What is it about the African Development Bank that marks it out as different? The question was asked of Ellen Johnson-Sirleaf, the President of Liberia, in Tunis in February 2013.

“Very simply, we trust you”, was the President’s reply. “I can say without any hesitation that the African Development Bank made a critical difference in my country as we came out of conflict. You gave us the confidence to believe that we could come back, and you gave us the support. Fragile States have special circumstances, and they are not alike among themselves. You knew that, and you also knew the imperatives of urgency.”

The African Development Bank has enjoyed a AAA credit rating – the highest accolade for a bank as for a country – since July 2003. In that period, millions of Africans have been lifted out of subsistence poverty, and hundreds of millions have reaped the benefits of the Bank’s works in their daily lives. It is the confluence of prudence, principle and practical results which makes the Bank a unique proposition as the premier development institution in Africa. In the last two years alone, Bank operations have meant that some 8 million people have benefitted from new electricity connections, 34 million from improved access to transport, 14 million from new or improved access to water and sanitation, and 27 million from access to better health services.

The Bank is the partner of choice for African governments and African people because it embodies a uniquely African combination of commitment, authority yielding trust, experience yielding expertise... coupled with the ability to inspire and involve others.

‘Commitment’ – African skills for African challenges

From its founding charter, the uniquely African institution that is the African Development Bank has offered a uniquely African response to African challenges.
 Alone among international and multinational development organizations, its entire focus is on Africa. Its legitimacy lies in its African character, and its central place in the African architecture. With an African President and a largely African staff drawing on the best of African skills and experience, with universal African membership and an exclusive focus on African development, and with a strong presence across the African continent, the Bank is a motor for economic progress and integration in Africa, while its voice is the voice of Africa and of African development, across - and far beyond - the continent.

Coupling the largest concentration of African development professionals anywhere in the world with the skills of professionals from its 24 non-African member countries, it pursues the vision of transformation for Africa.

At September 2013, the Bank has over 2000 staff, of whom 250 are from outside Africa. A quarter of the Bank’s employees are based in its 30 Field Offices and two Regional Centers, ensuring that it is connected with the countries which it serves, grounded in local political and economic reality, and with ready access to fellow Africans and often fellow nationals. It brings the knowledge and commitment of the insider, and the perspective of the outsider.

With its headquarters in Africa, the Bank is nearer to its clients than most. But with the increasing movement from that headquarters to the field (numbers of Field Offices have more than trebled in 10 years, while numbers of field staff have risen by two-thirds) the Bank gets closer to its clients, its partners, and the people on whose behalf it works: the citizens of Africa.

“We like the fact that you are here, on the ground – and not just on the way, on the plane”, said President Johnson-Sirleaf.

‘Authority yielding trust’ – a continental and global convener

This uniquely African character and presence in turn gives the Bank unique authority and access, and affords it an invaluable level of access and trust. Among many examples …

Between 2009 and 2011, the Bank was the first donor to deliver a cluster of integrated rather than isolated infrastructure projects – combining a new toll road, a new airport, a power plant and the expansion of the port – in Dakar, Senegal. Its convening power meant that with €185 million of its own funding, and €100 million from the Senegalese Government, it facilitated a further €1 billion from commercial banks and (largely international) private investors.

In 2010, the Bank sent staff into Sudan to support talks between the North and the South, dealing with legal, political and economic issues, and spurring the effort to resolve Sudan’s international debt. It financed two household budget surveys in the North and the South, helping to hone its work on reducing poverty, and anticipated independence in South Sudan by developing an infrastructure action plan which has already launched one major energy project.

In 2012, it brokered talks between Zambia, Botswana, and Zimbabwe to bring about its project to construct the Kazungula Bridge over the River Zambezi. It worked alongside the Southern African Development Community and financed studies which prepared the project; it arranged concessional funding for Botswana through the Joint Infrastructure Consortium of Africa; it brought Heads of Government to the table to sign a Memorandum of Understanding. The project itself will transform border transit and thereby trade: the 30 hours it took to cross the border in 2009 will be one hour by 2019.

The Bank is equally active as a broker, ‘a voice’, and an advocate for Africa, across and beyond the continent.

It led the G8 on agriculture policy in Africa in Camp David in May 2012, having earlier coordinated a G8 response to the Arab Spring in Marseilles, in September 2011. In the G20, it articulated the Africa case at summits in June 2012 in Los Cabos, and November 2010 in Seoul.

In the UN, it coordinated the African approach to the Rio+20 summit of October 2011, and for three years it has given technical and financial support to African negotiators at the Framework for Climate Change Convention. It has led the African thinking on the UN’s Sustainable Energy for All Initiative, whose Africa hub it now hosts, and chaired African debate on the ‘Beyond 2015’ Development Agenda in 2012 and 2013.

