

AFRICAN DEVELOPMENT FUND



# ADF-12 MTR Overview Presentation

## Informal Board Meeting

Resilience, Responsiveness, Results

**MR. BENOIT CHERVALIER**

HEAD, RESOURCE MOBILIZATION AND ALLOCATION (ORMU)

ADF-12 MTR

Tunis – 7 September 2012

# Outline of this presentation

- 1 Objectives of the Mid-Term Review (MTR)
- 2 Key Achievements
- 3 Key Challenges and Measures to Address Them
- 4 Management's Expectations for the MTR

# Objectives of the Mid-Term Review (MTR)

- What is an MTR?
  - ADF cycle
  - To have frank discussions with donor countries
- Accountability: Reporting on Implementation, Results and Remaining Challenges
  - Five papers covering the performance to date of ADF-12
    - Progress Report on Implementation of ADF-12 Operational Priorities
    - Institutional Effectiveness: Improving Delivery Capacity in a Changing Context
    - Results and Development Effectiveness
    - ADF-12 Resource Allocation
    - ADF Long-Term Financial Sustainability and Capacity
- ADF-12 MTR Discussions
- Outline the way forward for the remainder of ADF-12



# Objectives of the MTR

*The MTR is an accountability moment for the Bank, to review progress with donors*

- ▶ *The following will be also be used to communicate the results achieved:*
  - ▶ Photo exhibition on 'ADF in Action in Fragile States'
  - ▶ Field Visit of Cape Verde Projects
  - ▶ Publications Display
  - ▶ Video presentation on ADF Results



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# Recap: The ADF-12 Replenishment Framework

ADF-12 compact - set the framework for Fund's role in **addressing Africa's development challenges**

- accelerating progress towards MDGs
- reducing the infrastructure deficit
- combating the adverse impact of climate change

remained **resilient and increased focus on results amidst difficult operational context** marked by crises and fragility

demonstrated **responsiveness to the diverse and changing needs** of our clients

difficulties in **donors context**

# Key Achievements

- The ADF-12 MTR performance assessment reveals the Fund's demonstrated resilience to economic and security crises; responsiveness to diverse and changing needs of regional member countries; and a sound track record of focus on results in delivering its ADF-12 commitments
- Building on the operational and institutional achievements of ADF-11, the Fund is consolidating and deepening gains, promoting innovations, and improving the design and delivery of its operations based on experience and regular evaluations

# Key Achievements

- The independent evaluations of the Bank Group's support to Fragile States, Regional and Policy-Based Operations (PBO) have endorsed the role of the Bank in these key areas
- Innovations during the ADF-12 period include the implementation of the Regional Operations Selection and Prioritization framework; rolling out of new financing instruments such as the Partial Risk Guarantee; development of public-private partnerships; and increased use of climate change financing

# Key Achievements

- A determined program of continuous reforms implemented by the Bank has deepened and improved the institution's capacity to deliver development results as well as its operational efficiency
- Progress under the enhanced Results Measurement Framework confirms that the Bank's investments are changing the lives of Africans across the continent, while delivering a high proportion of its planned outputs and outcomes and benefiting the most vulnerable people in Africa

