

AFRICAN DEVELOPMENT FUND



ADF-12 Resource Allocation

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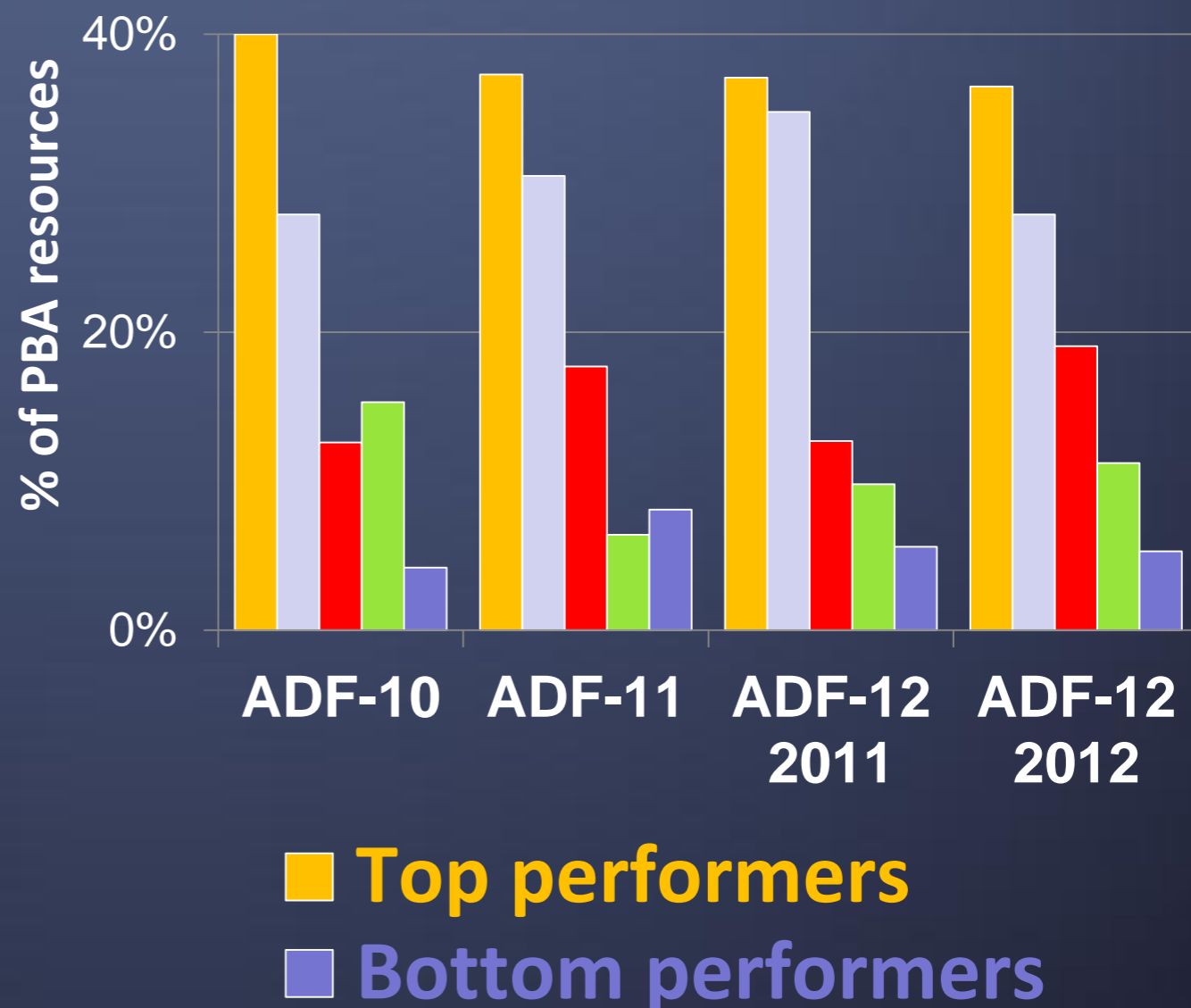
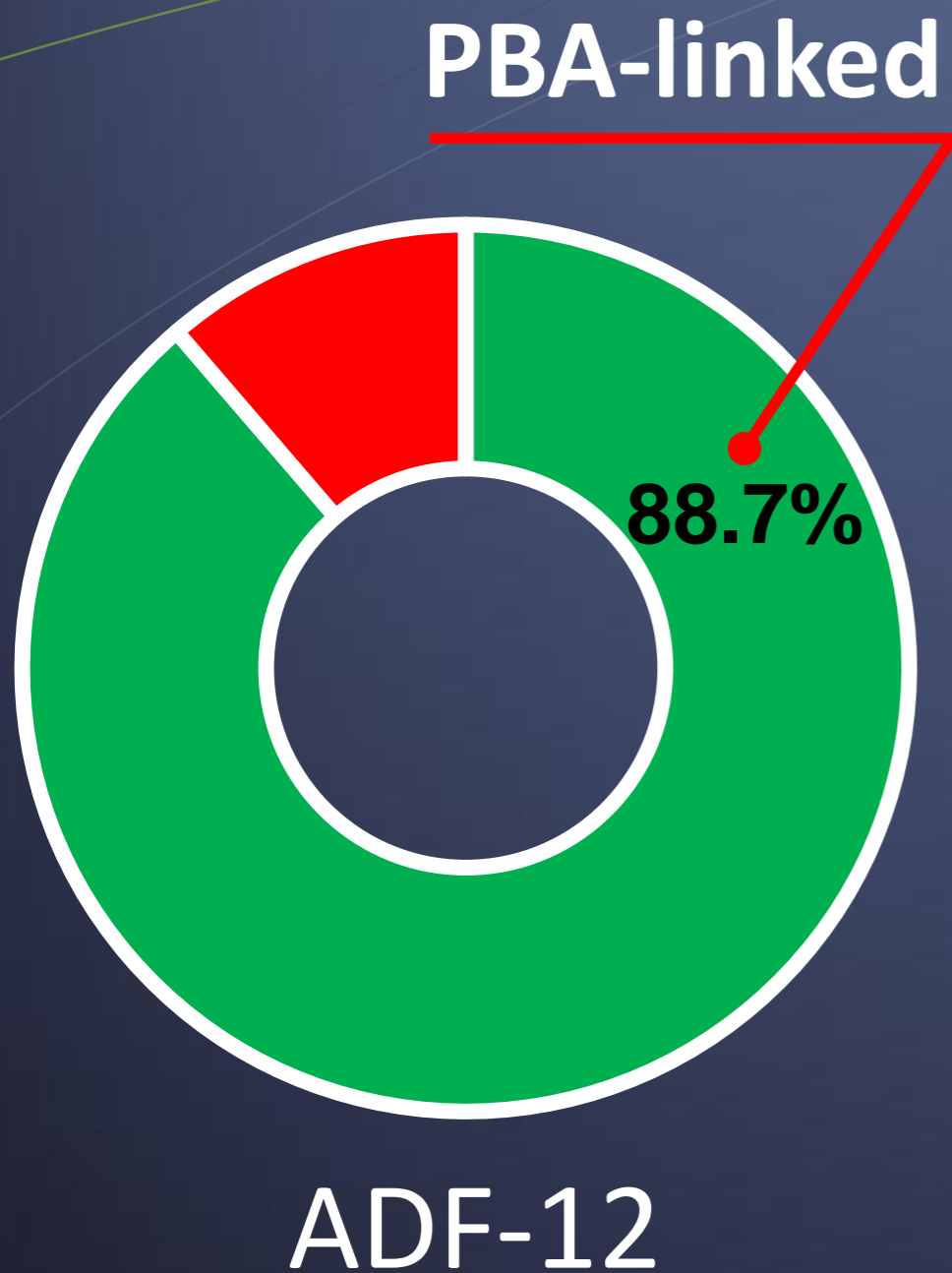
ADF-12 MTR