Within Africa, it brought together African Ministers of Finance and Central Bank Governors in the wake of the global financial crisis of 2008 – a policy forerunner to its practical commitment to help Africa weather the storm, with its loan and grant approvals more than doubling to $8 billion in 2009.

Its role as an advocate and voice for African development is enhanced by its status as both a knowledge broker and a knowledge bank. It researches, collates, disseminates, advises on and implements best development policy and best practice in Africa, while it adds continuously to the continent’s canon of development knowledge. Its country, sector, com-
Commodity, economic, market and policy briefs are widely used, while its African Economic Outlook and African Development Report are leading platforms for African development. Since 2010 they have shone new light on ports and trade logistics, youth employment, and natural resource management. The Bank brings a combination of first-hand experience and applied analysis.

Its African Development Institute, its management of the Africa Information Highway project to improve and disseminate statistics, and its dataportal website are further contributions. In recent years it has produced reports on the challenge of and best responses to illicit financial flows in Africa (alongside the US-based Global Financial Integrity), and on Africa’s environmental imprint (with the UK-based World Wildlife Fund). In 2012 it developed its own Africa Infrastructure Development Index to monitor progress in filling the infrastructure gap across the continent.

‘Experience yielding expertise’ – 50 years’ worth of carefully honed and focused knowhow

If the heart and the added value of the Bank’s offering is its African legitimacy and African vision, then the substance of its proposition is its 50 years of experience (40 years for the African Development Fund) and the quality of its expertise. Tried and tested over half a century, and with a cumulative investment in Africa in excess of $100 billion (of which the ADF has invested $40 billion), the Bank is already the partner of choice for African governments.

In 2013 it has won two US Treasury development impact awards – for a community agriculture infrastructure improvement program in Uganda, and a broad-ranging post-conflict support project in Côte d’Ivoire with a significant gender-based violence component. Many such projects are known and appreciated only in their local communities, while others – like its construction of the world’s largest solar facility at Ouarzazate in Morocco, or of Africa’s largest wind energy project at Turkana in Kenya – have global renown.

Nearly two-thirds of its funding is spent on building and refurbishing Africa’s transport and energy infrastructure. It sees infrastructure as an enabler of trade, investment and economic growth, and as central to promoting inclusion on the continent. The Bank builds the road that not only carries the crops to market, and the truck-loads of goods from one country to another … but also the children to school, and the pregnant mothers to hospital. It builds the power plant and secures the power supply that not only empowers the local businesses to trade … but also the local children to do their homework at night not by the light of a candle, but by the light of a lamp.

The Bank also has high standing in its work building good governance, its training in skills and technology, and its support for a thriving private sector as a core ingredient of economic growth and ultimately of economic transformation.

In strengthening the often-unquantifiable discipline of governance, the Bank’s achievements are measurable: tax revenues have risen by a third in the countries where it has given governance support, while tax rates – and the numbers of days needed to start a business – have almost halved. In helping African countries to implement the Extractive Industries Transparency Initiative for the management of natural resource revenues – and in helping governments to negotiate contracts and complex commercial transactions through its Africa Legal
Support Facility – the Bank has reinforced the practical commitment to the fact that equity and probity pay dividends.

In strengthening vocational skills and the use of technology, in the last three years the Bank has assisted in the recruitment of over 100,000 teachers across the continent, reaching over 3 million scholars and students, and helping to supply over 4 million textbooks. Its aim is not just to create jobs, but to equip Africa’s young people to carry them out.

Meanwhile the Bank’s funding of private sector operations has grown ten-fold in the last 10 years, from an annual $250 million in 2005 to $2 billion in 2012. Its threefold focus is now on supporting governments to strengthen the laws and systems to improve Africa’s investment and business climate, expanding access for businesses to both ‘hard’ and ‘soft’ social and economic infrastructure, and promoting enterprise development by building skills and improving access to finance.

Its work on fragile states – some 20 of them in Africa, home to some 200 million people – is bolstered by having lived through fragile situations itself, in both Cote d’Ivoire and Tunisia, and with Field Offices in 12 fragile states.

