However, this initial estimate is expected to increase significantly once underlying projects supported by equity funds approved in 2024 are confirmed. In terms of employment, 2024 approvals are projected to directly create approximately more than 653 000 jobs for youth, reflecting the Bank's strategic emphasis on youth employment and economic empowerment.

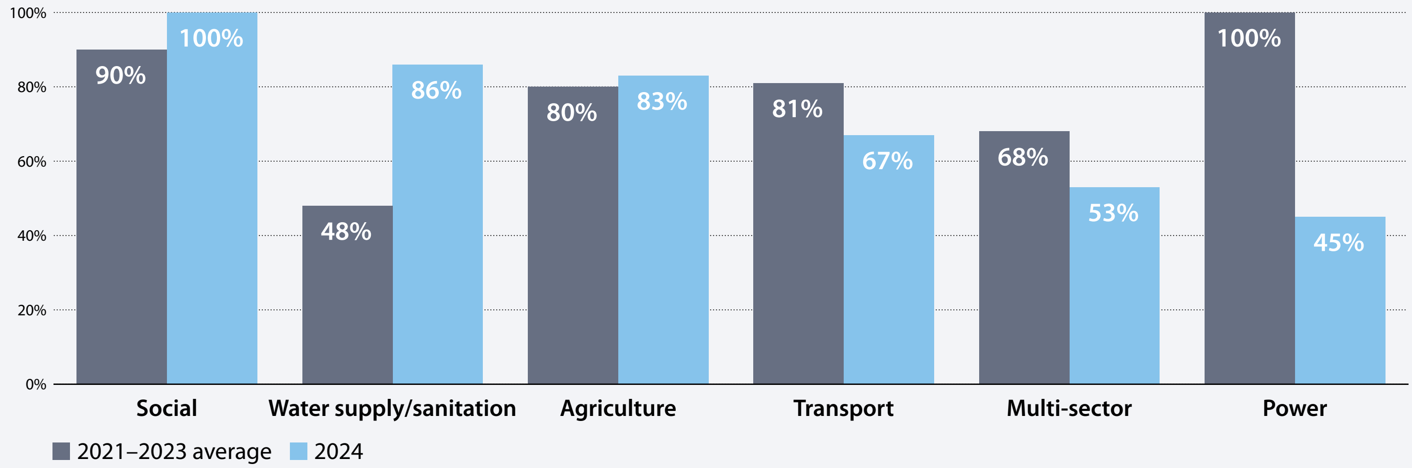
While it is still too early to determine if the Bank is fully on track to achieve its 2033 ambitions, the analysis of expected results from annual approvals confirms the direction of travel and highlights areas requiring further attention — including on access to energy, finance and sanitation. The analysis underscores initial alignment with the Bank's strategic priorities and reflects early progress toward achieving its long-term development targets. The Bank will use this analysis to sustain focus on its level of ambition and guide strategic adjustments where needed to stay on course.

Quality, scale, and results require continued attention

The Bank is striving to continuously improve the quality of its operations

The Bank's Independent Development Evaluation Department (IDEV) is responsible for conducting rigorous independent assessments of the effectiveness and performance of completed projects. Sovereign operations completed in 2024 were assessed as achieving particularly strong strategic relevance (97%), efficiency (81%) and sustainability

Figure 5 **Sector breakdown of projects achieving satisfactory effectiveness ratings: 2021–2023 average vs. 2024 results**



Note: This is based on IDEV validated PCRs for all sectors except communications, environment and finance.

(80%). In terms of effectiveness, **68% of operations fully achieved their planned development results at completion, compared to 71% in 2023**. This decline is largely attributable to ageing legacy projects in the power and transport sectors that closed in 2024 with a shortfall against initial targets. These challenges underscore the critical need for proactive implementation support and mid-course project reviews to enable timely restructuring or adjustment of intended results in response to evolving project contexts (see Figure 5).

On the other hand, the Bank demonstrated robust performance in output achievement, with 88% of completed operations rated satisfactory or above, compared to 68% for outcomes. Insufficient evidence of achievement of project outcomes as planned in results framework contributes to unsatisfactory ratings on effectiveness. For example, a COVID-19 project achieved key output targets but was rated unsatisfactory due to the lack of an effective monitoring system to demonstrate the project's full development outcomes, particularly in reducing COVID prevalence. This example highlights the challenges project teams face in planning and executing robust outcome assessments at project closure. It underscores the critical importance of establishing adequate monitoring and evaluation practices to accurately plan with realistic indicators and targets, as well as assessing and demonstrating development outcomes.

The Bank strives to enhance its effectiveness through continuous improvement efforts to achieve a score of 80% or above by 2028.

To strengthen the quality of its operations and maximise impact, the Bank consistently aims to ensure that all programmes integrate key cross-cutting priorities, including gender equality among others. In 2024, the Bank exceeded all the targets for mainstreaming gender in its operations using the Gender Marker System (GMS). As a results, **95% of new sovereign operations addressed gender equality outcomes, up from 58% in 2023 and significantly exceeding the target of 80%**. Additionally, 7% of sovereign operations had gender as a principal objective (categorised as GEN 1) and 88% included gender as a significant objective (categorised as GEN 2). For non-sovereign operations, 82% integrated gender elements and were categorised according to the GMS, up from 70% in 2023 and on track to reach 100%. The inclusion of the GMS as a corporate commitment for the Bank has been a key incentive in achieving these outcomes.

The Bank needs to deliver results on a larger scale for a greater impact

In response to unprecedented global challenges and the imperative to achieve agreed international development objectives, the G20 has called for the enhancement of MDB operational frameworks, financing capacities, and development impact assessment methodologies. This initiative aims to collectively strengthen MDBs, with a particular emphasis on addressing the needs of low- and middle-income countries. The Bank is, therefore, reshaping its operational model to focus on larger, integrated and transformative projects that reflect RMCs' priorities while adopting a multi-year programmatic approach.

In 2024, 37% of the Bank's lending volume was dedicated to multi-year investment programmes, up from 20% in 2023. By focusing on comprehensive multi-year programmes instead of individual projects, the Bank supports national governments' efforts to drive transformative, long-term initiatives, supported by enhanced investments. Egypt's Water, Energy and Food Security Nexus Initiative exemplifies multi-year programmes supported by the Bank in collaboration with development partners. The Bank is the leading partner of the Water Pillar. Under this initiative, the Bank approved the fourth phase of the *Sustainable Development of Abu Rawash Wastewater Treatment Complex* aimed at optimising water resources in a climate-vulnerable context, boosting their availability for food and energy production. The Bank co-financed previous phases of the programme, contributing to an increased wastewater treatment

Table 13 **Enhancing operational performance (Level 3)**

INDICATOR	AFRICA				ADF COUNTRIES		TRANSITION STATES	
	Baseline 2023	Actual 2024	Target 2024	Target 2028	Baseline 2023	Actual 2024	Baseline 2023	Actual 2024
IMPROVE QUALITY OF OPERATIONS								
Operations achieving planned development results (%)								
—*for sovereign operation*	71	68	75	80	70	61	70	44
—*for non-sovereign operations*[40] *(not available)*	78	-	78	80	-	-	-	-
Sovereign operations addressing gender equality outcomes[41] (%)	58	95	62	80	65	96	58	97
DELIVER RESULTS AT SCALE								
Share of multi-year investment programmes in total lending (%)	20	37	21	25	22	29	17	10
Share of lending for regional integration	29	35	29	30	33	41	42	46
Share of sovereign operations above UA 50 million (%)	44	43	47	60	29	37	9	16
ACCELERATE IMPLEMENTATION								
Time from concept note to first disbursement (months) (SOs)[42]	27	24	25	20	23	23	22	21
Operations facing challenges (%)	30	31	25	25	32	28	34	36
ENHANCE IMPACT WITH KNOWLEDGE								
Stakeholder's satisfaction with knowledge generated by the Bank to support country, regional or sectoral strategies/action plans (%)	-	-		Monitored	-	-	-	-
Stakeholder's satisfaction with knowledge generated by the Bank to support development dialogues (%)	-	-		Monitored	-	-	-	-

● Indicator reached 90% or more of the 2024 target ● Indicator achieved between 80% and 90% of the 2024 target, and indicators that reached 90% or more of the 2024 target but regressed compared to the baseline ● Indicator achieved below 80% of the 2024 target ● Indicators are monitored without assessment against specific targets

capacity of 1.2 million m³ per day in 2010 (Phase II) and an expansion to the current capacity of 1.6 million m³ per day achieved in 2022 (Phase III). By increasing the wastewater treatment capacity from 1.6 Mm³ per day to 2.0 Mm³ per day, this final phase IV will provide over 2 million additional people with access to safely managed sanitation services, boost food production through climate-resilient agriculture, and help restore water-related ecosystems.