Cape Verde - September 2012

This presentation

- 1 Resource allocation and utilization under ADF-12
- 2 Perspectives for FSF Pillar II
- 3 Emerging Issues for ADF-13

Allocation of ADF-12 resources has maintained and even strengthened its performance focus

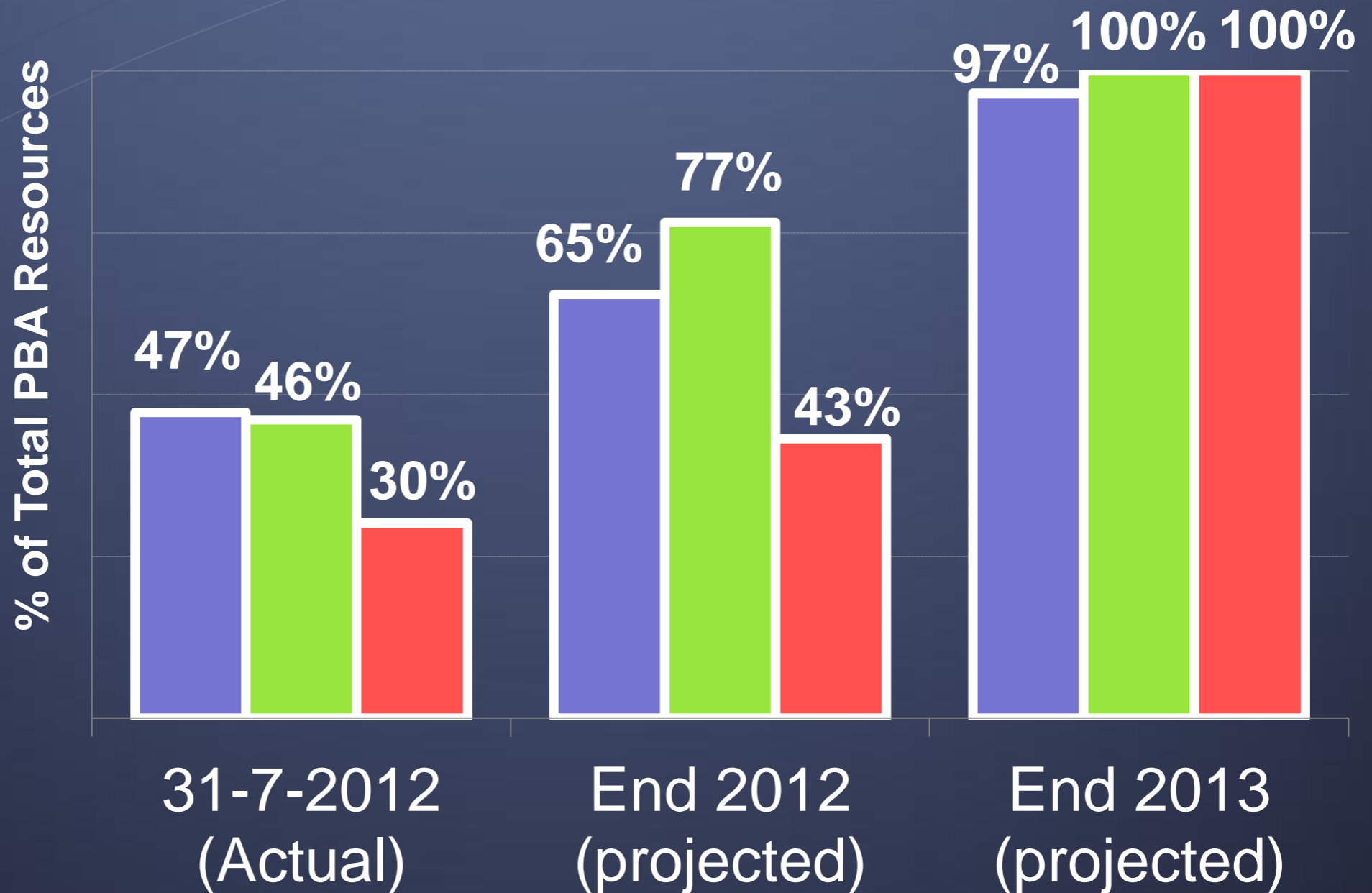


And resources are used in a timely manner

PBA

RO

FSF



FSF Pillar II

- Having resources ready for arrears clearance worked well in ADF-11
- Sudan and/or Zimbabwe **may qualify** for arrears clearance by the end of ADF-12
- The Bank should **remain ready** to provide arrears clearance as and when countries meet the conditions. Thus, Management proposes:
 - 1. Retaining** the UA 362 MM of FSF Pillar II throughout ADF-12
 - 2. Rolling over** in the same window any unused amount at the end of the cycle for ADF-13

Emerging Issues for ADF-13: RO Envelope

► Increase share of resources to **align with LTS**

- Reduce leverage to increase country contribution
- Increase total share of resources for regional operations

► Fine-tune the **incentive mechanism** introduced under ADF-11

- Ensure an **equitable access** to the RO envelope for all ADF countries

A more robust allocation system

Internal and external consultations
and 2012 Bank clients' survey

Countries' performance should
continue to be the bedrock of the system

The current PBA system is due for a
review

PBA System: Areas for potential improvement



Thank you.



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