

AFRICAN DEVELOPMENT FUND



IMPLEMENTATION OF THE OPERATIONAL PRIORITIES UNDER ADF-X

**ADF-X MID TERM REVIEW
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OPERATIONS POLICY AND COMPLIANCE DEPARTMENT

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ACRONYMS

ADB	African Development Bank
ADF	African Development Fund
AWF	African Water Facility
AWV	African Water Vision
CFAA	Country Financial Accountability Assessment
CGAP	Consultative Group to Assist the Poor
CPAR	Country Procurement Assessment Review
CPIPs	Country Portfolio Improvement Plans
CSP	Country Strategy Paper
ECA	U.N. Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
ESW	Economic and Sector Work
EU	European Union
FAO	Food and Agriculture Organization
FMR	Financial Management Review
HIPC	Highly Indebted Poor Country
ICT	Information and Communication Technology
IDA	International Development Association
IMF	International Monetary Fund
IPAA	International Partnership against AIDS
MDGs	Millennium Development Goals
MDBs	Multilateral Development Banks
MIGA	Multilateral Investment Guarantee Agency
MLTSF	Medium to Long Term Strategic Framework (NEPAD)
MTR	Mid-term Review
MOU	Memorandum Of Understanding
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organization
OPSD	Private Sector Department
PPF	Project Preparation Facility
PPP	Public Private Partnership
RECs	Regional Economic Communities
RMCs	Regional member Country
PBL	Policy Based Lending
PRSPs	Poverty Reduction Strategy Papers/Programs
RWSSI	Rural Water Supply and Sanitation Initiative
SADC	Southern African Development Community
SFM	Supplementary Finance Mechanism
SIPs	Sector Investment Programs
SMEs	Small and Medium Enterprises
SPIPs	Sector Portfolio Improvement Plans
STAP	Short Term Action Plan (NEPAD)
SWAp	Sector Wide Approach Program
UA	Unit of Account
UEMOA	Union Economique et Monétaire Ouest Africaine (West African Economic and Monetary Union)

EXECUTIVE SUMMARY

1. The African Development Fund Deputies, during the negotiations of the Tenth General Replenishment of the ADF (ADF-X), requested the Fund to concentrate its assistance on strategies and activities aimed at boosting economic growth and reducing poverty in ADF eligible member countries, with particular focus on promoting increasing productivity and providing support to pro-poor policies and investments aimed at improving the welfare of low-income groups. The first half of the ADF-X program has been implemented in a context of major institutional reforms of the Bank Group, mainly for strengthening its Operations Complexes. This report presents a review and the status on the implementation of the operational priorities in the ADF-X-funded operations for the period 2005-2006. It also addresses issues and constraints faced during the period under review in relation to full compliance of the program with the Directives of the ADF-X Financing Policy Guidelines.

Utilization of ADF-X Resources

2. The 2006 allocation exercise incorporates a new Debt Sustainability Framework risk ranking, which provided ADF countries with a total allocation over the 2005-2007 period amounting to UA 2,889.3 million composed of UA 2,065.5 million in loans and UA 823.8 million in grants. In addition, the Fund, in line with the prescribed resource allocation scheme by end-use, earmarked some UA 531 million, representing 15% of the ADF resources for the financing of multinational operations and a first tranche of UA 100 million for assisting the ADF countries in post-conflict situations to clear their arrears within the framework of the Post-Conflict Country Facility (PCCF), with a possibility of an additional UA 150 million, if deemed necessary.

3. In terms of actual approvals, as at the end of December 2006, the Fund expects to have committed a total of UA 2,224.499 million for financing some 84 projects and programs at country level and 21 multinational operations executed under the coordination of regional institutions, mostly regional economic communities (RECs). This cumulative amount is comprised of about 59.2% on loan terms and 40.8% in grants. Projections at the end of December 2006, indicate that cumulative grant commitments will attain UA 906.8 million, comprised of UA 224.922 million multinational grants and UA 681.87 million of grants for countries. The grant represents less than 27% of the total ADF-X allocation available for project financing, demonstrating that the Fund so far has remained a lending institution. The share of policy-based operations, which represents about 12.2% of the ADF total approvals, was well below the maximum of 25% authorized under the ADF-X Replenishment. The Fund also expects to approve by end December 2006 financing for multinational operations amounting to about UA 422.441 million, representing around 12.3% of the total ADF-X allocation for operations and thus, within the limit of 15% defined in the ADF-X resources allocation by end-use.

Implementation of ADF-X Operational Priorities

4. The Fund's assistance has been concentrated in a few priority areas critical for boosting economic growth and reducing poverty, namely Transport (24.4%), Multi-sector (18.8%), Agriculture and Rural Development (18.5%), Social Sectors (18.2%) and Water Supply and Sanitation (15.1%). In line with trends observed since ADF-IX, the priority area

of interventions by the Fund has been infrastructure development, mainly centered on the financing of transport, water supply and sanitation, and power supply projects and programs. Compared to past replenishments, the share of infrastructure in the ADF-X approvals has been enhanced and represents about 44.4% of the total approved operations for the period under review.

Other Non-Operational Supporting Activities

5. During the period under review, the Bank Group undertook non operational activities aimed at building an environment conducive to seamless delivery of the Fund's development assistance. These covered the preparation of Country Strategy Papers (CSPs) for programming ADF interventions, initiatives taken for improving the management of Bank Group's portfolio, the preparation of policies and guidelines, Economic and Sector Work (ESW) studies as well as actions taken to mainstream the Harmonization, Alignment and Managing for Results agenda.

Overview of the ADF 2007 Indicative Operational Program

6. During the implementation of the 2007 indicative Operational Program, which covers the last year of the ADF-X Replenishment cycle, the expected volume of approvals under the 2007 ADF will be limited by the remaining commitment capacity of the Fund. Activities to be financed will be adjusted to the remaining commitment capacity of the Fund. Provisionally, the ADF indicative work program for 2007 amounts to UA 1,232.6 million. This includes a slight over-programming of about 3%, compared to the financing objective of UA 1,200. It is, therefore, expected that the 2007 work program will fully utilize all the ADF-X resources, uncommitted at the end of 2006. The increasing priority accorded by ADF countries to infrastructure development among the pillars of their PRSPs or their national development plans and reflected in the Bank Group's CSPs has translated into a major shift in the financing requests submitted for consideration under the ADF window. Provisionally, some 65% of the 2007 work program is dedicated to the development of infrastructure, distributed as follows: 29.4% for the transport sector; 22.2% for water supply and sanitation and 13.5% for power supply.

7. In addition to the above operational work program, the Bank Group will undertake priority non-financing actions aimed at the following objectives: (i) enhancing the decentralization of Bank Group's activities for a stronger dialogue and closer collaboration with Regional Member Countries; (ii) strengthening the Bank's quality assurance system and improving its portfolio; (iii) broadening and deepening the institution's economic and sector work; (iv) preparation of country and regional assistance strategies; (v) reinforcing the toolkit of operational procedures, policies, strategies and guidelines; (vi) developing private sector operations; (vii) strengthening partnerships and improving aid coordination; and (viii) participation in major African development initiatives.

Lessons learned and Challenges

8. Despite the improvement brought to the delivery of its assistance, the Fund has still yet to reach a high level of development effectiveness in its operations. The Mid-Term review exercise has helped to draw lessons from the implementation of the ADF-X program and identify constraints and challenges impeding effective delivery of the Fund's operations. These are related to: (i) the non-predictability of resources available under ADF-X, due to the

use, on a yearly basis, of the Debt Sustainability Framework Analysis and the Enhanced Performance-Based Allocation system; (ii) the small size of some ADF operations involving relatively high implementation costs; (iii) the situation of chronic arrears still prevailing in some 8 RMCs, preventing them from drawing from their ADF-X allocations; (iv) the Rules of Origin of Goods in the Agreement Establishing the Fund, which do not allow participation in pooled resources sector-wide approach programs (SWAps) unless the Fund's resources are "ring-fenced" in order to fully comply with the Bank Group's procurement rules; (v) the need to develop new financing tools aimed at providing countries classified as fragile states with additional resources in support of targeted development priority areas; and (vi) the need for the Fund to propose a new policy on the eligibility of expenditure that are responsive to the countries' need and to the harmonization agenda.

The Way Forward

9. Although progress has been achieved, during the first half of the ADF-X program, in sharpening the Fund's focus on operational priorities geared to foster broad-based economic growth and reduce poverty, additional efforts are required from the Bank Group's side as well as from further support from the ADF Deputies to improve further the Fund's development effectiveness.

10. The Bank Group will fine tune its Medium -Term Strategy towards achieving greater focus and selectivity in the Fund's operations. Enhanced focus will be on infrastructure development, especially transport, power and water supply and sanitation operations, regional integration, and agriculture and rural development. The Bank Group will work at promoting operations of higher quality and prospective impact, with measurable performance benchmarks for monitoring and evaluating the development effectiveness of the Fund's assistance. In addition the Bank Group will take actions to improve the management of the Fund's portfolio and performance through enhanced supervision and clean-up of aging and low-performing operations, as well as clearing backlog of project completion reports to generate lessons of experience for incorporation in new operations.

11. Most importantly, the Bank Group will expand its network of field offices that will be more effectively staffed and empowered to provide increased, improved and timelier services to client countries. Also, the Bank Group will improve its competitiveness, attractiveness and reliability through reforms aimed at reducing procurement and disbursement delays. The Bank Group will deepen its collaboration with current and emerging partners, which will be underpinned by a search for greater consistency and harmonization and reinforced selectivity.

12. ADF Deputies should provide support by putting particular focus on the following issues: (i) Adoption of a resource allocation system that ensures the predicability of resources, in line with the requirement of the Paris Declaration as well as adequate levels of allocation for individual countries that guarantee cost-effective sizes of operation; (ii) Provision of additional resources in support of targeted development priorities aimed at reconstructing the economies and reducing poverty in fragile states; and (iii) adoption by the Fund of expenditure eligibility principles that are responsive to the countries' needs and to the harmonization agenda.

1. INTRODUCTION

1.1 The African Development Fund Deputies, during the negotiations of the Tenth General Replenishment of the ADF (ADF-X), requested the Fund to concentrate its assistance on strategies and activities aimed at boosting economic growth and reducing poverty in ADF eligible member countries, particularly on accelerating progress towards the Millennium development Goals (MDGs). In continuation of actions initiated during recent ADF Replenishment cycles, the Fund was requested to promote increasing productivity in its regional member countries, and to support pro-poor policies and investments aimed at improving the welfare of low-income groups.

1.2 The implementation of the ADF-X program has been undertaken in a context of comprehensive efforts to address the “unfinished business” identified by the Independent Evaluation Report of ADF VII, VIII and IX, to bring the Bank Group closer its goal of becoming the premier institution for Africa’s development. To this end, Management proposed, during the ADF-X negotiations, an Action Plan aimed at improving, beyond the scope of the ADF, the development effectiveness of all Bank Group operations. This Action Plan was endorsed by the ADF Deputies and implemented along with the ADF-X Replenishment. Its major strategic thrusts include further strengthening the quality of the Fund’s operations and development effectiveness, by moving the Fund towards becoming a results-based management institution. Within this context, new generation results-oriented CSPs have been prepared to guide the Fund’s interventions. Also, action has been initiated to introduce a culture of results-based management and quality assurance at different stages of the project cycle.

