



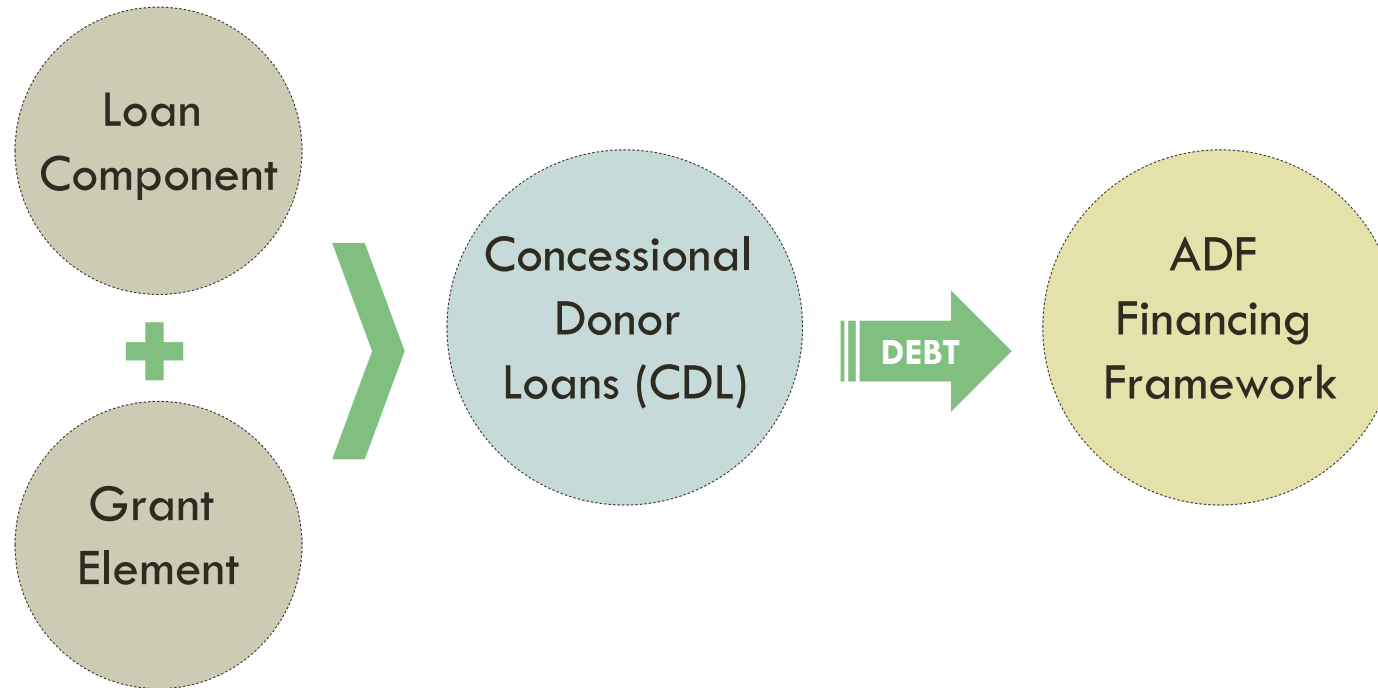
AFRICAN DEVELOPMENT FUND (ADF) **FINDINGS OF THE ADF-14 WORKING GROUP**

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.

