



**FAD  
ADF  
Abidjan 2016 14**

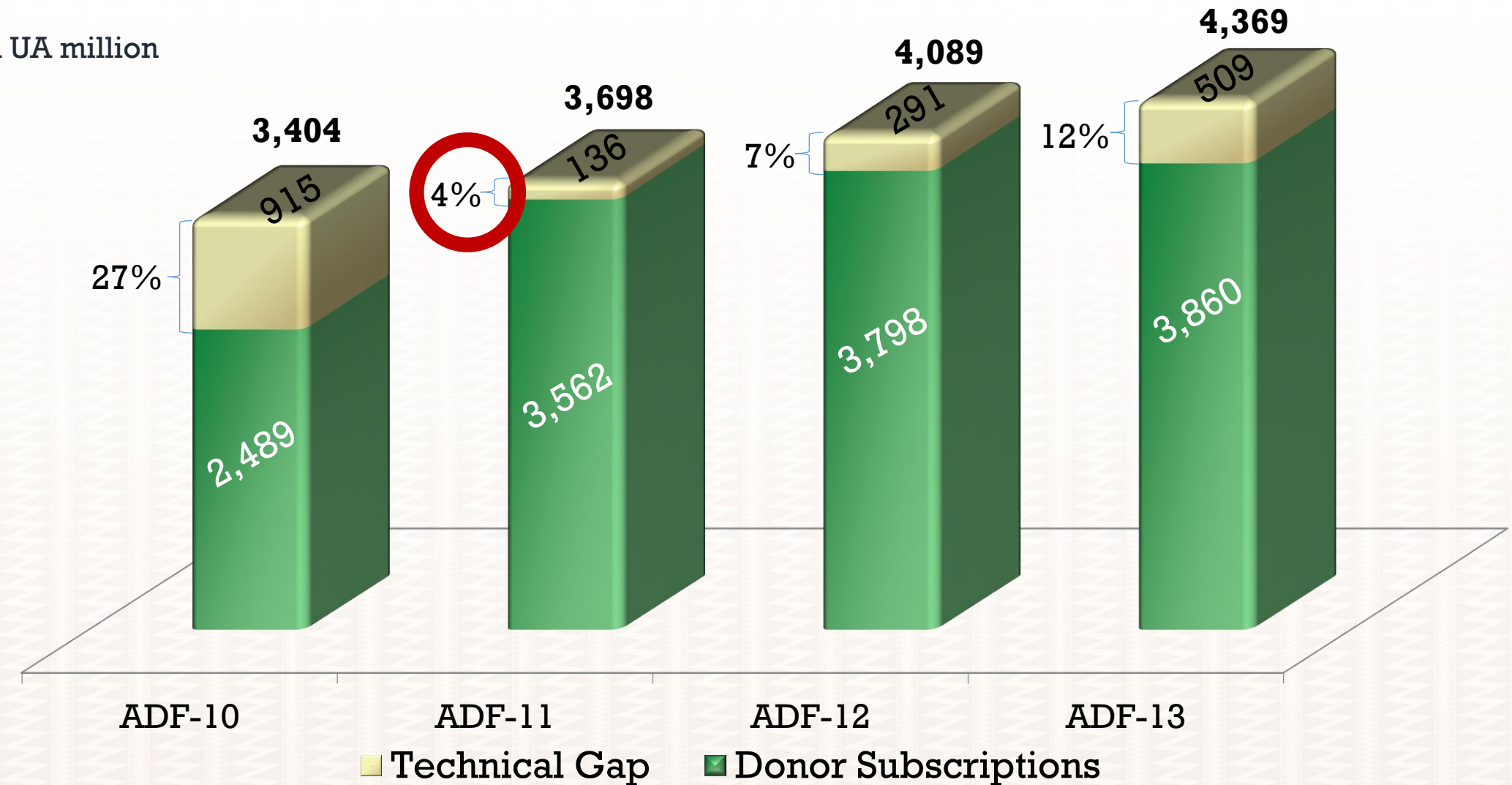


# ADF-14 Financing Framework

1<sup>st</sup> ADF-14 Replenishment meeting  
Abidjan, March 17-18

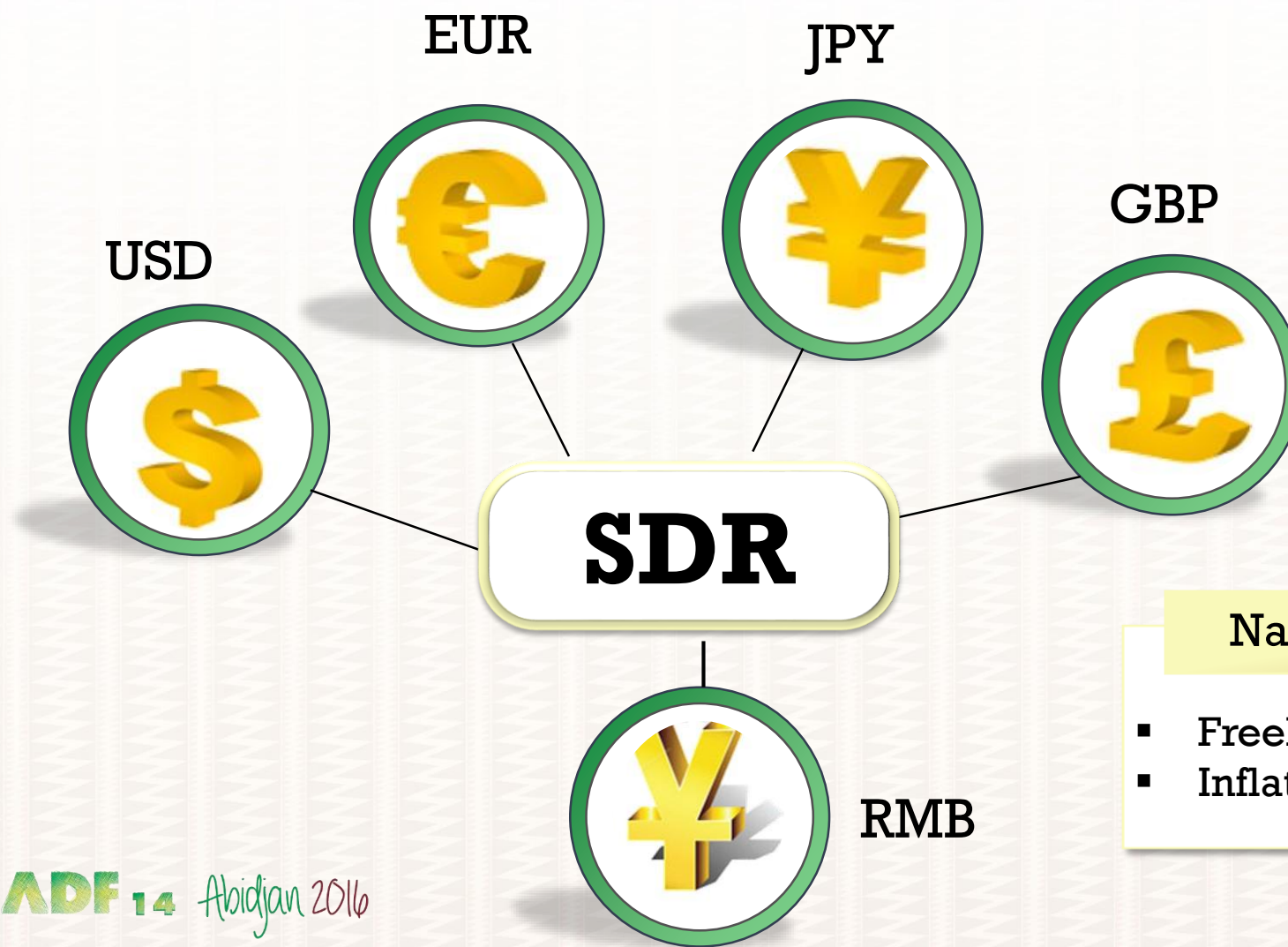
# Replenishment size

In UA million