1.3 The first half of the ADF-X program coincided with major institutional reforms aimed at refocusing the activities and resources of the Bank Group. These reforms, which aim at enhancing Bank Group’s operational capacity and development effectiveness, will enable it deliver its operational work program with greater effectiveness and efficiency, improved selectivity and focus, higher quality and accountability. The Bank Group has continued implementing its decentralization program started during the ADF-IX Replenishment cycle. The on-going reform has reorganized the Operations Complexes into three new Vice-presidencies, namely: (i) Policy, Country and Regional Programs; (ii) Sector Operations; and (iii) Infrastructure, Private sector and Regional Integration. Efforts have been made to ensure business continuity during this major institutional restructuring. It is noted, however, that the Fund’s delivery on ADF-X has been affected by staffing and institutional constraints, though these are expected to be alleviated when the reforms are completed and the staff gap is filled during 2007.

1.4 This report presents a review on the implementation of the operational priorities in the ADF-X-funded operations for the period 2005-2006. The review provides an opportunity to adjust the implementation strategy and processes during the last year of the Replenishment, by proposing measures aimed at addressing the issues and constraints faced during the first half and ensuring that targeted financing and non-financing objectives of the Fund are, as far as possible, compliant with the Directives of the ADF-X Financing Policy Guidelines.

1.5 The report is organized as follows: after this introduction, Chapter 2 reviews the utilization of ADF-X resources. It outlines the outcome of the resources allocation exercise, the utilization of grants as well as the allocations for multinational and policy based operations. Chapter 3 presents the achievements of the Fund, under ADF-X, in terms of financing activities during the first two years of the Replenishment. The chapter highlights the status of overall implementation and operational achievements per sector. Chapter 4 reviews quality assurance measures, namely compliance with ADF-X guiding principles, the strengthening of the policy framework and economic and sector work activities in support of Bank Group's interventions in the ADF countries. Chapter 5 presents an overview of the 2007 Indicative Operational Work Program for ADF, while Chapter 6 highlights the operational constraints facing the implementation of the ADF-X Replenishment. Chapter 7 outlines the way forward, identifying strategic areas of focus for the Fund in the future, in order to build on and consolidate the achievements of the past ADF replenishment cycles. Chapter 8 draws the main conclusions and recommendations from the mid-term review.

2. UTILIZATION OF ADF-X RESOURCES

2.1 The ADF-X Replenishment became effective in June 2005. Since then, the Bank Group has provided some UA 2.224 billion of development financing to the ADF-eligible RMCs and continued to improve the Fund's policy framework and financing instruments. The ADF-X Financing Policy Guidelines defines the allocation of ADF-X resources by end-use. It specifies, in particular, ceilings for special allocations such as the resources earmarked for multinational operations or the utilization of resources for policy based financing. The utilization of ADF-X resources is given in detail in Table 2.1 below and discussed in this section in terms of (a) the outcome of the allocation exercises; (b) the utilization of grants; and (c) the approvals of policy based operations and under the multinational allocation.

a) Allocation of ADF-X resources

2.2 In 2005, the Bank Group undertook its first ADF-X resources allocation exercise, using the Enhanced Performance-Based Allocation system and the outcome of the Debt Sustainability Analysis initiated in collaboration with the Bretton Woods Institutions¹. This first allocation exercise resulted in the allocation of UA 2,871.8 million, over the 3-year period 2005-2007, composed of grants (34.29%) and loans (65.71%), benefiting 14 loan-only countries, 21 grant-only countries and 5 countries eligible for a mix of loans and grants². In 2006, the second allocation exercise concluded on a new Debt Sustainability Framework risk ranking, which classified 16 countries as loan-only, 20 as grant-only and 4 as eligible for a

¹ For more information, please refer to the paper on *Progress Report on Application of the Debt Sustainability Framework*

² Loan-only countries, in 2005, were Burkina Faso, Cape Verde, Djibouti, Ghana, Kenya, Madagascar, Mali, Mozambique, Mauritania, Niger, Nigeria, Senegal, Tanzania, and Zimbabwe. Grant-only countries were Angola, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Republic of Congo, Comoros, Côte d'Ivoire, Eritrea, the Gambia, Guinea, Guinea Bissau, Liberia, Malawi, Rwanda, Sao Tome & Principe, Sierra Leone, Somalia, Sudan and Togo. Countries eligible to a loan-grant mix: Benin, Ethiopia, Lesotho, Uganda and Zambia.

combination of loans and grants³. The total allocation over 2005-2007 for countries in this second exercise amounted to UA 2,889.3 million composed of UA 2,065.5 million in loans and UA 823.8 million in grants.

Table 2.1 - Utilization of Resources under ADF-X Replenishment Cycle for the Period July 2005 - End December 2006

Item	Description	Approved, in UA million	Ceiling
1	2006 Allocations		
1.2	Country Allocations		
1.1	Loans	2065.50	
1.2	Grants	823.80	
1.3	Sub-total Country Allocation for 2006	2889.30	
1.4	Multinational Allocation	531.41	
1.5	Grant for Technical Assistance	80.00	
1.6	(Minus Contingencies)	(73.85)	
1.7	TOTAL 2006 ALLOCATIONS	3426.86	
2	Projected Commitment at End December 2006		
	National Commitments		
2.1	Loans	1120.18	
2.2	Grants	681.88	
2.3	Sub-total National Commitments	1802.06	
2.4	Percentage of Total Allocation	52.6%	
	Multinational Commitments		
2.5	Loans	197.52	
2.6	Grants	224.92	
2.7	Sub-total Multinational Commitments	422.44	
2.8	Percentage of Total Allocation	12.3%	15.0%
2.9	Sub-Total Committed Loans	1317.70	
2.10	Percentage of Total Allocation	38.5%	
2.11	Sub-Total Committed Grants	906.80	
2.12	Percentage of Total Allocation	26.5%	
2.13	TOTAL Commitment at End December 2006	2224.50	
2.14	Percentage of Total Allocation	64.9%	
3	Balance of Resources for 2007 Operations	1202.36	
4	Policy-Based Operations at End December 2006		
4.1	Budget Support	198.1	
4.2	Other Policy-based Operations	72.7	
4.3	Total Policy-based Operations Commitments	270.8	
4.4	Percentage of Total Commitment	12.2%	25.0%

2.3 The second allocation exercise led to significant changes in the programming of operations for the end of 2006 and the year 2007, particularly for those countries having experienced a substantial contraction of their allocation. Besides the opportunity offered to increase the scope of activities in some countries, this also resulted in cuts in the assistance programs of other countries as well as the reduction of the Fund's contribution to development initiatives such as the Rural Water Supply and Sanitation Initiative, as indicated in Chapter 3.

³ Four countries graduated to join the loan-only country group: Benin, Cameroon, Uganda and Zambia. Niger and Djibouti were moved to the grant-only group from their former loan-only ranking. Angola and Malawi graduated to join the group of countries eligible to a loan-grant mix.

2.4 In addition to the above allocations, the Fund, in line with the prescribed resource allocation scheme by end-use, earmarked some UA 531 million, representing 15% of the ADF resources for the financing of multinational operations and a first tranche of UA 100 million for assisting the ADF countries in post-conflict situations to clear their arrears within the framework of the Post-Conflict Country Facility (PCCF); with a possibility of an additional UA 150 million, if deemed necessary.

b) Approvals at End December 2006

2.5 In terms of actual approvals, as at the end of December 2006, the Fund expects to have committed a total of UA 2,224.499 million for financing some 84 projects and programs at country level and 21 multinational operations executed under the coordination of regional institutions, mostly regional economic communities (RECs). This cumulative amount is comprised of about 59.2% on loan terms and 40.8% in grants.

- **Utilization of Grants**

2.6 Unlike under the ADF-IX Replenishment cycle, no specific priority areas were prescribed for the utilization of ADF grant resources under ADF-X. Grants will, therefore, play the same role as loans, except for specific allocations by end-use⁴. Under ADF-X, access to grant-resources has been defined by the ADF-X Financing Policy Guidelines and the document entitled *Proposals for Access to ADF-X Grant Resources for Financing Technical Assistance Activities*. The progress report on *the Utilization of ADF-X Grant Resources* provides detailed information on the strengths, weaknesses and opportunities

2.7 The grant-only countries face severe resource constraints, in view of their development needs. Yet, as a direct consequence of the application of the EPBA and DSF allocation system, the total grant allocation for these countries represents slightly below 23 % of the total resources available, while they account for 30% of the total ADF countries' population. As most of them are in post-conflict situations and need to rehabilitate their infrastructure and social services as well as kick start their economies, the allocations they may obtain through the Enhanced Performance –based allocation system are fall far below their resource requirements.

2.8 In addition to the above country allocations, a proposal was approved by the Board of Governors to earmark some UA 80 million from which RMCs classified as loan-only can draw grant resources for financing technical assistance activities⁵, up to a total amount not exceeding 7.5% of the country allocation. As well, the proposal defines the modalities for access by countries eligible for grant financing but in situations of chronic arrears. Hence, depending on whether or not the RMC in arrears is a post–conflict country, it will be authorized to access up to a maximum percentage⁶ of 50% or 20% of its grant allocation. The

⁴ For example, grant resources earmarked for utilization in the financing of technical assistance (TA) should not be utilized for non TA-activities.

⁵ It is recalled, however, that any grant amount approved from this UA 80 million, for a loan-only country, to finance technical assistance activities will be deducted upfront from the country's loan allocation.

⁶ While the cap has been set to 20%, post-conflict countries having a well engaged arrears clearance process may access up to 50% of their grant allocation for technical assistance.

proposal also establishes the principles governing access of regional organizations to grants for technical assistance, under the ADF-X multinational allocation.

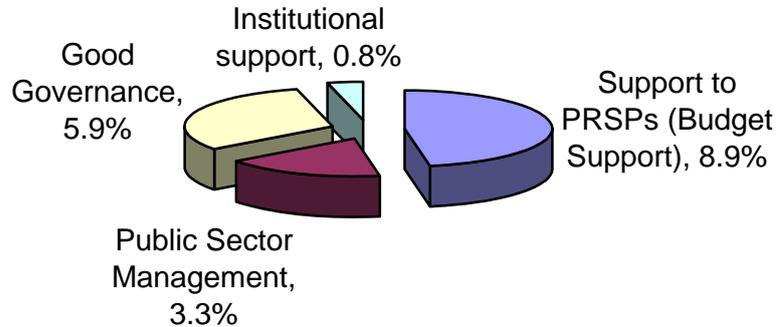
2.9 In terms of actual approvals, Table 2.1 projects that at the end of December 2006, cumulative grant commitments will attain UA 906.8 million, comprised of UA 224.922 million multinational grants and UA 681.87 million of grants for countries. This represents less than 27% of the total ADF-X allocation available for project financing, showing that the Fund so far has remained a lending institution.

2.10 The distribution of the ADF-X grant approvals is concentrated in a few areas of focus: (i) the social sectors (29.2%) with the bulk of resources allocated to the education sector and pro-poor interventions; (ii) transport (22.2%) (iii) agriculture and rural development (21.3%); (iv) water supply and sanitation with 17.7% out of which about 12 percentage points were used to support the Rural Water Supply and Sanitation Initiative (RWSSI); and (v) Multisector interventions, mainly in the area of institutional capacity building and governance. Grant approvals for multinational operations will represent about 42.3% of the total multinational allocation and are mainly concentrated on activities aimed at building the capacity of regional economic communities including SADC, COMESA, UEMOA and Lake Chad Basin, and at developing a strategic framework for the NEPAD infrastructure component.

