



ADF-13: *Financing Framework and Long-Term Financial Capacity*

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ADF-13

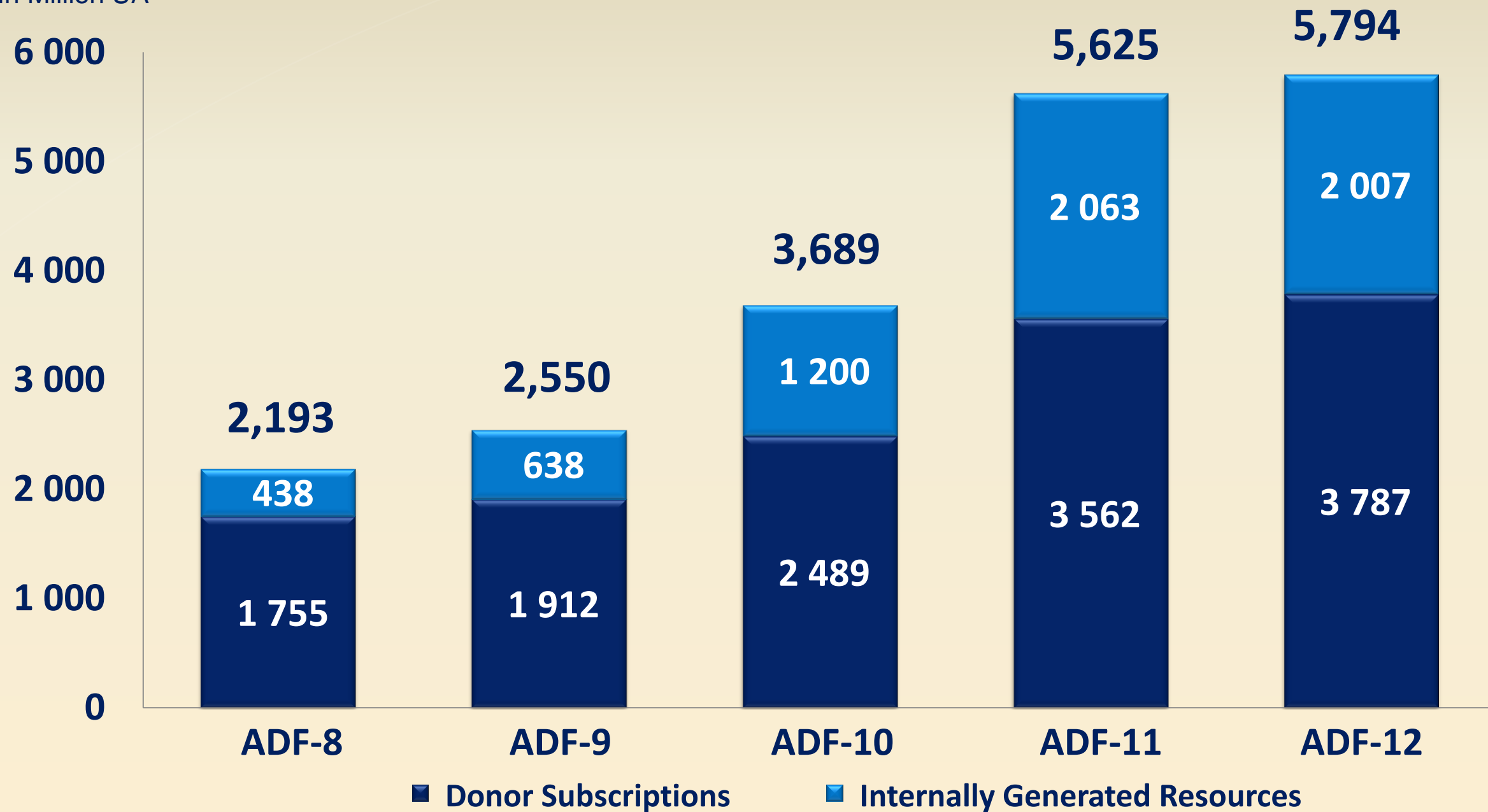
Tunis - 22 February 2013





ADF : Growing support for Africa's neediest

In Million UA



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Self-adjusting mechanisms built into the ACA model minimize the risk of over-commitment