Global and Regional Public Goods (GRPGs) are vital for tackling development challenges and providing cross-border benefits like a habitable climate, public health, peace, financial stability, and secure food and energy supplies. The Bank's Ten-Year Strategy (2024–2033) focuses on investing in global and regional public goods, fostering cooperation, and addressing collective challenges. In support of cross-border benefits, **the share of the Bank's financing dedicated to regional integration rose to 35% in 2024, up from 29% in 2023**. These investments will boost regional infrastructure connectivity through cross-border energy, roads and railway projects, support climate action efforts through climate finance commitments, and promote regional stability and resilience through resources from its Transition States Facility (TSF). In support of public health, the Bank, in partnership with the U.S. International Development Finance Corporation (DFC) and the International Finance Corporation (IFC), provided $45 million to VaxSen, a subsidiary of Senegal's *Institut Pasteur de Dakar*. This funding aims to enhance vaccine production, strengthen regional supply chains, improve pandemic preparedness, and increase Africa's health resilience. The initiative also supports the African Union's Vision 2040, which targets local production of 60% of the continent's vaccine needs. To ramp up support for global and regional goods, the Bank is working to integrate a GRPGs lens into the design and execution of its lending and non-lending operations (including country and regional strategies) that facilitate cross-border benefits.

Similarly, the Bank's Ten-Year Strategy (2024–2033) emphasises selectivity, focusing on fewer but transformative projects with high economic and social impact across the High 5s and cross-cutting

42 The limited number of completion reports (XSRs) poses challenges to validating and reliably assessing the Bank's performance in achieving development outcomes for non-sovereign operations.
43 This is the share of new sovereign operations categorised GEN 1 and GEN 2 by the GMS.
44 This indicator has been adjusted to focus on SOs only excluding PBOs to better address operational efficiency. As such the 2023 Baseline has been revised from 25 to 26 months.

Box 19 **Transforming agriculture and connectivity for regional integration**

The *Burundi-Rwanda Integrated Development Project*, approved in 2024 with a funding envelope of $329 million (co-financed by ADB, ADF, and TSF), secured an additional $50 million from IFAD. This multi-sectoral initiative aims to improve agricultural productivity, promote agro-industrialisation and employment, enhance regional trade connectivity, and reduce the cost of travel between Burundi and Rwanda.

In Burundi, the project will boost priority agricultural value chains through TAAT-proven technologies, resilient production infrastructure, and the establishment of agro-industrial zones in Cibitoke and Karuzi.

In Rwanda, it will rehabilitate 215 km of cross-border roads linking Rwanda to Burundi, the DRC, and Uganda, while constructing a one-stop border post at Akanyaru Haut to streamline trade within the EAC.

Overall, more than 2 million people, including farmers, traders, and residents, stand to benefit — extending positive impacts across the East African Community and beyond.

priorities. It outlines four criteria for project selection: alignment with the Bank's strengths, potential for large-scale results, integration of cross-cutting priorities, and inclusion of policy dialogue and knowledge solutions. **In 2024, 43% of the Bank's sovereign operations exceeded UA 50 million ($60.2 million), slightly below the 44% achieved in 2023.** In contrast, the ADF portfolio showed a more positive trend: the share of ADF operations above UA 50 million rose from 29% in 2023 to 37% in 2024. This shift reflects continued efforts to scale up interventions in low-income and transition countries. An example of a transformative project with high socio-economic impact is the *Burundi-Rwanda Integrated Development Project* approved in 2024 (see Box 19).

As the Bank expands its operations, it remains committed to transparency in its development journey, ranking first in the Aid Transparency Index in both 2022 and 2024 (see Box 20).

Accelerating project implementation to deliver timely results

The Bank is keen to boost efficiency in its operations by reducing the time required to design and implement projects. **The time from concept note to first disbursement declined from 27 months in 2023 to 24 months in 2024 for sovereign operations, a gradual progress towards the target of 20 months by 2028 and close to the yearly target.** Underlying challenges associated with this target include project preparation delays, complex national approval and parliament ratification processes, political and security instability in certain countries, delays in meeting environmental and social safeguard requirements, and setbacks in co-financing and loan negotiations.

To drive impactful changes, the Bank proactively addresses these challenges by strengthening country dialogues, improving project design quality, streamlining procurement arrangements, and investing in capacity-building initiatives. These strategic efforts aim to overcome obstacles, reduce lead times for project design and implementation, while ensuring efficient delivery of development results.

Similarly, portfolio performance remains a top priority for the Bank to drive impactful results. In 2024, **31% of projects faced implementation delays** against the Bank's rigorous standards, up from 30% in 2023. 11% of operations experienced country signature delays beyond the 3 months limit set by the Bank. The remaining 20% faced project specific challenges and delays. These are mostly start-up delays driven by two main factors, namely complexity of project design especially in large-scale infrastructure sectors and multinational operations, as well as rising fragility and conflict in several regional member countries. To address these challenges, the Bank leverages its in-country presence to accelerate project execution and mitigate risks. To ensure a more proactive response to persistent start-up and implementation delays, the Bank is also developing a comprehensive

Box 20 **Transparency for impact: Ensuring accountability in Africa's development**

The Bank continues to prioritise transparency as it expands its portfolio across Africa. Transparency ensures that citizens know where, when, and how investments are made in development, strengthening accountability and building trust with stakeholders, including project beneficiaries, taxpayers, partners, and governing bodies.

The Bank also focuses on data quality and integrity, rigorously validating all published information. Ongoing efforts in data collection, verification, and reporting provide stakeholders with timely, credible insights to track progress and report on its effort to deliver impactful results. This commitment has earned the Bank recognition, by Publish What You Fund, as the most transparent development institution, with its sovereign portfolio ranking first in the Aid Transparency Index in both 2022 and 2024, achieving an unprecedented score of 98.8 in 2024.

To enhance accessibility, the Bank revamped MapAfrica in May 2024, integrating it with the Projects Data Portal. This user-friendly platform, featuring over 5,700 mapped projects, highlights real-world impacts and beneficiary stories, promoting transparency, accountability, and results-driven development.

action plan focussing on quality, results and learning, with special attention to technical design and procurement readiness, results planning, monitoring and reporting, and improving the learning loop.

While the Bank monitors portfolio-wide trends and systemic performance challenges, it is important to recognise that the root causes of project delays and underperformance evolve over time and are often related to countries specificities. With African countries spanning a wide range of institutional, political, and operational contexts, the sources of implementation delays vary considerably. Moreover, country contexts can shift rapidly due to political transitions, security shocks, or economic crises.

Despite this variability, recent Country Portfolio Performance Reviews reveal recurring patterns that point to deeper systemic issues affecting project delivery across countries. Transition States continue to face persistent constraints in project readiness and execution, including the absence of performance-based contracts, high staff turnover, and weak ownership of Bank procedures in Project Implementation Units. As a result, the rejection rate of disbursement requests due to non-compliance with Bank standards in some RMCs has risen to as high as 70%.

In several Middle-Income Countries, delays were frequently linked to complex administrative and regulatory procedures. In some cases, a significant portion of the portfolio was flagged, primarily due to high civil service turnover, frequent changes in ministerial leadership, and weak coordination across government agencies, which constrained project preparation and execution. In other contexts, implementation was hampered by mandatory high-level approvals, —which were only lifted recently, contributing to an average of close to 19 months between project approval and first disbursement. Additional bottlenecks included fragmented project structures, with some projects managing an exceptionally high number of contracts.

