

## Matrix of institutional Reforms and Anticipated Impacts - Going Forward

Area of Reform	Key Action	Anticipated	Timeframe
Risk Management Capacity	Definition of the Bank's risk appetite	Common understanding of risk appetite within the institution	4th quarter 2010
	Completion of the risk dashboard	Better institutional oversight and monitoring of risks	4th quarter 2011
	Repositioning of the risk functions	Implementation of an enterprise risk management framework and strengthen risk governance	4th quarter 2010
	Reinforcement of risk management functions through adequate staffing, systems and processes	Strengthen Risk capacity	1 <sup>st</sup> quarter 2011
	Creation of a new credit committee	Greater focus on credit risk monitoring and related issues.	4th quarter 2010
	Ensure an adequate capacity to cover increase in investigations and audits.	Enhanced ability to deal with potential increase of fraud / corruption issues	1 <sup>st</sup> quarter 2011
	Phased approach to strengthen operational risk control functions, resources and tools	Enhanced focus on operational risks and control.  Improved reporting on qualitative and quantitative assessment of Operational Risk	On going  Completion in 4th Quarter 2012
	Automate the credit risk approval workflow  Review of systems, applications, and data integrity for risk management.	Ensure an improved monitoring of the credit approval process  More efficient use of IT to improve risk management efficiency	4th quarter 2010  2nd quarter 2011 for the improved IT Infrastructure
Business Processes and Organization	Creation of the Energy, Environment and Climate Change Department	Spearhead the Bank's operations in energy, environment and climate change	2 <sup>nd</sup> quarter 2010
Human Resources	Conducting of the Staff Survey	Enhanced Responsiveness to staff views	Every 2-3 years Next survey mid 2010
	Compensation Framework and retirement plan that are competitive and financially sustainable.	Improved Recruitment and retention	2012, with Annual Updates
	Decentralization of Human Resource Function	Improved responsiveness to client needs; improved services	Completion of Business Processing, end Q4 2010
Decentralization	Decentralization Guidelines	Empowered Field Office Teams Increased Field Office portfolio management	2012
	Establishment of Offices in Non-Regional member States	Improve communication, knowledge of the Bank and Africa	Feasibility study completed by 4th Quarter 2010

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Quality-at-Entry and Managing for Results	Introduction of the readiness review and quality at entry standards for CSPs	Enhanced quality at entry of operations	2010
	Simplified project logframes supported by staff training on the use of logframes	Improved portfolio performance indicators	2010 new logframe and 2011-2012 training
	Guidelines for the timely delivery of Project Completion Reports		Further enhancement in 2010
	Revision of project supervision reports  Introduction of core sector indicators and pilot results reporting system	Improved results on the ground and capacity to track and report results (outputs and outcomes)	2010
	Bank-wide results management framework.	Stronger link between resource allocation and performance	Proposal ready by 1 <sup>st</sup> semester 2010
MTS Review and Long-term Strategy	Review of the MTS is ongoing. This will inform the preparation of a long-term strategy for the Bank to match its vision as the economic motor and knowledge platform of Africa.  Mid -Term Review of the 2008-2010 Business Plan for Private Sector Operations	Clearer view of the long-term priorities of the Bank. Better support to RMCs in areas where the Bank has demonstrated comparative advantage.  Improved operational efficiency and effectiveness Streamlined organizational structure Enhanced strategic focus and coordination across the Private Sector Development ("PSD") Triangle	MTS Review: June 2010  Long-term strategy: 2011  Board discussion of the PS Mid-Term Review document by April 2010
Income Model	Develop a comprehensive Income Model integrating : <ul style="list-style-type: none"> <li>• Loan pricing including the coverage of administrative expenses</li> <li>• Income Allocation including targeted minimum annual transfers to ADF of UA 35 m.p.a. (in real terms) and at least 75% of post reserves net income allocated to low-income country support</li> <li>• Review of Capital Adequacy Framework</li> <li>• Effective administrative expense management</li> </ul>	Enhance the financial sustainability of the Bank	4 <sup>th</sup> quarter 2010
Integrated Urban Development Strategy	Update Bank's approach to urban development	An integrated approach to urban development including climate change concerns	3 <sup>rd</sup> quarter 2010
Disclosure Policy	Revision of the Bank's disclosure policy and practice, to meet the highest standards applied by other Multilateral Financial institutions, including the following elements: <ul style="list-style-type: none"> <li>• Strengthen the Bank's presumption of disclosure, eliminating the positive list and emphasizing a limited "negative list"</li> <li>• Release of Board/Committee minutes</li> <li>• Independent appeals mechanism</li> <li>• Disclosure of project-level results.</li> </ul>	Best practices in the disclosure of information to the public.	3 <sup>rd</sup> quarter 2010

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Private Sector Development Policy	Draw up a comprehensive policy for the private sector	A coherent guide for Bank's private sector operations	4 <sup>th</sup> quarter 2010
Energy Sector Policy	Preparation of a policy approach for the Bank in the broad area of energy	Improve the Bank's capacity to treat the complicated issues associated with energy operations	1 <sup>st</sup> quarter 2011
Large Loans Policy	Draft policy guidance on how Bank should approach the case of large loans sought by RMCs	Efficient allocation of the Bank's resources	2 <sup>nd</sup> quarter 2010
Review of GCI-Related Reform	OPEV completes a review of progress in meeting above reform commitments.	Enhanced accountability. Demonstration of reform progress to member governments and parliaments.	3 <sup>rd</sup> quarter 2012
Policy based loans policy	Develop policy on modes and delivery of policy based loans (package approach: PBL+Capacity building)	Enhance value added of Bank - contribution	4 <sup>th</sup> quarter 2010
Guidelines political challenges	Develop guidelines on how to react on political challenges (e.g. "De facto governments")	A coherent guide (with AU, REC, UN, EU and others) on how to react on sudden political challenges; clarity on implications for project planning and dialogue	3 <sup>rd</sup> quarter 2010
Budgetary Minimization of Board Enlargement	Identify measures to minimize the budgetary impact of the Board enlargement within the Bank's budget and to give consideration to Board efficiency	Agreement on key issues related to Board efficiency and effectiveness	Ongoing