

# THE AFRICAN DEVELOPMENT FUND AT A GLANCE

## THE AFRICAN DEVELOPMENT FUND (ADF) – SUPPORTING AFRICA’S FUTURE

**Concessional development financier to Africa:** Established in 1972, the ADF is the concessional financing arm of the African Development Bank Group. The ADF promotes economic and social development in 40 low-income African nations (77% of Africa’s population) by providing concessional loans and grants to the public and private sectors. To date, the ADF has financed a total of 2293 operations, for UA 23.5 billion (US\$ 36.2 billion). The Fund is the lead donor for regional integration and regional public goods in Africa - providing approximately 20 percent of total ODA for regional operations since 2003. It is also a key player in infrastructure: the ADF’s assistance in this field represents 13 percent of all ODA to ADF countries over the 2005-2007 period.

**The ADF contributes to development results on the ground.** In the past three years, 12,800 km of roads built or maintained have provided 41.5 million people with improved access to transport. More than 3,000 km of transmission lines built and 200 MW of power capacity installed have given 16.6 million people a new electricity connection. Constructing 400 health centers and training 8000 health workers has improved 13 million people’s access to health services.

**The ADF responds rapidly to Africa’s needs:** For its current cycle (2008-2010, or ADF-11), the ADF was funded at a record high level of \$8.9 billion; nonetheless, as of July 2009, over 50% of these resources have already been committed, nearly double the amount compared to the same period of the previous cycle. The ADF will require new resources to continue meeting Africa’s needs.

### STRATEGIC PRIORITIES

**Targeted Assistance.** The ADF strategically focuses on core areas of its comparative advantage: infrastructure, governance and regional integration. Over 50% of ADF-11 commitments are targeted for infrastructure and 31% for governance as of July 2009.

**Fragile State Focus.** ADF-11 has dedicated over \$950 million through its Fragile States Facility to support the unique developmental challenges in these countries.

**Regional Operations.** In line with its Strategic Framework for Regional Operations, ADF-11 currently has committed over \$1.4 billion for 16 regional operations in infrastructure, governance, agriculture and human development.

**Cross Cutting Issues.** The ADF supports initiatives in client countries in the areas of private sector development, climate change, knowledge management, gender, human resource development and the environment.

### ADF MODALITIES

**Periodic Replenishment.** The ADF receives new funding (i.e., is replenished) every three years by member donor countries. Dialogue for the ADF-12 replenishment covering the years 2011-2013 begins in October 2009.

**Support Based on Sound Performance.** 90% of allocated ADF resources are linked to performance, promoting good policies and institutions. Top performing countries consistently receive a larger resource share.

**Debt Sustainability.** Concessional financing from the ADF is vital for many African countries who face the risk of debt distress, a very real prospect in the current financial environment.

**Strengthened Capacity to Deliver.** The ADB Group has strengthened its business processes; improved project quality at entry; fortified Field Offices; bolstered risk management and internal controls; enhanced safeguards; and expanded human resources.

#### Selected Key Resources:

1. **General ADF Overview:** <http://www.afdb.org/en/about-us/african-development-fund-adf/>
2. **Overview of ADF 11:** <http://www.afdb.org/en/about-us/african-development-fund-adf/adf-11/>
3. **ADF-11 Deputies Report:** <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Boards-Documents/ADF-11%20Deputies%20Report%20-%20FINAL.pdf>