- **Policy based Operations**

2.11 As at the end of December 2006, Multi-sector operations⁷ financed by the Fund, including policy-based interventions, will amount to UA 418.4 million, representing about 18.8% of the total approvals. Figure 2.1 below gives the breakdown of projected Multisector approvals by sub-sector. The share of policy-based operations, which represents about 12.2% of the ADF total approvals, is, therefore, well below the maximum of 25% authorized under the ADF-X Replenishment. Out of this share, about three-quarters is dedicated to the provision of budget support for the implementation of the Poverty Reduction Strategy Programs in countries with reasonably sound fiduciary standards including Madagascar, Tanzania, Benin, Burkina Faso and Ghana. The Fund has been providing to RMCs Development Budget Support (DBSLs) in line with the guidelines, approved by the Boards of Directors in 2004 on prerequisites, particularly fiduciary controls. The Fund's participation in countries' assistance through Development Budget Support operations has not been impeded by any particular constraints. The remaining one-quarter of resources committed for policy based financing was utilized to finance structural adjustment operations, mainly to provide quick disbursing support to the balance of payments or promotion of economic rehabilitation and recovery in beneficiary countries. The rest of multi-sector operations are comprised of institutional capacity building (0.8%) and governance support interventions (5.9%), which are also critical for countries' efforts to build an enabling environment for investment.

⁷ Operations classified as "Multisector"- include Structural and Sectoral Adjustment interventions, governance support projects and programs, budget support for the implementation of PRSPs and institutional support operations for capacity building.

Fig. 2.1 - Breakdown of Multisector Operations

- **Multinational Operations**

2.12 At end December 2006, the Fund expects to have approved financing for multinational operations amounting to about UA 422.441 million and representing 79.5% of the total multinational allocation. This represents around 12.3% of the total ADF-X allocation for operations and is, therefore, under the limit of 15% defined in the ADF-X resources allocation by end-use. The distribution of approvals under the multinational allocation reflects the trend of the demand for regional integration financing that the Fund has been receiving recently. About 62.8% of the multinational resources have been utilized to finance regional infrastructure in the areas of transport, power supply and integrated water resource management. Some 20% has been utilized to support agriculture and rural development programs mainly to provide a regional response to trans-boundary animal disease problems. About 14.2% has been allocated to the social sector, while the balance has been utilized to support procurement reforms in two regional economic communities and a regional development initiative.

2.13 After the approval of these operations by end December 2006, the balance of multinational resources left for the year 2007 will amount to some UA 108.56 million. This is in comparison with the expressed demand for multinational operations (MNOs) financing exceeding UA 750 million. The Fund will face a resource constraint during the last year of the ADF-X Replenishment cycle. Consequently, stringent selectivity had to be applied in the preparation of the 2007 multinational portfolio, which will not cover more than two sectors.

3. IMPLEMENTATION OF ADF-X OPERATIONAL PRIORITIES

3.1 The Fund's priority areas of focus, agreed upon by the Deputies and the Bank Group, for the ADF-X Replenishment cycle, have been defined in the ADF-X Financing Policy Guidelines. These operational priorities are globally in line with the trends observed since ADF-VIII. The bulk of ADF-X resources are, therefore, expected to be allocated to selected priority areas critical to the development of Africa's low-income countries' and in which the Fund has accumulated experience and valuable expertise, namely Infrastructure including Rural Water Supply and Sanitation; Agriculture and Rural Development; Human Capital

Development; Private Sector Development; Good Governance; and Regional Economic Cooperation and Integration. The Fund also expects to provide assistance to post-conflict countries and pursue cross-cutting initiatives for sustainable development in the areas of capacity building, gender mainstreaming and environment protection. The new-generation CSPs have defined a limited number of priority clusters for intervention by the Fund. These clusters or pillars are aligned to the priorities of the countries' PRSPs. At the operational level, efforts have been made to link the projects and programs proposed for financing under ADF-X to the pillars of the corresponding CSPs. The following section assesses the extent to which, the operations funded are in line with the ADF-X Financing Policy Guidelines.

Table 3.1 : Distribution of ADF-X Approvals by Sector for the period July 2005-End 2006
(in UA million, unless otherwise specified)

Sector	Amount					
	Loan	%	Grant	%	Total	%
Agriculture and Rural Development	218.764	16.6%	193.6	21.3%	412.3	18.5%
Infrastructure	624.7	47.4%	363.8	40.1%	988.5	44.4%
- Transport	341.7	25.9%	201.1	22.2%	542.8	24.4%
- Water Supply and Sanitation	176.7	13.4%	160.2	17.7%	336.9	15.1%
<i>Rural Water Supply and Sanitation Initiative</i>	121.0	9.2%	107.6	11.9%	228.6	10.3%
<i>Other Water Operations</i>	46.0	3.5%	56.0	6.2%	102.0	4.6%
- Power Supply	106.3	8.1%	2.6	0.3%	108.9	4.9%
- Communication	-	0.0%	-	0.0%	-	0.0%
Finance	-	0.0%	0.3	0.0%	0.3	0.0%
Social	140.0	10.6%	264.9	29.2%	404.9	18.2%
<i>Education</i>	30.0	2.3%	94.0	10.4%	124.0	5.6%
<i>Health</i>	85.0	6.5%	62.0	6.8%	147.0	6.6%
<i>Other Social</i>	25.0	1.9%	108.9	12.0%	133.9	6.0%
Multisector	334.3	25.4%	84.2	9.3%	418.4	18.8%
<i>Support to PRSPs (Budget Support)</i>	192.3	14.6%	5.9	0.6%	198.1	8.9%
<i>Public Sector Management</i>	53.0	4.0%	19.7	2.2%	72.7	3.3%
<i>Good Governance</i>	89.0	6.8%	41.8	4.6%	130.8	5.9%
<i>Institutional support</i>	-	0.0%	16.8	1.8%	16.8	0.8%
TOTAL	1,317.70	100%	906.80	100%	2,224.50	100%

a) Overall Implementation

3.2 Table 3.1 above gives the breakdown of Sectoral priorities financed under the ADF-X program for the period July 2005-end December 2006. As indicated by Table 3.1 and Fig.1 below, the Fund's assistance has been concentrated in a few priority areas critical for boosting economic growth and reducing poverty, namely Transport (24.4%), Multi-sector (18.8%), Agriculture and Rural Development (18.5%), Social Sectors (18.2%) and Water Supply and Sanitation (15.1%).

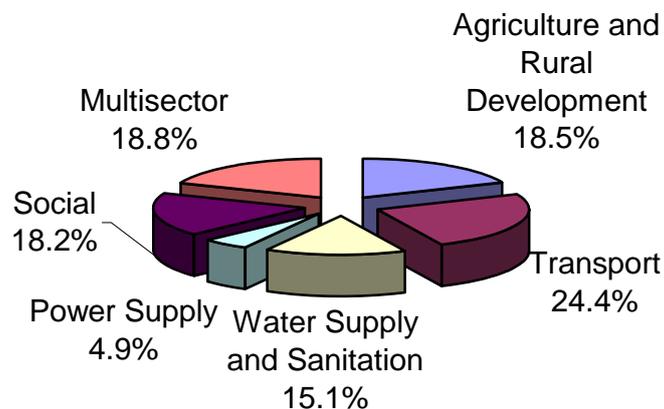
b) Sectoral Achievements

- **Infrastructure development**

3.3 In line with trends observed since ADF-IX, the priority area of interventions by the Fund has been infrastructure development, mainly centered on the financing of transport, water supply and sanitation, and power supply projects and programs. Compared to past replenishments, the share of infrastructure in the ADF-X approvals has been enhanced and represents about 44.4% of the total approved operations for the period under review.

Transport operations, which have received the largest share, are concentrated in the road-sub-sector. These projects are critical for ADF countries, in regards to their need to ensure enhanced mobility and access to socio-economic facilities to their population. International road corridors have also been given particular attention, in line with the strategic orientation of the New Partnership for Africa's Development (NEPAD). While the water operations have been mainly to advance the implementation of the Rural Water Supply and sanitation Initiative (RWSSI), approvals in the power sector have been dedicated to the promotion of universal access to electricity.

Fig. 3.1 - Distribution of ADF-X Approvals by Sector for the Period July 2005-December 2006



- **Agriculture and Rural development**

3.4 Agriculture and rural development remains one of the top priorities for ADF eligible countries, given the fact that their populations are still predominantly rural, despite the high rate of urbanization. The rural population mainly relies on farming activities for its livelihood and food security. With some 18.5% of the ADF-X resources committed so far, agriculture and rural development continued to be among the top priority sectors during the first half of the Tenth Replenishment period. Globally, the Fund's assistance under ADF-X in the agricultural sector has been in line with the ADF-X Financing Policy Guidelines and concentrated on a few major interventions. Part of the resources are dedicated to the rehabilitation of the agricultural sector in some countries emerging from internal conflicts.

3.5 The Fund supported the promotion of integrated rural development through interventions in Angola, Burkina Faso, Ghana, Mali and Rwanda as well as community-based development projects such as in the Koulikoro and Kayes regions of Mali and the Kimira-Oluch area of Kenya. Livestock was a major area of focus, with two significant multinational interventions to provide a regional response to trans-boundary animal diseases in SADC and improve the management of ruminants in West Africa, and a country operation in Sao Tome & Principe. The development of fisheries was also supported, including through assistance at the community level, in Madagascar, DRC and Chad. The development of irrigation schemes and support to improved management of water resources, for agricultural use, also accounted for a few projects financed in Malawi and Niger. Notwithstanding the low demand for

forestry operations was generally low, financing was approved for a major forestry resource management project in Benin.

- **Human Capital Development**

3.6 The importance of human capital development is attested by the fact that not less than 5 of the 8 MDGs derive from this objective. The ADF-X Financing Policy Guidelines, therefore, requires that the social sectors, namely education, health and the other targeted interventions for poverty reduction among the vulnerable segments of population to be given particular attention. With commitments amounting to UA 404.9 million, representing 18.2% of the total ADF-X approvals, Human Capital Development has been accorded high priority by the Fund. Since the entry into force of ADF-X, about 5.6% of the total ADF-X approvals has been allocated to interventions in the education sector in support of the following objectives: enhanced access to basic education in Guinea; development of distance learning in the SADC region, skills and vocational training in Nigeria; post-primary/secondary level education in Uganda and Malawi; and, development of higher learning systems in the UEMOA zone.

3.7 Approvals in the health sector (6.6% of the total ADF-X approvals) have mainly focused on support for access to basic health services such as in the rural areas of Malawi and Burkina Faso or the district zones of Sierra Leone. The fight against communicable diseases - especially the HIV/AIDS pandemic - has also been supported through multinational interventions such as in the Lake Chad Basin Initiative and the SADC HIV/AIDS and Tuberculosis program.

3.8 The Fund also committed resources (6% of total ADF-X approvals) towards economic empowerment of vulnerable groups. Examples are the socio-economic reintegration of disadvantaged groups in DRC, the women entrepreneurship and skills development for food security (Pilot project) in Mozambique and the urban poverty reduction and decentralization in Ghana. Globally, the Fund's support to the social sectors has been in line with the ADF-X Deputies' recommendations.

- **Rural Water Supply and Sanitation**

3.9 Africa is lagging far behind, in respect of achieving, by 2015, the Millennium Development Goals (MDGs) with regard to access to water and sanitation services, particularly for the rural populations. In order to accelerate progress towards these goals, the Bank Group, in 2003, spearheaded the Rural Water Supply and Sanitation Initiative (RWSSI) and took action to mobilize support from the donor community. Within this context, the ADF committed to provide up to 30% of the resource requirement for RWSSI. The review of the ADF-X approvals for water projects shows that about 68% of the approvals in the water supply and sanitation sector, representing about 10.3 % of the ADF total approvals, are in support of the implementation and/or the preparation of projects under the RWSS Initiative in Ethiopia, Uganda, Chad, Senegal, Guinea and Tanzania. Besides the RWSS initiative, financing has also been extended to Burundi to rehabilitate and extend its rural water supply and sanitation infrastructure affected by the recent conflict situation. However, according to the current projections, the Fund will fall short of meeting its commitment for the RWSS initiative. The cumulative approvals are expected to total about UA 396 million representing only 13.8% of the ADF-X total allocation for countries. This percentage is low compared to the 30% authorized during the ADF-X Replenishment negotiations. Additional efforts will,

therefore, be required, during the next ADF replenishment cycle to boost the Fund's contribution to the RWSSI program.

