



Progress Report on:

Special Program for the Development of Africa (SPDA)



31st Meeting of the Follow-up Committee of the COMCEC

Ankara, Turkey 13-14 May 2015

I. OVERVIEW

1. SPDA approval phase ended in November 2012 (End of 1433H) and since then the implementation phase is being executed as a number of projects were approved in the last year of the program and are still going through the various stages of implementation.
2. By the end of the program in 1433H, total approvals by the IDB Group amounted to US\$5.01 billion for 480 operations (project financing, trade and Waqf operations).
 - a. These approvals represented an “achievement rate” of 125% of the earmarked allocations.
 - b. Total disbursements, as of November 2012, amounted to US\$1.8 billion or 36 percent of the approvals.
3. In 1435H, total disbursements against total approvals, was US\$ 710.8 million which brought the total disbursements to date to US\$ 2.3 billion and a disbursement rate of 46%.
4. By mid-1436H, an additional amount of US\$ 397 million was disbursed bringing the total disbursement to date to US\$ 2.7 billion with a disbursement rate of 54%. This is a turning point as more than half of all the approvals (US\$ 5.01 billion) made by the time the Program ended in 1432H has now been disbursed.
5. It is worth noting that even though the SPDA approval phase ended, approvals for SPDA member countries continues at an even greater pace. Between 1434 and 1435H (2013-2014), an amount of US\$ 2.6 billion for project financing in the 22 SPDA member countries was approved. This is in addition to trade financing by ITFC and Islamic insurance coverage by ICIEC. The approval for these two years after the SPDA ended represents an annual approval of US\$ 1.28 billion, which far exceeds the average of US\$ 551 million during the SPDA period. This perhaps reflects the relative easing of restrictions on for these countries especially as they finance infrastructure deficits, among the main binding constraints in these countries.

II. INDEPENDENT ASSESSMENT – FINDINGS & RECOMMENDATIONS

6. Following the end of the approval phase, the IDB Group commissioned an independent assessment by a team of two consultants to assess its implementation and draw lessons to inform formulation of future regional programs of the Bank.
 - a. As part of the study, field visits covering 19 projects in six countries were also undertaken (three Anglophone and three Francophone – The Gambia, Mali, Mauritania, Niger, Sierra Leone and Uganda).
7. The **main findings** of the Consultants include:

- a. Upon the full implementation of the on-going programs and projects, it is estimated the SPDA would contribute to a significant impact on the beneficiary countries' economic growth and poverty reduction efforts, particularly in areas of agriculture, infrastructure and human capacity development.
 - b. This is because the SPDA covered programs and projects that are being implemented in various sectors such as building power plants, water supply systems, irrigation systems, and other community-level infrastructure. In addition, the scope of SPDA also supported vulnerable segments of the population such as measures to reduce school drop outs, skills development of the youth and women empowerment.
 - c. Based on the field assessments,
 - i. the SPDA projects are rated 'highly satisfactory' in terms of relevance to national priorities because they are aligned well with the sector-level challenges.
 - ii. Project design and focus is rated 'good' because some had to undergo re-appraisal due to 'quality at entry' issues. Project-level outputs are deemed largely as cost effective and sustainable.
 - iii. Efficiency of project implementation is generally 'satisfactory', although it varies with the complexity of the operation and is affected by factors related to project design.
 - iv. Implementation challenges differ from project to project but some common issues are considerable time taken for start of disbursements along with delayed availability of counterpart funding to executing agencies from the central government budget. Estimates of counterpart funding for projects in Mali, Mauritania and Niger were respectively 18%, 11% and 14.7% while in the case of the Kandadji dam project in Niger, it was 33%.
 - d. In terms of fostering partnerships with the donors' community, SPDA achieved an estimated ratio of 1:2.9, that is, each US\$1 financing by IDB led to US\$2.9 from other donors (based on the average for the 19 projects).
8. The independent assessment of the SPDA also led to policy-level and operational-level recommendations aimed at ensuring rapid delivery of development assistance.
- a. The policy recommendations include:
 - Mainstreaming future high-level SPDA assessment through measurement of outcome indicators related to employment and job creation; regional integration, structural transformation in the targeted countries; and
 - Developing a communication strategy for the SPDA with a view to mobilize greater support and involvement of targeted community-

level beneficiaries as well as to raise their awareness about the role of the IDB Group in the development process.

- b. The operational recommendations include:
 - Shifting IDBG's attention to ensuring full and effective implementation of the SPDA project portfolio by accelerating disbursements.
 - Overall, the Bank must develop and implement a comprehensive Action Plan to guide its efforts to fast-track implementation, and this will also act as a framework for tracking progress.

III. WAY FORWARD

- 9. Now the Assessment Report is being studied by the Bank to guide future interventions in Africa. As you may know, there has been impressive progress in Africa in the last decade with relatively fewer IMF restrictions to borrowing especially for infrastructure projects and increased fiscal space, in general.
- 10. Indeed Sub-Saharan Africa has reduced poverty significantly, but
 - a. At about 45 percent, poverty remains high.
 - b. The infrastructure gap and the lack of economic diversification appear as the main systematic reasons behind this.
 - c. Lack of effective systems to effectively deal with emerging challenges such as we saw on the Ebola outbreak is also another development challenge.
- 11. In view of these new developments, the IDB is studying the most optimal way of supporting the African Member Countries on the growth trajectory they are currently on.
