MINISTRY OF FOREIGN AFFAIRS OF DENMARK
DANIDA | INTERNATIONAL DEVELOPMENT COOPERATION

STRATEGY FOR DENMARK'S ENGAGEMENT WITH THE AFRICAN DEVELOPMENT BANK 2016 – 2019

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CONTENTS

ABBREVIATION LIST

ADF	African Development Fund
ADER	Annual Development Effectiveness Report
AfDB	The African Development Bank
AFT	Agricultural Fast Track Fund
AGF	African Guarantee Fund
ATI	The Aid Transparency Index
AU	African Union
ECOWAS	Economic Community of West African States
FIs	Financial Intermediaries
IGAD	Intergovernmental Authority for Development
MDBs	Multilateral Development Banks
NEPAD	New Partnership for Africa's Development
NTF	Nigeria Trust Fund
OECD	Organisation for Economic Co-operation and Development
PBA	Performance-Based Allocation
RMCs	Regional Member Countries
RMF	Results Management Framework
RRS	The Results Reporting System
SE4All	Sustainable Energy for All
SEFA	Sustainable Energy Fund for Africa
SMEs	Small and Medium-sized Enterprises
TYS	Ten Year Strategy 2013-2022
UNECA	United Nations Economic Commission for Africa
VfM	Value for Money

EXECUTIVE SUMMARY

The African Development Bank (AfDB) extends loans and grants to African countries to promote sustainable economic growth and reduce poverty in Africa. Today, the Bank stands out as a preferred partner for governments and private sector actors in Africa; a status achieved through increased lending, a decentralisation process and the Bank's strong leadership and close relationship with African leaders. Denmark's relationship with the AfDB was reinforced by former President Kaberuka's engagement in the Africa Commission (2008–2011) which confirmed a sense of common values, in particular related to the importance of green and inclusive private sector-led growth for political and economic development in Africa. Denmark expects to further strengthen the close and value-based relations with the Bank under the new leadership of President Adesina.

AFRICAN DEVELOPMENT BANK	
AfDB established	1964
Member countries	54 African member countries; 26 non-regional member countries
Head quarters	Abidjan, Cote d'Ivoire
Country offices	36 country offices; 2 regional hubs
Cumulative loan and grant approvals 1967-2014	USD 114.82 billion
Human resources	2065, incl. 6 Danish staff
President (from September 2015)	Akinwumi A. Adesina
Danish voting power	1.193 pct.

Denmark supports the AfDB because
- Its strategies share the Danish development policy's focus on poverty reduction, sustainable growth, and private sector involvement;
- It is a significant and trusted financial actor in Africa;
- It has been instrumental in setting the African agenda on green growth, sustainable energy and climate change as well as private sector development;
- It addresses long term development needs crucial for the prevention of migration;
- It is stepping up its engagement with situations of fragility in Africa;
- As an African managed, pan-African institution it is a preferred partner for African countries;
- It is an institution continuously striving for efficiency and effectiveness.

Key challenges for the AfDB
- Finding the right balance between the non-concessional AfDB window and the concessional ADF window;
- Slow implementation of projects;
- Maintaining relevance and status as preferred partner as well as strong membership support.

Denmark will expect the AfDB to
- Become a transformative actor for achieving inclusive, green and private sector driven growth;
- Promote stability in fragile situations;
- Lead the quest for good governance and the fight against corruption in Africa;
- Mainstream gender equality across programmes and in its own organisation.

Denmark will follow-up by
- Actively engaging in the constituency coordination;
- Monitoring the Bank's performance through the Annual Development Effectiveness Report;
- Promoting Danish priorities in the replenishment cycle negotiations;
- Maintain level of engagement through regular replenishments and acquisition of shares.