- **Private Sector Development**

3.10 The Fund's involvement in private sector development has been mainly anchored on measures aimed at (i) improving the investment climate through macroeconomic and institutional reforms, leading to a more conducive legal and regulatory framework, and (ii) providing support to small and medium enterprises (SMEs). Approvals made under ADF-X in support of private sector development are mainly concentrated on support, through adjustment program interventions, to reforms aimed at removing the legal and regulatory obstacles and hence improving the business environment. Examples of Fund's interventions are the structural adjustment programs PAS IV in Mali and PAS V in Niger. Two multinational public procurement enhancement projects are also expected to boost private sector participation in the COMESA and UEMOA markets.

- **Good governance**

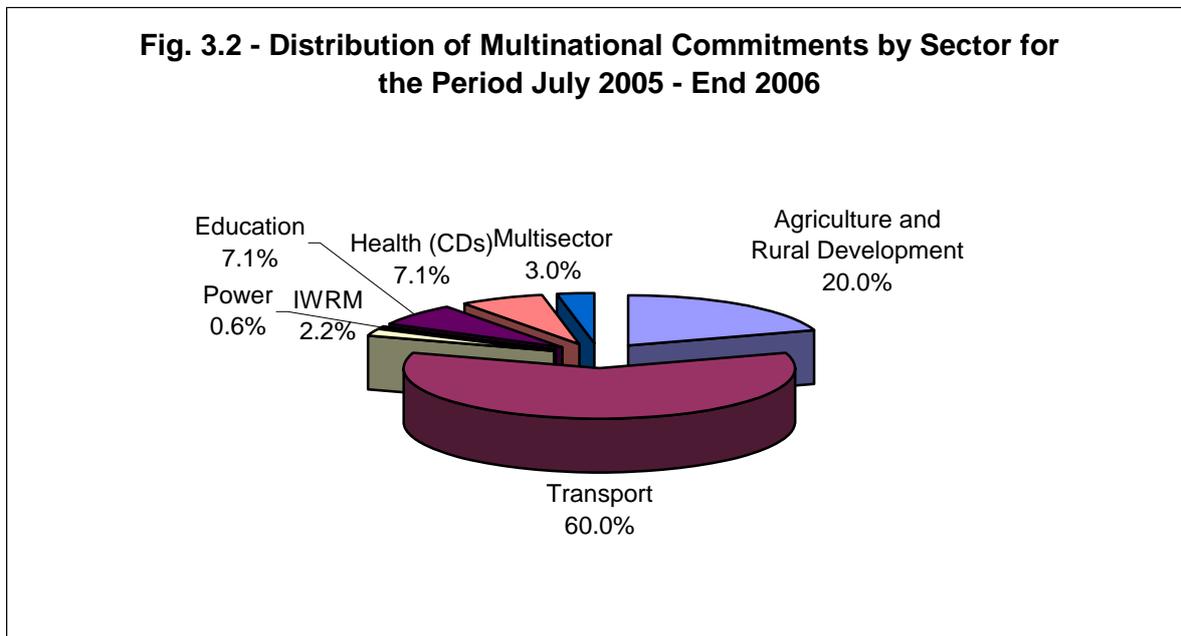
3.11 The Fund is expected to play a key role in the promotion of good governance. This has been translated into scaled-up engagements in this area, aimed at improving, among others, the investment climate to make it more attractive to domestic and foreign investors. Enhanced involvement of the Fund in the area of good governance will contribute to promoting private sector development, while improving the management of public resources. About 6% of the total ADF-X approvals were in support of good governance operations. Most of these operations are in the form of institutional support projects and programs. In some countries, the support for good governance targeted specific public bodies such as budgetary control institutions in Benin, or capacity building in Chad and Kenya. Countries in chronic arrears have also been provided with support to improve their governance and thus facilitate their re-engagement with the donor community. These countries included Central African Republic (CAR) and Togo, with which the Bank Group is currently intensifying its dialogue.

- **Post-Conflict Assistance**

3.12 In recent years, the Fund's assistance to post-conflict RMCs is within the framework of internationally agreed programs, in close collaboration with the Bretton Woods institutions, and is mainly focused on socio-economic reintegration, rehabilitation of basic social and economic infrastructure and promotion of good governance. During the period under review, the Fund provided exceptional support to the reintegration program of disadvantaged groups in the Republic of Congo. Also, the Fund extended a grant to Sierra Leone within the framework of its Economic Rehabilitation and Recovery Program (ERRP), in pursuance of the reconstruction efforts initiated, a couple of years ago. The Fund has also been considering proposals for institutional support to some countries directly affected by conflicts such as Liberia and Sudan. With the exception of UA 41.3 million provided to Burundi and the Republic of Congo using an advance extended under ADF-IX, there has been no approval for arrear clearance under the Post-Conflict Country Facility (PCCF) during the period. Meanwhile, proposals are well under way for such arrear clearance support to CAR and Liberia. Also, a strategy for enhanced engagement in fragile countries is currently being prepared.

- **Regional Economic Cooperation and Integration**

3.13 Regional economic cooperation and integration is a priority area, in which the Fund has been requested to play a key role since the ADF-VIII replenishment. In recent years, this has been further enhanced with the launching of the NEPAD initiative, in which the Bank Group has been appointed by the Heads of States and Governments to provide leadership in the areas of Regional Infrastructure, Finance and Banking Standards. Since ADF-VIII, the multinational allocation has played a critical role in advancing regional integration initiatives, including in the kicking off of the NEPAD Infrastructure development program and supporting the International Comparability Program (ICP). This, in addition to a growing demand for support to multinational operations, justified the deputies' decision to increase to 15% of the total ADF-X commitment capacity dedicated to regional integration, to allow the Fund scale up its interventions in this.



3.14 With a total commitment of UA 422.441 million at end December 2006, the utilization of multinational resources will still be in conformity with the Deputies' directive, since this amount will represent about 12.6% of the total ADF resources available for operations financing, below the prescribed 15% of the ADF-X Financing Policy Guidelines. The cumulative multinational approvals at the end of December 2006 represent about 80% of the total multinational allocation, which amounts to some UA 531 million. The review of the remaining work program for 2006 reveals, however, that the pending demand for multinational financing under ADF-X is still very high. Consequently, by end December 2006, the normal processing of multinational proposals in the ADF pipeline will result into the consumption of the bulk of resources earmarked for regional integration operations. This will inevitably result in a scarcity of resources compared to the multinational pipeline, for which the demand is steadily increasing in the ADF countries, mainly on account of the NEPAD Initiative.

3.15 Figure 3.2 above shows the distribution per sector of the ADF-X approvals under the multinational allocation for the period July 2005-end December 2006. In line with the trend recently observed in the Bank Group's multinational portfolio, most of the resources committed (62.8%) were allocated to the development of cross-border infrastructure

networks, mainly in the transport sector (60%) with a significant contribution to a major transit transport corridor linking the city of Bamako, Mali to the sea port of Dakar, Senegal and to the connection of Kigali, Rwanda to Bujumbura, Burundi. This also includes the provision of complimentary resources required for undertaking the preparation of the Medium to Long – Term Strategic Framework (MLTSF) for Infrastructure development in Africa, which is aimed primarily at accelerating the implementation of the NEPAD Short-term Action Plan (STAP), while providing a framework for sustainable development. The balance of 2.8% of the infrastructure commitments was allocated to the area of regional water resources management and to the preparation of a power transmission project under the Nile Basin Initiative.

3.16 Agriculture and rural development received the second highest share, 20% of the commitment, mainly to tackle livestock problems requiring a multi-country response in the cases of SADC- Trans-boundary Animal Diseases (TADs) Control and Surveillance and the West Africa sustainable ruminant cattle management project in the four countries of the Gambia, Guinea, Mali and Senegal. The third largest share (14.2%) was committed in the social sectors, equally distributed between education in support of Distance Learning capacity building in SADC and the Development of Higher learning systems in the UEMOA zone, and health for the fight against the spread of communicable diseases such as TB and HIV/AIDS in the lake Chad Basin and the SADC region. The balance of 3% was used to consolidate further procurement reforms in the COMESA and UEMOA zones to pursue the ultimate goal of boosting the participation of the local private sector in the regional economy, and to support the AFRITAC initiative.

- **Mainstreaming of Cross Cutting Issues**

3.17 As outlined in the ADF-X Financing Policy Guidelines, the Fund is expected to accord a high priority to mainstreaming crosscutting issues such as capacity building at country and regional organization levels as well as support for the development of national statistical systems; promotion of gender equity, particularly through the socio-economic empowerment of women; and the promotion of environment protection, with special attention given to ensuring the sustainability of natural resource-based livelihoods of the rural poor.

3.18 **Capacity Building** - The intensification of the Fund's capacity-building efforts is reflected in the ADF-X approvals for the period July 2005-end December 2006 by the inclusion of more capacity building components and/or activities. Most of the operations in the social sectors (5 in education including one multinational, namely the SADC capacity building for ODL delivery and 2 in health) have part of their resources allocated to capacity building activities. In the agricultural sector, most of the community-based projects, such as the Support to Fishermen communities in Madagascar or the Community development support project in the Kayes and Koulikoro Regions in Mali include important capacity building components, aimed at ensuring the sustainability of investments. In the transport sector, capacity building components have also been included where it was found to be critical for the viability of project investments. This has been the case in Sierra Leone, where the Matotoka – Sefadu Road study has been combined with institutional support to the national transport sector, to help recover the capacity lost during the political instability. In the case of the multinational Mali-Senegal Kati-Kita-Saraya-Kedougou project, Institutional support has also been provided to UEMOA to enable it to establish and manage a transit transport facilitation system along the Bamako–Dakar corridor. In governance, the Fund's assistance is mainly for building or strengthening country capacity in the management of

public resources, the establishment of an environment attractive for investments and the implementation of major governance reforms such as decentralization.

3.19 Gender Mainstreaming – With the exception of one stand-alone operation aimed at promoting women entrepreneurship and developing their skills for food security, gender equality has been treated generally as a cross-cutting issue within the frameworks of projects and programs. It is recognized, however, that most projects will significantly improve the welfare of vulnerable groups, particularly women. For example, all the RWSSI projects will reduce the work load for women related to fetching drinking water. Social projects such as the Socio-economic Reintegration of Disadvantaged Groups in Congo or the Urban Poverty Reduction and Decentralization in Ghana will also significantly contribute to gender equality through economic empowerment of vulnerable populations. Similarly, the microfinance-based Women Entrepreneurs GOWE-2 project is expected to economically empower low-income women through enhanced access to credit.

3.20 Environment Protection - In line with the Bank Group's rules of procedures, all projects financed under ADF-X have been given an environmental category. When required, these projects have included an environmental action plan, for mitigating negative environmental and social impacts expected to result from their implementation. Some operations, however, are primarily intended to have positive impact on the environment. These include projects such as the Accra Sewerage Improvement Project, the RWSSI operations and the Benin Communal Forest Management project.