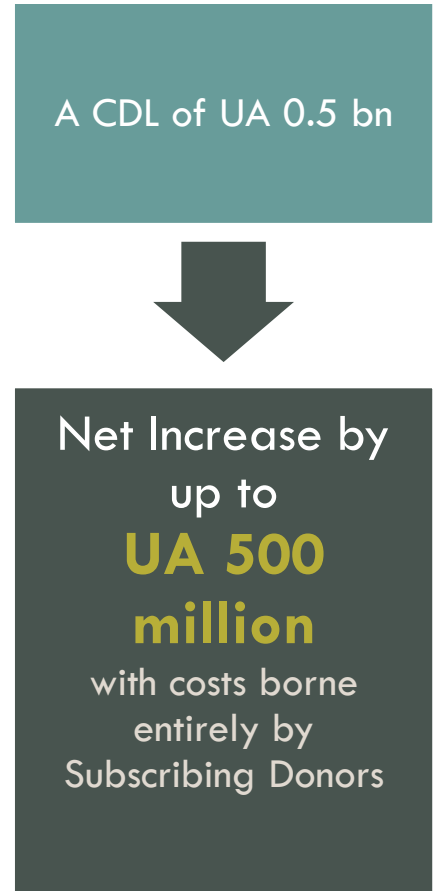
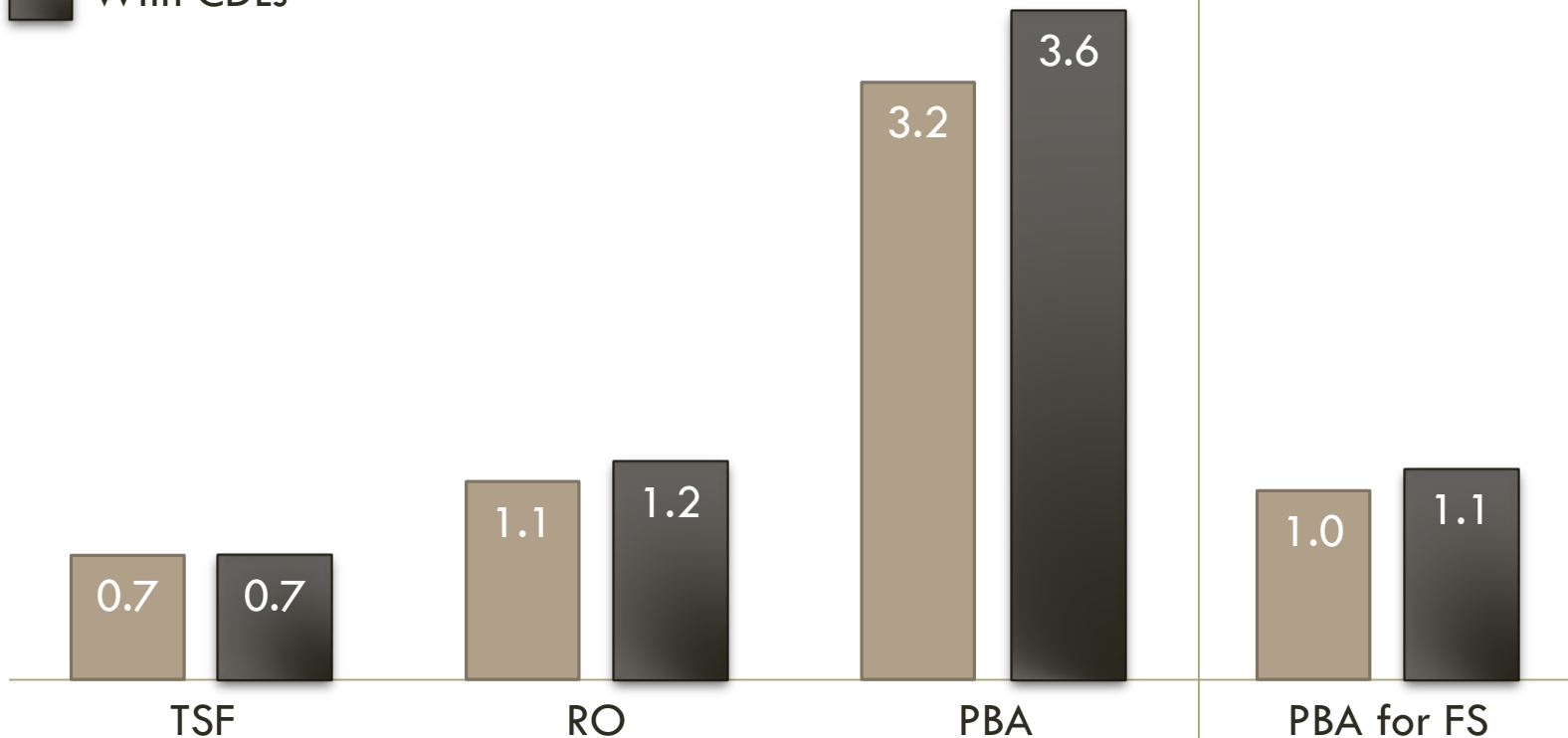
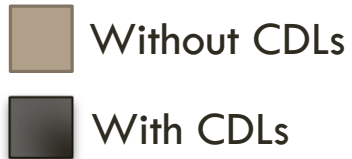
CONCESSIONAL DONOR LOANS