1 OBJECTIVE

This Strategy for Denmark's Engagement with the African Development Bank Group (AfDB) forms the basis for the Danish contributions to the AfDB, and it is the central platform for Denmark's dialogue and partnership with the Bank. Building on the close cooperation between Denmark and the AfDB, it sets out Danish priorities for the Bank's performance within the overall framework established by the Bank's own Ten Year Strategy 2013–2022 (TYS), which pursues the two overarching objectives of inclusive growth and transition to green growth. The new President of the Bank, Akinwumi Adesina, has launched an ambitious work programme and identified five areas where the Bank will focus its business in the coming years: light up and power Africa, feed Africa, integrate Africa, industrialise Africa and improve the quality of life. The focus areas (named the "high fives") are an integral part of the TYS. Denmark will work closely with like-minded countries towards the achievement of the priorities set out for the Bank.

This first Danish Organisation Strategy formulated for the AfDB will cover the next three year replenishment cycle of the African Development Fund (ADF) through which Denmark's main financial contributions to the Bank are channelled. The negotiations for the ADF-14 replenishment (2017–2019) will take place in 2016, and the strategy will serve as a basis for Denmark's position throughout the replenishment negotiations.

The overall priorities for Denmark's development cooperation include fighting poverty and advancing security, enhancing sustainable growth and employment, preventing migration through long-term development and advancing gender equality. The present strategy will outline how these priorities are taken forward in the cooperation with the AfDB.

Four priority areas for Danish support to the AfDB in 2016–2019 are identified as follows:

1. Encouraging the AfDB to become a transformative actor for achieving inclusive and green growth championed by the private sector and leading SE4All in Africa;

2. Advocating a continued strengthened role of the AfDB in promoting stability in fragile situations;

3. Supporting the AfDB in leading the quest for good governance and fight against corruption;

4. Monitoring the quality of implementation of its Gender Strategy across all operations.

A new strategy for Denmark's development policy will be formulated in 2016. As deemed necessary this present strategy for the AfDB will be updated in light of the new development policy as well as in light of results of ADF-14 replenishment negotiations.

The two following sections will provide the background for these priority areas by giving an overview of the AfDB as an organisation, Danish cooperation with the Bank and by analysing AfDB's strengths and challenges. Section 4 describes the priorities under each area and the tools needed to follow-up. A budget for the current and expected future Danish support is provided in section 5, before the final section assesses the most central risks to AfDB's delivery on the Danish priorities.

2
THE AFRICAN DEVELOPMENT BANK AND DANISH ENGAGEMENT

2.1 MANDATE, MISSION, MANAGEMENT AND FINANCIAL SITUATION OF THE AFDB

AfDB is a multilateral development bank that extends loans and grants to African countries and private sector entities to promote sustainable economic growth and reduce poverty in Africa. It was founded in 1964 and has been supported by Denmark since 1973. It has 80 member countries in total, comprising 54 regional member countries and 26 non-regional member countries primarily from Europe, America and Asia.

The African Development Bank Group consists of three legally separate but complementary institutions: the African Development Bank (AfDB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF).

1. The AfDB is the non-concessional window of the Group. It finances projects through loans to sovereign or private-sector counterparties, guarantees and equity investments. It also provides technical assistance. Currently, the AfDB can only extend loans to 19 of the 54 sovereign governments of Africa, but it can extend loans to private-sector counterparties across the continent.

The institution's resources come from ordinary and special resources. Ordinary resources comprise: 1) the subscribed shares of the authorized capital, a portion of which is subject to call in order to guarantee AfDB borrowing obligations; 2) funds received in repayment of AfDB loans; 3) funds raised through AfDB borrowings on international capital markets; 4) income derived from AfDB loans; and 5) other income received by the Bank, e.g. income from other investments.

Under the agreement establishing the AfDB, the Bank is authorized to form or be entrusted with administering and managing special funds, which are consistent with its purposes and functions. In line with this provision, the ADF was established with non-African states in 1972 and the NTF with the Nigeria Government in 1976.

2. The ADF is the concessional window of the Bank Group. It finances projects in low-income African countries that are not normally eligible to borrow from the AfDB. The Fund's resources come from periodic contributions by donor countries. The 40 ADF-eligible countries include those that are increasing their economic capacities and heading toward becoming the new emerging markets as well as those that remain fragile and need special assistance for basic levels of service delivery. The ADF is challenged as nearly half its client countries are fragile states, and thus the Fund is facing a situation where even stable economies can become fragile due to a single internal or external shock.

