ADF-14 Financing Framework

1st ADF-14 Replenishment meeting
Abidjan, March 17-18
Replenishment size

In UA million

ADF-10
- Technical Gap: 2,489
- Donor Subscriptions: 915
- Total: 3,404

ADF-11
- Technical Gap: 3,562
- Donor Subscriptions: 136
- Total: 3,698

ADF-12
- Technical Gap: 3,798
- Donor Subscriptions: 291
- Total: 4,089

ADF-13
- Technical Gap: 3,860
- Donor Subscriptions: 509
- Total: 4,369

Current Replenishment:
- 27%
- 4%
- 7%
- 12%
Currencies of subscription

- USD
- EUR
- JPY
- GBP
- RMB

National currencies

- Freely usable
- Inflation rate less than 10%
Replenishment exchange rates

Reference period for synthetic SDR
3 April to 3 October 2016

Current SDR basket

<table>
<thead>
<tr>
<th>Currency</th>
<th>Weight</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>USD</td>
<td>41.9%</td>
<td>0.6600</td>
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<tr>
<td>EUR</td>
<td>37.4%</td>
<td>0.4230</td>
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<tr>
<td>GBP</td>
<td>11.3%</td>
<td>0.1110</td>
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<tr>
<td>JPY</td>
<td>9.4%</td>
<td>12.1000</td>
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</table>
Subscriptions in SDR mitigate currency risk
ADF-14 financing terms

Payment schedule
3 equal annual instalments – Payable 15 January

Encashment schedule
• Maturity : 10 years
• Weighted average maturity 4.3 years

Accelerated encashment
Available

Compensation for grants
UA 49.55 million

MDRI compensation update
October 2016
# Advance Commitment Capacity

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>ADF-12</th>
<th>ADF-13</th>
<th>ADF-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum PML</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
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<tr>
<td>WAM Standard Encashment Schedule</td>
<td>4.6 years</td>
<td>4.6 years</td>
<td>4.3 years</td>
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<tr>
<td>WAM Disbursement Profile</td>
<td>5.2 years</td>
<td>5.2 years</td>
<td>4.8 years</td>
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<tr>
<td>Increase in subscriptions in future replenishments</td>
<td>4.49%</td>
<td>6.84%</td>
<td>5.00%</td>
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<tr>
<td>Share of Grants</td>
<td>30.65%</td>
<td>33.45%</td>
<td>33.45%</td>
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<tr>
<td>Percentage of projects signed / committed on year of approval</td>
<td>15%</td>
<td>15%</td>
<td>60%</td>
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<tr>
<td>Loan cancellations returning to liquidity pool</td>
<td>100%</td>
<td>30%</td>
<td>30%</td>
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<tr>
<td>Percentage of MDRI compensation received</td>
<td>90%</td>
<td>98.3%</td>
<td>88%</td>
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<tr>
<td>Increase in Administrative Expenses</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>AfDB transfers per year</td>
<td>UA 35 mn</td>
<td>UA 47 mn</td>
<td>UA 35 mn</td>
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<tr>
<td>Repayment Sensitivity Factor</td>
<td>90%</td>
<td>95%</td>
<td>95%</td>
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<tr>
<td>Investment Return Rate</td>
<td>4.50%</td>
<td>2.65%</td>
<td>1.23%</td>
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</table>
ADF Resources

Funds received from donors

Resources generated internally by the Fund

Carry-over resources

- Qualified subscriptions
- Late subscriptions

- Estimate of carry-over to ADF-14 is UA 375 million
Deputies are invited to endorse:

1. Technical gap of 5%
2. Replenishment exchange rates period
3. Standard encashment calendar
4. Core assumptions of the ACC
5. Financing framework as set out in the paper