- 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

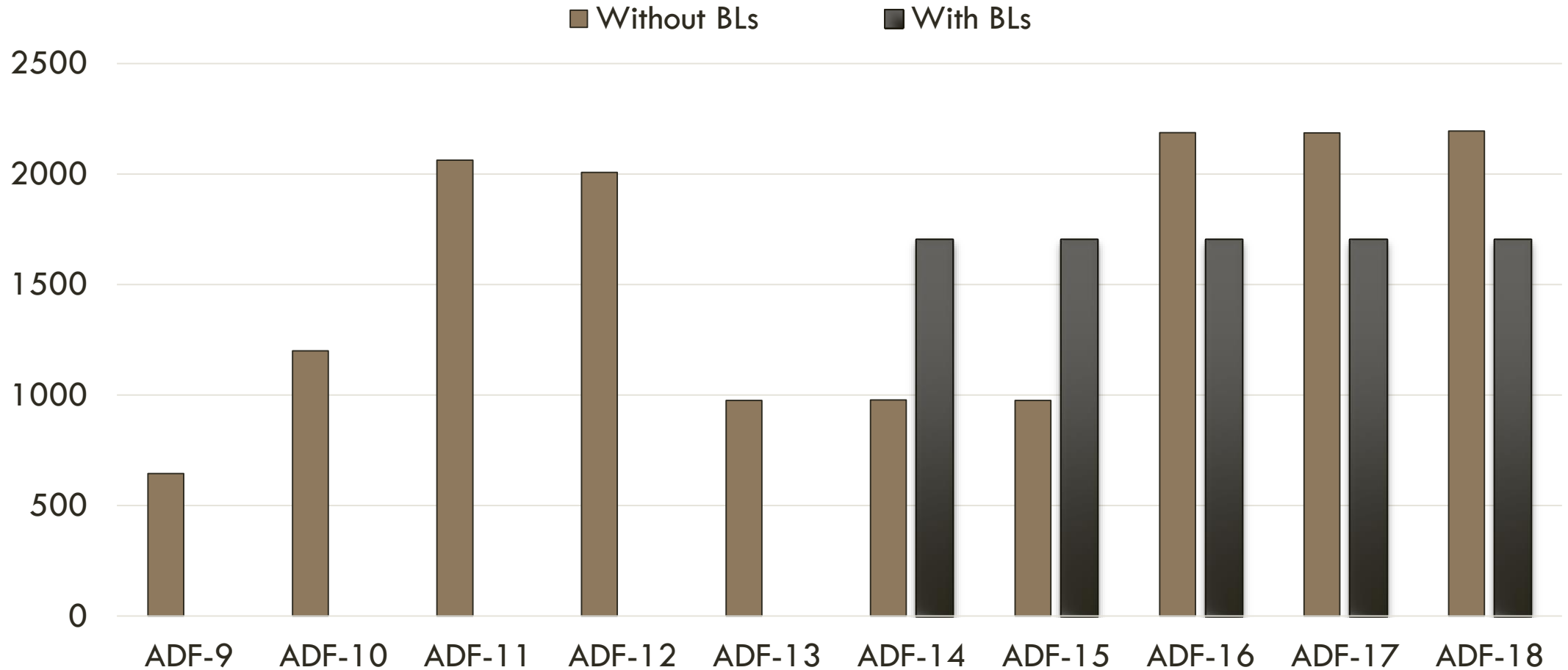


Estimations assume UA 5,006.26 million as net total resources available under ADF-14