4. OTHER NON OPERATIONAL SUPPORTING ACTIVITIES

4.1 The processing of projects and programs proposed for financing under ADF-X was accompanied by the implementation of non-operational support activities aimed at building an environment conducive to seamless delivery of development assistance. Although not satisfactory to the expected level, considerable progress has been made in improving the Fund's internal procedures and processes, by undertaking the implementation of the Action Plan aimed at improving the ADF operations and the whole Bank Group assistance. Progress achieved is extensively presented in a specific mid-term review report⁸. This section highlights activities undertaken during the period under review. It covers the preparation of Country Strategy Papers (CSPs) for programming ADF interventions, initiatives taken for improving the management of Bank Group's portfolio, the preparation of policies and guidelines, the Economic and Sector Work (ESW) studies as well as actions taken to mainstream the Harmonization, Alignment and Managing for Results agenda.

a) Preparation of CSPs and Selectivity

4.2 The Bank Group has undertaken, for the ADF-eligible countries, the preparation of Results-based CSPs, whose pillars are aligned to the priorities of the countries' Poverty Reduction Strategy Papers. In line with the Bank Group's information disclosure policy, these CSPs as well as project draft documents have been disseminated to stakeholders,

⁸ For more detailed information, please refer to the ADF-X Mid-Term Review Report on "The Action Plan to Improve the Implementation of ADF Operations"

soliciting comments and suggestions for incorporation in the final documents. The preparation of policies and operations has also generally involved extensive consultations with beneficiaries, including dialogue missions aimed at validating proposed strategic orientations for Bank's assistance to the country. Furthermore, the Bank Group has stepped up its participation in the preparation of Joint Assistance Strategies (JAS) through its field office representations, further reinforcing country ownership. The JAS exercise provides opportunities for strengthening harmonization, building synergies and joint implementation of projects and programs in support of country development strategies, under country leadership. During the period under review, the Bank Group initiated the preparation of some 29 CSPs and 4 Regional Assistance Strategies (RAS) , and, in collaboration with partners, participated in the development of 3 Joint Assistance Strategies (JAS) in Uganda, Zambia and Tanzania. The Bank Group also participated in 2 country harmonization processes in Ethiopia and Mozambique.

4.3 Within the framework of the CSPs, selectivity for the Fund's interventions has been promoted by abiding strictly with a maximum of 1-3 pillars in the countries' PRSPs. The Country Operations Departments are working further on enhancing selectivity by increasing the size of operations and reducing these pillars, wherever possible to a maximum of two (2) in countries with moderate allocations of ADF resources, and one (1) for countries with small allocations. However, while it has been easy to reduce the number of strategic areas of focus in the CSPs, considerable difficulty continues to be met towards enhanced selectivity in the areas of interventions of the Fund. This is due to the fact that countries face a range of challenges, which translate into a diversity of requests for assistance. The Bank Group has been extensively consulting with multilateral and bilateral partners in order to review existing cooperation frameworks. In these consultations, focus has been on defining a basis for harmonization, complementarity, and improved division of labor in areas of comparative advantage. The Bank Group is also building its own capacity in selected domains through the implementation of key initiatives such as in the water sector. By the same token, Economic and Sector Work studies are being intensified. Such undertakings may, in the long run, help to enhance the selectivity in the Fund's operations. The recent move towards developing a credible rolling pipeline (3 years) will also provide leverage for selectivity.

b) Portfolio management

4.4 During the period under review, the Bank Group has initiated action towards improving the management and supervision of its portfolio. The portfolio clean-up exercise is guided by the findings of the 2004 Annual Portfolio Performance Review (APPR), as well as Management's own intensive examination of the current portfolio, which make it clear that there is need for more active, effective and systematic enhanced portfolio management. Management is therefore undertaking a significant portfolio clean-up. The objectives of this exercise are to: (i) cancel non-performing operations; (ii) recover residual funds from projects that are essentially completed; (iii) eliminate commitment fee obligations that still exist for residual balances; and (iv) ensure complete and fully up-to-date information/data on on-going operations in the SAP system. This portfolio clean-up process will continue during the year 2007, taking into account the findings of the 2005 APPR exercise. At the same time, action is being taken to reduce the current level of un-disbursed resources and to increase the average rate of disbursement to at least 25%. The Bank Group has revised its supervision format and scaled up its quality-at-supervision assessment exercise. Sufficient resources have been provided to permit delivery on the Bank's commitment on average supervision rate per active project, including through expanded field presence, and the institution is likely to

achieve its objective of 1.5 supervisions per operation per project, during the period under review. Measures have also been taken to clear the backlog of Project Completion Reports (PCRs) and Audit Reports (ARs) in 2007.

c) Preparation of Policies

4.5 During the last two ADF replenishment cycles, i.e. ADF-VIII and ADF-IX, the Bank Group had prepared a significant number of policies and guidelines. Under the ADF-X program, major policy works have included the development and dissemination of the new results-based CSPs annotated format, which was used to draft the new ADF countries' strategies. Other operational policy works initiated during the period include the following: (i) ADF-X Financing Policy Guidelines and of a proposal on access to ADF-X grant resources for technical assistance; (ii) Policy, Guidelines and Implementation Strategy on Microfinance; (iii) updated Guidelines for the Financial Management and Financial Analysis of Projects; (iv) revised policy on urban development and integrated urban development strategy; (v) Strategy on Assistance to Fragile Countries; (vi) Guidelines on Financing Multinational Operations; and (vii) Proposal to offer choice of currencies to ADF countries.

4.6 A number of formats have been prepared in relation to the quality assurance exercise (quality-at-entry, quality-at-supervision, appraisal report checklist, etc.). Following the implementation of the new organizational structure of the Bank Group Operations, Management is undertaking the revision of the business processes and procedures. Other policy works recently initiated and, which will enhance the development impact of ADF operations include: the revision of the Bank Group's energy sector including the development of a strategy on renewable energy; the preparation of a land tenure policy and strategy papers on infrastructure development, and higher education, science and technology. With respect to managing for results and monitoring and evaluation of the Fund's contribution to development objectives at country level, the ADF Results Measurement Framework (RMF) has been updated in collaboration with IDA, while the Bank Group RBM Implementation Strategy, which was commissioned during the ADF-IX Replenishment cycle has been completed.

d) Economic and Sector Work

4.7 During the period 2005-2006, ESWs were undertaken to richer context for the design of the Fund's strategies at country level and the development of a project and programs pipeline. Areas covered include governance, private sector development, gender, infrastructure, finance and agriculture. Significant efforts have been made to advance the ESW agenda in the area of governance, in particular, given the key role that the Fund was requested to play in this critical sector. Governance profiles were prepared for some 17 ADF countries. Sector studies in private sector development included the preparation of private sector country profiles (PSCPs) and sector adjustment support programs, as well as multinational and country level assessments on the support for growth oriented women entrepreneurs. Additional private sector ESWs also include multinational studies on remittance and labor migration, cultural heritage, oil and gas and a national study on the feasibility of a regulatory environment for infrastructure development.

4.8 In the area of infrastructure, 4 energy sector reviews were completed and one water and sanitation sector review was initiated in 2005 in ADF countries. In 2006, transport sector reviews were initiated in four Lusophone countries. Agriculture sector reviews also gained

momentum, increasing from one completed in 2005 to 9 initiated in 2006. Also, the Bank has undertaken other ESWs in the social sectors, including: the impact of decentralization processes on social development; maintenance of social infrastructure; and HIV/AIDS orphans. In addition to other financial reviews and economic studies, the Bank Group also continued to collaborate with the World Bank on Country Financial Accountability Assessments (CFAAs), Country Procurement Assessment Reviews (CPARs), Medium Term Expenditure Framework (MTFs) and the Public Expenditure Review (PERs) in ADF countries.

e) Harmonization, Alignment and Managing for Results

4.9 As a signatory of the Rome and Paris Declarations on Development Effectiveness, the Bank Group has taken action at country as well as internal levels to implement the Harmonization, Alignment and Managing for Results (HA & MfR) agenda. In addition to co-sponsoring the regional workshops on the Paris Declaration for Eastern, Northern and Western Africa, the Bank Group prepared an Action Plan on HA & MfR, the implementation of which is underway. Along with other donors, it has participated in the preparation of Joint Assistance Strategies (JAS) as well as in the preparation and financing of Budget Support and Sector-Wide Approach Programs (SWAs), in line with the guidelines approved by the Board of Directors in 2004. At the operational level, the application of a Managing for Results approach has been systematically incorporated in the ADF-X project cycle. First, a results framework for monitoring and evaluation during the ADF-X replenishment cycle and beyond has been included in all the new RB-CSPs. At the project level, a results-based logical framework (logframe) has been introduced and utilized for all ADF-X operations and a training program on the preparation of log frames is under execution since 2005. The monitoring function has been enhanced in some projects through the use of performance contracts with the executing agency and monitoring of medium-term impact. A Results-based Management (RBM) Implementation Plan, which aims at making the Bank Group, including the Fund, a more fully result-oriented institution, has also been prepared.

5. OVERVIEW OF THE 2007 INDICATIVE ADF-X OPERATIONAL PROGRAM

a) Financing Work Program

5.1 The implementation of ADF-X 2007 indicative Operational Program will take place in a context of continuing strategic reforms already outlined in this paper. These reforms are aimed at strengthening the Bank Group's Operations Complexes so as to enable it deliver upon its core commitments. As 2007 will be the last year of the ADF-X Replenishment cycle, the expected volume of approvals under the 2007 ADF Indicative Operational Program will be limited by the remaining commitment capacity of the Fund. Activities to be financed will be adjusted to the remaining commitment capacity of the Fund. Provisionally, the ADF indicative work program for 2007 amounts to UA 1,232.6 million. This includes a slight over-programming of about 3%, compared to the financing objective of UA 1,200. It is, therefore, expected that the 2007 work program will fully utilize all the ADF-X resources, uncommitted at the end of 2006.

Table 3.2 : Proposed 2007 ADF Operational Work Programme by Sector
(Amounts in UA million)

Sector	ADF LOANS		ADF GRANTS		TOTAL ADF	
	Amount	%	Amount	%	Amount	%
Agriculture and Rural Development	108.0	12.8%	22.7	5.8%	130.7	10.6%
Industry, mining and quarrying	-	0.0%	-	0.0%	-	0.0%
Infrastructure	611.2	72.4%	190.2	49.0%	801.4	65.0%
<i>Transport</i>	271.2	32.1%	90.8	23.4%	362.0	29.4%
<i>Water Supply and Sanitation</i>	182.0	21.6%	91.1	23.5%	273.1	22.2%
<i>Power Supply</i>	158.0	18.7%	8.3	2.1%	166.3	13.5%
<i>Communication</i>	-	0.0%	-	0.0%	-	0.0%
Finance	40.0	4.7%	-	0.0%	40.0	3.2%
Social	40.0	4.7%	46.3	11.9%	86.3	7.0%
<i>Education</i>	40.0	4.7%	12.0	3.1%	52.0	4.2%
<i>Health</i>	-	0.0%	-	0.0%	-	0.0%
<i>Other Social</i>	-	0.0%	34.3	8.8%	34.3	2.8%
Environment	-	0.0%	-	0.0%	-	0.0%
Multisector *	45.0	5.3%	129.2	33.3%	174.2	14.1%
Bank Group	844.2	100.0%	388.4	100.0%	1,232.6	100.0%

* Multisector includes, among others, Structural and Sector Adjustment Loans as well as support for governance and poverty reduction schemes

5.2 The increasing priority accorded by ADF countries to infrastructure development among the pillars of their PRSPs or their national development plans and reflected in the Bank Group's CSPs has translated into a major shift in the financing requests submitted for consideration under the ADF window. Provisionally, some 65% of the 2007 work program is dedicated to the development of infrastructure, according to the following distribution: 29.4% for the transport sector; 22.2% for water supply and sanitation and 13.5% for power supply.

