

CHANGING THE LIVES OF AFRICA'S MOST VULNERABLE PEOPLE



Who we are

Established in 1972 and operational in 1974, the African Development Fund (ADF) is a multilateral source of concessional assistance dedicated exclusively to the needs of Africa's least developed and most vulnerable countries. Together, the African Development Fund, the African Development Bank and the Nigeria Trust Fund comprise the African Development Bank Group. The ADF is the largest source of development finance solely devoted to clients in Africa. The Fund is currently in its Thirteenth Replenishment cycle (ADF-13).

Since inception, resources have come from more than 30 donor countries which have financed projects and programmes in countries eligible for ADF funding. The latter include countries that are increasing their economic capacities and heading toward becoming the new emerging markets—as well as those that remain fragile and need special assistance for basic service delivery. Nearly half of ADF countries are emerging from difficult economic conditions due to conflict and external shocks.

42 YEARS
IN OPERATION

32 DONOR
COUNTRIES SINCE
INCEPTION

34 ADF-ELIGIBLE
COUNTRIES

What we do

The ADF is designed to contribute to poverty reduction and economic and social development. It provides loans on concessional terms and grants to the AfDB's regional member countries (RMCs) that have low incomes per capita and limited or low creditworthiness.

The ADF has a strong track record in delivering results and is an effective partner to help poor African countries achieve their long-term development objectives. Thanks to generous contributions from donor countries, the Fund has been consistently and transparently providing concessional development assistance for over four decades, and has all along placed a premium on cost-effectiveness, results and impact. During that period, the Fund has provided more than USD 45 billion for projects and programs that have helped poor families and communities escape poverty.

The ADF provides support for infrastructure and agriculture as well as economic, social, human and institutional development. Consequently, Africa as well as looks to the ADF to address big problems—from participation in debt relief for clients in debt distress, to clean energy for the millions of Africans without electricity, to support for drought victims in the Sahel and Horn regions of Africa. No other Africa-specific, international institution has the mandate, cross-sector knowledge, and resources to respond to complex continental challenges with an exclusive focus on the most vulnerable and poorest countries on the continent.

ADF funding is used for projects and programs, as well as technical assistance for studies and capacity-building activities. In addition, the ADF provides significant levels of debt relief through the Multilateral Debt Relief Initiative (MDRI), which complements the Heavily Indebted Poor Countries (HIPC) Initiative led by the Bretton Woods institutions.

USD 45 BILLION

FOR PROJECTS
AND PROGRAMS SINCE 1974

64 MILLION
people have benefited
from better access
to education
2008-2013



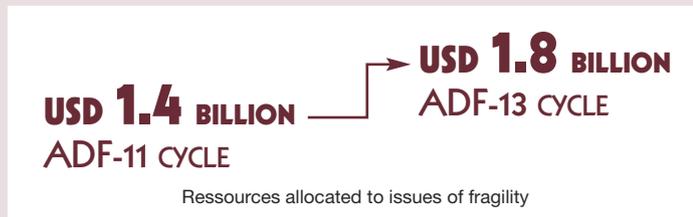
13.5 MILLION
people have benefited
from new or improved
access to water
and sanitation
2008-2013



How we work

How we are funded

The Fund's resources consist of contributions from internal Bank resources and periodic replenishments by donor countries, usually on a three-year basis. Initial contributions to ADF were pledged in 1972. The first replenishment – 'ADF 1' – took place in 1974 and covered the period 1976-1978. The ADF has been replenished thirteen times.



Since its inception, the following countries have contributed to the African Development Fund: Angola, Argentina, Austria, Botswana, Belgium, Brazil, Canada, China, Denmark, Egypt, Finland, France, Germany, India, Italy, Japan, Korea, Kuwait, Luxembourg, Libya, Netherlands, Norway, Portugal, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, the United Kingdom and the United States of America.

Cumulatively, the top five subscribing countries to the ADF are France, Germany, Japan, the United Kingdom and the United States of America.

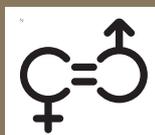
How ADF resources are utilized

ADF-financed operations serve many of the economic, strategic, and humanitarian interests of contributing members in a cost-effective manner. No other multilateral fund is as directly and broadly involved in the economic and social development of poor and less creditworthy countries on the African continent.

AfDB member countries see ADF financing as important for achieving the institution's vision of a continent free from poverty. In support of this overarching objective, ADF financing is used to support development projects and programs prioritized in the Bank Group's current 10-Year Strategy for 2013-2022, which include: infrastructure, private sector development, regional integration, governance and accountability, skills and technology. The ADF Board approves all projects selected for support.