Box 21 **Proactive portfolio performance monitoring: Insights from Sierra Leone's success**

Sierra Leone's portfolio management, which received a 100% green rating, highlights effective strategies for improving project delivery through proactive actions, stakeholder collaboration, and capacity building. Coordinated through the Bank's Country Office in Freetown, the approach engages the Ministry of Finance, Sector Ministries, and Project Implementation Units (PIUs) to ensure annual work plans are collectively approved and closely monitored, reflecting the Bank's emphasis on accountability and inclusive stakeholder engagement.

Challenges

Managing a portfolio in Sierra Leone presents unique hurdles:

- **Slow procurement:** Delays caused by unrealistic procurement plans hinder project progress.
- **Staff capacity:** Low capacity within PIUs leads to inefficiencies and delays.
- **Government coordination:** Challenges such as delays in counterpart contributions and evaluation committee setups impact project timelines and quality.

Despite these challenges, Sierra Leone has maintained a 100% green rating with zero problematic projects since January 2023, reflecting the Bank's focus on effective project management.

Actions taken

The Bank implemented several measures to address these challenges:

- **Proactive monitoring:** Daily reviews of delivery dashboards enabled quick identification and resolution of issues before escalation. This aligns with the Bank's emphasis on rigorous tracking mechanisms.
- **Stakeholder collaboration:** Regular meetings and effective communication allowed for early intervention when challenges arose, mirroring the Bank's strategy for strengthening partnerships between governments and development partners.
- **Capacity building:** Efforts to replace underperforming staff and enhance local team capacity align with the Bank's focus on institutional strengthening and human resource development.
- **Streamlined procurement processes:** Rigorous tracking of procurement timelines reduced delays, consistent with the Bank's recommendations for improving disbursement efficiency.

Lessons Learned

Sierra Leone's achievements demonstrate that proactive management, strong collaboration, and capacity building are essential for overcoming challenges and ensuring effective project delivery. This provides a roadmap for ensuring development projects deliver timely and impactful results across Africa.

To tackle implementation challenges effectively, the Bank aims to allocate resources for operations supervision and conduct regular portfolio reviews to address emerging issues through country-specific improvement plans. The Bank is also enhancing its support to African countries by providing increased technical assistance and capacity-building in key bottleneck areas, including procurement and financial management. Additionally, the Bank is leveraging its in-country presence to address implementation challenges, as demonstrated by Sierra Leone's 100% green-rated portfolio, which reflects proactive management, stakeholder collaboration, and capacity building (see Box 21).

Enhancing the impact of Bank operations through knowledge

The Bank is dedicated to enhancing its development impact by strengthening knowledge solutions and fostering institutional capacity. It prioritises training, technical assistance, policy dialogue, and knowledge sharing. Guided by its Knowledge Management Strategy, a specialised committee oversees the creation and dissemination of knowledge. To maximise its impact through knowledge solutions, the Bank plans to conduct a survey to measure stakeholder satisfaction with knowledge generated from its products and their effectiveness in advancing policy dialogue efforts.

In 2024, the Bank's knowledge work covered diverse areas, including macroeconomic stability, debt sustainability and climate change adaptation among others. The Bank also produced publications to inform policymaking and implemented institutional capacity-building activities. The *African Economic Outlook (AEO)* 2024 edition emphasised the need to reform the global financial system to support Africa's transformation and achievement of the SDGs and Agenda 2063. Additionally, the Bank produced five Regional Economic Outlooks and 54 Country Focus Reports, hosting dissemination events across 45 countries to foster policy dialogue with stakeholders and partners. The Bank also strengthened statistical capacity across Regional Member Countries (RMCs) through targeted technical support. This included implementing the 2008 System of National Accounts and GDP rebasing in 8 RMCs, supporting 31 ADF RMCs through the Infrastructure Knowledge Programme, and assisting 2 countries in developing Food Balance sheets. The International Comparison Programme was successfully conducted across 52 RMCs, enabling better comparison of African economies' sizes.

The Bank enhanced its data infrastructure with the completion of the Open Data Platform (ODP 2.0), improving data accessibility and sharing across the region. Institutional Capacity and Fiduciary Clinics reviews were conducted in 10 countries, directly strengthening project design and portfolio performance. Additionally, through Policy-Based Operations (PBOs) and flagship knowledge products, the Bank supported reforms that enhanced the policy environment for project identification, design, and implementation.

The policy paper *Measuring the Green Wealth of Nations* strongly influenced the Bank's engagement with African countries and global dialogues, demonstrating the Bank's knowledge leadership. The paper highlighted Africa's vast natural capital — valued at $6.2 trillion in 2018 and advocated for integrating this wealth into GDP calculations to better reflect the continent's true economic potential. This research culminated in the Baku Declaration at COP29, a pivotal document urging global recognition of Africa's natural capital in national accounting systems. The declaration proposed concrete measures, such as recalibrating GDP metrics to account for ecosystem services like carbon sequestration, which could boost Africa's nominal GDP by approximately $66 billion annually (see Box 18). It also addressed inequities in carbon markets, where African credits are undervalued compared to global standards. These recommendations aim to unlock financial flows, improve credit ratings, and attract green investments for sustainable development. This underscores the Bank's role in shaping actionable strategies that align with its broader goals of fiscal sustainability and climate resilience.

The launch of the *Debt Management Forum* for Africa facilitated collaboration among debt managers from 5 nations, promoting knowledge-sharing to tackle debt risks. The Bank's Public Finance Management Academy trained 400 participants across 44 countries, emphasising fiscal policy and resource mobilisation. Additionally, 632 officials benefited from Institutional Capacity and Fiduciary Clinics, boosting compliance, procurement and disbursement processes, and enhancing project reporting.

Box 22 **Delivering greater impact through results based financing**

The mid-term evaluation covered RBF operations in six countries, Côte d'Ivoire, Egypt, Morocco, Mozambique, Rwanda, and Senegal. The evaluation found that the RBF Policy was a promising tool for driving development results. While the policy's implementation had been gradual, the evaluation identifies opportunities to enhance Bank's capacity to design and implement RBF operations. Key lessons and recommendations include:

- **Building a shared understanding for success:** A shared understanding of RBF between the Bank and stakeholders at the start of an operation is essential. Launch workshops and training sessions to ensure clarity on roles, responsibilities, and the RBF logic.
- **Including independent verification agencies in RBF design:** Early involvement of Independent Verification Agencies in RBF design improves results measurement. Delayed engagement can cause challenges with the verification protocol and results framework.
- **Strengthening staff capacity:** Adequate capacity within the Bank and recipient countries is crucial for successful RBF operations. Leveraging and enhancing country systems ensures effective design and implementation.

Box 23 **Accelerating rural electrification: Lessons from the ADER learning series**

The Development Impact & Results Department hosted the second ADER Learning Workshop to explore strategies for accelerating rural electrification, drawing lessons from the Liberia Energy Efficiency and Access Project (LEEAP), completed in 2024. The interactive session, which brought together energy experts along with results and evaluation teams, also examined how the preparation of project completion reports could be further enhanced to promote institutional learning, strengthen results measurement, and improve the design and delivery of future energy sector operations.

Participants highlighted the remarkable achievements of LEEAP, which contributed to expanding electricity access in post-conflict Liberia from just 2% in 2016 to 35% in 2024 — seven times higher than initially projected. This significant impact was largely due to the project's restructuring, which reallocated more resources to transmission and distribution components. Notably, LEEAP helped light up critical infrastructure, including the electrification of Roberts International Airport —previously reliant on costly diesel generators— and Liberia's largest military hospital, which also serves the general public.

Key success factors identified include the importance of agility in implementation support to optimize results and impact. Flexibility in adjusting targets, particularly in fragile contexts, was deemed essential to accommodate delays and shocks such as the COVID-19 and Ebola crises encountered during LEEAP's implementation.

Participants also emphasized the value of focusing on outcomes directly attributable to the project's scope to ensure more accurate impact assessments and better alignment with evaluation standards. The discussions further underscored the need for coherent project integration within the Bank's broader infrastructure corridors. Additional success factors included promoting the affordability of rural electrification through effective tariff and cross-subsidy arrangements, and the use of joint project implementation units with other development partners.