BRIDGE LOANS

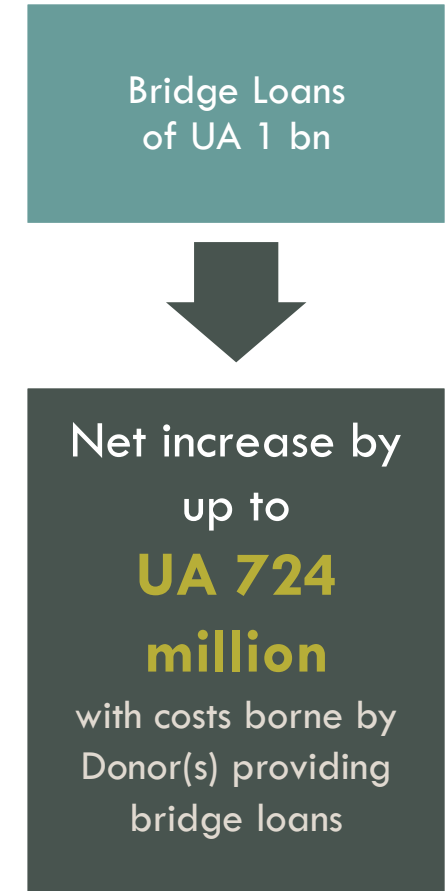
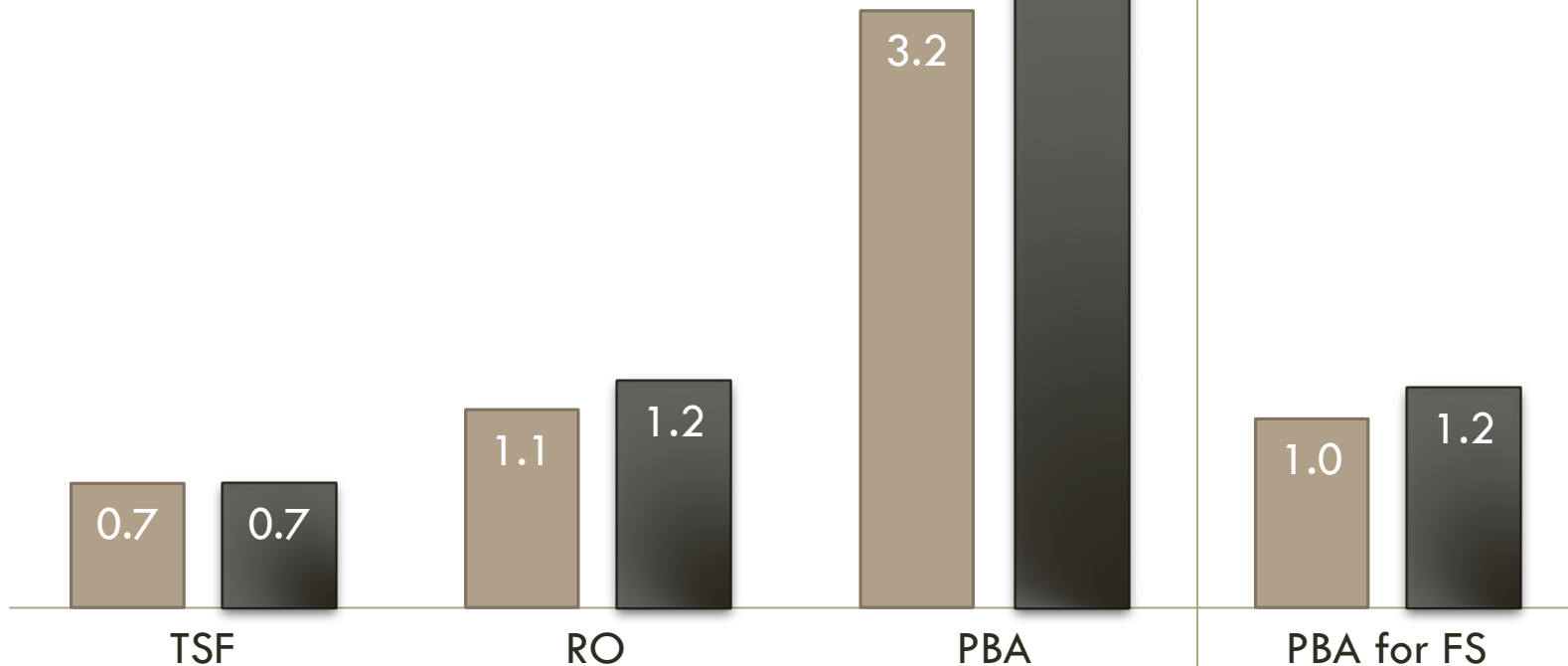
- A bridge loan would allow the ADF to:
 - Borrow resources in order to improve its liquidity
 - Increase the ACC for the next two replenishment cycles when the ACC is projected to be at its lowest
- ADF would frontload resources to support more operations earlier

ACC DYNAMICS — PROJECTIONS (UA MILLION)



BRIDGE LOANS – IMPACT ON ADF-14 (UA BILLION)

