

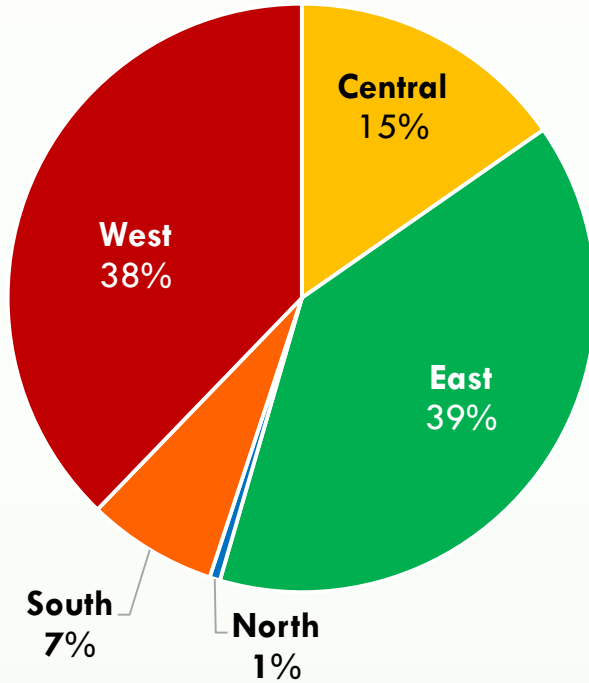
ADF-14 Resource Allocation Framework

ADF-14 Second Replenishment Meeting

June – July, 2016
Abidjan, Côte d'Ivoire

Allocated Resources under ADF-13

Share, by Regions*



Allocation by Regions (in UA million)*

663
Central

