

Record Level of Support for the African Development Fund (ADF)

London, 11 December 2007 – Representatives from donor countries agreed today to a record level of support for the African Development Fund (ADF), the soft window of the African Development Bank. Over the next three years (2008-2010), the total resources available to the ADF will reach US\$ 8.9 billion, an increase of 52% over the 2005-2007 period.

Representatives endorsed the focus of the ADF on infrastructure, governance and regional integration, major constraints to growth and poverty reduction in Africa and areas where the ADF has extensive experience and a good track record. Through its investments in these areas, the ADF will also contribute to critical cross-cutting objectives, including agriculture, promoting gender equity, environmental sustainability, climate change adaptation and private sector development.

The new resources will underpin important innovations. First, it was agreed that the ADF will enhance its engagement in fragile states, including post-conflict countries. It will allocate 7.5% of total resources (US\$ 665 million) to a Fragile States Facility to provide targeted support to specific countries, including for debt relief.

Second, it was agreed that greater economic integration within Africa is essential if the continent is to become competitive and overcome the limitations of many small separate domestic markets, the disadvantages suffered by landlocked countries, and the lack of cross-border infrastructure. Therefore 17.5% of resources (US\$ 1.6 billion) will be allocated to multinational operations.

Seventy-five percent of the resources (US\$ 6.7 billion) will be allocated based on the performance of African countries themselves, both to ensure that the resources are used as effectively as possible and to further encourage good performance and accountability in each country.

The ADF will further strengthen its focus on delivering demonstrably superior results, ensuring real benefits for Africa, and improve its effectiveness. Clear, measurable targets were established and will be subject to a mid-term review in 2009.

Opening the meeting as host, the UK Development Minister Shriti Vadera underlined that Africa had recently made more progress than at any time since independence, providing a solid basis for support. She called on donors to live up to their commitments to increase assistance to Africa, saying: "If we are serious about giving Africa a chance, then we have to be serious about backing African institutions. If not now, when?"

Donors expressed strong support for ADB President Dr. Donald Kaberuka and said that pledges recognized the reform efforts he has led. They noted the ADB's improvements in organizational structure and focus, the recruitment of new staff, improved business process, and the opening of more country offices, whilst underlining that the reform process must continue. Donors felt that implementation of the reforms, and a stronger focus on results will enable the ADF to deliver more effectively and make a greater contribution to growth, development and poverty reduction in Africa.

African representatives stressed that they were equally committed to performance and results. They said that they regard the African Development Bank as a premier channel

of development assistance to Africa, and underlined the importance of providing additional resources, including to post-conflict countries, if Africa is to make sustained progress towards the Millennium Development Goals.

ADB President Dr. Donald Kaberuka thanked representatives for their confidence in the Bank and shared the ambition that it should become the premier development institution for Africa. The needs in Africa and the urgency for action were evident. He made clear his personal commitment to ensure that the Bank delivers and his readiness to be judged by results. Dr. Kaberuka said this replenishment is a critical part of a sustained, cooperative effort between the Bank, and its shareholders in Africa and in the international community.