# Currencies of subscription



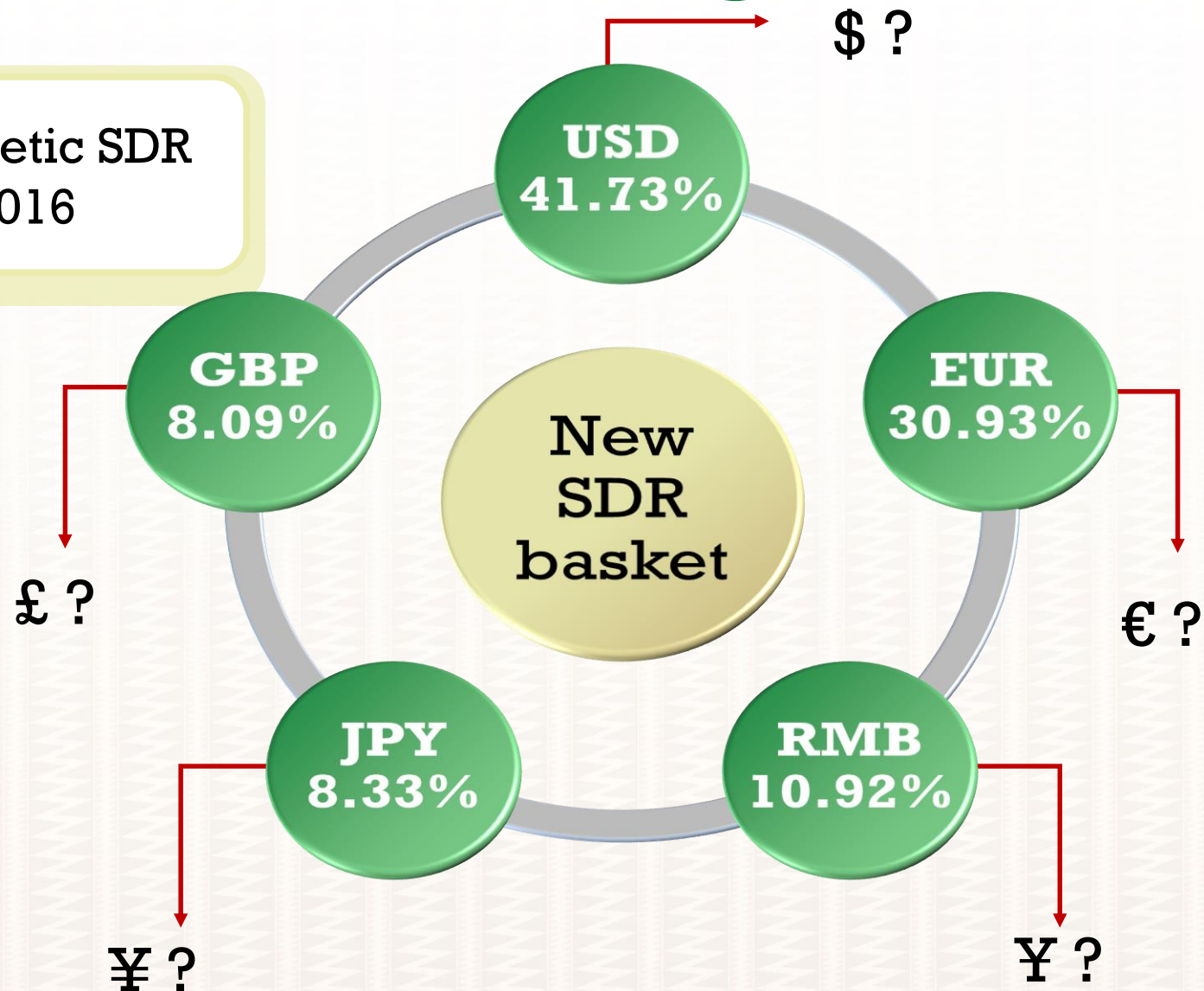
## National currencies

- Freely usable
- Inflation rate less than 10%

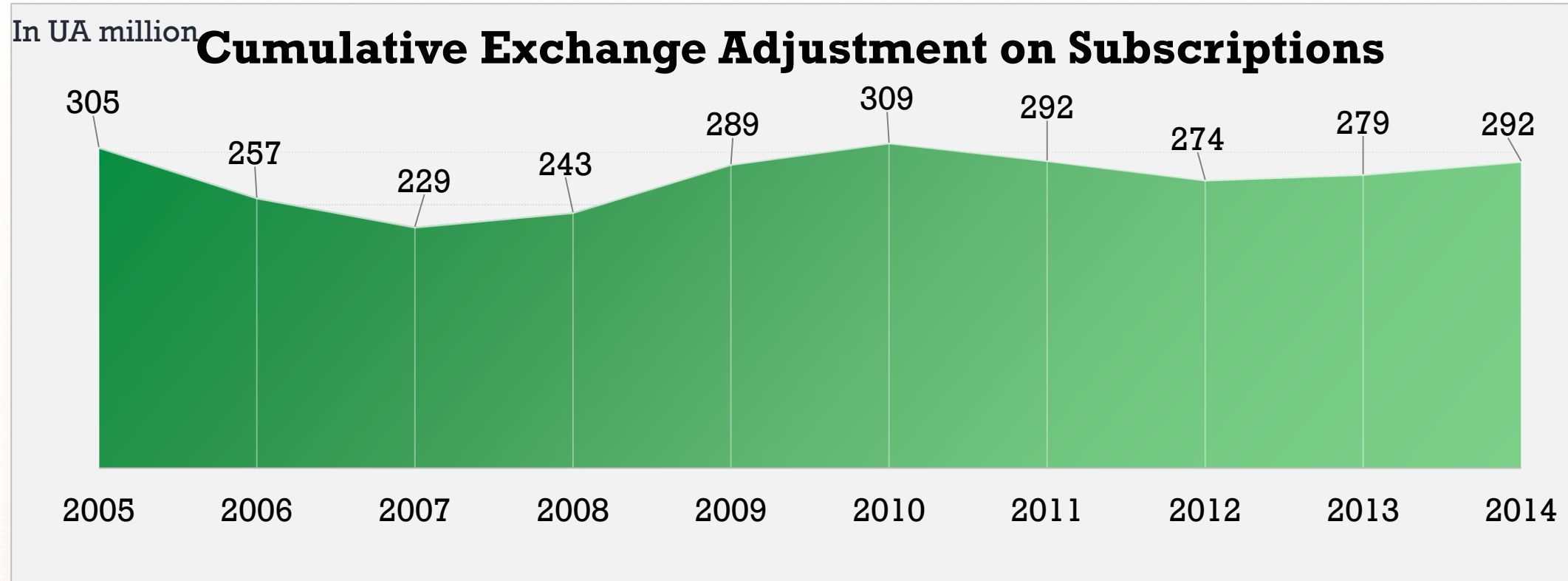
# Replenishment exchange rates

Reference period for synthetic SDR  
3 April to 3 October 2016

| Current SDR basket |        |         |