1,695
East

25
North

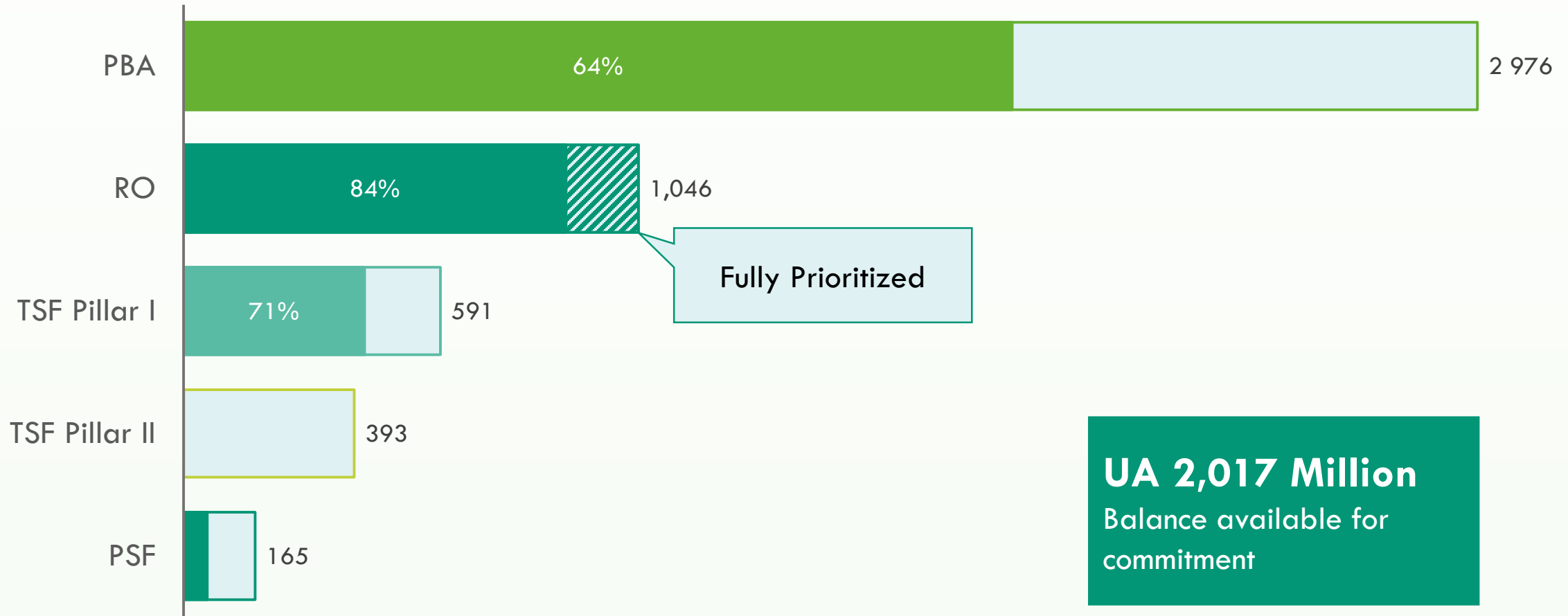
309
South

1,634
West

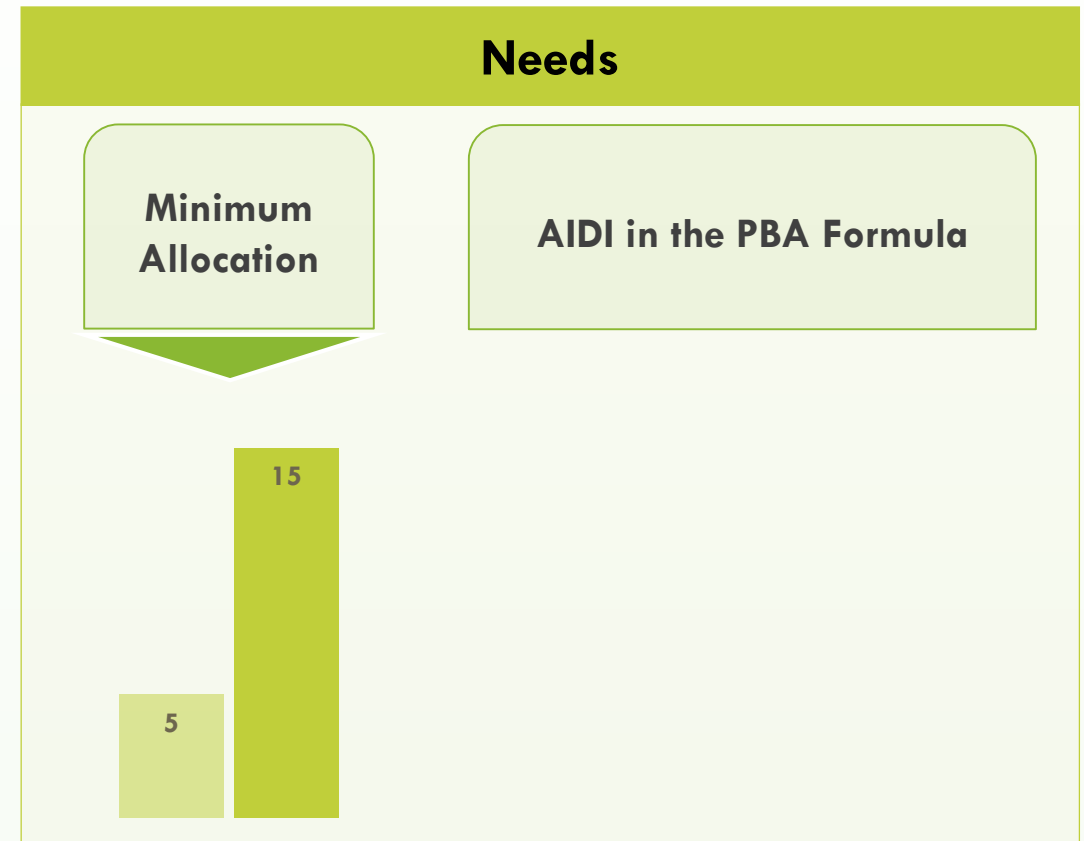
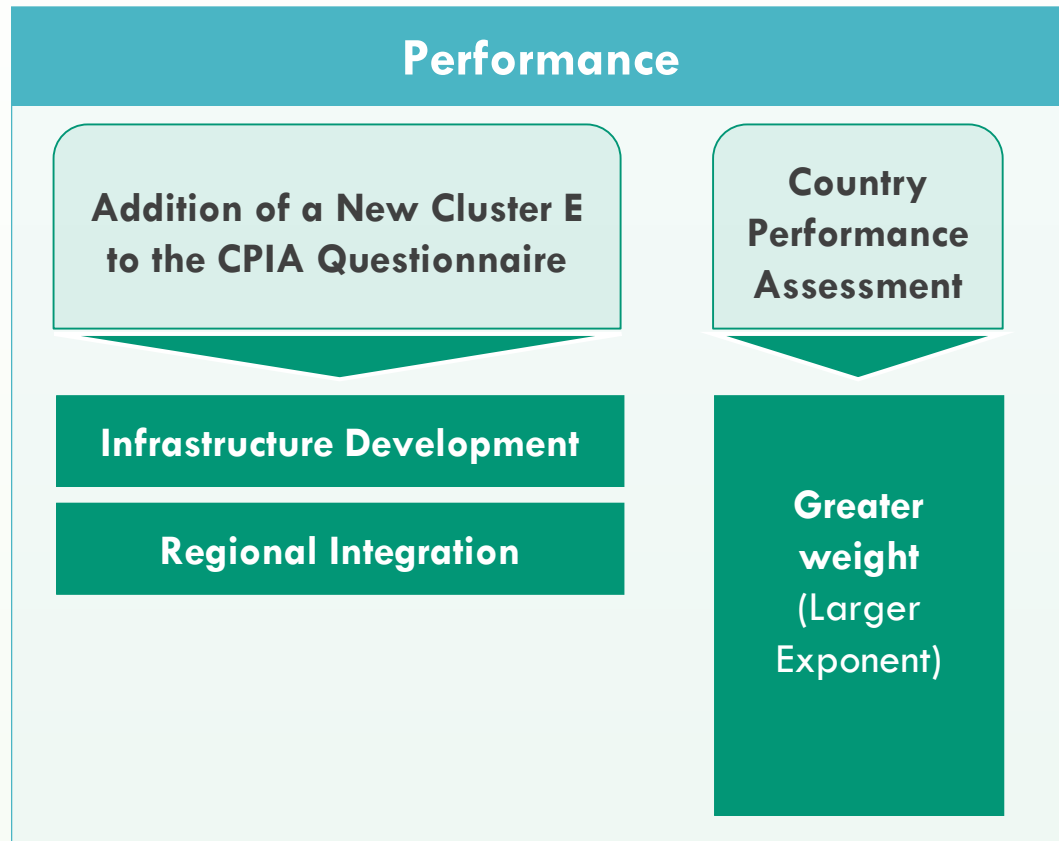
* Resources allocated through the PBA, the Pillar I of the TSF, and approved regional operations