The ADF contributes to poverty reduction and economic and social development in the least developed African countries by providing concessional funding for projects and programs, as well as technical assistance for studies and capacity-building activities. The Fund has cumulatively invested USD 45 billion over its 40 years of operationalisation on the African continent. The Fund's resources are replenished every three years by its donor countries.

3. The NTF is a comparatively small fund that extends grants and loans at concessional rates to projects of no more than USD 10 million in low-income countries. It is funded by a contribution of USD 151 million from the Government of Nigeria and expires in 2018. Projects are selected based on annual calls for proposals.

According to the founding agreements of the Bank, it shall base its decisions on economic considerations solely, and in the case of the ADF, economic as well as social development considerations. The Bank is the leading development finance institution in Africa. It enjoys a triple-A rating from Standard & Poor's, Fitch and Moody's, who in September 2015 confirmed the stable outlook based on a combination of financial strength/capacity, prudent financial management and policies, as well as very strong shareholder support including the guarantees put forward through capital subscriptions by member states as shareholders. These strengths offset the generally low quality of AfDB's loan portfolio, which mainly results from the challenging regional environment.[1] The Bank Group can also establish and administer special funds, e.g. in accordance with bilateral arrangements with donors.

The main task of the Bank is to provide financial support and technical advice to governments and to implement projects and programmes in order to promote economic and social development in Regional Member Countries (RMCs), e.g. via Sector Investment Programs. In the poorest countries it does so by extending concessional loans and grants via the ADF. In middle-income countries it primarily extends loans at, or near, market terms.

Over the last ten years, the Bank has increased its lending to private sector operations, including Public-Private partnerships.[2]

In 2014, approved operations totalled approximately USD 7.1 billion financed as follows:

- AfDB: USD 4.5 billion
- ADF: USD 2.2 billion
- NTF: USD 16.2 million
- Special Funds: USD 343 million

About half of the proportion of the Bank Group's private sector lending is channelled through financial intermediaries (FIs) including commercial banks, micro-finance institutions, private equity funds, regional and national development banks, and insurance and leasing companies. The Bank utilizes FIs to reach projects within sectors, such as agriculture, industry, and small or medium-scale enterprises, which are either too small for the Bank's supervision capacity, or whose financing needs are better addressed by private intermediaries. AfDB's guidelines for financial management ensure that the Bank only cooperates with economic accountable institutions that are legal entities in the country they operate, have a certain level of credit rating and meet internationally accepted standards for accounting and auditing. The Bank also requires that FIs continuously report on projects' financial and development results, as well as any violations of environmental and social standards, as part of their legal agreement with AfDB. Through the Private Sector Strategy (2013–2017), the AfDB seeks to refine its guidance on the use of FI's in order to address incidents of weak reporting and insufficient monitoring of operations through FIs, where development objectives have not been sufficiently defined. The strategy contains a number of initiatives that include: 1) strengthening the parameters for performance of this type of operations; 2) strengthening FI's management practices through technical assistance; and 3) ensuring that FIs are held accountable for making sure that the AfDB's funding supports the targeted development purposes. Denmark will continuously monitor the implementation to ensure that the Bank strengthens its ability to demonstrate development results vis-à-vis economic growth.

Initially, the Bank's membership structure included only African governments, but it opened up to non-regional governments like Denmark in 1982. Non-regional members contribute to the AfDB's capital, but cannot borrow from it. The AfDB currently has 76 shareholders being 54 African governments, 26 governments

1 Moody's Investors Service. September 2015.
2 For instance the Lake Turkana Wind Power Project in Kenya, where inter alia the Danish Investment Fund for Developing Countries (IFU), the Danish Export Credit Agency (EKF) and Vestas are engaged as investors and financial cooperation partners.

from the OECD and Middle East. African members account for 60 pct. of the AfDB's capital and non-regional shareholders for 40 pct.

