

African Development Fund

COMMUNITY REQUEST FY 2020

\$171.3 M

FY 2019 President's Request: \$171.3 Million
FY 2018 Enacted: \$171.3 Million

DESCRIPTION

Part of the African Development Bank Group (AfDB), the African Development Fund (AfDF) contributes to poverty reduction in its regional member countries (RMC) by spurring sustainable economic development and social progress. The AfDF also provides policy advice and technical assistance to support development efforts.

WHAT DOES THIS BUY?

Provides grants and highly concessional loans to the 38 poorest countries in Africa, half of which are fragile and conflict-affected states.

JUSTIFICATION FOR THE REQUEST

- Funds will go toward the third installment to the AfDF's 14th Replenishment (AfDF-14), which runs from FY 2018-FY 2020.
- In 2016, the AfDB Group reported the following achievements:
 - Created 1.6 million jobs, half of them for women,
 - Constructed, rehabilitated, or maintained 1,300 miles of road,
 - Provided 2.9 million people with new or improved access to water and sanitation,
 - Supported improvements in agricultural productivity benefiting 5 million people,
 - Improved budgetary and fiscal management in three countries, and
 - Improved transparency and accountability in three countries.¹
- The AfDF **approved approximately \$2 billion in financing in 2017**. Approximately 53% of these approvals were for infrastructure projects – mainly energy, transportation, and water supply and sanitation. Funding also supported other key sectors including agriculture, finance, and social sectors.²
- **Every \$1 in U.S. contributions to AfDF-14 leverages more than \$11** in contributions from other donors and internally generated resources.³
- During 2017-2019, approximately half of the AfDF's financing will be used to combat instability in fragile and conflict-affected states, including through projects to strengthen governance and anticorruption.

U.S. INTEREST

- AfDF supports national security. **Nineteen of the AfDF's 38 client countries are fragile and conflict-affected** states in sub-Saharan Africa – including Mali, Chad, and Niger – that are on the front lines of the fight against terrorism.⁴
- **AfDF reduces humanitarian and health crises**. AfDF financing addresses the root causes of migration flows and humanitarian crises in Africa's poorest countries, helping to reduce fragility by building infrastructure, strengthening food security, and supporting private-sector-led growth and economic diversification that creates jobs for Africa's growing youth population.



Looking to the Future

African Development Fund – TITLE V

BOLD VISION

U.S. unmet commitments to the AfDF and the Multilateral Debt Relief Initiative (MDRI) currently amount to approximately \$249.6 million. These unmet commitments decrease the financial capacity of the AfDF, reducing the funding available to address instability in fragile states, the root causes of migration and humanitarian crises, and health emergencies. Unmet commitments also undermine U.S. credibility and leadership at a time when the African Development Bank Group is undertaking critical reforms on which the U.S. is a leading voice.

IMPACT OF CUTS

- Cuts generate further arrears, limiting programming in the poorest countries, undermining U.S. negotiating power, restraining AfDF's ability to achieve U.S. objectives, and ceding power to other large donors.
- Cuts limit economic development in the 38 countries where the AfDF works. "Economic development has long been recognized as a pillar of U.S. national security."⁵

1 "U.S. Department of the Treasury International Programs Congressional Justification for Appropriations FY2019," U.S. Department of the Treasury, 2018, p.15.

2 Ibid, p.14.

3 Ibid.

4 Ibid, p.7.

5 Ibid.

5 YEAR FUNDING HISTORY

■ House

■ Senate

Funding levels may not accurately reflect those in the appropriations bills and/or reports due to rounding.