ADF-13 Resource Utilization Rate

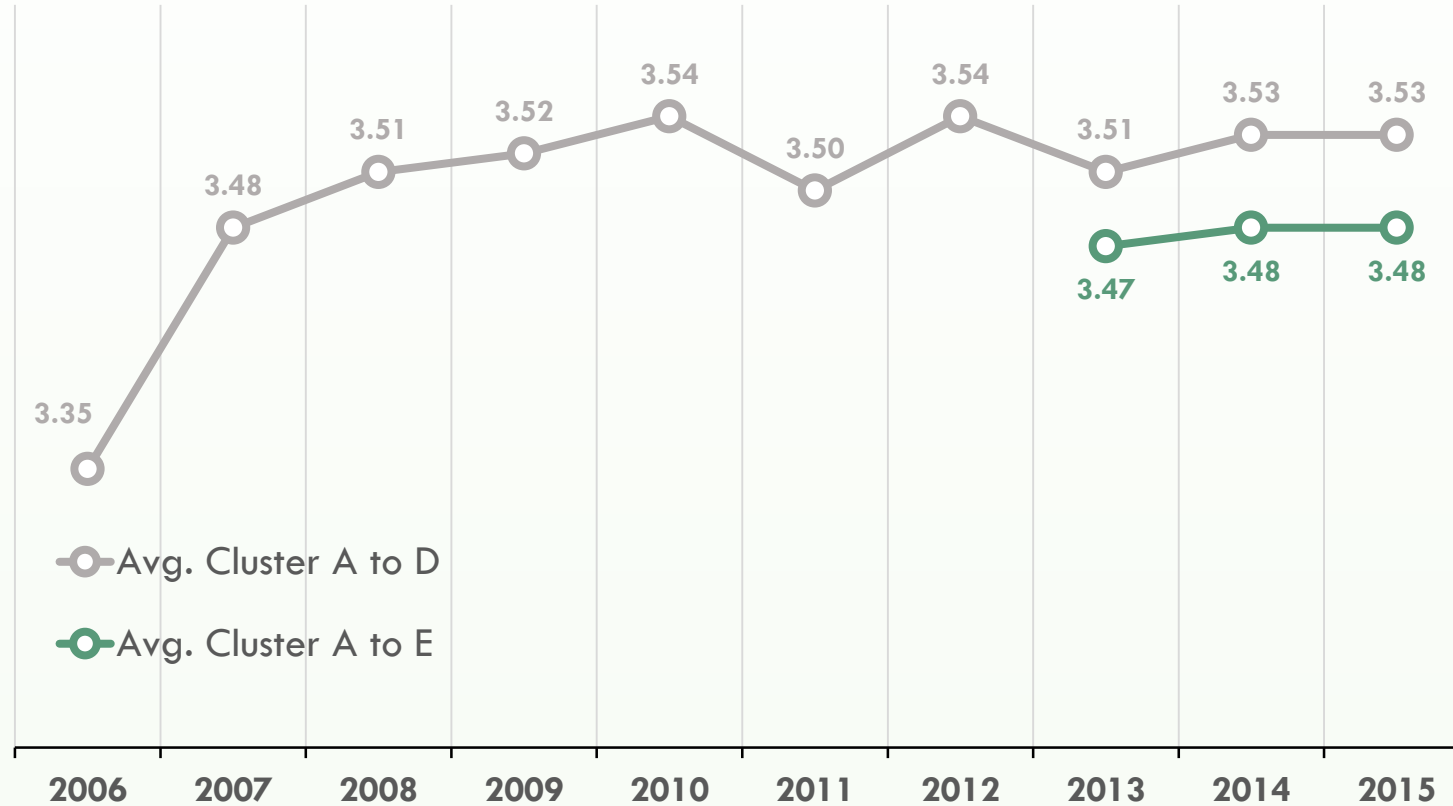
As at May 17, 2016
UA Million



CPIA/PBA – Adjustments under ADF-13



No CPIA Distortion because of Cluster E

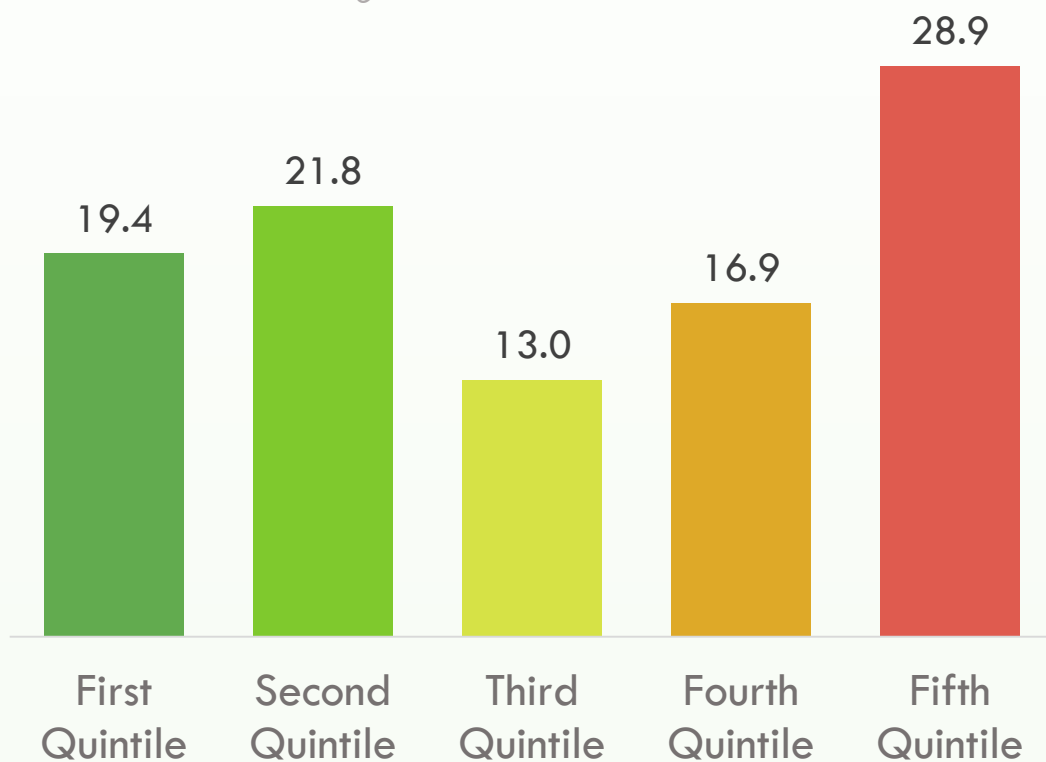


Country PBAs under ADF-13

Impact of the AIDI under ADF-13

Country PBAs by AIDI Quintiles

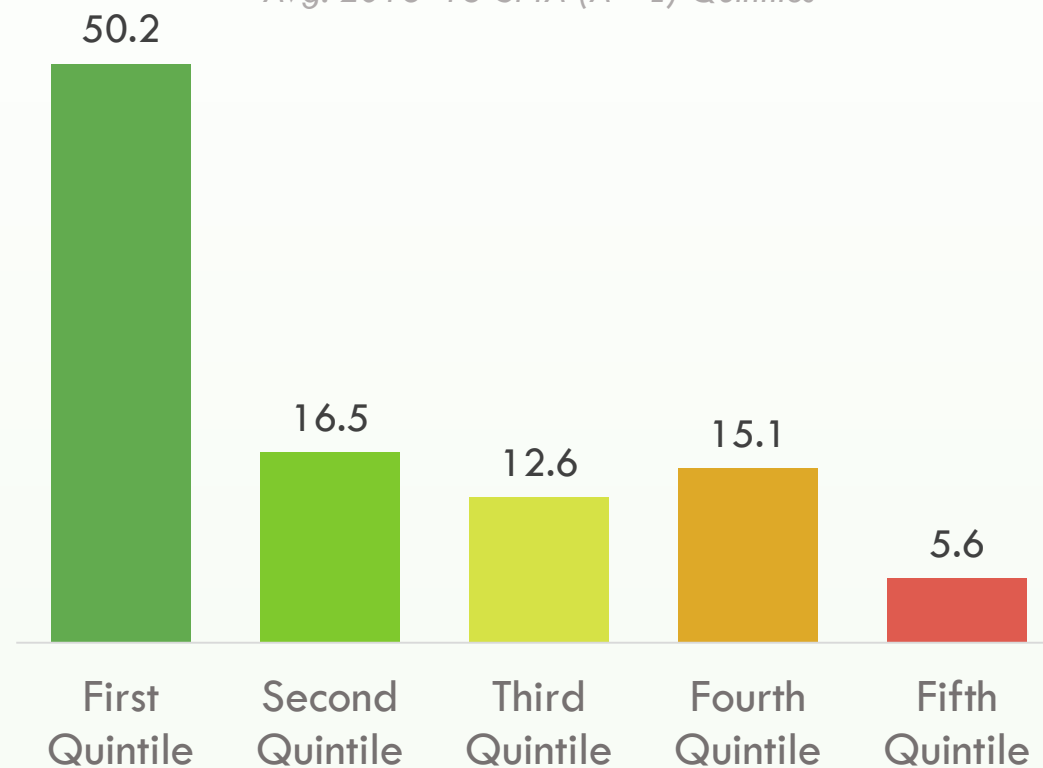
Avg. 2011–13 AIDI Quintiles



Performance Remains the Bedrock

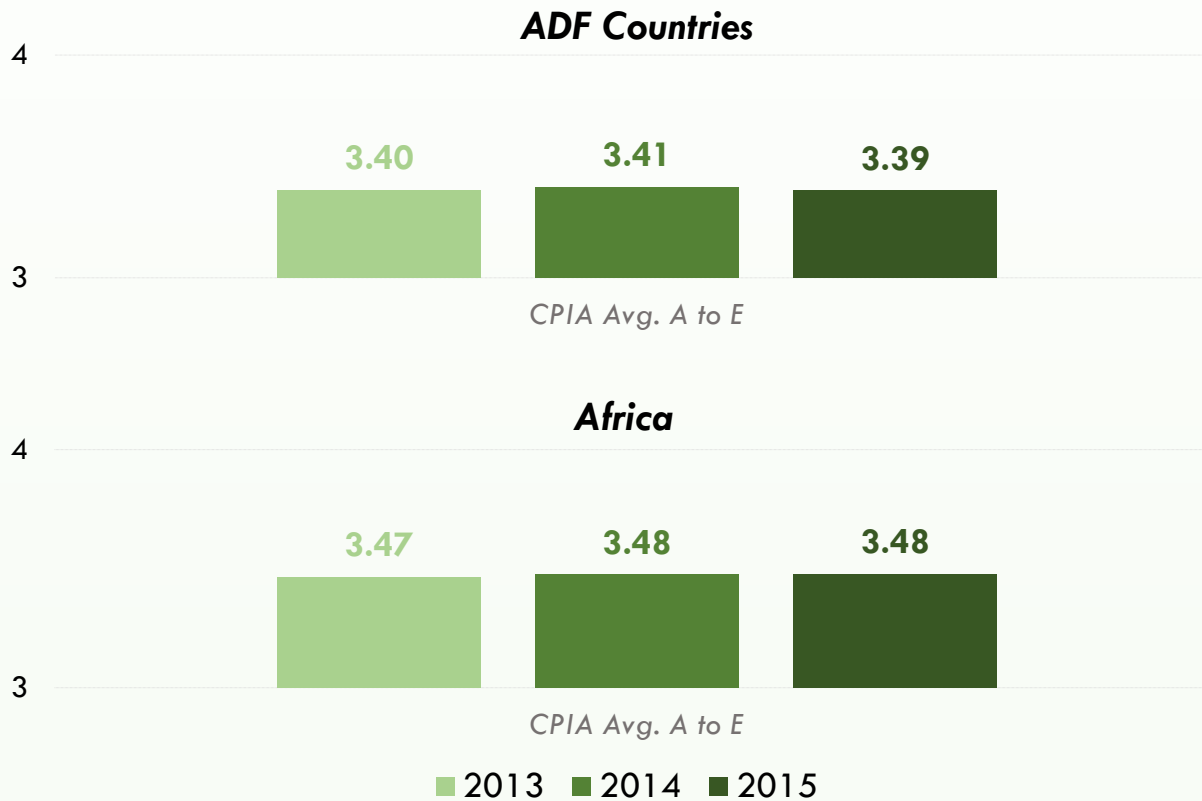
Country PBAs by CPIA Quintiles

Avg. 2013–15 CPIA (A – E) Quintiles



Move to a Biennial CPIA

CPIA scores DO NOT change a lot in one year



**Help Streamline
the CPIA Process**

... give the Bank and RMCs a clearer picture of the CPIA

Addressing Fragility in the PBA Formula

Input Data

Same as ADF-13

Envelopes

PBA

PBA plus TSF

Fragility Indices

State Fragility Index (SFI)

Scenario 1: Exp. (+0.5)
Scenario 2: Exp. (+1.0)
Scenario 3: Exp. (+1.5)

ND-GAIN

Scenario 1: Exp. (-0.5).
Scenario 2: Exp. (-1.0)
Scenario 3: Exp. (-1.5)