The balance of participation between regional and non-regional countries is reflected in AfDB's governance structure. Its highest decision-making body is the Board of Governors, which includes one representative per member country. It meets annually to review the implementation of past policy decisions and to deliberate on new policy issues. The State Secretary for Development Cooperation is the Danish member of the governors' board, while the Director of the Africa Department is the Alternate Governor. Decisions by the Board of Governors require a two-third majority. As each member's number of votes is based on the share of that member in the capital stock of the Bank, the voting rule ensures that any significant decisions require support by both regional and non-regional members.

A Board of Directors, which is responsible for overseeing AfDB's operations, is elected by the Board of Governors. The Board of Directors comprises 13 representatives elected by regional countries, and 7 representatives elected by non-regional countries. Each representative acts on behalf of a constituency comprised by a number of member countries. Decisions in the Board of Directors equally require a two-third majority of votes, weighed by the share of capital of the members represented by each Director. Denmark is represented in the Board of Directors through the Nordic-Indian constituency, consisting of Denmark, Norway, Sweden, Finland and India. Finland currently holds the post of executive director. Denmark last held the rotating post of Executive Director from 2010–2013. Currently, a Danish advisor is placed in the Directors' Board. The constituency has to vote as a unit in the decisions taken in the Board of Directors.

Notwithstanding the inclusion of non-regional members, the AfDB maintains an African character derived from its geography and ownership structure. It exclusively covers Africa. It is also headquartered in Africa, and its president is always an African. The AfDB is generally regarded as a preferred partner for African governments. Its response to the global financial crisis, support to national development strategies, its fragile states strategy, its global advocacy of African positions, its leadership and staffing by Africans and the decentralisation have contributed to a clearer image of the Bank's activities and its performance.

As a regional development institution, the AfDB increasingly holds an important role in terms of advocacy, coordination of information and policy initiatives, setting the political agenda on the continent as well as influencing the allocation of financial resources due to the size of the investments it undertakes. In addition, the Bank also plays a vital role in transforming development needs into commercial opportunities, including investments in large infrastructure projects, which are increasingly demanded by African member countries and considered to be essential for continuing growth on the continent. This is also of great importance for Danish companies that may have the capacity and interest in investing and doing business within Africa.

2.2 SUMMARY OF DENMARK'S ENGAGEMENT WITH THE BANK

Denmark became a member of the ADF in 1973 and subsequently acquired the first shares of the AfDB in 1982. Currently, the relative Danish share value is 1.2 pct. which positions Denmark as the 10th largest shareholder among the 25 non-regional member countries, while USA is the largest, followed by Japan and Germany.

Links between Denmark and the AfDB were deepened in 2008 when the then Prime Minister Anders Fogh Rasmussen appointed President Donald Kaberuka as member of the Danish Africa Commission. The Commission aimed at helping Africa benefit more from globalisation. Drawing on existing analyses and best practices, it made specific policy recommendations and devised concrete initiatives.
The Commission addressed ways to create employment for young people through private sector-led growth and improved competitiveness of African economies. There was special emphasis on creating decent jobs, fostering entrepreneurship, and providing greater opportunities for young African women and men through education, skills development and access to finance. Two concrete initiatives were subsequently launched under the leadership and coordination of the AfDB, i.e. the African Guarantee Fund (AGF) and the Sustainable Energy for Africa Trust Fund (SEFA). The continued success of the funds remains a strong common interest of Denmark and the AfDB. The overall objective of the AGF is to increase employment within the private sector in Africa, including young people and women, in order to contribute to sustainable economic development in the region. The fund, which today is fully functioning on commercial terms, provides guarantees to African financial institutions' lending to Small and Medium sized Enterprises (SMEs). The objective of the SEFA fund is to increase the production of renewable energy (RE) and energy efficiency (EE) through support to SMEs within the RE/EE sector, thereby creating economic growth and jobs as well as reducing poverty. SEFA is a multi-donor trust fund managed by the AfDB. The contributors are Denmark, USA and United Kingdom.

The joint engagement of Denmark and the AfDB in the follow-up to the Danish Africa Commission have served to underscore a shared interest in private sector development as a means to promoting sustainable and inclusive growth in Africa. Denmark expects to further strengthen the close and value-based relations with the Bank under the new leadership of President Adesina.