Resources to be allocated



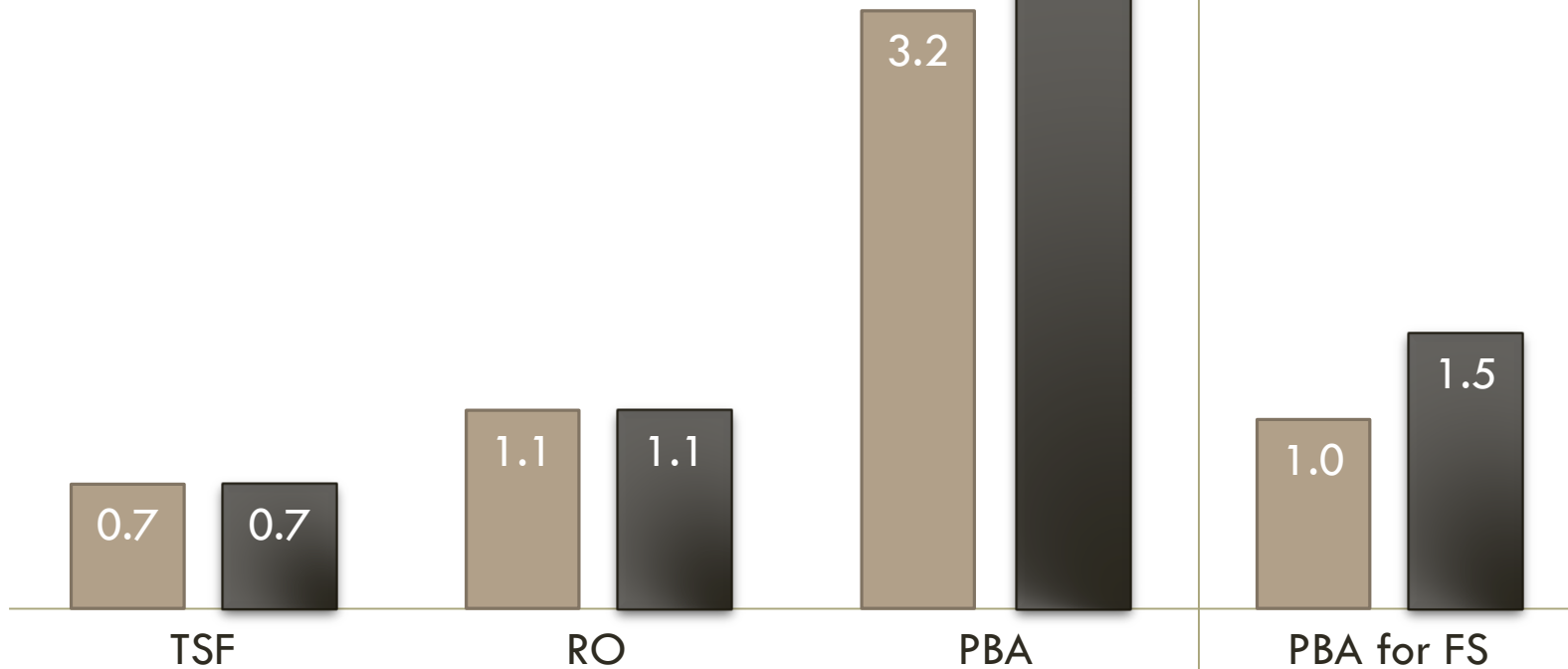
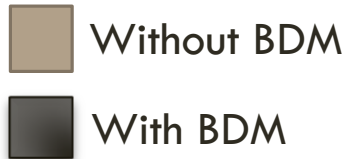
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BUY-DOWN MECHANISM