Explored Options

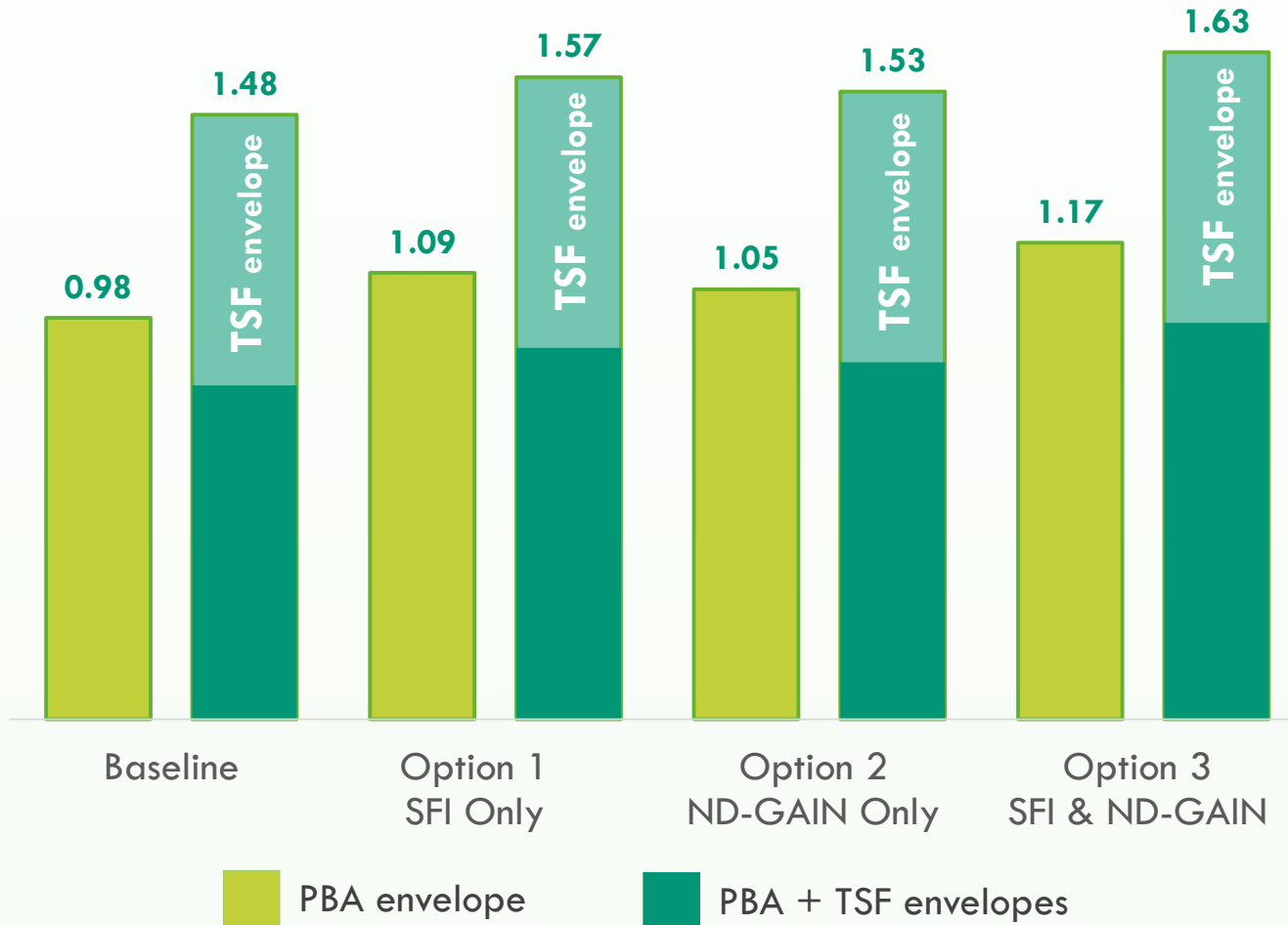
Option 1: SFI Only

Option 2: ND-GAIN Only

Option 3: ND-GAIN and SFI

Keeping the PBA formula Unchanged

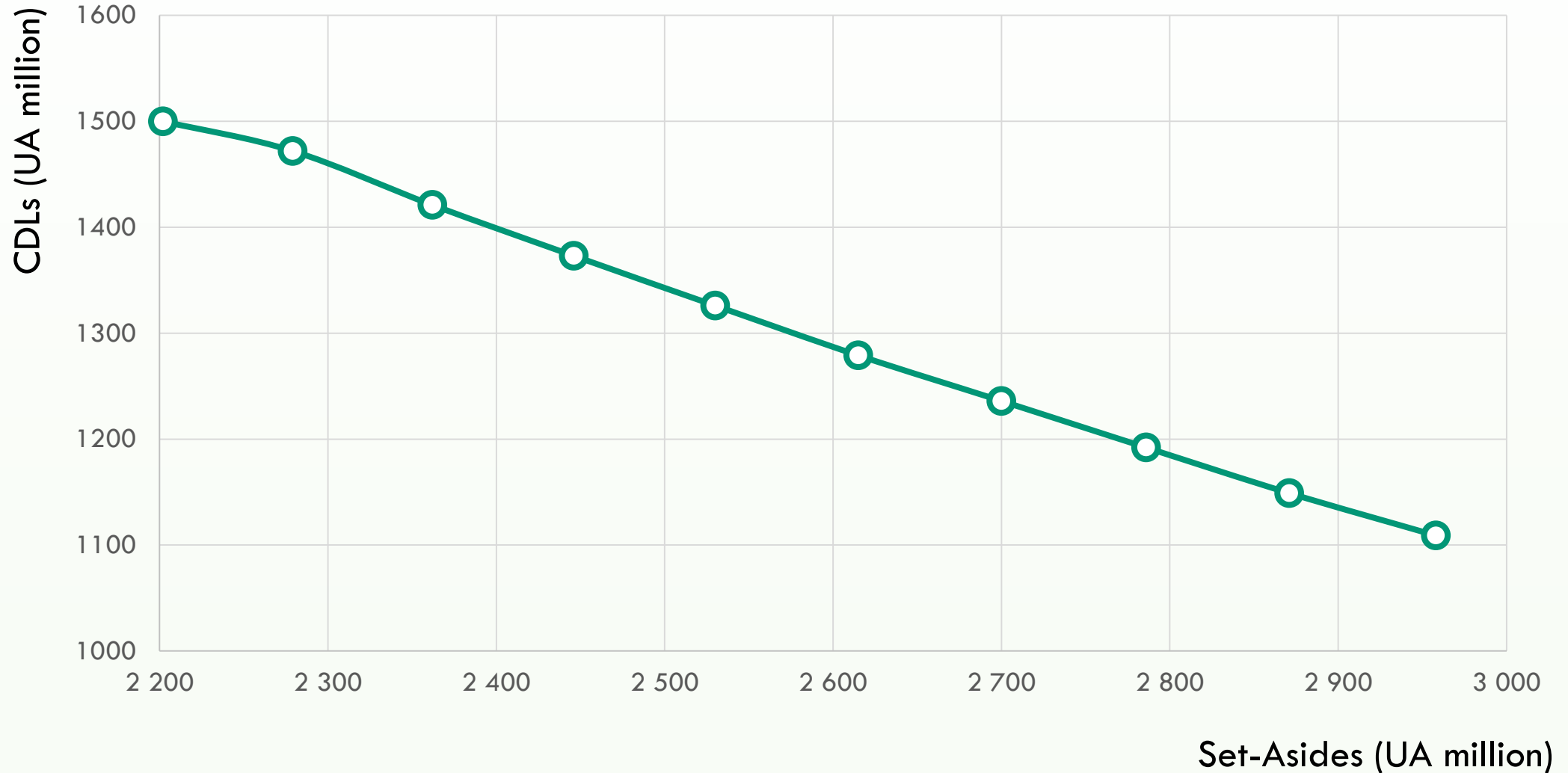
UA Billion



Keep the current formula

... adding a fragility component to the PBA formula would not scale-up resources to countries experiencing fragility

Tradeoff between Set-Asides and CDLs



Proposed Eligibility to TSF

Eligible for TSF Pillar I (15)

Burundi	Mali
Central African Rep.	Sierra Leone
Chad	Somalia
Comoros	South Sudan
Congo Democratic Rep.	Sudan
Guinea-Bissau	Togo
Liberia	Zimbabwe
Madagascar	

Eligible for TSF Pillar III (17)

