AFRICAN DEVELOPMENT FUND (ADF)
FINDINGS OF THE ADF-14 WORKING GROUP

ADF-13 Mid-Term Review Meeting
11-13 November, 2015
Abidjan, Côte d'Ivoire
ADF 14 WORKING GROUP

- Purpose – innovative financial options to increase resources for ADF-14.
- 3 options retained
  - Concessional Donor Loans
  - Bridge Loans to the ACC
  - Interest Buy Down
- Overall spirit – leverage the Bank Group’s balance sheet to better deliver resources to ADF countries.
- Donors provide concessional debt in addition to grants to the ADF
- CDLs contributors compensated based on the grant element of their loans
CONCESSIONAL DONOR LOANS — IMPACT ON ADF-14 (UA BILLION)

Resources to be allocated

- Without CDLs
- With CDLs

A CDL of UA 0.5 bn

Net Increase by up to UA 500 million with costs borne entirely by Subscribing Donors

<table>
<thead>
<tr>
<th></th>
<th>TSF</th>
<th>RO</th>
<th>PBA</th>
<th>PBA for FS</th>
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</thead>
<tbody>
<tr>
<td>Without CDLs</td>
<td>0.7</td>
<td>1.1</td>
<td>3.2</td>
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<tr>
<td>With CDLs</td>
<td>0.7</td>
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<td>3.6</td>
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Estimations assume UA 5,006.26 million as net total resources available under ADF-14
BRIDGE LOANS

- A bridge loan would allow the ADF to:
  - Borrow resources in order to improve its liquidity
  - Increase the ACC for the next two replenishment cycles when the ACC is projected to be at its lowest
  - ADF would frontload resources to support more operations earlier
ACC DYNAMICS — PROJECTIONS (UA MILLION)

Without BLs

With BLs

ADF-9
ADF-10
ADF-11
ADF-12
ADF-13
ADF-14
ADF-15
ADF-16
ADF-17
ADF-18
BRIDGE LOANS — IMPACT ON ADF-14 (UA BILLION)

Resources to be allocated

- Without BLs
- With BLs

Bridge Loans of UA 1 bn

Net increase by up to UA 724 million with costs borne by Donor(s) providing bridge loans

Estimations assume UA 5,006.26 million as net total resources available under ADF-14
BUY-DOWN MECHANISM

- Eligible RMCs receive their Performance Based Allocation through the ADB on ADF terms.

- The ADB is compensated for harden terms by the ADF.

- Resources are freed for remaining ADF countries.
BUY-DOWN MECHANISM — IMPACT ON ADF-14 (UA BILLION)

Resources to be allocated

- Without BDM
- With BDM

Buy-Down Mechanism to Blend, Graduating, and Green Light Countries

Net increase by up to UA 926 million for the neediest RMCs at no cost to Donors

Estimations assume UA 5,006.26 million as net total resources available under ADF-14
POTENTIAL COMBINATIONS

- Buy-Down Mechanism & Bridge Loans
- Concessional Donor Loans & Bridge Loans
BUY-DOWN MECHANISM & BRIDGE LOANS (UA BILLION)

Resources to be allocated

<table>
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<tr>
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<th>Without BDM+BLs</th>
<th>With BDM+BLs</th>
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</thead>
<tbody>
<tr>
<td>TSF</td>
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<tr>
<td>PBA for FS</td>
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Buy-Down Mechanism to Blend, Graduating, and Green Light Countries + Bridge Loans of UA 1 bn

Increase up to UA 1.8 billion

Estimates assume UA 5,006.26 million as net total resources available under ADF-14
CONCESSIONAL DONOR LOANS & BRIDGE LOANS (UA BILLION)

Resources to be allocated

- Without CDLs+BLs
- With CDLs+BLs

A CDL of UA 0.5 bn + Bridge Loans of UA 1 bn

Increase up to UA 1.2 billion

Estimates assume UA 5,006.26 million as net total resources available under ADF-14
THANK YOU
### Resource to be Allocated — Simulations Details (UA Million)

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<th>PBA to FS</th>
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<td>ADF-14</td>
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<td>1308.36</td>
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Estimations assume UA 5,066.26 million as net total resources available under ADF-14