Building on these insights, the Development Impact & Results Department will collaborate with the Independent Evaluation Department to organize a focused workshop on planning, monitoring, and evaluation of project outcomes. The aim is to foster shared understanding, refine measurement methods, and ultimately enhance independently validated ratings of development effectiveness and sustainability of Bank-financed operations.

Finally, IDEV concluded a mid-term evaluation of the Bank's Results-Based Financing (RBF) Policy covering operations financed through RBF from 2017 to 2023. RBF is one of the Bank's financing instruments, (in addition to investment lending and Programme-Based Operations), which provides financing to countries upon achievement of pre-agreed results. The evaluation provided valuable lessons for improving design quality and strengthening the implementation of RBF operations (see Box 22). The Bank also leveraged lessons from operations to promote institutional learning and improve results measurement. One example is highlighted in Box 23 which draws on the ADER Learning Series to share key insights from the Liberia Energy Efficiency and Access Project (LEEAP), illustrating how agile implementation and targeted resource allocation significantly expanded electricity access and supported critical infrastructure in post-conflict contexts.

Improving institutional performance and scaling up financing capacity

The Bank is continuously strengthening its institutional model through internal measures and reforms aimed at enhancing its long-term financial sustainability and effectiveness as Africa's leading development institution. It establishes strategic partnerships to mobilise resources for its sovereign and non-sovereign operations, scaling up its financing capacity through financial innovations and guarantees, and safeguarding its financial integrity. Additionally, the Bank focuses on recruiting and retaining a diverse and engaged workforce that is equipped to deliver on the Bank's strategic objectives and operational priorities.

Building strategic partnerships

The Bank remains committed to leveraging resources to support African countries' achievement of development goals. **In 2024, active resources mobilised for sovereign and non-sovereign operations reached UA 2 289 million (equivalent to $2 985 million)**, a slightly lower than in 2023. Development partners that contributed to this achievement include the Japan International Cooperation Agency, Korea Economic Development Cooperation Fund, Islamic Development Bank, Green Climate Fund, Agence Française de Développement and the European Commission. For instance, the Bank facilitated Korea's contribution of $100 million through the Korea-Africa Energy Investment Framework (KAEIF) for the Egypt *Private Sector Development and Economic Diversification Support Programme – Phase I.*[45]

The Bank also mobilises resources for bilateral and multi-donor trust funds it oversees in support of key initiatives across the

45 The Korea-Africa Energy Investment Framework (KAEIF) is a $600 million joint co-financing initiative between the African Development Bank and the Korean Government, launched in 2021 to support renewable energy in Africa, including generation, transmission, off-grid solutions, and policy reforms.

Table 14 **Improving institutional performance and scaling up financing capacity (Level 4)**

INDICATOR	Baseline 2023	Actual 2024	Target 2024	Target 2028
BUILD STRATEGIC PARTNERSHIPS				
Active resources mobilised for sovereign and non-sovereign operations (UA million)	2 851	2 289	Monitored	
Private capital mobilisation (UA million)	-	-	Monitored	
Climate finance mobilised from external resources ($ million)	300	333	Monitored	
SCALE UP FINANCING CAPACITY				
Financing capacity from financial innovations ($million)	2 200	2 670	Monitored	
Share of guarantee instruments (% of Bank approvals) *—of which sovereign operation and non-sovereign operations*	26%	10%	Monitored	
SAFEGUARD FINANCIAL SUSTAINABILITY				
Risk Capital Utilisation Rate (%)	54.3	44.8	Monitored	
Cost-to Loan Income Ratio (%)	61	64	Monitored	
INVEST IN PEOPLE				
Imployee engagement index (low = 0 / high = 100)	80 (2019)	90 (2023)	90	90
Managerial effectiveness index (low = 0 / high = 100)	50 (2019)	77 (2023)	80	80
Share of women in professional (%)	32	33	33	40
Share of women in managerial positions (%)	27	29	30	35

Indicator reached 90% or more of the anticipated target · Indicator achieved between 80% and 90% of the anticipated target · Indicator achieved below 80% of the anticipated target · Indicator is being monitored without assessment against specific targets

High 5s. In 2024, the Bank mobilised UA 326 million with notable contributions from Italy for the Italy-Africa Co-financing and Trust Funds Framework, Rome Process Financing Facility, and the TSF Somalia Infrastructure Fund, alongside the United Kingdom's contribution for the Ending School Age Hunger Fund, and from other initiatives.

The Bank partners with 27 MDBs and DFIs to publish the "*Mobilization of Private Finance by Multilateral Development Banks and Development Finance Institutions*" annual report in response to the growing financing and reporting needs from the development institutions. In consultation with the OECD, the Bank and its partners are currently reviewing the scope and definitions used for Private Capital Mobilisation (PCM) reporting, to better reflect the diversification of the MDB's PCM practices and shareholders' calls for MDBs to become increasingly catalytic. Once finalised, the Bank will be able to report on the PCM indicator.

Finally, the Bank made progress in mobilising external climate finance resources to support climate action in African countries. In 2024, the Bank mobilised **$333 million from global climate funds**, primarily from the Green Climate Fund, the Climate Investment Funds, and the Global Environment Facility. This achievement was an improvement on the $300 million mobilised in 2023. For instance, the Bank mobilised $151 million from the Green Climate Fund for the *Building Climate Resilience for Food and Livelihoods Programme in the Horn of Africa*. This funding, part of a total project cost of $218 million, aims to address climate vulnerability and enhance food security, benefiting 4.6 million people across Djibouti, Somalia, Kenya, Ethiopia, and South Sudan.

Scaling up financing capacity

The Bank is enhancing its financing capacity by leveraging diverse instruments and initiatives in response to the call for MDBs to optimise their balance sheets. Key strategies include sustainable hybrid capital, ADF market borrowing, and risk transfer mechanisms. In 2024, for instance, the Bank launched its first sustainable hybrid capital instrument. This marks the first issuance by an MDB. Through these innovations, the Bank aims to attract more investments and expand its lending capacity to enhance its development impact and deliver on its Ten-Year Strategy (2024–2033) strategic priorities. **In 2024, the Bank's financial capacity from financial innovations reached $2.67 billion, an increase from $2.2 billion in 2023.** This comprises incremental lending from hybrid capital transaction of approximately $2.2 billion and additional lending from the exposure exchange agreement (EEA) with the Asian Development Bank of approximately $400 million. This marks the third EEA under the Bank's strategy to optimise its balance sheet, designed to enhance lending to African countries while also strengthening each MDB's capital position.

The Bank also continued to scale-up its financing capacity through risk-sharing transactions. In 2024, **the share of guarantee instruments as a percentage of total Bank approvals was 10%**, down from the 26% achieved in 2023. The 2024 performance comprised ADB trade finance guarantees ($264.6 million) and risk protection agreements ($400 million) designed to promote trade

Box 24 **Innovative sustainable development financing in Rwanda and Togo**

The Bank provided $400 million in partial credit guarantees to support two landmark sustainable financing transactions in Rwanda and Togo.

- **Rwanda:** The Bank provided a €200 million partial credit guarantee to help Rwanda raise funds from international commercial banks for green and social projects. This financing, aligned with Rwanda's National Strategy for Transformation and Vision 2050, targets sectors such as renewable energy, climate adaptation, biodiversity conservation, affordable housing, and access to social services. It also supports Rwanda's Sustainable Finance Framework, promoting the country as a credible borrower in international markets.
- **Togo:** Similarly, the Bank provided a €200 million partial credit guarantee for Togo – the country's first sustainable financing initiative. The funds will support projects in biodiversity preservation, climate change adaptation, clean energy access, education, and social inclusion. This initiative aligns with Togo's Sustainable Financing Framework, which prioritises environmentally friendly and socially responsible investments.