5.3 Operations proposed to be financed by ADF in 2007 place emphasis on helping countries, through projects and studies, to develop efficient transport infrastructure networks, mainly roads, critical for achieving the MDGs and fostering sustainable economic growth, through enhanced mobility and access to services. The Fund will support projects and programs aimed at developing international transport corridors for facilitating access to seaports for landlocked countries, especially in the Central Africa sub-region that lags behind in the area of corridor development. Unfortunately, due to a lack of resources, the Fund's participation in the financing of international corridors will be rather limited in 2007.

5.4 ADF interventions in the Power Supply sector will mainly focus on supporting production and transmission projects, including rural electrification and rehabilitation of existing systems, in Cape Verde, Uganda and Burundi, and in the preparation of new projects in countries such as Zimbabwe and Guinea. The Fund will continue to support the STAP energy component by providing financing for the interconnection of power grids in the three countries: Zambia, Kenya and Tanzania.

5.5 Despite the limited resources available under ADF, additional efforts have been made to increase the RWSSI work program to 10.5% of the total 2007 Indicative Operational Program. However, based on current projections, the cumulative value of RWSSI approvals under ADF-X is expected to reach UA 396.31 million, representing only about 13.80% of the ADF-X total allocation to countries. This percentage is considerably below the ceiling of

30% authorized during the ADF-X negotiations for financing RWSSI projects and programs. Exceptional efforts, therefore, need to be made, in 2007 and onwards, to build a larger and more robust pipeline of deliverable projects under this Initiative.

5.6 Other areas of focus for 2007 include multi-sector operations representing 14.1% of the total ADF work program. These interventions will cover direct budget support, macroeconomic adjustment, post-conflict economic recovery programs as well as support for good governance and institutional capacity building, including in countries in situation of chronic arrears. Agriculture and rural development will remain a priority for the Fund, representing 10.6% of the total work program, even though this is a lower level than in previous years. Other sectors of limited focus in the 2007 ADF Indicative Operational Program will include: Social sector (7%) including participation in a SWAp and a multinational project in education and provision of support to post-conflict, youth employment and rehabilitation of social infrastructure projects and programs; and Finance (3.2%) for supporting a major sector reform in one RMC.

b) Non Financing Activities

5.7 In addition to the above operational work program, the Bank Group will undertake priority non-financing actions aimed at improving the Fund's operations. The 2007 non-financing work program will focus on actions aimed at the following objectives: (i) enhancing the decentralization of Bank Group's activities for a stronger dialogue and closer collaboration with Regional Member Countries; (ii) strengthening the Bank's quality assurance system and improving its portfolio; (iii) broadening and deepening the institution's economic and sector work; (iv) preparation of country and regional assistance strategies; (v) reinforcing the toolkit of operational procedures, policies, strategies and guidelines; (vi) developing private sector operations; (vii) strengthening partnerships and improving aid coordination; and (viii) participation in major African development initiatives. The section below outlines specific actions under the non-financing activities that the Bank Group envisages to undertake during the year 2007.

5.8 **Quality Assurance** - In order to ensure quality-at-entry and quality-at-supervision, the Bank Group will continue to perform quality assessment of its portfolio and disseminate cases of best practice among its professional staff in the Operations Complexes as well as review and streamline its review process and launch a number of operational tools aimed at strengthening its quality assurance and compliance function. Action is already underway to streamline Bank Group business processes, including the application of new measures aimed at improving, in the area of procurement, performance through reduced processing delays and increased accountability for client responsiveness. The Bank Group will accelerate the implementation of the ADF-X Action Plan, particularly those activities related to portfolio management. Enhanced focus will be on portfolio clean-up to cancel non-performing operations, recover residual funds from operations that have reached completion. The Bank Group has budgeted for enhanced supervision of the current operations to deliver on its commitment to ensure a supervision rate of 1.5 mission per operation per year, with the possibility of increasing it to 2 for more complex or potentially problematic projects.

5.9 **Economic and Sector Work** - Out of the 118 Economic and Sector Works (ESWs) planned for 2007, about 92 will cover ADF countries, including 17 multinational studies for

identifying areas of intervention through multi-country operations. The ESW program will cover the areas of governance, gender, private sector country profile, country-region global link, public sector administrative reform, health expenditure, poverty and social exclusion, land reform and capacity building, in addition to traditional sectors such as agriculture, transport and water sector.

5.10 *Country Dialogue* - The Bank Group will intensify dialogue with ADF countries in order to identify critical needs and mutual priorities, and address difficult issues. In addition to the traditional issues of arrears, dialogue missions will cover PRSP processes, the preparation of CSPs, country governance and private sector profiles. The Bank Group will participate in the follow up, review and discussion of PRSPs in at least 3 ADF countries and will participate in donor roundtables aimed at identifying budget support operations in support of the implementation of PRSPs. In addition to updating recently approved ones, 5 new CSPs and one Regional Assistance Strategy (RAS) will be prepared for ADF countries, while the Bank Group will participate in the preparation of 5 Joint Assistance Strategies, along with other donors, within the framework of the Harmonization, Alignment and Managing for Results.

5.11 *Policy development* – Also, in 2007, the Bank Group will deliver on key policy papers and related business processes that are critical for ADF countries. These include strategy papers on Bank Group’s assistance to fragile states and the development of higher education, science and technology as well as policy frameworks on ICT and clean energy investment. Work will also be initiated during the year to develop additional policies, particularly: the Bank Group’s areas of comparative advantages, infrastructure development, renewable energy, and land tenure.

5.12 *Harmonization and Partnerships* - Recently the Bank Group has been consulting extensively with multilateral and bilateral partners to update and streamline existing cooperation frameworks and to more specifically identify areas of cooperation offering greater promise and mutual value. Following the Boards’ approval of the reform of the Bank Group’s technical cooperation funds, work has started on the implementation of the three-year action plan, which has been prepared to this end. In line with its commitment to the Paris Declaration, during the year, the Bank Group will continue collaborative activities with its development partners, including other MDBs and the OECD-DAC, within the framework of the Harmonization, Alignment and Managing for Results agenda. This will involve joint missions and studies covering the preparation of JAS, SWAps, Budget Support programs as well as activities such as Public expenditure reviews (PERs), Country Financial Accountability Assessment (CFAA) and Country Procurement Assessment Reports (CPARs). As a major player in the delivery of development assistance in Africa, the Bank Group will also continue to provide crucial support to African development initiatives such as NEPAD and RWSSI.

5.13 *Anti-corruption Framework* – The Bank Group is working at putting in place its Anticorruption Unit by 2007 and, in conjunction with other MDBs, is taking action to combat fraud and corruption, including by agreeing on common principles for investigations, due diligence, as well as compliance and enforcement actions. In addition, the Bank Group will continue to assist RMCs in strengthening governance and combating corruption, in cooperation with civil society, the private sector and other stakeholders such as the press and judiciary with the goal to enhance transparency and accountability. The Bank Group’s engagement strategy in governance and combating corruption will be underpinned by an

illustrative typology of challenges in RMCs, depending on the quality of the countries' policy framework and the strength of their governance. The Bank will build safeguards mechanisms in the design of its operations in high risk environments. In implementing these operations, it will develop specific strategies for operational risk mitigation, drawing on Country Governance profiles.

6. LESSONS LEARNED AND CHALLENGES

6.1 Despite the improvement brought to the delivery of its assistance, the Fund has still yet to reach a high level of development effectiveness in its operations. During the first half of the ADF-X Replenishment cycle, the Bank encountered a number of obstacles that prevented it fully discharging its operational work program. In the near term, the ADF will have to address a number of challenges in order to boost its development assistance while maintaining the highest standards in its interventions. The implementation of the ADF-X Action Plan for improving the development effectiveness of the Fund's operations has yielded results in key areas, namely the promotion of a results-based management system, the strengthening of the Bank Group's institutional capacity, the enhancement of the quality of the active project portfolio and the quality of coordination with other developing partners. In addition, the on-going institutional reforms are expected to further strengthen the Fund's delivery capacity and improve its portfolio. Furthermore, in the last year of ADF-X and the subsequent ADF-XI replenishment cycle, it will be critical for the Fund to draw lessons from the implementation of the first half of the ADF-X program and address the related constraints accordingly. In so doing, the Fund will pay particular attention to the following issues:

6.2 *Delays in the Preparation of the Fund's strategies* – The actual start-up of financing approval under ADF-X was delayed on account of late completion of a number of preparatory activities. *First*, a new results-based Country Strategy Paper (CSP) format had to be developed and approved by the Board of Directors. The subsequent preparation of results-based CSPs, using the new format also proved to be rather demanding, delaying further the processing of projects and programs for financing under ADF-X. Furthermore, in some cases, the preparation of CSPs was delayed by the absence of new or interim PRSPs at country level. In a few cases, such as in Uganda and Tanzania, the Bank Group needed to collaborate in multi-donor groups in the preparation of Joint Assessment Strategies. *Second*, the lengthy process preceding Board's approval of the ADF-X Financing Policy Guidelines held up the entry into force of the ADF-X program until end June 2005. Thus, the presentation of operational proposals for approval by the Board was delayed until the second half of 2005. Furthermore, some countries have been reluctant to authorize the Fund's mission, particularly for the preparation of country governance profiles. Thus, while the Bank Group needs to streamline its procedures for CSP and ADF Financing Policy preparation, high-level dialogue should be initiated at country level, involving the top management of the Bank, as appropriate, in order to facilitate the definition of the Fund's assistance strategies in these countries.

6.3 *Non Predictability of resources available under the ADF* – Due to the application, on a yearly basis, of the Enhanced Performance-Based Allocation system and the Debt Sustainability Framework analysis, the amount and nature of ADF resources available to countries has tended to change unpredictably, resulting in the cancellation or downsizing of operations or modification of the mode of financing (loan or grant). Thus, during the

preparation of the 2007 work program, a number of operations proposed for processing had to be withdrawn from the portfolios of countries with reduced allocation. The application of the DSF analysis and enhanced PBA system has tended to aggravate the difficulty of planning ADF-funded interventions at country level, thus preventing the Bank Group from meeting one of the main requirements of the Paris declaration, which is to promote predictability of aid flows. The allocation of ADF resources is a critical issue that should be addressed within the framework of the ADF-X Mid-term review process, to avoid further negative impact on the 2007 Operational Work Program as well as subsequent ADF replenishment.

6.4 *Small size of some operations* - Despite a slight improvement in the average size of project loan/grants, as compared to ADF-IX, the review of the ADF-X projects has revealed that the Fund is still financing a large number of small-sized operations involving relatively high implementation costs and, therefore, has yet to benefit from economies of scale resulting from interventions of larger size. However, action is being taken to reduce the proportion of small-size operations in the Fund's portfolio. Measures taken during the preparation of the 2007 ADF operational program have resulted in a reduction of the number of ADF operations from 79 in 2006 to 52, increasing the average size of approvals from UA 17.3 million to UA 23.7 million. Clearly, therefore, the current Enhanced Performance-Based Allocation system constitutes, for some countries, a limiting factor to the size of the total country allocation, which may result in small size operations during the processing of the work program. The EPBA system needs to be revisited to ensure that ADF country allocations are above or equal to a threshold that allows, with the exception of studies and other project cycle activities, the undertaking of operations having an adequate and cost-effective size.

6.5 *Situation at Country level* - Due to the situation of chronic arrears, a number of ADF countries affected by conflicts or political crisis, namely Central African Republic, Comoros, Côte d'Ivoire, Liberia, Somalia, Sudan, Togo and Zimbabwe have not drawn from their ADF-X allocations. It is noted, however, that within the framework of the on-going dialogue between the Fund and these countries, technical assistance operations have been prepared for those making significant progress in arrears clearance and offering a conducive environment for project implementation. Last but not the least, the social and political situation facing certain RMCs (civil war, presidential elections) constituted a challenge for the smooth implementation of Bank-financed operations and to the preparation of new ones in these countries.