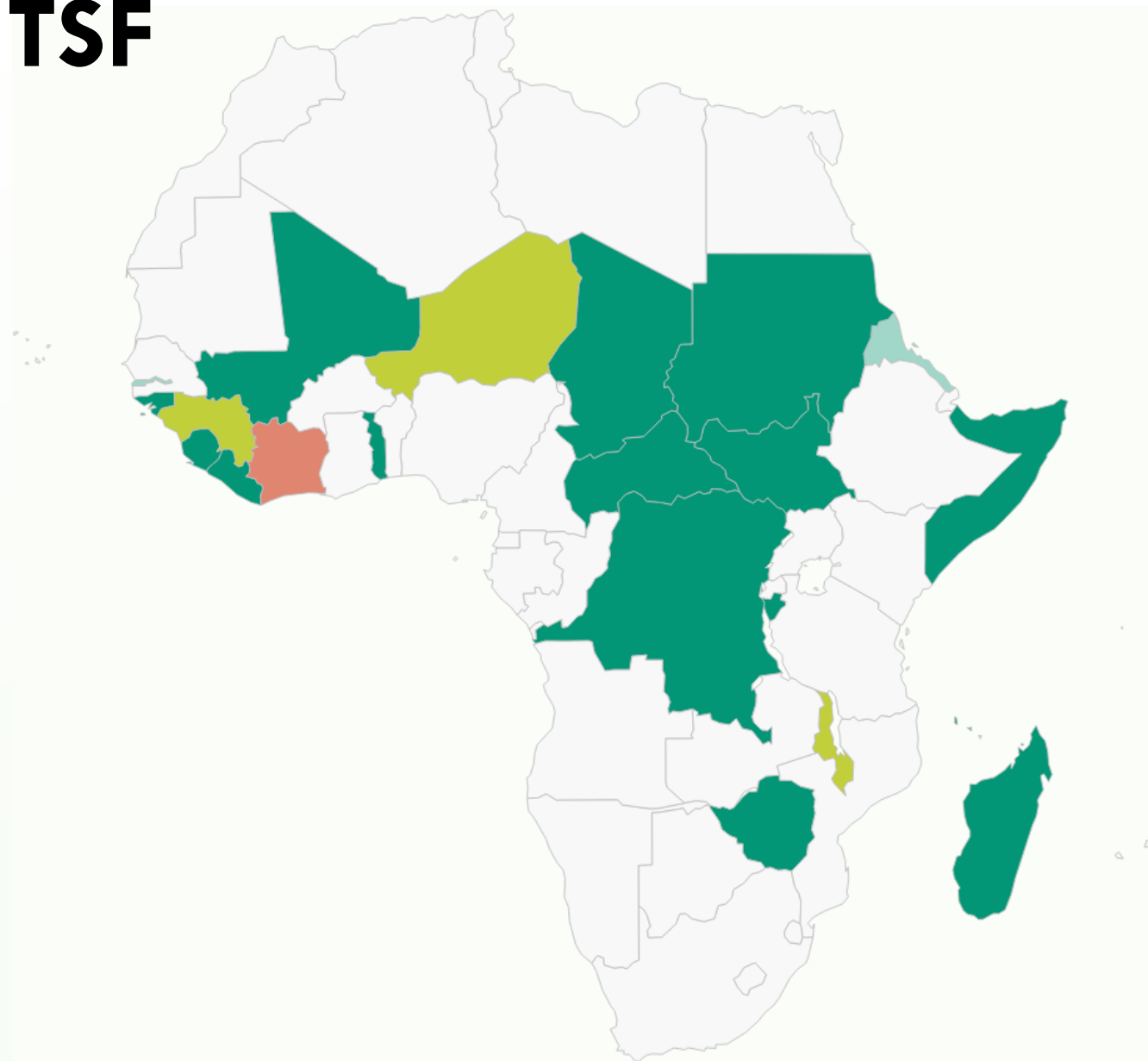
Eritrea	Gambia
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Qualitative Assessments (3)

Guinea	Niger
Malawi	

Exit (1)

