



# ADF-17

— AFRICAN DEVELOPMENT FUND —  
17<sup>th</sup> REPLENISHMENT

FINANCING AFRICA'S TRANSFORMATION

## African Development Fund Making the Case for a Strong Replenishment

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29 July 2025



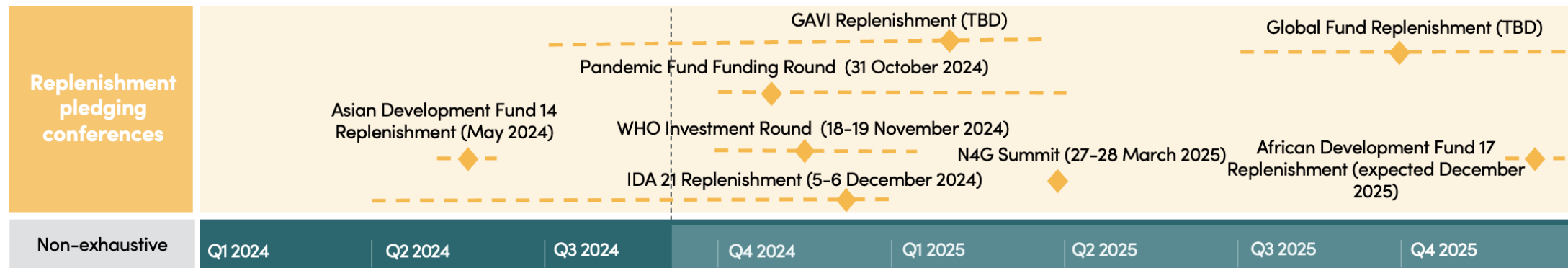
# African Development Bank Group

- **Established in 1964** as Africa's premier development finance institution
- Owned by **81 member countries** (54 African, 27 non-regional)
- Headquartered in **Abidjan, Côte d'Ivoire**, with offices in regional member countries and non-regional member countries (i.e. Japan)
- Authorized capital: **\$208 billion**
- Mandate: Spur **sustainable economic development and social progress in Africa**
- Comprises:
  - African Development Bank – **non-concessional** financing
  - African Development Fund – **concessional** finance for low-income countries



# A Challenging Global Context

- **Global ODA is Declining:** The OECD projects a 9-17% drop in official development assistance in 2025, following a 9% decline in 2024.
- **Replenishment Congestion:** Multiple vertical funds are competing for finite donor resources in a crowded replenishment space.



Center for Global Development

- **Economic and Geopolitical Uncertainty:** Rising debt, shifting alliances, and domestic pressures in donor countries are reshaping aid priorities and reducing fiscal space for multilateral commitments.

Sources: [OECD](#), [Center for Global Development](#)



# African Development Fund: At a Glance

- **Concessional lending window** of the African Development Bank
- Invests in **37 low-income and fragile countries** across Africa
- More than **\$45 billion invested** since established in 1972
- ADF has two strategic pillars:
  - **Sustainable, Climate-Resilient, Quality Infrastructure** – Energy, transport, agriculture, water, sanitation, and health systems to drive inclusive growth and regional integration
  - **Governance, Capacity Building, and Debt Sustainability** – Supporting public financial management, institutional reform, and debt transparency
- **African-led, regionally focused, and tailored to country context**



# African Development Fund: Tangible Results

Between 2015-2024, the African Development Fund delivered:



**18 million people** with new or improved electricity connections



**90 million people** gained food security



**1.4 million people** provided with improved access to basic ICT services



**87 million people** with improved access to transport



**48 million people** with access to clean water & sanitation

# ADF Provides Support to Key Areas

The African Development Fund supports regional infrastructure, market systems, and institutional resilience to drive economic growth and integration.

## Catalyzing Strategic Infrastructure

Financing and de-risking regional transport and energy corridors to unlock investment in logistics, agribusiness, and mining.

## Fostering Private Sector Growth

Creating conditions for SME development, job creation, and private capital through blended finance and policy support.

## Expanding Cross Border Trade

Supporting transport corridors to deepen intra-African trade and competitiveness.

## Partnerships to Leverage Resources

Significant leveraging capacity; mobilized an additional \$4.7B in co-financing from partners in the last 15 months alone.

# Innovative Tools for Scale and Leverage

ADF-17 strengthens the Fund's role as a catalytic platform, combining concessional finance with innovative tools to unlock scale and accelerate impact.

## PRIVATE SECTOR CREDIT ENHANCEMENT FACILITY

- Shares risk to unlock private capital in underserved markets

## CONCESSIONAL DEVELOPMENT LOANS

- Complement grants while preserving affordability for low-income countries.

## GUARANTEE INSTRUMENTS

- Expanded use of Partial Credit Guarantees and Partial Risk Guarantees
- A €30 million PCG can unlock up to €200 million in long-term financing

## DOMESTIC RESOURCE MOBILIZATION

- Enhances tax systems and public financial management through policy dialogue and technical assistance.

## CLIMATE ACTION WINDOW

- Channels additional climate finance to vulnerable countries
- \$442 million mobilized; 41 projects funded; 39 more on reserve

## TRANSITION SUPPORT FACILITY

- Enhances tax systems and public financial management through policy dialogue and technical assistance.