As a pioneer for innovative financing deals in Africa, the Bank was recognised at the 2025 **Bonds, Loans & ESG Capital Markets Africa Awards** conference where it received top honours for two projects supported by partial credit guarantees: The **€500 million sustainable term loan facility in Senegal** was named Sovereign Syndicated Loan Deal of the Year, while Rwanda's €200 million ESG loan was awarded ESG Loan Deal of the Year. These achievements demonstrate the Bank's commitment to supporting sustainable development by mobilising private capital for innovative and transformative projects across Africa.

and investments in Africa by mitigating credit risks for financial institutions involved in trade finance transactions. The African Development Fund utilised partial credit guarantees ($400 million) for two landmark transactions to fund green and social projects in Rwanda and Togo (see Box 24).

In addition, the Africa Investment Forum (AIF) 2024 Market Days Event took place in December 2024 in Rabat, Morocco, under the theme "Leveraging Innovative Partnerships for Scale". Across 41 investment boardrooms over three days, investors and project developers gathered to review, discuss and engage in 37 investment projects, garnering $29.2 billion in new investor interests.

Safeguarding financial sustainability

To achieve its strategic objectives, the Bank must maintain financial sustainability while optimising its capital resources and operational efficiency. The Bank's Long-Term Financial Sustainability Framework ensures its financial position remains strong by monitoring key indicators and maintaining prudential ratios within set limits.

At the end of 2024, the Bank's Risk Capital Utilization Rate (RCUR) stood at 44.8%, marking a significant improvement from 54.3% in 2023. This 9.5 percentage point reduction reflects enhanced capital efficiency and was driven by several key measures. These include an increase in the Bank's equity and hybrid capital, the implementation of updated risk parameters, and the execution of an exposure exchange agreement with the Asian Development Bank in 2024. These actions collectively strengthened the Bank's financial position, enabling alignment with its development mandate while maintaining robust risk management practices.

Similarly, the Bank monitors the **Cost-to-Loan Income Ratio (CLIR)** using a three-year rolling average. As of the end 2024, the three-year average CLIR stood at 64%, compared to 61% in 2023, representing a moderate increase of 4.9%. The rise reflects a higher proportion of administrative costs relative to income from loan operations (interest and fees). This level remains within acceptable limits for Multilateral Development Banks, which often face higher operational costs due to their development mandates and complex project portfolios. The CLIR serves as a key indicator of efficiency for the Bank and underscores the importance of maintaining cost discipline while delivering impactful development impact across the continent.

By carefully managing its financial sustainability through capital optimization, risk management, and operational efficiency, the Bank is reinforcing its ability to deliver long-term impact while safeguarding its financial health and maintaining its AAA rating.

Investing in people

The 2023 staff survey[46] revealed significant improvements across multiple categories, with notable progress in staff engagement. The Bank's ranking advanced from **the 80th percentile in 2019 to the 90th percentile globally in 2023**, placing it among the top 10% of high-performing organizations in terms of staff engagement. This achievement reflects employees' strong commitment to their work, teams, and the Bank's mission. The Bank has facilitated high levels of engagement by creating a supportive work culture, led by managers who ensure employees feel valued, heard, and empowered. As a result, employees are motivated, enthusiastic, and committed to excellence. By prioritising employee well-being, offering meaningful work experiences, and promoting open communication, the Bank has created an environment where employees thrive and contribute to its continued success.

In addition to high engagement, the Bank has made notable strides in managerial effectiveness. **The Managerial Effectiveness Index**

46 The Bank has committed to conducting a full staff survey every three years. The latest survey was conducted in 2023 and 2019 which is considered as the baseline.

Box 25 **Strengthening staff diversity**

Building on its People Strategy, the Bank prioritises initiatives that enhance its employee value proposition to position itself as the employer of choice for professionals committed to supporting Africa's progress. Key efforts include:

- **Strategic recruitment:** Refining recruitment processes to attract more qualified female candidates, ensuring equitable opportunities at all levels.
- **Talent management and internal mobility:** Implementing targeted programmes to support women's career advancement, internal mobility and leadership development.
- **EDGE Certification Standards:** Achieving EDGE certification at Level 1 in 2022 and working towards Level 2, focusing on representation, pay equity, inclusive policies, and cultivating an inclusive culture.

increased by 27 points, rising from the 50th percentile in 2019 to the 77th percentile in 2023. This improvement underscores the Bank's dedication to enhancing leadership quality, decision-making, and execution. Leaders have improved their ability to align actions with strategy, motivate staff, and focus on both operational outcomes and employee satisfaction.

With managerial effectiveness rated as good to strong, employees can expect clear direction and derive satisfaction from their work. The Bank is poised to further advance its organizational culture and drive sustainable growth by leveraging these findings and has developed action plans to address low-scoring areas and improve indicators. It also remains committed to continuously enhancing its talent strategy through key initiatives focused on career development, performance, and engagement. The action plan includes implementing the Talent Councils, career planning programs, and merit-based progression, while also reviewing the Total Compensation Framework to attract and retain top talent. A new Recognition and Awards program will boost morale, alongside the "Great Managers Clinics" to improve leadership skills in managing hybrid teams. The "ThriveTogether Programme" will foster collaboration and well-being through team building and community events.

Management is committed to regularly monitoring and communicating with staff on the progress of the Staff Survey Corporate Action Plan Implementation through biannual progress reports. The implementation of action plans developed at the Complex level is the responsibility of the respective Complex Vice Presidents. Work is ongoing, and Complexes monitor and report on the progress of staff survey action plan implementation during their regular work plan implementation meetings.

The Bank continued its efforts to improve gender diversity through its recruitment processes. **In 2024, the representation of women among professional staff increased slightly, rising from 32% in 2023 to 33%**, thereby meeting the 2024 Management yearly target, on track to meet the 40% 2028 Bank target. Similarly, **the proportion of women in management roles grew from 27% in 2023 to 29%**, approaching the 2024 Management yearly target of 30%.

To support these efforts, the Bank launched the "Women's Journey - Leadership Development Programme," selecting 40 high-performing women staff to accelerate their progression into leadership roles. The programme ran from November 2024 to March 2025, culminating in a workshop where participants presented innovative projects aligned with the Bank's High 5 priorities.

The Bank is committed to ensuring a diverse and inclusive workforce, recognising the importance of gender diversity in driving sustainable development across Africa (see Box 25). While progress has been made, the Bank acknowledges the need for sustained efforts. Management is committed to accelerating recruitment and enhancing workforce diversity through ongoing talent management initiatives. ■

Shaping a resilient and prosperous future for africa

The Bank remains committed to supporting Africa's long-term resilience and prosperity. Through strategic investments in people, infrastructure, and innovation, it seeks to foster inclusive growth, unlock new opportunities, and improve the well-being of communities across the continent.

Looking forward

In the near future, Africa is set to face an increasingly complex landscape marked by greater food security pressures, climate-related impacts, debt sustainability concerns, inflation, and growing global trade protectionism. While a sharp decline in international development assistance poses immediate challenges, it also underscores the urgent need for innovative and sustainable solutions to drive Africa's resilient development. In response to these challenges, the Bank stands steadfast in its mission, delivering transformative investments and mobilizing large-scale finance to support and uplift its member countries.

To address challenges heads-on, the Bank's Ten-Year Strategy (2024–2033) and its High 5 priorities remain closely aligned with Africa's pressing development priorities, especially in energy access, agricultural productivity, and infrastructure development, which are essential for unlocking the continent's economic potential. Additionally, support for regional integration through the African Continental Free Trade Area (AfCFTA) will help buffer African economies against external shocks, ensuring greater economic stability and resilience.

The Ten-Year Strategy further details the Bank's approach to enhancing resilience, tackling fragility, and unlocking new sources of sustainable finance. The Bank's new Results Management Framework (2024–2033), which monitors results under the Ten-Year Strategy (2024–2033), will enhance the Bank's capacity to leverage evidence to drive continuous improvement across its operations.

Looking ahead, the mobilisation of adequate and sustainable finance will remain a priority for Africa, particularly given current debt levels and limited access to global financial markets. In this context, strengthening the Bank's role as a robust African development finance institution will be critical. The Bank will, therefore, maintain its proactive engagement with shareholders and partners, promoting collaboration and innovative financing solutions to advance sustainable and inclusive growth across the continent. ■

Annex 1 – Expected results of projects approved under the Ten-Year Strategy (2024–2033)

In addition to reporting on achieved results, the ADER monitors and reports on the expected results from operations approved during the Ten-Year Strategy period. This dual approach assesses whether the Bank's newly approved investments align with its primary twin strategic objectives and priorities as outlined in the Ten-Year Strategy. Furthermore, the Results Management Framework (2024–2033) has set a level of ambition for 2033 for a limited set of indicators measuring the progress the Bank is making across High 5 operational priorities and cross-cutting areas.