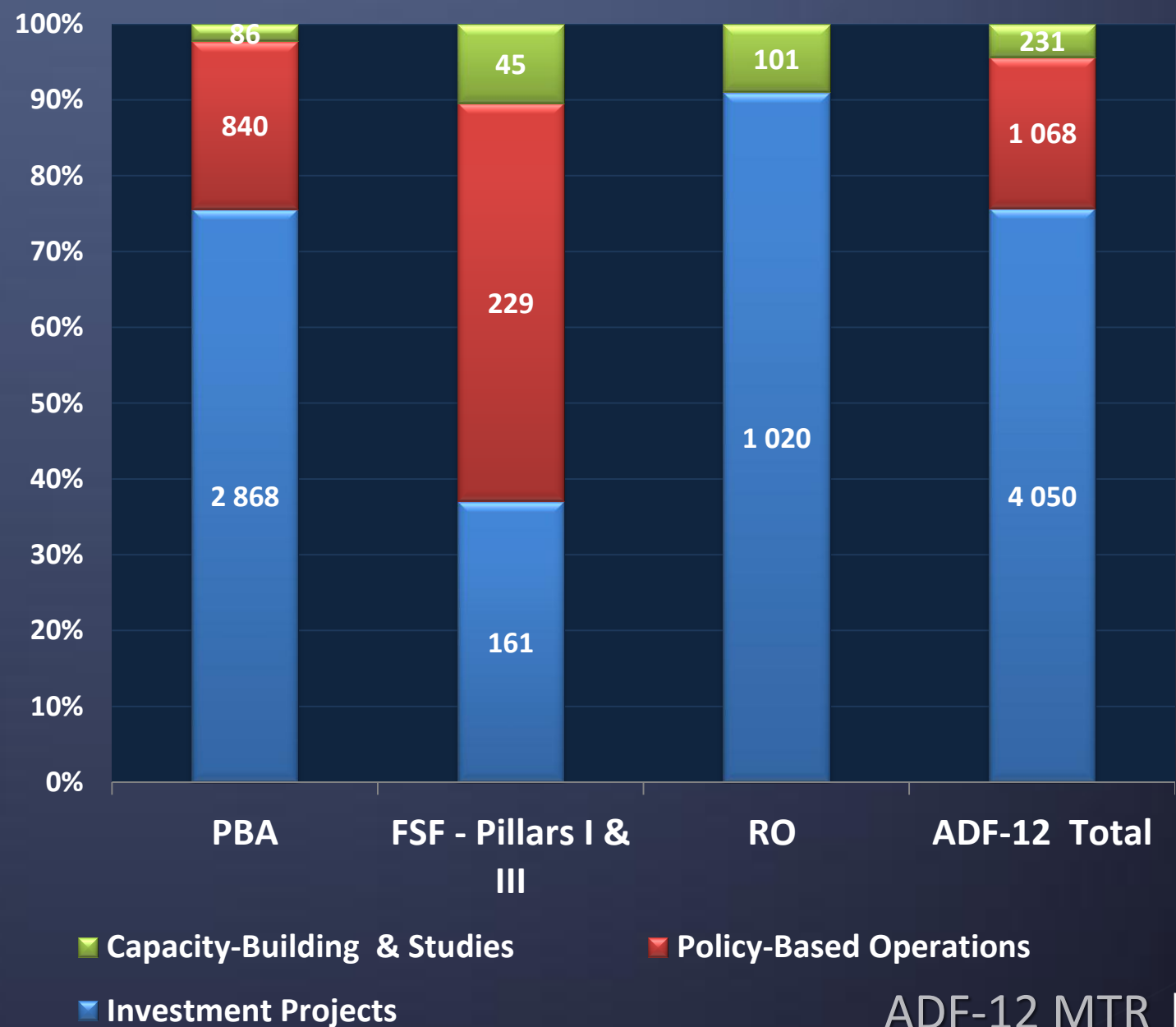
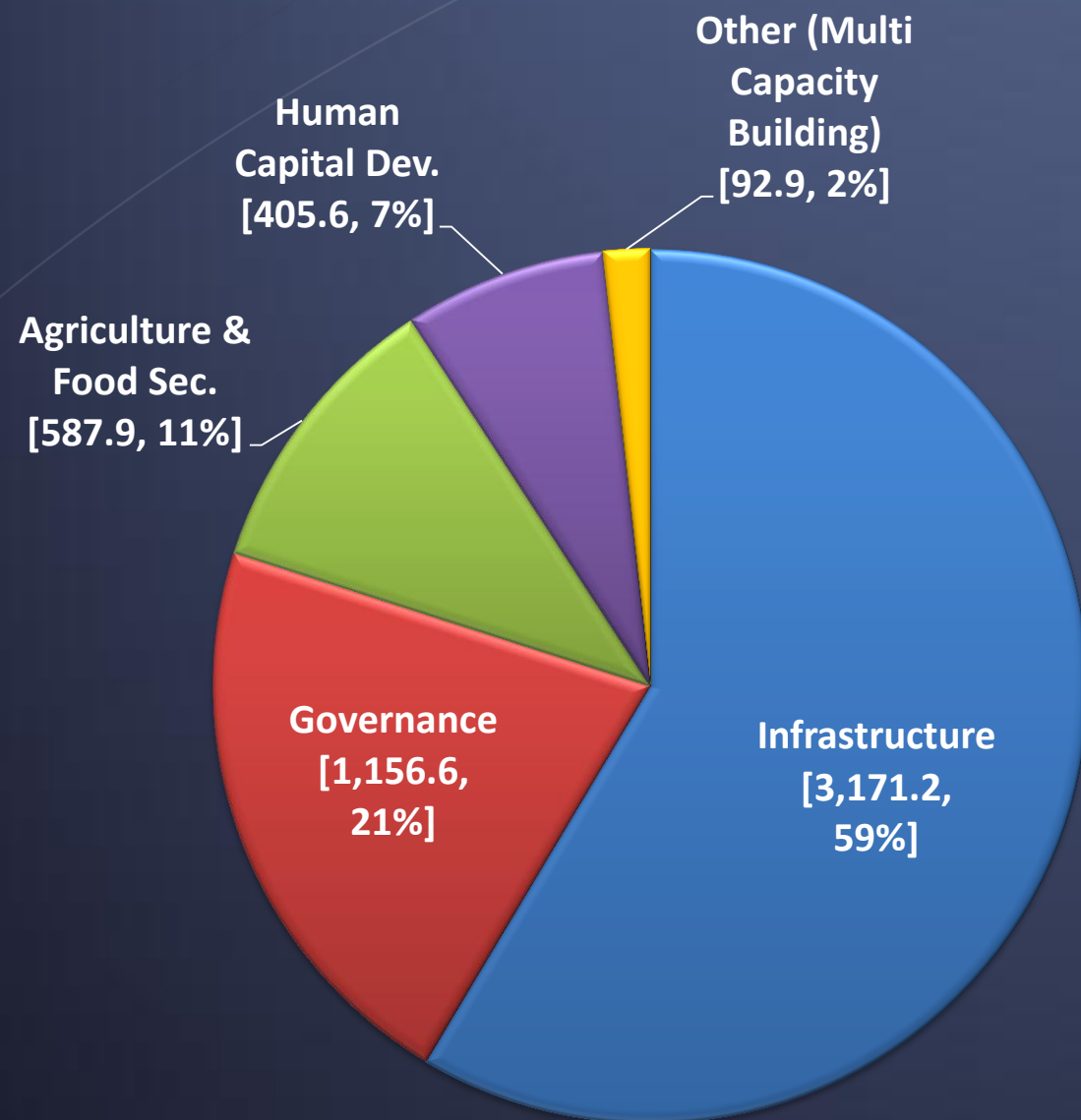


