WHAT IS THE AFRICAN DEVELOPMENT FUND?

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

WHAT DOES IT BUY?

The ADF provides grants and highly concessional loans to the 38 most vulnerable and least developed countries in Africa, half of which are fragile and conflict-affected states. ADF-eligible countries include those that are on their way to becoming new emerging markets, as well as those that remain fragile and need special assistance for basic service delivery. Funds go toward the first installment to the ADF’s 15th Replenishment (ADF-15), which runs from FY 2020 through FY 2023.

WHY IS IT IMPORTANT?

- In 2018, the ADF approved approximately $1.1 billion in financing for 87 projects. Most of this funding was for infrastructure projects—mainly energy, transportation, and water supply and sanitation. Funding also supported other key sectors, including agriculture, finance, and social sectors.
- Every $1 in U.S. contributions to ADF-14 leveraged more than $11 in contributions from other donors and internally generated resources.
- In 2018, the ADF:
  - Provided 8.2 million people with new or improved access to water and sanitation;
  - Improved access to transport for 14 million Africans;
  - Created 1.4 million jobs with improved access to financial services for 154,000 small businesses; and
  - Supported improvements in agricultural technologies benefiting 19 million people.
- Every $1 in U.S. contributions to the last replenishment, ADF-14, leveraged more than $11 in contributions from other donors and internally generated resources. In the last three years, the Fund has increased financial support 17-fold to the continent’s least developed countries.

WHY SHOULD AMERICANS CARE?

- ADF supports the U.S.’s national security strategy. Nineteen of the ADF’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.
WHY SHOULD AMERICANS CARE? (cont.)

- ADF reduces humanitarian and health crises. ADF financing addresses the root causes of migration flows and humanitarian crises in Africa’s poorest countries.

WHAT MORE COULD BE DONE?

- U.S. unmet commitments to the ADF and the Multilateral Debt Relief Initiative (MDRI) currently amount to approximately $249.6 million. These unfulfilled commitments decrease the financial capacity of the ADF, reducing the funding available to address instability in fragile states, the root causes of migration and humanitarian crises, and health emergencies.

- Meeting commitments would renew 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.

- To ensure a smooth contribution process, Congress needs to amend the African Development Fund Act to authorize the United States to contribute the full amount of the 15th ADF replenishment.

6 YEAR FUNDING HISTORY
(In millions)

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