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND	TRANSITION STATES
	Expected results from 2024 approvals	TARGET		Expected results from 2024 approvals	Expected results from 2024 approvals
		Annual	2024–2033		
LIGHT UP AND POWER AFRICA					
Electricity connections delivered (number)	93 076			4 000	21 000
—of which household	86 048			4 000	21 000
—of which businesses	7 028			-	-
—of which public infrastructure	-			-	-
People provided with access to electricity[1] (number)	542 946	5 000 000	50 000 000	21 130	122 670
— of which women	277 679			10 525	61 744
Power capacity installed (MW)	1 460			37	180
—of which from renewable energy	1 459			37	180
Cross-border and national transmission lines constructed (km)	495			299	69
FEED AFRICA					
Agribusinesses supported (number)	69 867			27 239	3 340
—led/owned by women	30 498			11 076	1 990
Farmers using improved and climate-resilient technologies and inputs (number)	5 595 747	6 000 000	60 000 000	3 704 110	1 395 810
—of which women	2 524 011			1 933 458	672 238
Food-secure population (number)	27 242 912			12 109 515	7 693 022
—of which women	13 002 445			6 069 298	3 898 090
INDUSTRIALISE AFRICA					
Enterprises supported with access to finance (number)	65 214	130 000	1 300 000	19 221	7 860
—led/owned by women	31 437			7 938	3 509
Trade supported by Bank's trade finance facilities ($ million)	4 467			12	422
—intra-African trade	1 063			12	203
People with improved access to basic ICT services (number)	15 200 000			-	-
–Of which women	7 623 815			-	-

1 Estimates do not include expected results of equity funds approved in 2024 until underlying projects with detailed results framework are confirmed.

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND	TRANSITION STATES
	Expected results from 2024 approvals	TARGET		Expected results from 2024 approvals	Expected results from 2024 approvals
		Annual	2024–2033		
INTEGRATE AFRICA					
Cross-border and national roads constructed or rehabilitated (km)	1 653			1 344	142
People with improved access to transport (number)	16 578 161	15 000 000	150 000 000	15 044 134	173 822
—*of which women*	8 156 934			7 659 984	87 954
IMPROVE THE QUALITY OF LIFE					
People with access to better health services (number)	76 443			64 443	68 443
—*of which women*	31 057			25 457	27 457
People with new or improved access to water (number)	7 638 367	11 000 000	110 000 000	35 816	63 000
—*of which women*	3 911 984			17 908	31 500
People with new or improved access to sanitation (number)	3 259 200	6 000 000	60 000 000	382 000	389 000
—*of which women*	1 589 600			191 000	194 500
People enrolled in skills development including digital skills (number)	135 460			5 150	8 650
—*of which women*	64 810			3 050	4 300
Directs jobs created (number)	1 268 409			504 595	242 011
—*of which women*	586 037			259 485	136 340
—*youths 15–35*	653 564			302 018	144 310
Indirect jobs supported (number)	1 975 805			596 037	327 122
—*of which women*	924 596			280 608	147 967
—*youths 15–35*	997 753			303 154	166 624

Annex 2 – Methodological note

This note describes how the Bank assesses and reports its progress and performance in the Annual Development Effectiveness Review. In contrast to previous ADER editions, the 2025 ADER introduces new enhancements, particularly for monitoring level 2 indicators, as outlined in the report's introduction. The key features include the following: (i) Reporting solely on 2024 delivered results, rather than a three-year rolling average; (ii) Performance evaluation against expected results outlined in approved Project Appraisal Reports, diverging from sector strategy targets; and (iii) Presentation of results based on contribution (including co-financing), rather than attributing results proportionally to the Bank's financing.

The Bank's Results Measurement Framework uses four levels to assess the Bank's development effectiveness

To achieve these objectives, the Results Management Framework (2024–2033) or the "RMF" follows a four-level structure that is also used by other Multilateral Development Banks (MDBs). The four levels include:

- **Level 1:** Africa's development progress.
- **Level 2:** The delivery of its intended results. This covers the Bank's High 5 operational and cross-cutting investment priorities.
- **Level 3:** The Bank's operational performance.
- **Level 4:** The Bank's institutional performance as a development organisation.

Level 1: Tracking Africa's development progress

The RMF's Level 1 indicators monitor the long-term development outcomes that shape the broader context in which the Bank's RMCs function. Progress in Level 1 is not attributed to the Bank; it is the outcome of collective efforts by countries, development partners, and the private sector.

The ADER's Level 1 table, spanning Chapters 1 to 6, presents African countries' progress across the High 5s as well as cross-cutting and strategic priorities. An illustrative example in Table A.1 below provides a structured representation of Level 1 indicators.

Table A.1 **Level 1 results reporting in the ADER**

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline (Year)*	Latest (Year)**	Baseline (Year)	Latest (Year)	Baseline (Year)	Latest (Year)

* Baseline (Year): Value of the indicator five years ago or the latest available data

** Latest (Year): Value of the indicator during the reporting year (e.g. 2024 for ADER 2025) or latest available data

Data for Level 1 indicators is drawn from internationally available statistics and is selected in coordination with the Bank's Statistics Department. The ADER uses the latest data available. If data for the year preceding the report is unavailable, the latest available data is considered. Level 1 data are provided for all African countries, ADF countries and transition states.

Level 2: Measuring the impact of Bank-funded operations

The ADER 2025 aims to comprehensively evaluate the developmental impact of the Bank's activities in 2024. Level 2 data encompass the selected output and outcome indicators (as per the RMF). The data are aggregated from all Bank-funded projects (sovereign and non-sovereign operations) completed in 2024. Aggregated results are derived from Project Completion Reports (PCRs) for sovereign operations and from Extended Supervision Reports (XSRs) for private sector operations. These reports contain information and data assessing the degree to which projects achieved their intended developmental objectives. The ADER compares these achieved results against the anticipated results indicated in the Project Appraisal Reports (PARs), including activities funded by the Bank and co-financiers. This comparative analysis highlights areas where the Bank has effectively delivered on its objectives and identifies any areas that could be improved. Level 2 data are provided for all African countries, ADF countries and transition states.

The ADER includes results from operations funded by various Bank financing windows —e.g., the African Development Bank (ADB), the African Development Fund (ADF), and the Nigeria Trust Fund (NTF)— special and trust funds, and co-financing resources it manages. In addition to project assessments, the ADER also presents the Bank's Economic and Sector Work and special initiatives, presenting a holistic view of the Bank's contribution to development.

The ADER's Level 2 tables, spanning Chapters 1 to 6, present aggregated data (outputs or outcomes) from all projects completed in 2024 across RMCs, including activities funded by the Bank and co-financiers. An illustrative example in Table A.2 below provides a structured representation of this aggregated data. Data on ADF and transition countries are presented separately for each table.

Table A.2 **Level 2 results reporting in the ADER**

INDICATOR	ALL AFRICAN COUNTRIES			AFRICAN DEVELOPMENT FUND		TRANSITION STATES	
	Planned (Year)*	Actual (Year)**	Achievement rate (%)***	Planned (Year)	Actual (Year)	Planned (Year)	Actual (Year)

* Planned (Year): Aggregate planned results from PARs of operations closed the previous year
** Actual (Year): Aggregate actual results from PCRs and XSRs of operations closed the previous year
*** Achievement rate (%): Achievement rate against aggregate planned results from PARs

Levels 3 and 4: Assessing the Bank's effectiveness and efficiency

One of the ADER's primary purposes is to be accountable for the Bank's performance. Chapter 7 of the ADER reports progress on Levels 3 and 4 of the RMF.

Level 3 of the RMF tracks the Bank's operational performance across its RMCs. It emphasises the key drivers of project performance, including (i) improving the quality of operations, (ii) delivering results at scale, (iii) accelerating implementation, (iv) enhancing impact with knowledge. An illustrative example in Table A.3 below provides a structured representation of these indicators. Data on ADF countries and transition states are presented separately.