6.6 *Rules of Origin of Goods in SWAps* - For the delivery of development aid, most donors support, as a matter of priority, common assistance frameworks that facilitate the harmonization of operational procedures and promote developmental synergies through programmatic approaches at sector level, reducing transaction costs. However, some of these frameworks require participating donors to pool financial resources. The Fund's participation in such financing schemes could result in the utilization of ADF resources for procuring goods and services from providers classified as non-eligible by the ADF. The application of the appropriate clauses in the Agreement Establishing the ADF including Article 15(4)(a), which governs the procurement of goods and services in the Fund's operations, would require that ADF contributions to pooled resource SWAps schemes be "ring-fenced", in order to fully comply with Bank Group procurement rules. Thus, current procurement rules constrain the Fund's participation in SWAps based on pooled financial resources.

6.7 *Utilization of Performance-Based Allocation in the case of Fragile States* – The utilization of the Enhanced Performance-based Allocation (EPBA) system for allocating ADF resources has worked fairly well for highly performing countries. However, the EPBA system is based on the assessment of the Country Policy and Institutional Assessment (CPIA) and the Country Portfolio Performance Rating (CPPR). While the CPIA has generally been found to be biased against poorly performing fragile states, CPPR is also very weak in these countries because of the lack of implementation capacity of their public sector. While it is essential to maintain the EPBA system for the allocation of ADF resources, there is need to develop new financing tools aimed at providing countries classified as fragile with additional resources in support of targeted development priority areas critical for reconstructing the economies and reducing poverty.

6.8 It has been realized that fragile states are fundamentally different and face complex developmental challenges that cannot be effectively addressed through the traditional policies, procedures and operational instruments. The Bank has, therefore, proposed, for Boards' consideration, a strategy for enhancing its development assistance to its core fragile regional member states. This strategy, among others, makes recommendations on Bank's assistance and the scaling up of resources for these countries.

6.9 *Eligibility of Expenditures under ADF* - Although the General Conditions and other financing policies applicable to loans and grants are fairly flexible with respect to cost sharing, the current application of the Bank Group's eligible expenditure policies is facing challenges related to aid effectiveness as well as some disconnect with the needs of borrowers. The provision of counterpart funds has become difficult for some ADF countries, due to the absence of predictability of the Fund's financing resulting from the system of allocation adopted under ADF-X. Furthermore, the growing interest in promoting programmatic approaches such as SWaps may increase the average in cash counterpart funding requirement. The implementation of recent operations financed under ADF has shown that some countries have been facing difficulties in mobilizing, on a timely basis, their counterpart funds contribution. For this reason, a number of financiers including close partners of the Bank Group have taken steps to abolish financial contributions for some ADF eligible countries.

6.10 In line with its commitment to the Harmonization, Alignment and Managing for results (HA & MfR) agenda, the Bank Group including the ADF realizes the need to revisit, along with key sister institutions and bilateral partners, its policy on eligible expenditures with a view to improve the development effectiveness of its operations and be more responsive to its borrowers' needs. To this end, work has been initiated to propose new eligibility policies, guided by the following principles : (i) expenditure eligibility policies are responsive to the countries' needs and to the harmonization agenda; (ii) new eligible expenditures are productive, i.e. they contribute to enhancing the development effectiveness of the operations; and (iii) the loan/grant proceeds have acceptable oversight arrangements, including fiduciaries, to ensure their actual utilization for the purposes for which they have been approved.

7. THE WAY FORWARD

7.1 Although progress has been achieved, during the first half of the ADF-X program, in sharpening the Fund's focus on operational priorities geared to foster broad-based economic growth and reduce poverty, additional efforts are required from the Bank Group's side as

well as from further support from the ADF Deputies to improve further the Fund's development effectiveness. The following summarizes the issues and actions to be considered in the near future.

7.2 The Bank Group will fine tune its Medium -Term Strategy towards achieving greater focus and selectivity in the Fund's operations. Enhanced focus will be on infrastructure development, especially transport, power and water supply and sanitation operations, regional integration, and agriculture and rural development. The Bank Group will work at promoting operations of higher quality and prospective impact, with measurable performance benchmarks for monitoring and evaluating the development effectiveness of the Fund's assistance. In addition the Bank Group will take actions to improve the management of the Fund's portfolio and performance through enhanced supervision and clean-up of aging and low-performing operations, as well as clearing backlog of project completion reports to generate lessons of experience for incorporation in new operations.

7.3 Most importantly, the Bank Group will expand its network of field offices that will be more effectively staffed and empowered to provide increased, improved and timelier services to client countries. Also, the Bank Group will improve its competitiveness, attractiveness and reliability through reforms aimed at reducing procurement and disbursement delays. The Bank Group will deepen its collaboration with current and emerging partners, which will be underpinned by a search for greater consistency and harmonization and reinforced selectivity. Achieving the above will involve implementing a number of strategic supporting activities related to budgeting, clear identification of deliverables and adequate human resources development; the adoption of a country centered programming approach; further decentralization of Bank Group's activities; improved business processes; and efficient fight against corruption at internal as well as country levels.

7.4 Support will be necessary from the ADF Deputies to alleviate most of the constraints encountered during the implementation of the ADF-X program, in order to facilitate the implementation of subsequent ADF replenishment programs and increase their development effectiveness. Particular focus should be on the following issues: (i) Adoption of a resource allocation system that ensures the predicability of resources, in line with the requirement of the Paris Declaration as well as adequate levels of allocation for individual countries that guarantee cost-effective sizes of operation; (ii) Provision of additional resources in support of targeted development priorities aimed at reconstructing the economies and reducing poverty in fragile states; and (iii) adoption of expenditure eligibility principles responsive to the countries' needs and to the harmonization agenda.

8. CONCLUSIONS AND RECOMMENDATIONS

8.1 The mid-term review of the implementation of ADF-X operational priorities by the Fund has revealed that approvals under ADF for the period 2005-end December 2006 are within the priority areas of focus defined in the ADF-X Financing Policy Guidelines and comply with financing thresholds defined under the ADF-X resources allocations by end-use. Due to the availability of limited resources for the last year of the ADF-X replenishment, the 2007 ADF Indicative Operational Program has been prepared on a very selective basis, to exhaust the remaining ADF-X resources.

8.2 During the first two years of ADF-X, the Fund implemented a number of quality assurance measures including promoting country ownership and application of greater selectivity, in the preparation of CSPs. Efforts have also been made to progressively mainstream a culture of results-based management by preparing results-based CSPs and introducing in all ADF operations a results-based log-frame with agreed monitorable results. Participation in budget support and SWAps has been on a case by case basis and in line with guidelines approved by the Board of Directors.

8.3 Smooth implementation of the ADF-X replenishment, however, has been impeded by a number of constraints. Of these the lack of predictability of resources available to countries due to the application of the Debt Sustainability Analysis and the Enhanced Performance-Based Allocation (EPBA) is the most challenging one. The Fund is also facing major challenges related to its participation in SWAps, to the small size of allocations for some countries and the provision of inadequate resources to fragile states. These are some of the issues that need to be addressed during the upcoming ADF-XI Replenishment negotiations.

ANNEX : LIST OF APPROVALS

ANNEX 1: LIST OF APPROVALS UNDER ADF-IX IN THE PERIOD JULY 2005-END DECEMBER 2006

NUMBER	COUNTRY	PROJECT DESCRIPTION				AMOUNTS(UA MILLION)			
			SECTOR	INSTRUMENT		BOARD DATE	LOAN	GRANT	TOTAL
1	ANGOLA	Bom Jesus-Calenga Rural development Project	AB		GP	24-Nov-05		17.200	17.20
2	BENIN	Appui aux institutions de contrôle budgétaire	KA		GI	29-Jun-05		2.500	2.50
3	BENIN	Appui Gestion forêt communales	AAD	PL	GP	6-Jul-05	19.240	15.760	35.00
4	BENIN	PAS-Réduction de la Pauvreté-Phase II	KA	SL	GI	24-Jul-06	9.860	5.140	15.00
5	BURKINA FASO	Appui au développement de la santé rurale	IBZ	PL		27-Jul-05	25.000		25.00
6	BURKINA FASO	The Third Poverty Reduction Strategy Support Programme (PASRP III)	KZ	DBSL		14-Dec-05	30.000		30.00
7	BURKINA FASO	Projet de dévelop, agricole la zone Gnagna Kouritenga- Piela Bilanga -II	AB	PL		21-Jul-06	12.500		12.50
8	BURKINA FASO	Projet d'appui aux institutions chargées de la gestion des ressources publiques	KF		GI	27-Oct-06		2.500	2.50
9	BURUNDI	The Rural Water Infrastructure Rehabilitation and extension Project	EZ		GP	14-Dec-05		12.000	12.00
10	BURUNDI	The Watershed Management Project (PABV)	AAC		GP	1-Mar-06		9.000	9.00

11	BURUNDI	Projet d'appui aux réformes économiques et à la gouvernance (PAREG II)	KG		GSL	8-Nov-06		7.300	7.30
12	CAMEROON	The Yaoundé Sanitation Project	EB		GP	14-Dec-05		25.600	25.60
13	CAMEROON	Women Entrepreneurs (GOWE 2)	HB		GI	6-Dec-06		0.300	0.30
14	CAMEROON	Projet de route Batibo Bachoua Akagbe	DB		GP	6-Dec-06		44.700	44.70
15	CAMEROUN	Programme d'appui aux réformes en matière de Gouvernance	KG	SL		6-Dec-06	29.000		29.00
16	CAPE VERDE	Programme d'appui à la réduction de la pauvreté et appui Institutionnel Gestion économique	KA	SL	GI	22-Nov-06	3.390	0.750	4.14
17	CENTRAL AFRICAN REPUBLIC	Appui Institutionnel	KF		GI	21-Jul-06		3.300	3.30
18	CHAD	Programme d'appui à la Gouvernance et renforcement des capacités	KG		GP	11-Oct-05		20.500	20.50
19	CHAD	Projet Pêche	AAF		GP	9-Nov-05		10.000	10.00
20	CHAD	Initiative de l'AEPA en milieu rural	EZ		GP	12-Jul-06		13.000	13.00
21	CONGO	Projet d'appui a l'amélioration du circuit de la dépense et des indicateurs de la pauvreté (PACDIP)	KZ		GI	6-Dec-06		2.500	2.50
22	CONGO, DEM. REP.	Etude Pêche et Elevage	AAE		GS	28-Jun-06		1.500	1.50
23	CONGO, DEM. REP. OF	Réhabilitation du secteur agricole et rural dans les provinces du Katanga, Kasai Oriental et Kasai Occidental	AZ		GP	7-Dec-05		35.000	35.00