- 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



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

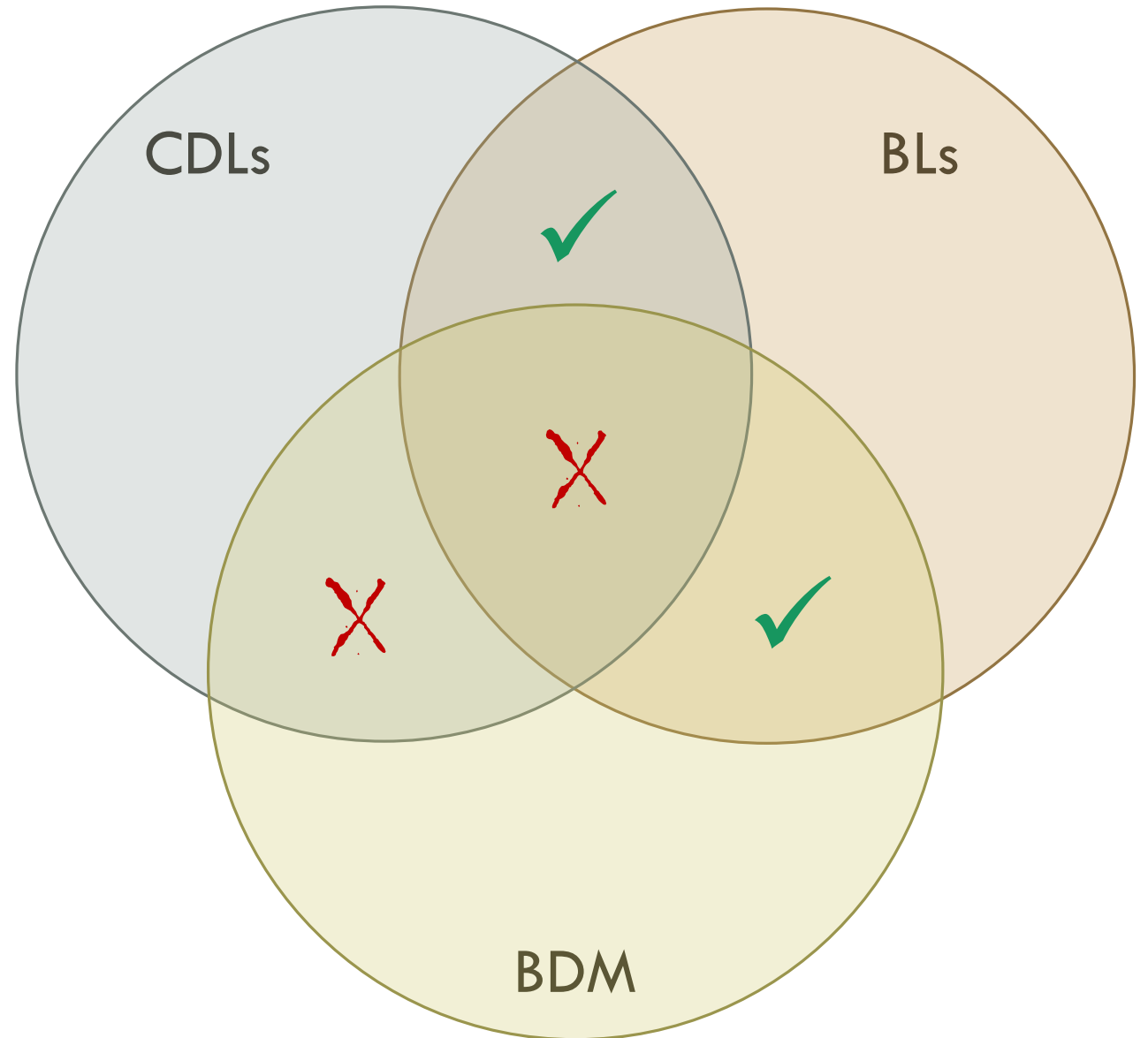


Net increase by up to **UA 926 million** for the neediest RMCs at no cost to Donors