There is similar growth and pedigree in its work on regional economic integration, which accounts for nearly a third of ADF spending. Drastically limited by poor infrastructure, poor border crossings, and systems and laws which cannot coalesce, intra-African trade may have doubled in value in the last five years, but it still amounts to only 12% of the trade on the continent. The Bank’s response embraces the ‘hardware’ of large-scale infrastructure projects (it has been tasked to run all the NEPAD infrastructure programs, the public sector-led Program for Infrastructure Development in Africa, the private sector-led Infrastructure Consortium for Africa, and the North-South transport corridor), as well as the intellectual ‘software’ to develop, for instance, the Free Trade Agreement between COMESA, the EAC and SADC, the West African Monetary Zone Payment System, and a large number of border, customs and immigration projects.

This combination of experience and expertise has ensured that the Bank’s funds have grown consistently over its lifetime. Its most recent General Capital Replenishment (2010) rose nearly eight-fold in value to $66 billion. The most recent ADF replenishment (ADF-12, 2010) rose by 7% to $9.5 billion. As the current ADF cycle nears its end, the Bank has disbursed almost all of its funds through some 130 different operations.
The Bank’s efficiency – delivering maximum service for minimum cost – is a key element of its effectiveness, and the trust which others place in it. For 2012, the Bank’s administrative budget was some $440 million, or just over 5% of its total commitments. This figure has remained constant for three years, while the average administrative costs for every million dollars disbursed has fallen from $75,000 in 2008 to $55,000 in 2012. The beneficial effects of prudent risk management have multiplied, with projects ‘at risk’ halving in four years. Time periods between approval and disbursement have been cut by nearly half in the same period. The average time taken to procure services and works has dropped by a fifth and a quarter respectively. And the Bank does more with less, with just 10 staff per operation, considerably less than its peers.

A leaner Bank, built around a ‘One Bank’ culture where Bank and Fund and public and private operations work closely together – with one strategy, one credit review process, one Board approval process, one results measurement framework, and one set of country and sector strategy papers – means that the Bank teams selected to work on individual projects and assignments are as quickly formed and deployed, as they are re-formed and re-deployed for the next assignment.

‘The ability to inspire and involve others’ – more bang for the buck, and more of others’ bucks for every one of the Bank’s own

The Bank’s annual loans and grants – worth an annual $5 billion dollars – still amount to no more than a fraction of a $2 trillion Africa-wide economy. For all the quantifiable and targeted benefits of the money it can spend and the advice that it can give, the Bank’s complementary asset is its capacity to inspire and involve others in the task of African transformation. As Africa’s bank helping to deliver on Africa’s vision, it has the standing and skill to galvanize others in the same task – from governments, to businesses, to citizens, at home and abroad. An analysis of Bank Group projects in 2012 revealed that for every dollar raised, the Bank secured an extra three dollars in international or national public sector funding for its public sector projects, and an extra six dollars for its private sector projects. In its public sector funding, some $3.1 billion of its own funds drew in an extra $1.4 billion from bilateral donors, $4.7 billion from multilateral donors, and $3.3 billion from others (largely private investors in the energy sector), yielding an extra $9.5 billion in all. From 2005 to 2012, the Bank’s $5.6 billion investments in private sector-funded infrastructure projects catalyzed a further $53 billion, while its $6.5 billion investments in public sector-funded energy projects generated a further $30 billion.

2013 sees the Bank launching an initiative which – if it reaches its full capacity – will raise five times more than it can normally invest in Africa in one year. With some $70 billion priority infrastructure projects already identified in PIDA, the Program for Infrastructure Development in Africa, the next task is to bring them to bankability. The Africa50Fund has been designed to pool sovereign and non-sovereign resources – both domestic and international – to invest in carrying Africa over the threshold of its infrastructural and developmental doorway.

‘We trust you’

This is the Bank continuing to push to the limits of inspiring and involving others. This is the African Development Bank as Africa’s premier development funding institution.

50 years since its establishment, and 41 years since the launch of the African Development Fund, in 2013 it starts to unfold a new ten-year Strategy – a vision of transformation for Africa built around growth which continues to be strong, but which, if it is to take deep root, must now be truly shared and truly sustainable. The pursuit of ‘inclusive growth’ (embracing age, gender, and geography) and ‘green growth’ (building resilience, managing natural resources, ensuring that infrastructure is sustainable) are its guiding lights going forward.

The Bank with so valued and hard-won an AAA rating, is committed to triple-A quality in delivering on Africa’s vision. It is a vision of strong, shared, sustainable growth – an achievable vision: that of true economic transformation.
2010-12: **8 million**
Africans have benefitted from new electricity connections, through the Bank’s work

2010-12: **34 million**
Africans have benefitted from improved access to transport, through the Bank’s work

2010-12: **14 million**
Africans have benefitted from new or improved access to water and sanitation, through the Bank’s work

2010-12: **27 million**
Africans have benefitted from access to better health services, through the Bank’s work

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