# ADF's Evolution: Market Borrowing Option

## ➤ **Adapting to Africa's Changing Needs**

Since its establishment in 1972, the ADF has evolved to address the continent's most pressing development challenges, from fragility and vulnerability to infrastructure gaps and climate resilience.

## ➤ **Structural Limitations**

If designed today, the Fund would likely feature greater flexibility in terms of capital structure and funding possibilities. Existing restrictions can constrain its ability to meet emerging priorities at scale.

## ➤ **Charter Amendment Underway**

A process is underway to amend the Fund's Charter, enabling ADF to access capital markets for the first time.

- ADF-17 proposes market borrowing of up to \$5 billion per 3 year replenishment cycle, significantly expanding the Fund's financing capacity.
- This aligns ADF with peer institutions that already use market-based financing to scale impact.
- The amendment would permit non-concessional borrowing and lending, while maintaining affordability for eligible countries.
- However, the Fund would still require grant financing.



# Comparative Advantage: Regional Integration

ADF combines **policy dialogue** and **concessional financing** to advance regional integration and unlock cross-border development opportunities.

- **Regional Operations (ROs) and Regional Public Goods** promote integration and development by **addressing regional infrastructure gaps** and **supporting the delivery of shared services** and **institutional coordination**.
- **The Regional Operations Envelope** supports **trade corridors, energy interconnections, digital platforms, and regional value chains**, helping **operationalize the AfCFTA** and **strengthen resilience** across low-income countries, including fragile states.
- With an **active portfolio of ~\$6.183 billion**, covering over 157 operations, the envelope accounts for **46% of the Bank's "Integrate Africa" portfolio** and remains the Bank's **primary vehicle for regional infrastructure and policy integration**.
- **Demand significantly exceeds available resources**. In 2025, Regional Public Goods proposals **outpaced funding by over 350%**, leaving high-impact, regionally endorsed projects unfunded.

# Comparative Advantage: De-risking Private Sector Investment

The **Private Sector Credit Enhancement Facility (PSF)** is a dedicated ADF instrument that enables **private sector operations in markets perceived as high-risk**.

- Funded by grants, PSF **covers up to 50% of credit exposure** on eligible non-sovereign operations, allowing the Bank to **expand its private sector footprint** in challenging environments.
- Strengthens the Bank's ability to invest in infrastructure, agribusiness, energy, and industry in **underserved countries**, including fragile states where **commercial lenders are absent or constrained**.
- With over **\$3 billion in non-sovereign operations exposure** supported across **29 ADF countries**, the Facility has backed projects that include a regional rail corridor in **Malawi** and **Mozambique**, renewable energy projects in **Mali** and **Chad**, agribusiness expansion in **Sudan**, trade finance in **Zimbabwe** and the Bank's first water PPP in **Rwanda**.
- **33% of PSF-supported operations are in fragile states**, underscoring its role in advancing resilience, inclusion, and market-building.

# Zambia and the African Development Fund

## ➤ Strategic Alignment

Zambia is a key beneficiary of ADF resources, supporting the country's transition, resilience, and regional integration priorities under ADF-16 and the 2024–2029 Country Strategy Paper.

## ➤ Infrastructure Investment

ADF financing supports national and cross-border transport and energy infrastructure, critical enablers of Zambia's economic growth and integration within regional value chains.

## ➤ Regional Connectivity

Zambia accesses the ADF Regional Operations Envelope to co-finance transformative corridor projects that boost trade, unlock investment, and enhance mobility across borders.



*Co-financed by ADF and completed in 2021, the Kazungula Bridge links Zambia and Botswana over the Zambezi River. The bridge and One-Stop Border Posts reduce transit times and trade costs along the North-South Corridor.*

# African Development Fund: Unlocking Global Value

ADF is more than a financing tool—it is a global investment platform that unlocks Africa's assets to benefit the world.

## A Dynamic and Growing Workforce

Africa's youth population is the largest untapped labor force in the world. With 8-11 million new entrants annually, investments in skills, entrepreneurship, and innovation will power global productivity.

## Integrated Continental Markets

AfCFTA is creating a single market of 1.4 billion people. ADF investments enable trade corridors, border systems, and digital infrastructure that connect regional value chains to global supply networks.

## Critical Minerals for the Energy Transition

Africa holds 70% of global cobalt, 17% of copper output and 11% of lithium reserves. ADF-financed infrastructure unlocks access to these essential minerals for batteries, EVs, and renewable technologies.

## Natural Assets for Global Food and Energy Security

With 65% of the world's remaining arable land and abundant water resources, Africa is key to global food security and climate-smart energy through agriculture and hydropower.

# What We Need from Partners

As we look ahead, we ask for your partnership in three key ways:

- **Amplify the message:** The African Development Fund is impactful, innovative, and delivering measurable results.
- **Advocate with authenticity:** Beneficiary countries and clients, your voice matters. Tell the story of the African Development Fund's value.
- **Tell us what you need:** We're ready to support your efforts to champion ADF-17.





Thank You