Table A.3 **Level 3 results reporting in the ADER**

INDICATOR	ALL AFRICAN COUNTRIES				ADF COUNTRIES		TRANSITION STATES	
	Baseline (Year)*	Actual (Year)**	Target***	Target (2028)	Baseline (Year)	Actual (Year)	Baseline (Year)	Actual (Year)

* Baseline (Year): Value of the indicator the previous year
** Actual (Year): Value of the indicator during the reporting year
*** Target: The milestone that is expected to be achieved during the reporting year

The table also shows the target for 2028, i.e. at mid-term of the Ten-Year Strategy 2024–2033.

Level 4 of the RMF tracks the Bank's institutional performance and scaling up financing capacity. It monitors how the Bank is: (i) building strategic partnerships, (ii) scaling up its financing capacity, (iii) safeguarding its financial sustainability and (iv) investing in people. An illustrative example in Table A.4 below provides a structured representation of these indicators. Data on ADF and transition countries are presented separately.

Table A.4 **Level 4 results reporting in the ADER**

INDICATOR	BASELINE (YEAR)*	ACTUAL (YEAR)**	TARGET (YEAR)***	TARGET (2028)

* Baseline (Year): Value of the indicator the previous year
** Actual (Year): Value of the indicator during the reporting year
*** Target: The milestone that is expected to be achieved during the reporting year

The table also shows the target for 2028, i.e. at mid-term of the Ten-Year Strategy 2024–2033.

Level 3 and Level 4 data are drawn from the Bank's management information systems and cleared by relevant departments.

Tracking performance over time

The ADER presents an overview of the Bank's performance against the RMF indicators through a scorecard that uses a three-coloured 'traffic light' system to indicate whether the Bank met its targets, did not meet them, or maintained the same level of performance. The scorecard shows results for all four levels of the RMF.

Each indicator is assigned a colour-coded dot: green dot ●, amber dot ● or red dot ●. A grey dot ● indicates that the data is unavailable, and a blue dot ● that indicates the indicator is being monitored without assessment against specific targets (only applicable to selected Level 3 and 4 indicators). The following methodology applies to each level of measurement:

- At Level 1, the green dot ● indicates that the indicator improved above the baseline (or the latest available data), the amber dot ● indicates that the indicator remained stable, and the red dot ● indicates that the indicator fell.
- At Level 2, the green dot ● shows that an indicator reached 85%[2] or more of the anticipated target set at the project approval stage, an amber dot ● shows that an indicator achieved between 70% and 85%, and a red dot ● shows that the indicator achieved below 70%.
- For Levels 3 and 4, the green dot ● means the Bank exceeded 90% of the 2024 target, the amber dot ● means it achieved 80–90%, and a red dot ● means it achieved below 80%. For indicators that reached 90% or more of the 2024 target but regressed compared to the baseline, we assign an amber dot ●.

Finally, the Summary Scorecard in the introduction section of the ADER provides, at a glance, the Bank's performance across the four levels of the RMF. The colour-coded circles in the scorecard are the 'average' of the corresponding individual indicator circles, as follows:

- Green dot ● = 3 points (improvement)
- Amber dot ● = 2 points (no change)
- Red dot ● = 1 point (deterioration)

For example, the sub-objective "Improving agricultural productivity" under the 'Feed Africa' priority area is the summary (i.e., the average) of three indicators: (i) "Agricultural inputs provided: fertiliser, seeds, etc."; "Farmers using improved inputs (number)"; and "Land with improved water management (thousand ha)."

If one indicator is red and two are green, as indicated below, the average score for "Improving agricultural productivity"= (1+3+3)/3 = 2.3. Thus, an amber circle indicates that performance is stable in this area.

- Agricultural inputs provided: fertiliser, seeds, etc (tons): green ● = 3 points
- Farmers using improved inputs (number): red ● = 1 point
- Land with improved water management (thousand ha): green ● = 3 points

New approaches to measuring development impact

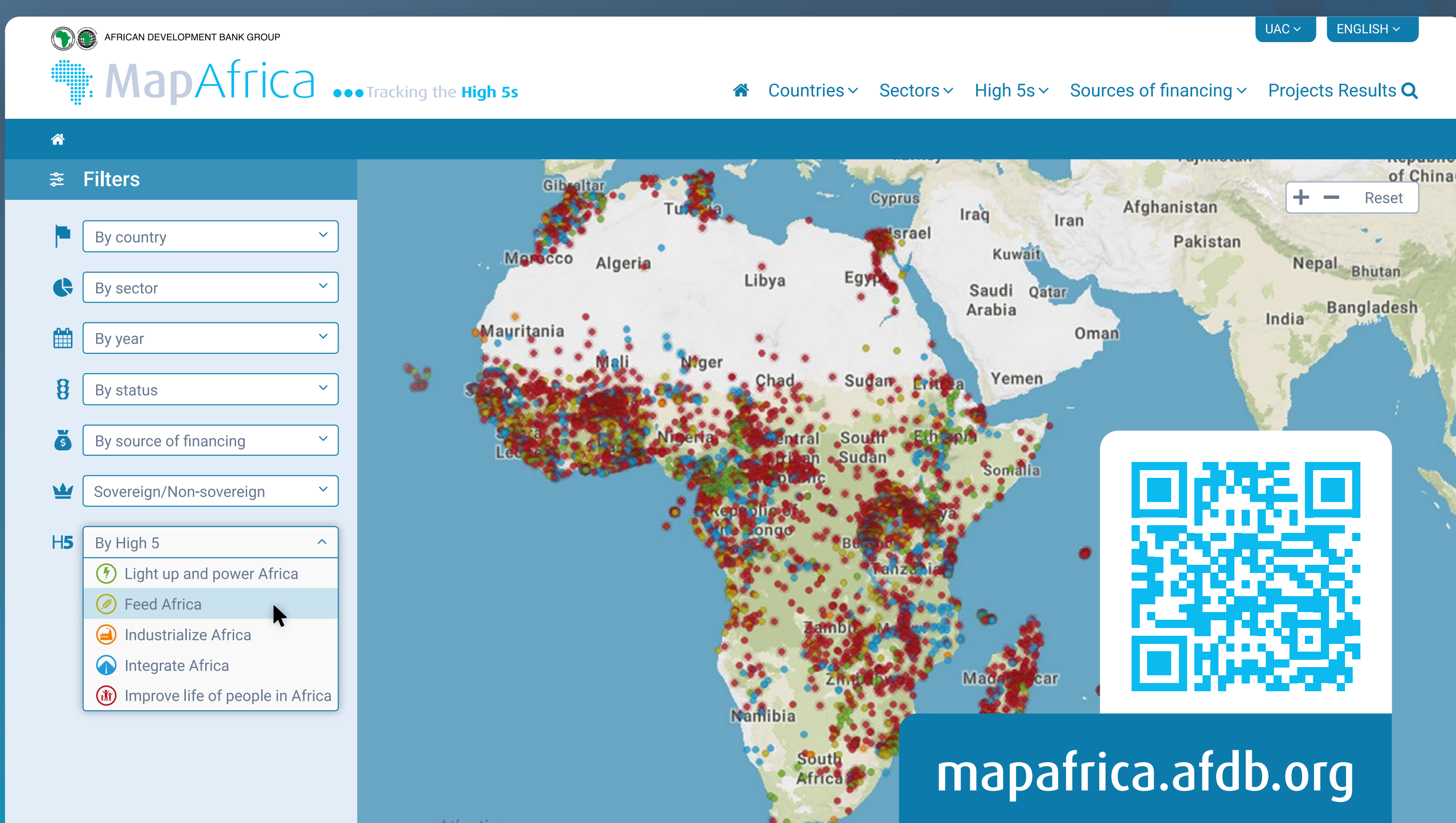
In addition to these methods, the Bank is developing new, more innovative, approaches to assessing its impact on development. One is the Joint Impact Model, which allows the Bank to estimate the social and economic impact of its operations across Africa as they relate to creating jobs. By using social accounting matrices and input-output models, the Joint Impact Model assesses the indirect effects that occur at the investment and/or project level, including supply-chain effects (i.e. supply-chain jobs and jobs at investee level), the induced effects (i.e., jobs created when the people who are directly or indirectly employed spend their salaries), and the enabling effects (i.e., jobs related to the enabling effect of additional products and/or services produced by the investment). The Bank traces how its investments flow through an economy with this approach. It measures the development impacts that result (see Chapter 5: Improve the Quality of Life for the People of Africa). Like other RMF indicators, the jobs indicators are calculated using the contribution method, i.e., they include co-financing from other development partners and/or recipient governments. ■