Côte d'Ivoire

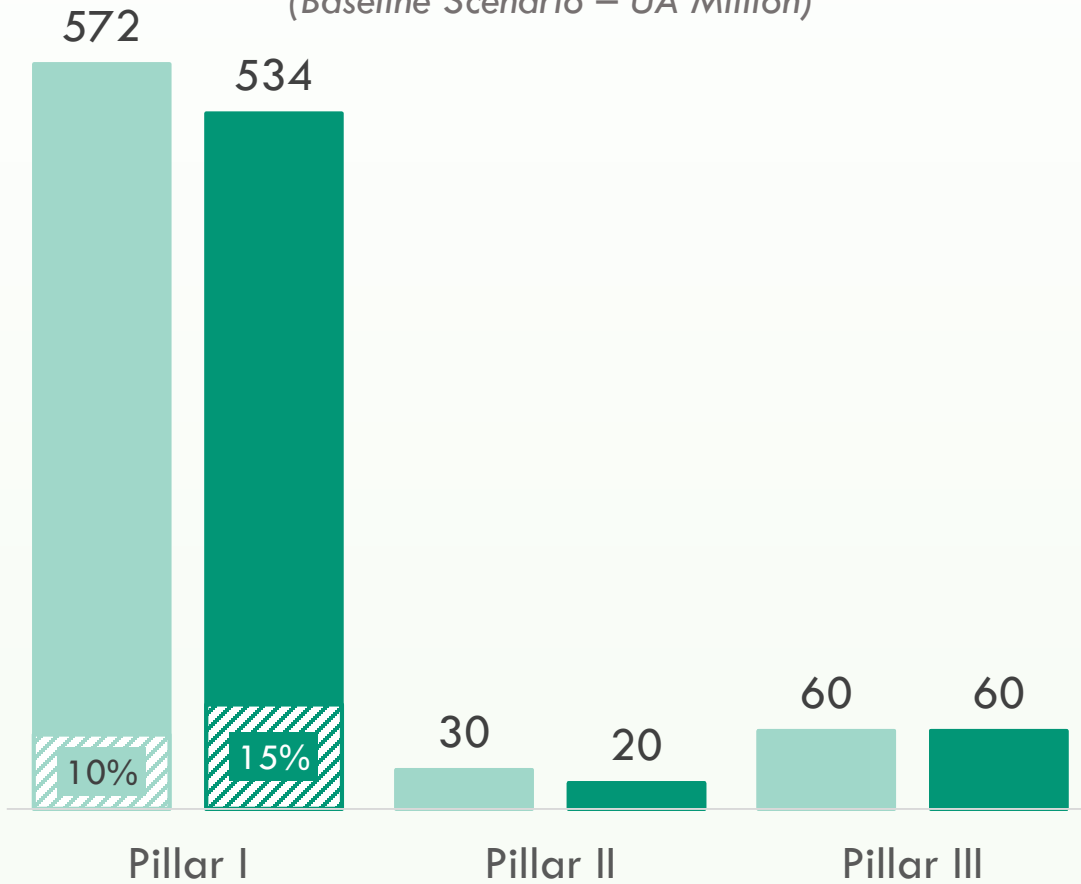


The TSF Envelopes

ADF-13 ADF-14 Proposal

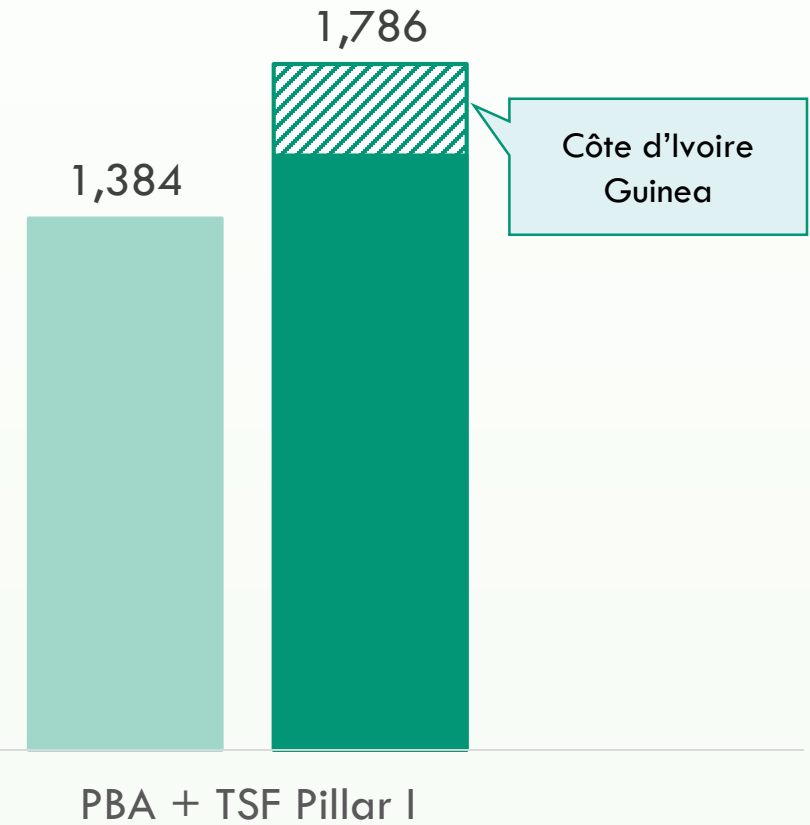
Pillars' Envelopes

(Baseline Scenario – UA Million)



Resources to TSF Countries

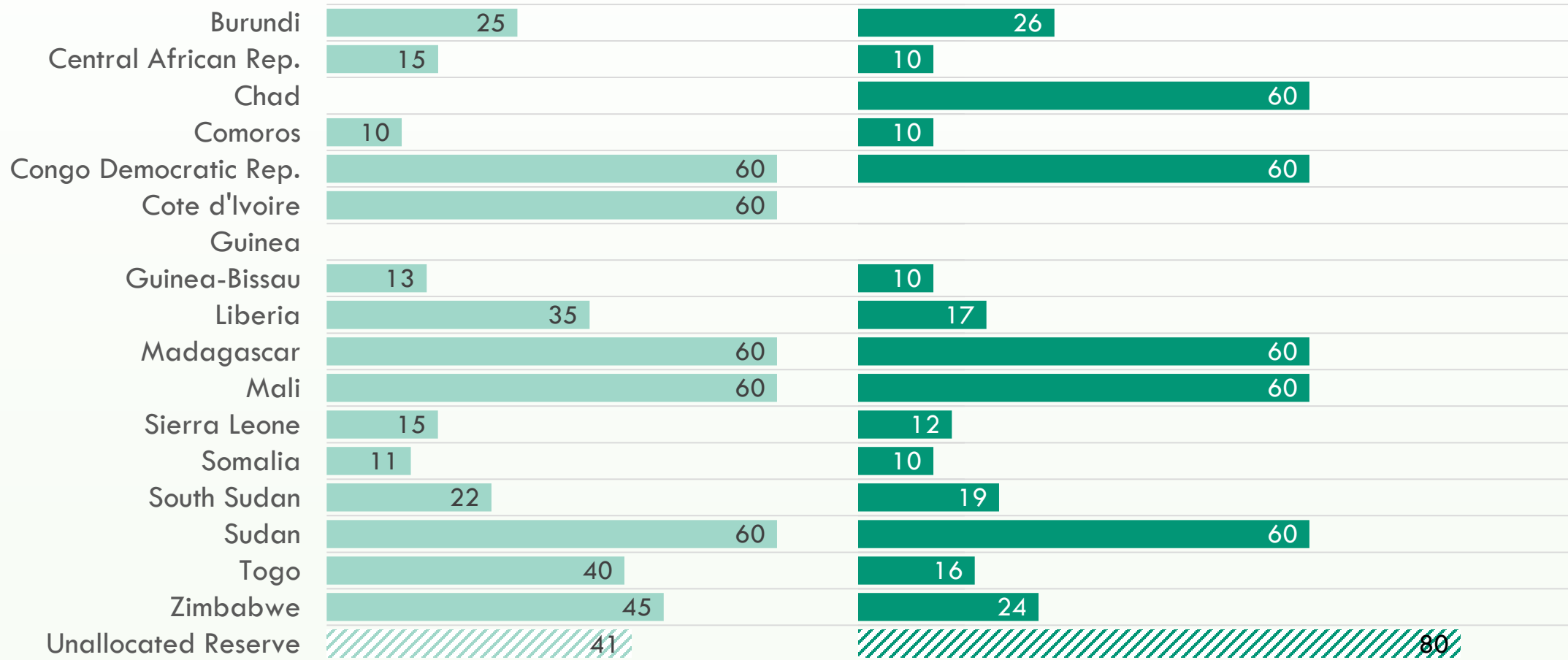
(Baseline Scenario – UA Million)



TSF Pillar I Calculation

Country allocations as agreed under ADF-13 discussions
15 Countries = UA 572 million

Proposed country allocations for ADF-14
15 Countries = UA 534 million



UA Million

RO – Proposal for ADF-14

- **Maintain the RO Envelope at 21% of Resources Available**
 - **UA 1,388 million** expected under the baseline scenario (UA 1,046 million under ADF-13)
- **Reduce the RO Contribution Leveraging Ceiling**
 - Eligible to TSF: **From 1:2 To 1:1.5**
 - Not Eligible to TSF: **From 1:1.5 To 1:1**
 - Reduce the number of postponed regional operations