24	CONGO, DEM. REP. OF	The Nsele-Lufimi and Kwango-Kenge Roads Rehabilitation Project	DB		GP	19-Dec-05		52.450	52.45
25	CONGO, REP. OF	Soci-Economic reintegration of Disadvantaged Groups	IE		GP	15-Mar-06		14.800	14.80
26	ETHIOPIA	Rural Water Supply and Sanitation Programme	EZ		GP	21-Dec-05		43.610	43.61
27	ETHIOPIA	Protection Basic Services Grant	IZ		GP	6-Dec-06		83.590	83.59
28	ETHIOPIA	Jimma-Mizan Road Upgrading	DB	PL		13-Dec-06	61.000	-	61.00
29	ETHIOPIA	Universal Electricity Access Project (UEAP)	FA	PL		20-Dec-06	80.000		80.00
30	GAMBIA	Entrepreneurship Development & Livelihood Promotion Project	IE		GP	15-Nov-06		8.000	8.00
31	GHANA	Poverty Reduction Support Loan	KZ	SL		7-Sep-05	44.000		44.00
32	GHANA	Urban Poverty Reduction & Decentralisation	IZ	PL		11-Oct-05	25.000		25.00
33	GHANA	The Accra Sewerage Improvement Project (ASIP)	EB	PL		26-Apr-06	46.000		46.00
34	GHANA	Afram Plain Development	AB	PL		31-May-06	23.000		23.00
35	GUINEA	Reaménagement voies aeroport Gbessia	DB		GP	13-Jul-05		8.250	8.25
36	GUINEA	Appui au développement de l'éducation de base-Education IV	IA		GP	13-Jul-05		14.000	14.00
37	GUINEA	Etude pour la formulation du programme national d'alimentation en eau en milieu rural (AEP)	EZ		GS	10-May-06		1.000	1.00
38	GUINEA	Appui institutionnel et	KG		GI	26-Jul-06			

		promotion de la Gouvernance						2.500	2.50
39	GUINEA-BISSAU	Agricultural and Rural Sector Rehabilitation Project - North, West and East Regions/Projet de rehabilitation du secteur agricole et rural, regions nord, oust et est (PRESAR) (ADF/BD/WP/2005/74)	AZ		GP	25-Jan-06		5.800	5.80
40	KENYA	Green Zones Development Support Project	AZ	PL		11-Oct-05	25.040		25.04
41	KENYA	Kimira-Oluch Smallholder Farm Improvement	AAA	PL	GI	31-May-06	22.979	1.153	24.13
42	KENYA	Inst. Support for Good Governance (re-appraisal)	KG		GI	26-Jul-06		5.520	5.52
43	LESOTHO	Likalaneng-Thaba Tseka Road Upgrading Project	DB	PL		29-Nov-06	6.830		6.83
44	LIBERIA	Inst. Support for Economic Management and Good Governance	KG		GI	27-Oct-06		3.000	3.00
45	MADAGASCAR	Projet d'appui aux communautés des pêcheurs	AAF	PL		16-Nov-05	6.325		6.33
46	MADAGASCAR	Initiative de l'eau et de l'assainissement dans les zones rurales	EZ	PL		21-Dec-05	51.000		51.00
47	MADAGASCAR	Premier Programme d'appui budgétaire à la réduction de la pauvreté	KZ	DBSL		24-Jul-06	35.000		35.00
48	MALAWI	Rural Health Project IV	IBZ		GP	24-Nov-05		15.000	15.00
49	MALAWI	Support to Secondary Education (Education V)	IAC		GP	7-Jun-06		15.000	15.00
50	MALAWI	Irrigation and	AAC		GP	26-Jul-06			

		Conservation Development						15.000	15.00
51	MALI	Projet de Dév. Rural de Baguineda	AB	PL		30-Nov-05		14.920	14.92
52	MALI	PAS IV	KA	SL		7-Dec-05		35.000	35.00
53	MALI	The Community Development Support Project in the Kayes and Koulikoro Regions (PADEC)/Projet d'appui au développement communautaire dans les régions de Kayes et Koulikoro	AB	PL		3-May-06		15.000	15.00
54	MAURITANIA	AEPA en milieu rural	EZ	PL		8-Nov-06		9.700	9.70
55	MOZAMBIQUE	PPF - Grassroots Community Capital Building	AZ		PF	16-Jun-05		0.250	0.25
56	MOZAMBIQUE	Women's Entrepreneurship and Skills Development for Food Security - Pilot Project/Projet pilote : Appui à la sécurité alimentaire et développement de l'entreprenariat féminine (ADF/BD/WP/2005/131)	ID		GP	25-Jan-06		2.510	2.51
57	MOZAMBIQUE	The Electricity IV Project/Quatrième projet d'électricité (ADF/BD/WP/2006/46 (The Appraisal Report/le rapport d'évaluation)	FA	PL		13-Sep-06		26.300	-
58	MOZAMBIQUE	Monteguez-Lichinga Road Project	DB	PL		27-Oct-06		30.100	30.10
59	MOZAMBIQUE	Budget Support for	KG	DBSL		27-Oct-06			

		Good Governance (poverty Reduction Support Loan)					60.000		60.00
60	NIGER	Fifth Structural PAS V	KA	SL		21-Sep-05	18.000		18.00
61	NIGER	The Tibiri-Dakoro and Madaoua-Bouza-Tahoua Roads Rehabilitation Project	DB	PL		19-Dec-05	22.000		22.00
62	NIGER	Projet valorisation Eaux Regions Dosso Tillabéri	AAC		GP	5-Oct-06		13.000	13.00
63	NIGER	Appui institutionnel à la décentralisation	KG		GI	15-Nov-06		3.000	3.00
64	NIGERIA	Skills training & Vocational Education Project	IAE	PL		27-Jul-05	30.000		30.00
65	NIGERIA	National Food Security	AAB	PL		18-Oct-06	22.000		22.00
66	RWANDA	Projet d'appui au secteur de l'Education	IAZ		GP	21-Jun-06		15.000	15.00
67	RWANDA	Projet d'appui au développement agricole de Bugesera	AB		GP	24-Jul-06		10.000	10.00
68	SAO TOME & PRINCIPE	Projet appui dével. Elevage II	AAE		GP	31-May-06		4.000	4.00
69	SENEGAL	Transport Routier	DB	PL		29-Jun-05	29.000		29.00
70	SENEGAL	Projet d'AEPA en milieu rural	EZ	PL		21-Sep-05	25.000		25.00
71	SENEGAL	Prog. Relance des activités rurales en Casamance (PADERCA)	AAZ	PL		19-Oct-05	20.000		20.00
72	SIERRA LEONE	Economic Rehabilitation and Recovery Program (ERRP)	KA		GP	27-Jul-05		10.700	10.70
73	SIERRA LEONE	Support to district health services-III	IBZ		GP	7-Sep-05		17.000	17.00
74	SIERRA LEONE	The Matotoka to Sefadu Road Studies and	DB		GS	9-Mar-06		1.990	1.99

		Institutional Support to Transport Sector							
75	TANZANIA	Poverty Reduction Support Loan II	KA	PL		28-Jun-06	50.000		50.00
76	TANZANIA	Rural Water Supply and Sanitation Program/Programme National d'Alimentation en Eau et d'Assainissement en milieu rural (ADF/BD/WP/2006/86) The Appraisal Report (Loan/Prêt)	EZ	PL	GP	13-Sep-06	45.000	10.000	55.00
77	TANZANIA	Support to Reduction of Maternal and Newborn Deaths (Health II Project)	IBA	PL		11-Oct-06	40.000		40.00
78	TOGO	Appui institutionnel	KF		GI	24-Jul-06		2.200	2.20
79	UGANDA	The Rural Water Supply and Sanitation Programme	EZ		GP	19-Dec-05		40.000	40.00
80	UGANDA	The Education III (Support to Post-Primary Educ.&Training Project(PPET) (SWAP)	IAC		GP	19-Dec-05		20.000	20.00
81	UGANDA	Support to Maternal and Mental Health (Health III)	IBA	PL		8-Nov-06	20.000		20.00
82	UGANDA	Kabale-Kisoro-Bunagan/Kyanika Road	DB	PL		20-Dec-06	33.000		33.00
83	ZAMBIA	The National Rural Water Supply and Sanitation Program	EZ		GP	31-Oct-06	-	15.000	15.00
84	ZAMBIA	Budget Support	KZ	DBSL		29-Nov-06	20.000	-	20.00
85	ZMULTINATIONAL	Compétitivité de la filière Coton en Afrique	AAG	PL	GI	22-Nov-06	28.000	7.000	35.00

		(Afrique centrale et Ouest)							
86	ZMULTINATIONAL	Botswana-Zambia Kazungula Bridge Study	DB		GS	22-Nov-06		2.500	2.50
87	ZMULTINATIONAL	East Africa Trade and Transport Facilitation Project	DZ		GP	22-Nov-06	-	12.000	12.00
88	ZMULTINATIONAL	SADC Capacity Building for ODL Delivery	IAH		GP	22-Nov-06		10.000	10.00
89	ZMULTINATIONAL	Promotion of science and technology for agricultural development in Africa	AZ		GP	29-Nov-06		15.580	15.58
90	ZMULTINATIONAL	Projet De Route Labé-Sériba-Médina Gounass (2)	DB	PL	GP	29-Nov-06	20.500	35.900	56.40
91	ZMULTINATIONAL	Kenya-Tanzania Arusha Namanga Athi River	DZ	PL		29-Nov-06	53.279	3.501	56.78
92	ZMULTINATIONAL	Assistance technique AFRITAC	KF		GI	6-Dec-06		3.110	3.11
93	ZMULTINATIONAL	Programme de reformes des Marchés Publics II-UEMOA	KA		GP	6-Dec-06		4.000	4.00
94	ZMULTINATIONAL	Medium to Long-Term Strategic Framework (MLTSF): Study for Infrastructure Development (NEPAD)	DZ		GS	19-Oct-05		1.670	1.67
95	ZMULTINATIONAL	Appui à l'initiative Bassin lac Tchad-HIV/AIDS	IBE		GP	26-Oct-05		10.000	10.00
96	ZMULTINATIONAL	Route Mali-Sénégal-Kita-Saraya-Kedougou	DB	PL	GP	21-Dec-05	58.160	7.900	66.06
97	ZMULTINATIONAL	Project for Sustainable Management of Endemic Ruminant Livestock in West Africa (The Gambia, Guinea, Mali,	AAE	PL	GP	25-Jan-06	9.760	10.240	20.00

		Senegal)/Projet de gestion durable du bétail ruminant endémique en Afrique de l'ouest (Gambie, Guinée, Mali, Sénégal) (ADF/BD/WP/2005/144)							
98	ZZMULTINATIONAL	SADC - Shared Watercourses Support Project for Buzi, Save and Rumuva River Basins/Projet d'appui à la gestion des cours d'eau Transfrontalières des bassins hydrographiques de la Buzi, de la Save et de la Ruvuma (ADF/BD/WP/2005/140)	AAC		GP	25-Jan-06		9.380	9.38
99	ZZMULTINATIONAL	SADC Support to HIV/AIDS & TB Programme (revised processing dates)	IBE		GP	31-May-06		20.000	20.00
100	ZZMULTINATIONAL	SADC- Transboundary Animal Diseases (TADs) Control and Surveillance	AAE		GP	5-Jul-06		13.710	13.71
101	ZZMULTINATIONAL	COMESA Public Procurement Enhancement	KF		GI	21-Jul-06		5.660	5.66
102	ZZMULTINATIONAL	UEMOA- Projet de développement de l'enseignement supérieur	IAD		GP	24-Jul-06		20.000	20.00
103	ZZMULTINATIONAL	BURUNDI/RWANDA - The Kicukiro-Kirundo Road Project/Projet de route Kicukiro-Kirundo	DB		GP	20-Sep-06		30.200	30.20
104	ZZMULTINATIONAL	The Construction of the Dori-Tera Road-Niamey Corridor Project/Projet d'aménagement de la route Dori-Téra et de facilitation du transport sur le corridor	DB	PL		27-Oct-06	27.820		27.82

		Ouagadougou-Dori-Téra-Niamey								
105	ZZMULTINATIONAL	The Nile Basin Initiative - Study on Power Transmission Lines related to the Rusumo Falls Hydropower Station/Initiative du Bassin du Nil - Etude de faisabilité sur les lignes de transmission de l'énergie électrique de la centrale hydroélectrique des chutes de	FAD		GS	27-Oct-06		2.571	2.57	
	TOTAL							1,317.703	906.796	2,224.499