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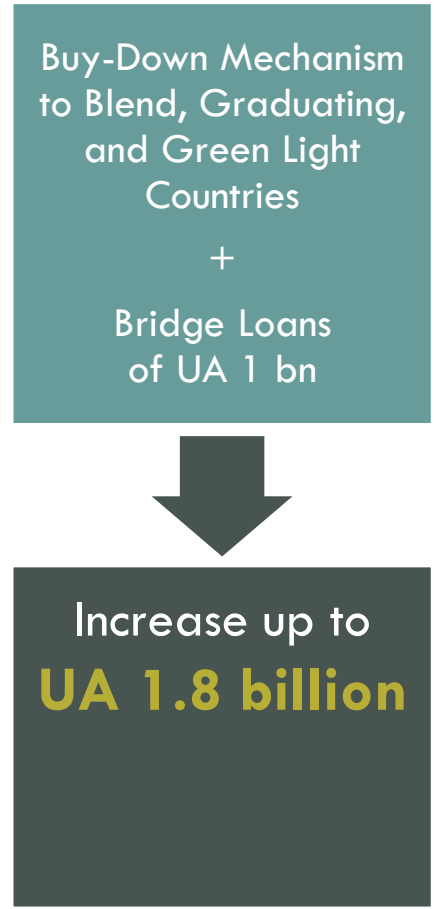
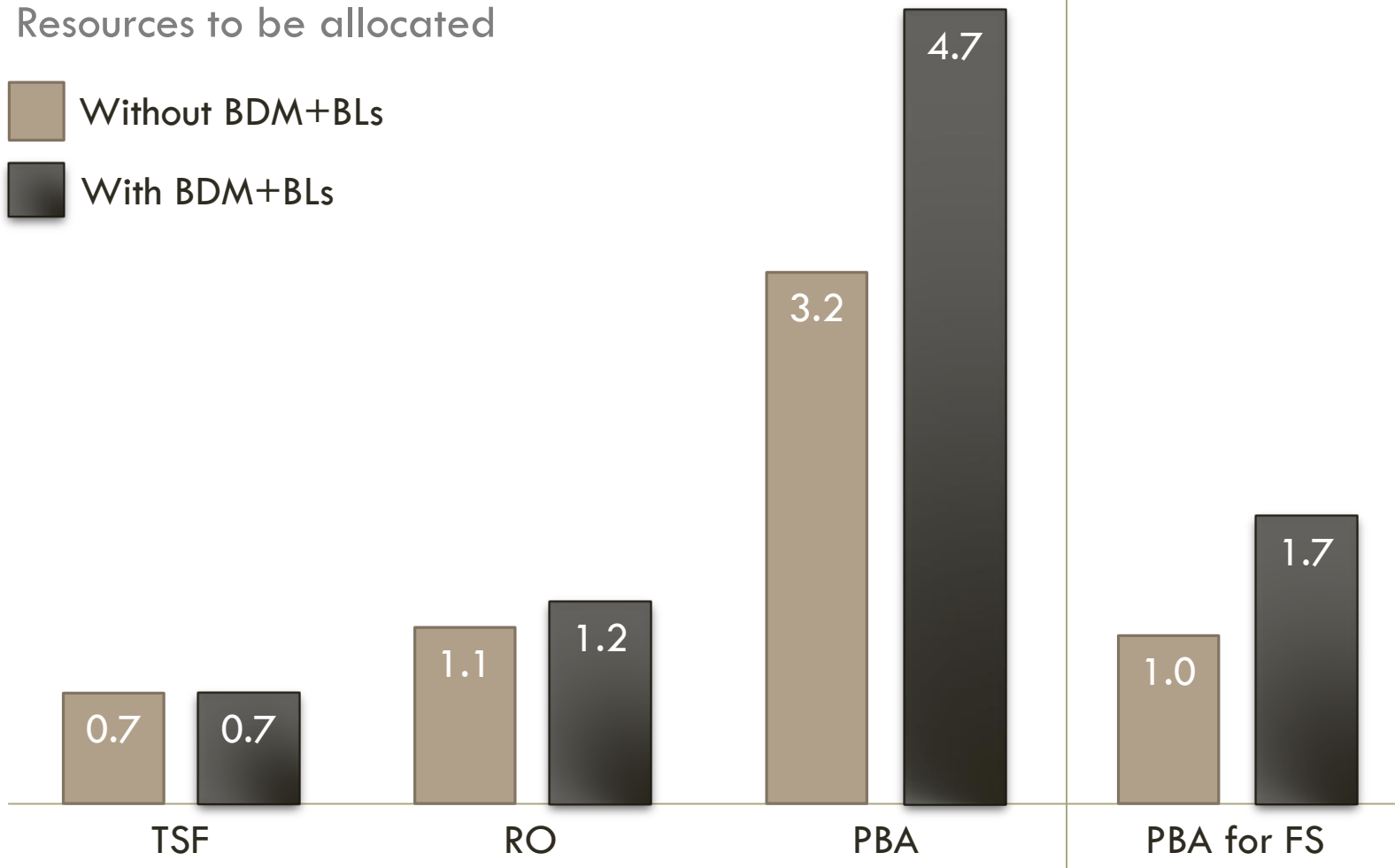
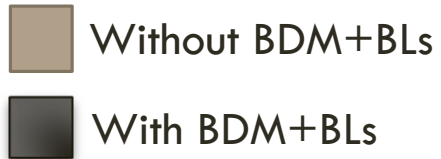
POTENTIAL COMBINATIONS

- ✓ Buy-Down Mechanism & Bridge Loans
- ✓ Concessional Donor Loans & Bridge Loans



BUY-DOWN MECHANISM & BRIDGE LOANS (UA BILLION)

