

Consultations for the Tenth Replenishment of the African Development Fund (ADF-X)

**Tunis, Tunisia
September 16-17, 2004**

Chairman's Summary

1. ADF Deputies, joined by representatives of borrowing countries, held their third meeting on the Tenth Replenishment of the African Development Fund (ADF). Mr. Omar Kabbaj, the President of the African Development Bank, welcomed the participants, provided an overview of the main subjects to be discussed. He requested a significant increase in the ADF-X replenishment and urged the conclusion of the consultations by the end of the year.
2. Participants welcomed the Action Plan to strengthen further the operations of the ADF. They noted that the Plan now incorporates Management's follow-up on key findings of the Independent Evaluation of ADF. They felt that the Plan provides a good basis for the tenth replenishment, subject to some further clarifications and elaborations to be reflected in the final version. They encouraged ADF Management to continue discussions with the ADF Board on the implementation and funding of the Plan and asked to be kept informed.
3. Participants discussed and agreed on the need for a proper debt sustainability framework for deciding on the appropriate financing terms of ADF support to member countries. They asked that further work be done, particularly on the thresholds and incentives of the emerging framework and on its long-term impact on ADF's finances. They requested ADF to work closely with IDA and IMF to ensure that a common framework is established, which reflects the specific circumstances of ADF and its borrowers.
4. The size, composition and financing of the tenth replenishment were discussed by the participants. They confirmed their strong commitment to support the further strengthening of ADF as a key African development institution, recognizing its central role in assisting its member countries in their efforts to accelerate growth and reduce poverty. Hence, there was broad support for a significant increase in ADF resources and participants asked for further information and analysis as a basis for reaching final decisions.
5. Participants discussed the Draft Deputies Report and provided guidance for further strengthening of the Report. In particular, they requested that the Report be more explicit about ADF's comparative advantage and operational priorities. They asked that a revised draft be distributed well before the next meeting.
6. Participants agreed to meet next in Copenhagen in December 2004.