

World Bank provides US\$14,7bn to Africa

The World Bank committed a record US\$14.7bn in its fiscal year to June to support economic growth and better development prospects in Africa despite uncertain economic conditions in the rest of the global economy.



"The region has shown remarkable resilience in the face of a global recession and continues to grow strongly," said Makhtar Diop, World Bank vice president for the Africa region.

"Africa is at the centre of the World Bank's 2030 goals of ending extreme poverty and promoting shared prosperity, in an environmentally, socially, and fiscally sustainable manner," the bank said.

The World Bank continued its strong commitment to Africa approving US\$8.25bn in new lending for nearly 100 projects this year. These commitments include a record US\$8.2bn in zero-interest credits and grants from the International Development Association (IDA), the World Bank's fund for the poorest countries. This is the highest level of new IDA commitments by any region in the Bank's history.

The International Finance Corporation's (IFC) total commitment in sub-Saharan Africa, including mobilisation, grew to a record US\$5.3bn, 34% more than the year before. Similarly, IFC's spending on Advisory Services programmes in the region increased to more than US\$65m, or about 30% of IFC's total.

Positive results

This led to increased results in fragile and conflict states and greater impact in IFC's primary areas of focus: sustainable farming opportunities, access to finance for small businesses and individuals, improved infrastructure services, and greenhouse gas emissions reductions.

Supporting developmentally beneficial foreign direct investment into sub-Saharan Africa is a priority for the Multinational Investment Guarantee Agency (MIGA). In 2013, MIGA issued US\$1.5bn in guarantees supporting investments into projects in the agribusiness, oil and gas, power, services, and water sectors.

A significant volume of this is for investments in power generation projects in Angola, Côte d'Ivoire and Kenya. Sub-Saharan Africa accounted for 54% of MIGA's new volume this year -- more than doubling last year's level of 24%.

The World Bank's support focused on major transformational projects in agriculture and power, and also on social safety nets, conditional cash transfers for poor families, job creation programmes for young people and higher education.

Great Lakes region

During the year the World Bank increased its focus in Africa on regional drivers of fragility and conflict, especially regarding the Sahel and the Great Lakes regions. In May 2013, during a joint United Nations/World Bank mission to the Great Lakes, the bank announced a US\$1bn development pledge to help countries in the region provide better health and education services, generate more cross-border trade, and fund hydroelectricity projects in support of the Great Lakes peace agreement.

"Sending the strong message that peace and development are inseparable and must be addressed together and emphasising the bank's commitment to increasing its work in states emerging from conflict and its determination to help lift fragile states out of fragility and back onto a positive development track," Diop said.

"The bank has been at the forefront of identifying operational measures and partnerships to integrate climate change in land management, water resource management, transport infrastructure, climate-smart agriculture, and disaster risk management and continues to advance innovative policy solutions, including through the first climate change Development Policy Loan, for Mozambique," he added.

Climate change is also at the centre of the growth agenda of the region. Clean energy projects -- in hydro, geothermal, solar, and gas -- are part of the bank's Africa strategy to limit the carbon footprint of growth in the region and harvest enormous untapped potential for development. Many of these current and planned projects benefitting from the IDA, MIGA, and IFC working together to better leverage their development investments in the region.

"Africa's future depends on adapting existing and future technology more rapidly. Large productivity gains are possible through better training of Africans in science and technology, and enhanced agricultural technology. During the year, the World Bank helped to bring higher education, with an emphasis on science, back into the development agenda," Diop claimed.

Source: AFP via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>