Potential ADF-13 ACC with dated parameters

1 894 Million UA

Impact of new interest rates

1 452 Million UA

Impact of new cancelation policy

1 443 Million UA

ADF-13 ACC

950 Million UA

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Measures to improve financial performance

- **Enhanced Liquidity Management – ACE Portfolio**
- **Mitigation of currency translation losses**
- **Continued stringent cost controls and budgetary discipline**
- **...But more needs to be done**

Strengthening financial capacity

AHIDI Index

UNDP
education
and health
component
of HDI

ADB's Africa
Infrastructure
Development
Index



Inclusiveness

In line with ADF priorities



Differentiated and
hardened lending
terms
commensurate
with economic
situation and debt
sustainability

In Billion UA

3,00

2,50

2,00

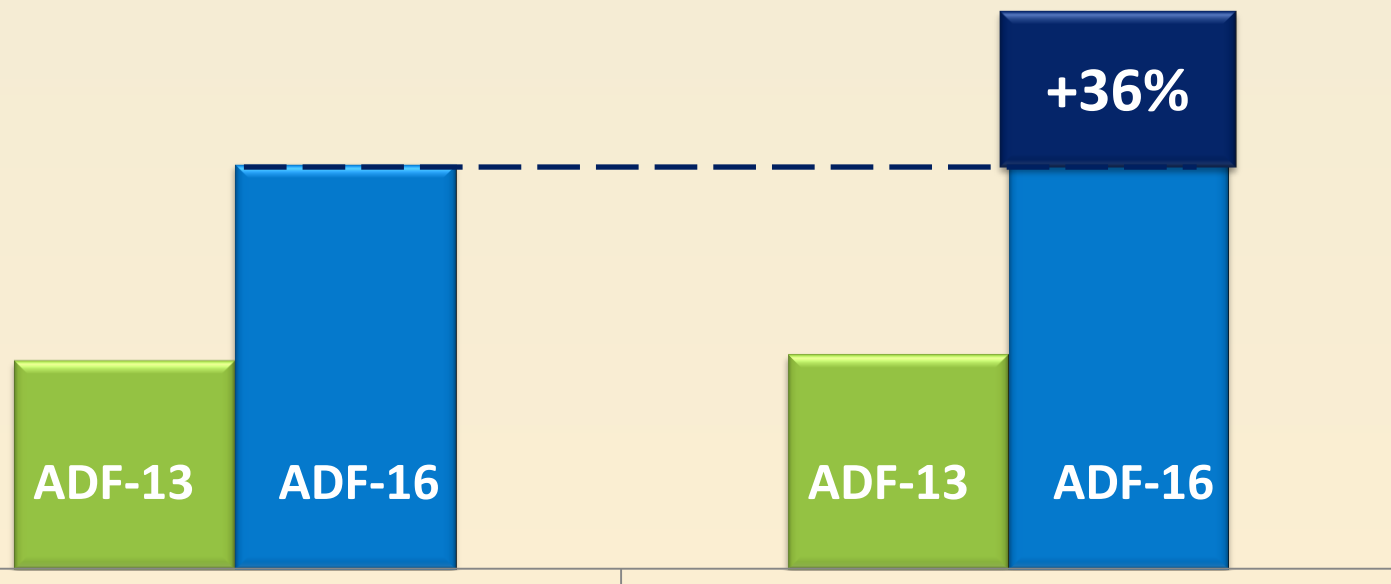
1,50

1,00

0,50

-

ACC Level

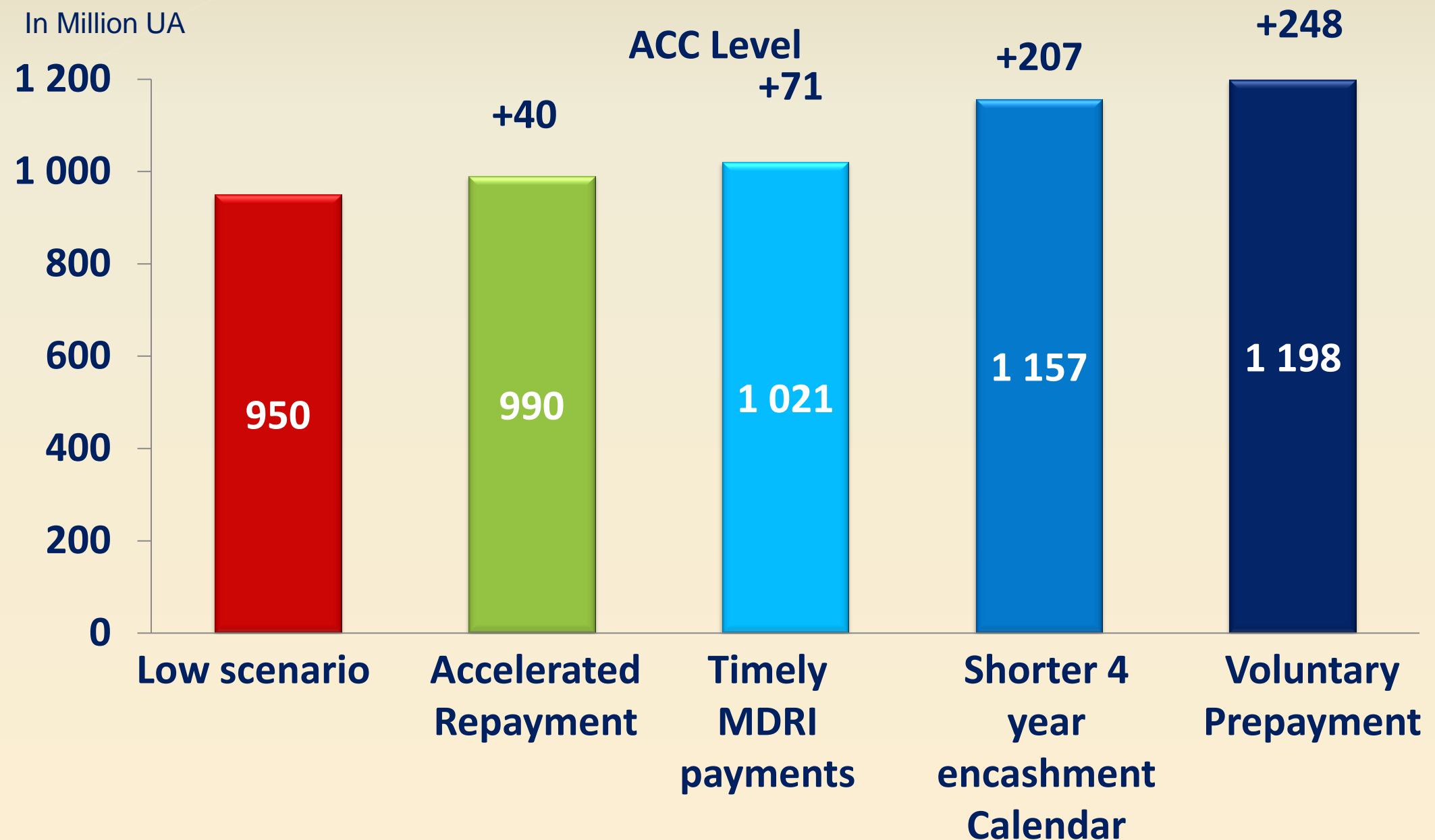


Current Terms

AHIDI Differentiation
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Management carefully reviewed and explored all alternatives to boost ACC in ADF-13