2 This aligns with the fact that PCR preparation can commence once a project has disbursed 85% of its resources.

MapAfrica
Tracking the High 5s

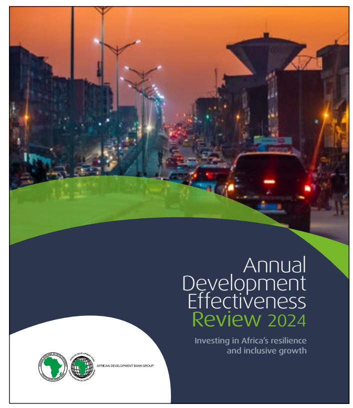
MapAfrica: Uncovering the stories behind the numbers

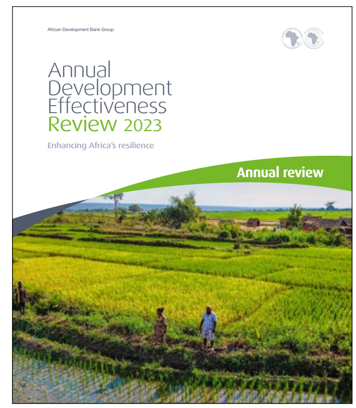
MapAfrica, the African Development Bank's interactive online platform, goes beyond data to illuminate the real impact of our High 5 investments across the continent. Originally launched in 2014 as a geocoding tool, MapAfrica was designed to provide stakeholders with transparent, accessible insights into the Bank's work, reinforcing our commitment to accountability and results. Today, it is much more than a map — it is a gateway to powerful stories of transformation. Through MapAfrica, users can not only explore the locations of our projects across Africa but also delve into the narratives of those whose lives have been changed by our investments. The platform enables users to sort data by approval year, country, or sector, and zoom in to the project level for a closer look at the outcomes.



The Development Effectiveness Review series of the Bank

Annual reviews





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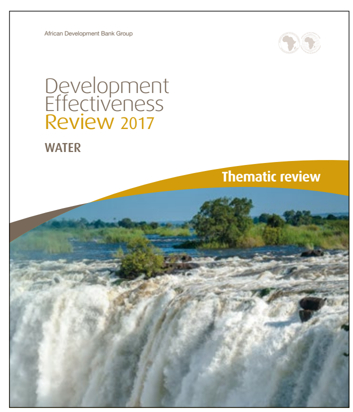

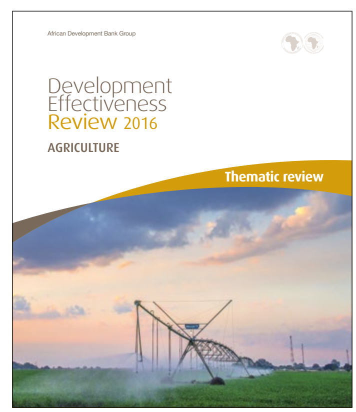

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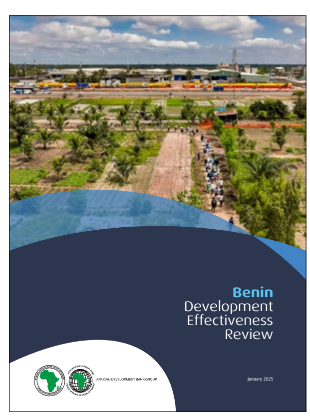

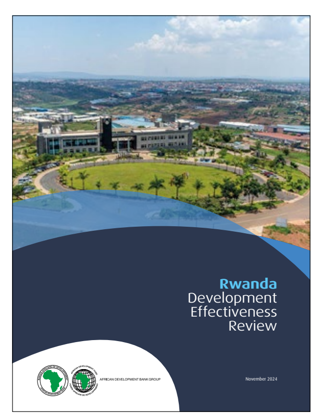

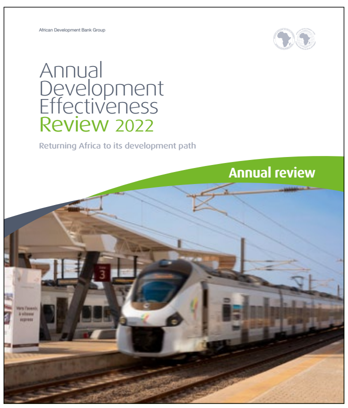
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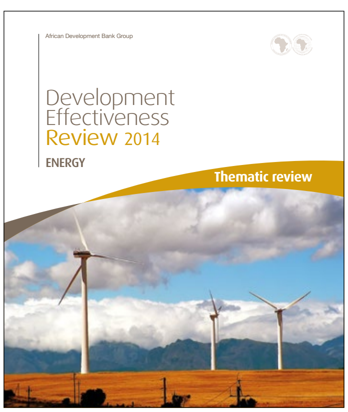
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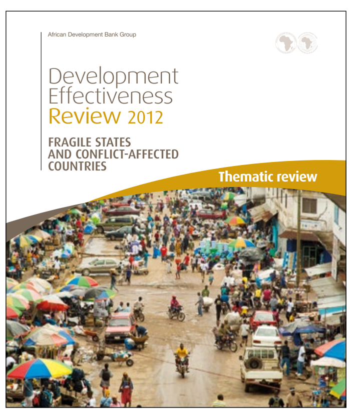
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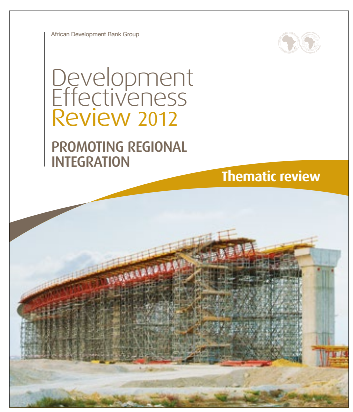
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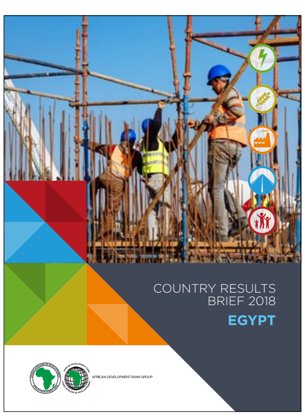
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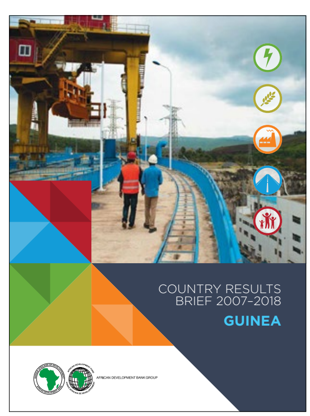
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About this publication

The 2025 Annual Development Effectiveness Review is a comprehensive report on the performance of the African Development Bank. The report reviews development trends across the continent and explores how the Bank's operations have contributed to Africa's development results. This review reflects the Bank's focus on an interlocking set of five critical priorities within the Bank's Ten-Year Strategy: the "High 5s". It also looks at how effectively the Bank manages its operations and its own organisation. The report is supplemented each year by more detailed reviews of particular sectors, thematic areas, and countries.

About the African Development Bank Group

The African Development Bank Group is a multilateral development bank whose shareholders consist of 54 African countries and 29 non-African countries. The Bank Group's primary objective is to contribute to the sustainable economic development and social progress of its regional members, individually and jointly. It does this by financing a broad range of development projects and programmes through public sector loans, including policy-based loans, and through private sector loans and equity investments; by providing technical assistance for institutional support projects and programmes; by making public and private capital investments; by assisting countries with development policies and plans; and by supplying emergency assistance.

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