|--------------------|--------|---------|
| Currency           | Weight | Amount  |
| USD                | 41.9%  | 0.6600  |
| EUR                | 37.4%  | 0.4230  |
| GBP                | 11.3%  | 0.1110  |
| JPY                | 9.4%   | 12.1000 |



# Exchange rate risk



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

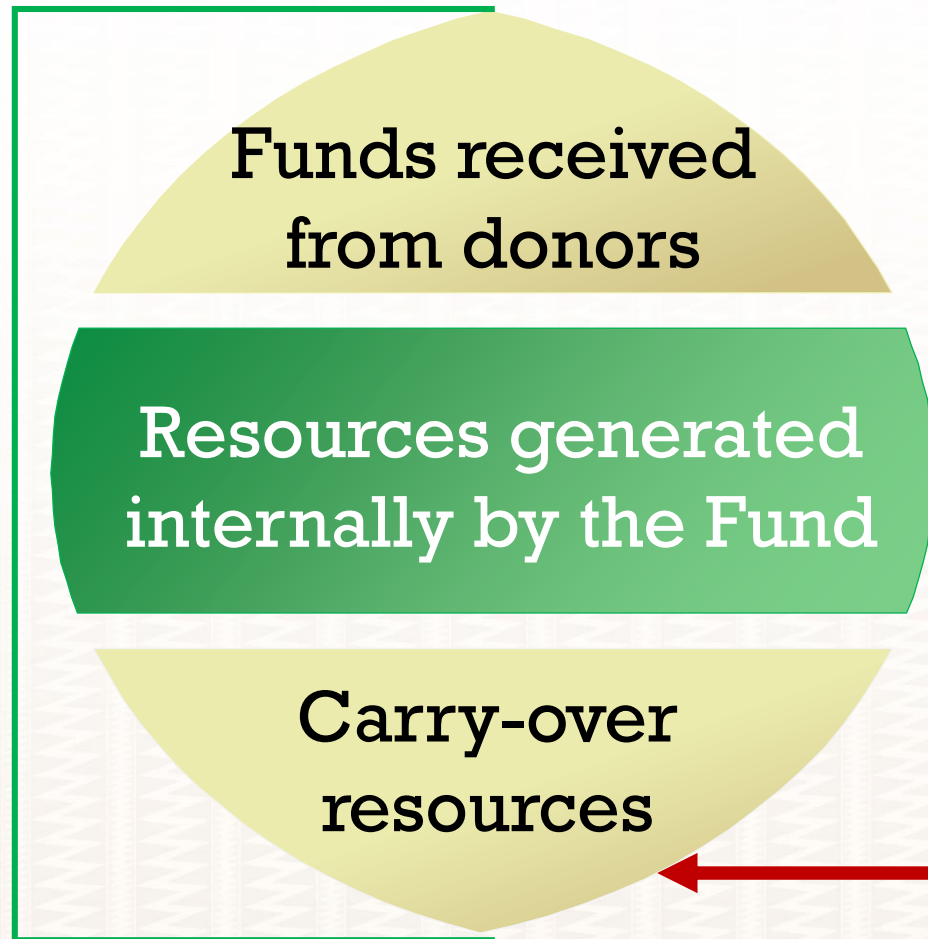
## MDRI compensation update

October 2016

# Advance Commitment Capacity

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

# ADF 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