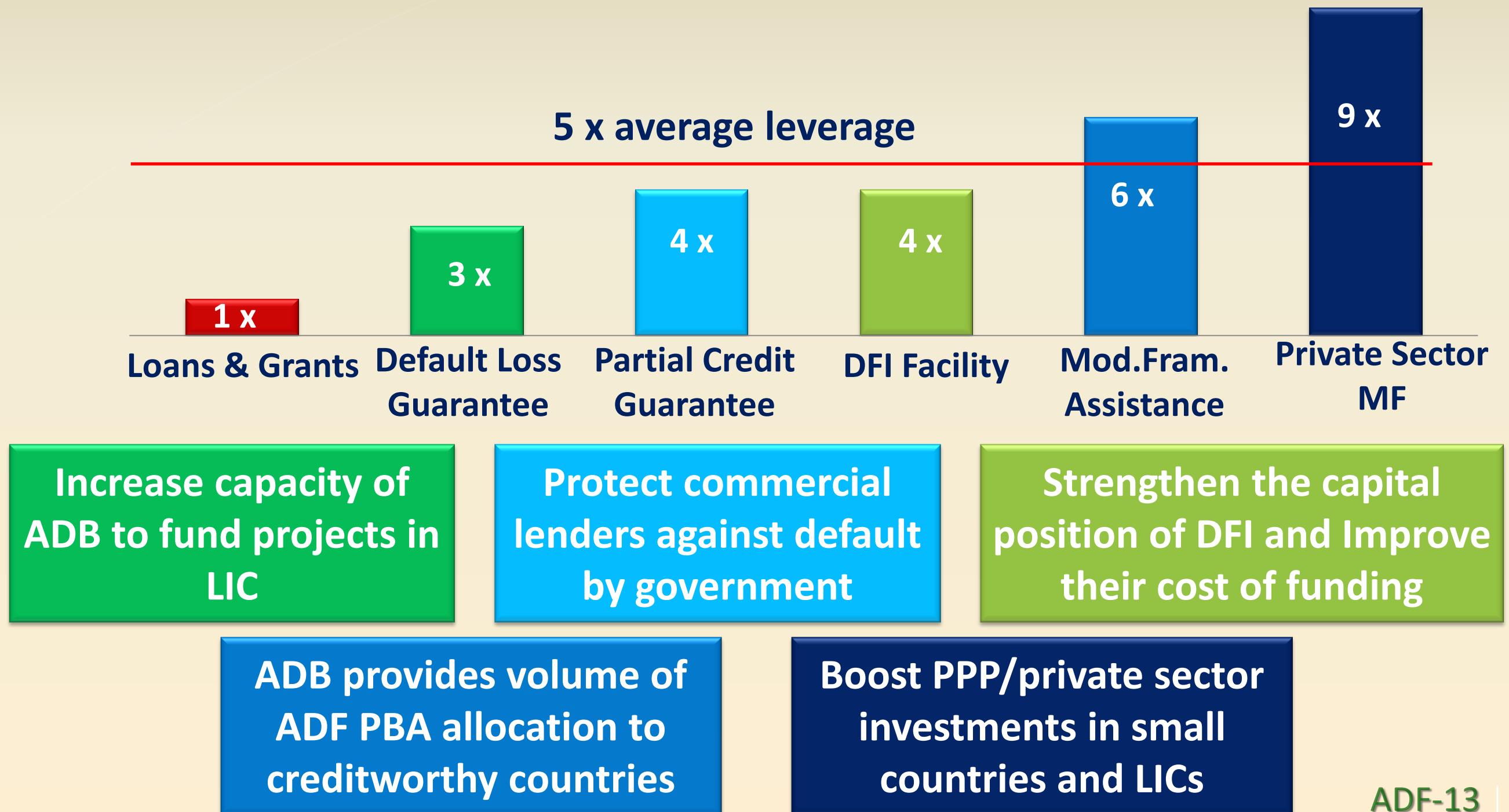


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Leveraging ADF Resources

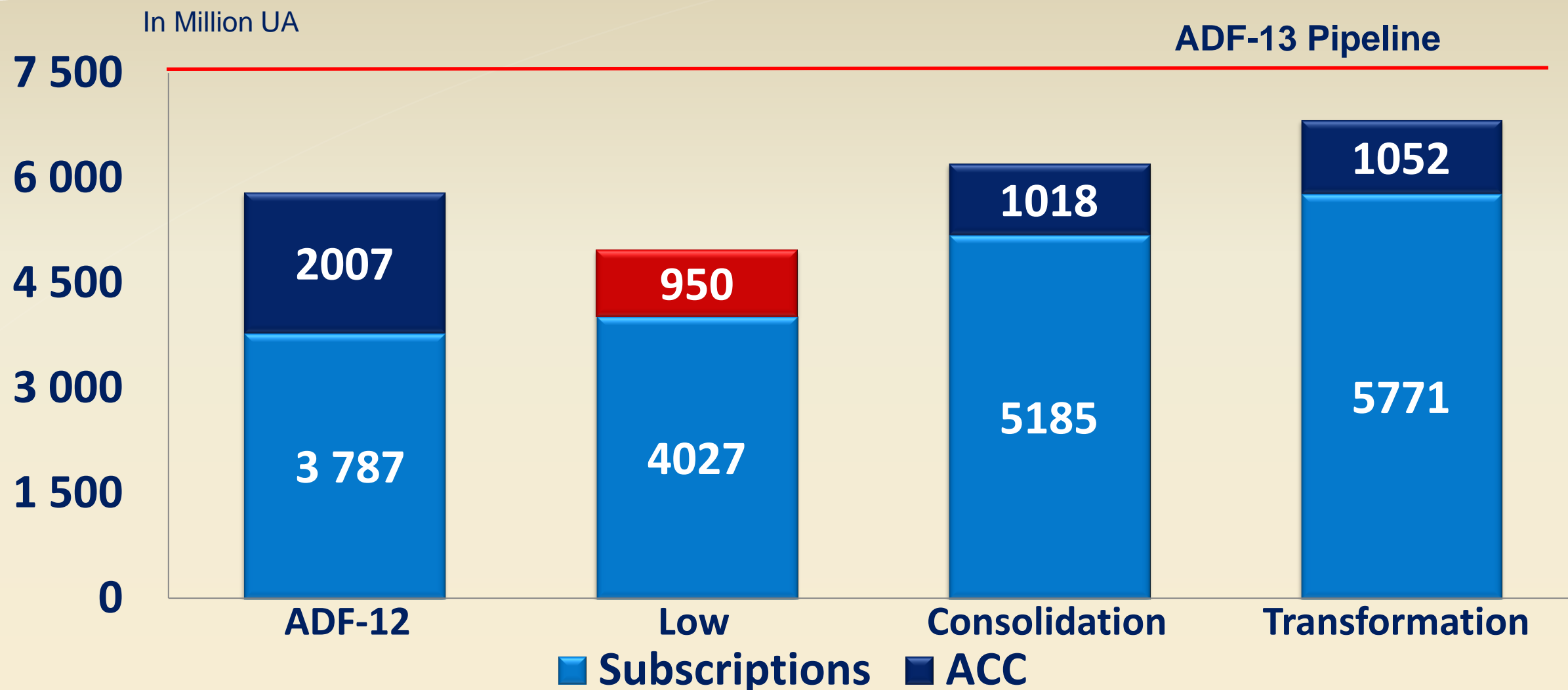
Leveraging impact of new financing instruments



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Indicative Financing Framework



- Low : subscriptions increase by the SDR inflation rate
- Consolidation : flat real growth in total ADF resources
- Transformation : 10% real growth in total ADF resources

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What do we expect from Deputies today?

Decisions / Endorsement at this February meeting

Item for Decision/Item for Endorsement	Management's Proposal
Exchange rate reference period :	February 1 to July 31 2013
Standard Encashment Calendar :	10 Year as in ADF-12 or shorter calendar
Replenishment Technical Gap :	5%
Advance Commitment Capacity :	Core Assumptions
Accelerated Encashment :	Fully Hedged Proposal
Differentiation :	AHIDI plus Debt Sustainability Analysis
	Regular : from 50/10 to 40/10
	Advance : from 50/10 to 40/5
	Blend : from 30/8 to 30/5
Additional measures to enhance financial sustainability :	Accelerated repayment clause and voluntary repayment framework



What do we expect from Deputies today?

- For guidance now and decision in the June meeting
 - Innovative financing instruments
 - Indicative financing framework

A young girl in a white short-sleeved shirt and a pleated orange skirt stands in the foreground, smiling. She is wearing a long orange tie. In the background, several other children are standing in front of a shop with shelves of goods. The scene is lit with warm, indoor lighting.

Enhancing ADF's financial integrity and capacity increases its relevance for Africa