Scaling UP the PSF for ADF-14

40%

PSF's exposure
capacity allocated

Higher

risk return operation in
fragile situations

15

ADB private sector
transactions approved

Reaching

under-served sectors
through private sector

ADF-13

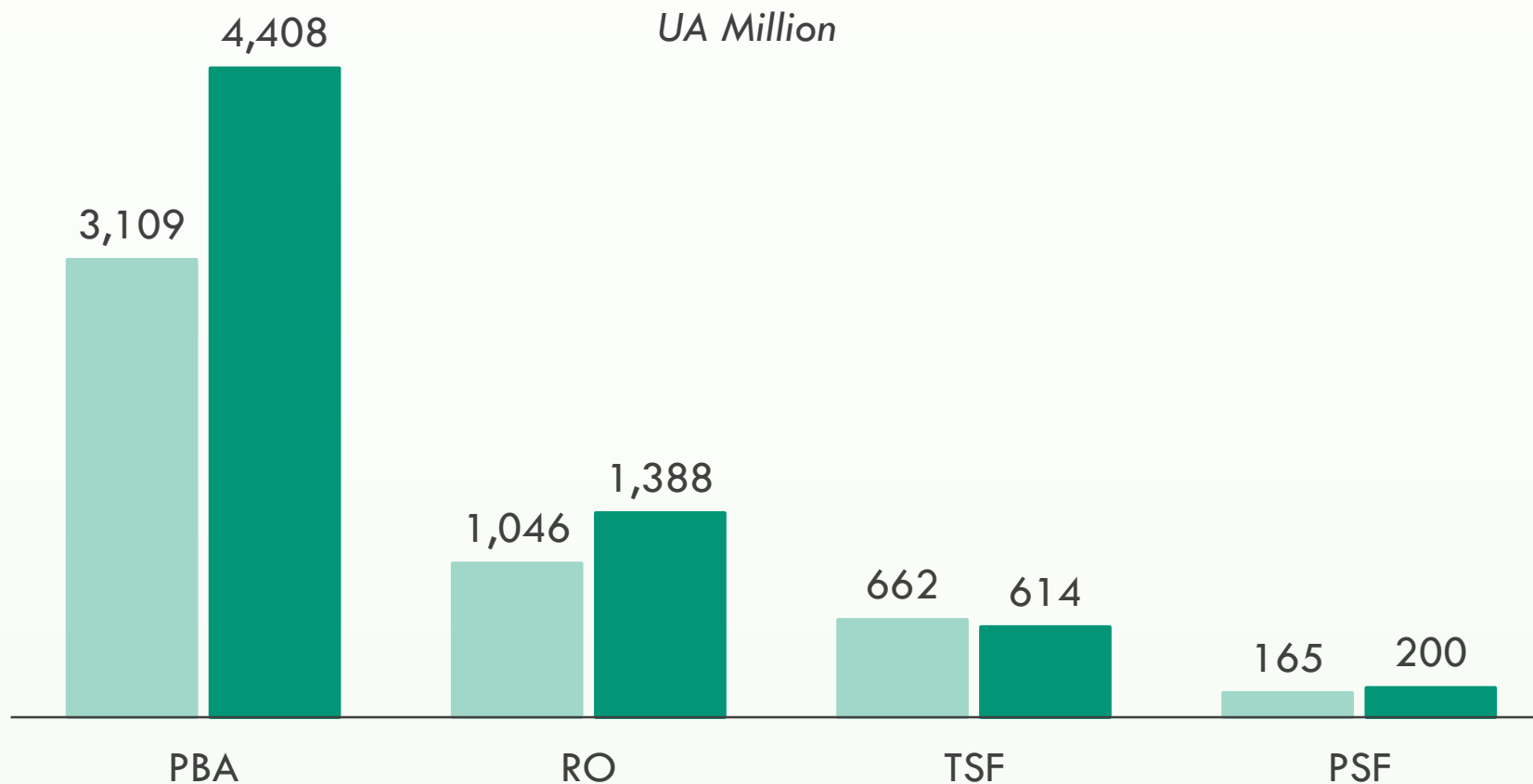
UA 200 million

Excepted Envelopes for ADF-14

Under the Baseline Scenario of UA 7 Billion

ADF-13

ADF-14 (Baseline)



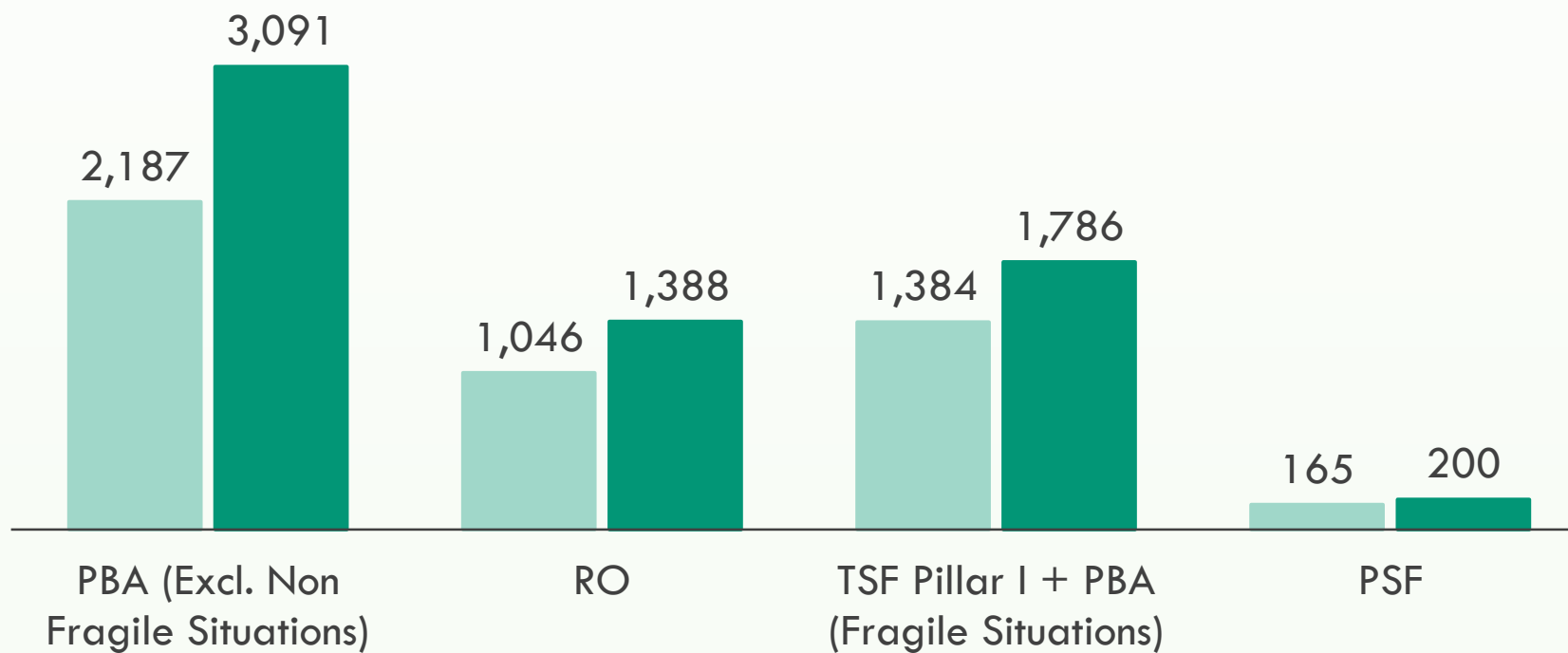
Excepted Allocations for ADF-14

Under the Baseline Scenario of UA 7 Billion

ADF-13

ADF-14 (Baseline)

UA Million



Recommendations

- **Undertake** the CPIA exercise every two years
- **Keep** the current PBA formula **unchanged**
- **Increase** the unused reserve of the TSF Pillar I from 10% to 15%
- **UA 20 million** to Pillar II of the TSF
- RO envelope at 21%
- **Reduce** the RO **contribution leveraging ceiling**
- **UA 200 million** to PSF

A woman with dark hair is shown in profile, looking upwards. She is wearing a grey jacket with a yellow strap. The background is a lush green forest with a bokeh effect of light spots. In the lower-left corner, the text "Thank You" is written in white. In the bottom right corner, the number "19" is visible.

Thank You