2.1 MILLION

women benefited from access to education 2008-2013



How ADF resources are allocated

The main instrument for distributing ADF resources is the performance-based allocation (PBA) system, introduced in 1999. Based on a formula that includes a number of key development variables, the policy is designed to allocate ADF support fairly among the many competing needs, and to direct the funds to where they will be used most effectively.

10.2 MILLION

people have benefitted from micro-finance initiatives 2008-2013



Under the current ADF framework, the proportion of assistance provided as grant financing is contingent on the country's risk of debt distress. This is determined by the outcome of a forward-looking Debt Sustainability Analysis when available, or by a comparison of the country's latest available external debt indicators. High-risk countries only receive ADF funding as grants; moderate-risk countries receive funding partly as grants; while low-risk countries receive funding only as loans. Countries classified as 'gap', 'blend' and 'graduating' are not eligible for grants, regardless of their DSA status. To avoid rewarding poor performance, a discount is applied to the grant portion of a country's performance-based allocation.

3.3 MILLION

people have benefited from access to electricity 2008-2013

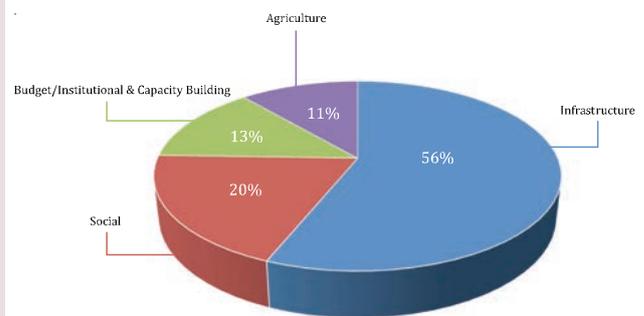


46.1 MILLION

people have benefited from improved agricultural practices 2008-2013



ADF portfolio - Sector distribution



ADF-13, as at December 2015

Our value proposition

We are the single largest source of concessional, long-term and country-based financing for Africa's most vulnerable countries.

We provide a wide range of flexible financing terms using an array of instruments, and where necessary, work in tandem with the AfDB and other development partners to 'crowd-in' more resources to donor countries.

We help build inclusive economies, where opportunity for all also promotes productivity, resilience and growth – including through important investments in human and social development.

We customize global, continental and regional knowledge to specific local conditions and thereby bring vast experience to development policy-making and facilitation among our recipient countries.

We support recipient countries in finding collective action solutions to regional development challenges, thereby overcoming some of the pressing scale and capacity challenges of small countries.

We provide predictable, countercyclical financing and policy advice that helps recipient countries protect essential public investments and services while helping to build targeted social safety nets to protect the most vulnerable people and communities.

49.2 MILLION

people have benefited from improved access to transport 2008-2013



16 COUNTRIES

have benefited from improved transparency and accountability services 2008-2013



Our plans

During the period of its Fourteenth Replenishment, the Fund, like the rest of the African Development Bank Group, will accelerate the delivery on the Bank's Ten Year Strategy 2013 - 2022, through sharper focus on what we call the High 5s:

- To light up and power Africa
- To feed Africa
- To industrialize Africa
- To integrate Africa and
- To improve the quality of life for the people of Africa



Some of our flagship projects

FROM THOUSANDS OF PROJECTS IN 44 YEARS... 4 RECENT EXAMPLES

CONGO

CENTRAL AFRICA

Project to improve the Ketta-Djourn road and facilitate transport on the Yaoundé-Brazzaville corridor

USD 424 million

600,000 beneficiaries



Paul NGUIA
village chief
51 year old
Autochthon pygmy

"Since we have this new road, we can hunt, fish, grow crops and sell our products."

MOZAMBIQUE

SOUTHERN AFRICA

The Niassa provincial towns water supply and sanitation project in Mozambique

USD 27.7 million

250,000 inhabitants



Maria SEMOKO
46 year old
housewife
Cuamba

'Our situation is difficult. My sister and I fetch water 3 times a day. Walking 2 kilometers with more than 8 liters is tiring... In one month's time, we will have water on the tap! Our life will be easier and our children will be cleaner!'

KENYA

EASTERN AFRICA

Menengai geothermal development project

USD 502.9 million

500,000 households and 300,000 micro-enterprises



Anita KARIUIKI
52 year old
housewife
District of Nakuru

"Having electricity at home soon is going to make our lives easier. It will be easier for us to cook and light the house. I'm really looking forward to it, because it will help me manage household tasks better. The children will no longer have to sleep late."

BENIN

WESTERN AFRICA

Multinational NERICA rice distribution project

USD 34 million

241,000 beneficiary families



Mathieu AÏMONTCHE
45 year old
farmer
village of Lélé

"The population in the towns is increasing and so is demand, which makes NERICA rice a success... With yields 3 times higher on average, this project has meant I could buy a motorcycle, it has contributed to my household expenses, and helped me build a house."