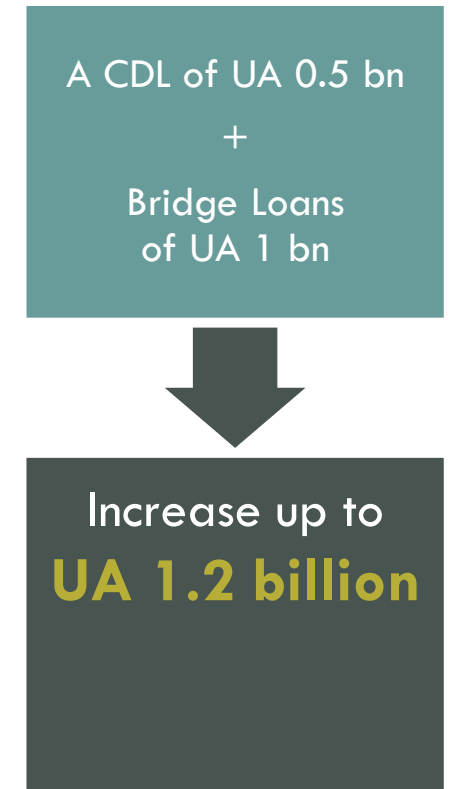
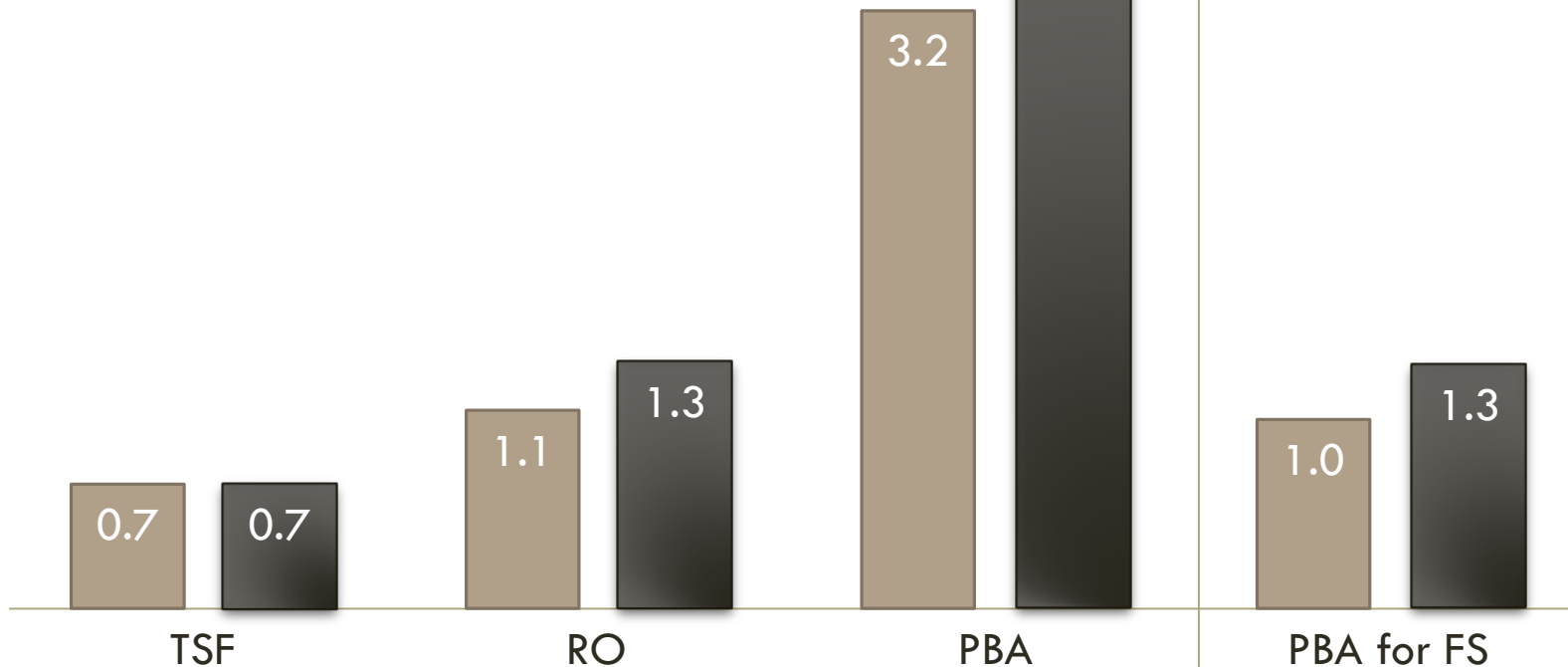
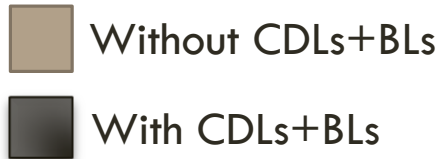
Resources to be allocated



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



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)

| | TSF | RO | PBA | PBA to FS |
|-----------------------------|--------|---------|---------|-----------|
| ADF-14 | 661.77 | 1051.32 | 3174.57 | 1002.04 |
| ADF-14 with CDLs | 661.77 | 1156.32 | 3555.34 | 1117.24 |
| ADF-14 with BLs | 661.77 | 1203.36 | 3725.93 | 1168.80 |
| ADF-14 with BDM | 661.77 | 1051.32 | 4031.96 | 1464.24 |
| ADF-14 with BDM+BLs | 661.77 | 1203.36 | 4742.14 | 1718.17 |
| ADF-14 with CDLs+BLs | 661.77 | 1308.36 | 4106.70 | 1283.78 |

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