# Key Achievements

- 91 operations had been approved, valued at Units of Account (UA) 2,684.6 million
- Representing 49 percent of the total value of operations in the ADF-12 pipeline (UA 5,430.9 million)
- In the Fund's strategic priority areas (infrastructure, regional integration, governance and fragile states) and cross-cutting themes (private sector development, climate change, gender and human-capital development, and agriculture and food security)

# The Bank is contributing to Africa's development

*Implementation of operational priorities -infrastructure, governance, regional integration, and fragile states- and cross-cutting themes*



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# Key Achievements

- ADF-12 resources have been allocated in a timely manner and according to the agreed resource allocation framework. The performance-based allocation system has recognized the best performing countries, while the Bank is positioned to take a timely role in discussions on potential improvements to the system
- Despite the deficits reported the last two years and the challenging external environment, the Fund's financial basis remains sound. Several options are proposed to strengthen the ADF's financial capacity and ensure an appropriate use of resources while at the same time being more responsive to the heterogeneity of its clients

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# Key Challenges and Measures to Address Them

- Despite significant achievements, challenges remain. Bank Management is determined to tackle the unfinished business
- Strengthening clients' capacity for project preparation and timely implementation, especially in the infrastructure sector, by providing technical, financial and advisory support for project preparation. Measures have also been taken to improve internal business processes and portfolio management
- Continuing to deepen ADF's programmatic and financial support to Fragile States, Regional Operations, Private Sector Development and Human Capital Development



# Key Challenges and Measures to Address Them

- Completing the move from measuring results to managing for results, and engendering a results culture at country level
- Ensuring smooth implementation of operations, particularly timely disbursement. The Bank has made significant progress in reducing disbursement delays in operations -from 21 months in 2007 to 11 months in 2009- however, it has yet to meet its 2012 target of 10 months. Measures include improving project readiness, better assisting clients and using decentralization

# Key Challenges and Measures to Address Them

- The Bank manages itself efficiently, but needs to improve administrative budget utilization and human resource management (particularly the staff vacancy rate and continuing the development of the Career Development Framework)
- Ensuring the availability of sufficient resources for arrears clearance as and when countries become eligible for such support. Maintaining the current resources in Fragile States Facility Pillar II, as proposed by Management, would contribute to the availability of ADF resources to clear ADB arrears if Sudan and/or Zimbabwe meet the conditions during the ADF-12 period

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# Management's Expectations for the MTR

## ► Deputies' views

On the progress made, the commitments delivered, the remaining challenges and the measures to address them

## ► A Decision

On the resources in FSF Pillar II

## ► Deputies' guidance on issues for discussion in ADF-13

Possible improvements to the PBA system

Cost-sharing arrangements to the Regional Operations

Options to improve ADF's financial capacity

# Thank you.



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