Due to the recent membership of South Sudan, new shares for subscription to the capital of the Bank have been announced along with a number of un-subscribed shares from the latest capital increase. Denmark has purchased its allocated share in order to support the South Sudan membership and maintain the relative strength of Denmark's position and the Nordic-Indian constituency in the Bank. Apart from the shares, Denmark's financial contribution mainly consists of regular contributions to the ADF replenishments, where the latest ADF13 (2014–2016) in 2013 was funded with DKK 630 million, making Denmark the 17th largest contributor.

In addition, Denmark currently provides the following earmarked contributions to special funds:

- Sustainable Energy Fund for Africa (SEFA): DKK 300 million (2011–2018);
- Agricultural Fast Track Fund (AFT): DKK 10.5 million (2013–17);
- Multi-donor trust fund for transition in North Africa: DKK 20.3 million (2012–2016).

The use of special funds/trust funds to promote particular policy objectives requires active engagement in the individual trust fund's governing board and the funds are often administered in a way that maintains Danish engagement over a prolonged period of time.

3
STRATEGIC CONSIDERATIONS

3.1 JUSTIFICATION AND RELEVANCE

The African Development Bank Group is a suitable vehicle for advancing Danish development priorities because:

- Its policies and strategies share the Danish development priorities' focus on poverty reduction and sustainable growth;
- It is a very significant and trusted financial actor in Africa, where Denmark has considerable political and development interests;
- It addresses long term development needs crucial for the prevention of migration;
- It is instrumental in setting the African agenda on green growth, sustainable energy and climate change;
- It is enhancing its engagement with situations of fragility in Africa;
- As an African owned, African managed, pan-African institution it holds a status as preferred partner for African countries;
- It is an institution continuously striving for efficiency and effectiveness.

To position the Bank as the partner of choice in Africa, as a catalyst, adviser and knowledge broker, and as Africa's premier development institution, it has adopted the aforementioned Ten Year Strategy 2013–2022 (TYS), which pursues two overarching objectives. The first is to make growth inclusive by broadening access to economic opportunities for more people, countries and regions, while protecting the vulnerable. The second, to make growth sustainable by helping the continent transition gradually to green growth. The strategy reflects aspirations of the entire African continent, firmly rooted in an African understanding and experience of how far the continent has come in the last decade, and where it wishes to go in the next. It assumes that if the quality of growth is improved it can put Africa on the path to structural transformation.

The priorities of the TYS and the abovementioned "high five" focus areas of the new President corresponds well with Danish development priorities, as expressed in The Government's Priorities for the Danish Development Cooperation 2016. Through the Danish engagement with the Bank at the level of the Board, there are possibilities to further influence the operationalization and prioritisation of the Bank's strategy. However, in a number of specific areas there is already a close harmonisation between the TYS and Danish development priorities, including:

Inclusive growth and green growth
This includes environmental management aspects, not least in the fields of sustainable energy and climate change, and infrastructure projects, which underpin agricultural production. The Bank takes part in initiatives to address climate change in Africa and works together, inter alia, with the African Union (AU), the United Nations Economic Commission for Africa (UNECA) and the African Ministerial Conference on the Environment. President Adesina has recently made energy one of his top five priorities for the Bank. Furthermore, the Bank is championing Sustainable Energy for All (SE4All) and works closely with Denmark on the SEFA initiative, which forms a basis for a continued strong alliance between Denmark and the Bank in the field of sustainable energy. SEFA, coupled with related Bank operations within sustainable energy, can step up to become a transformative actor for achieving SE4All in Africa. The Bank has also launched its Green Growth Framework: "Entry points for action for transition to Green Growth in Africa", which opens possibilities for closer engagement with a number of Danish institutions and funds. With energy access as a key driver for Africa's economic growth and human development and a top priority of President Adesina, the Bank is expected to provide a concrete dimension to cooperation under the overarching green growth agenda, in support of the integration of energy into the 2030 Agenda for Sustainable Development.

Stability and protection
Over the past decade, the AfDB has taken several steps to adopt a more explicit and systematic approach to fragile states. It has endorsed the New Deal for Engagement in Fragile States. An evaluation of the Bank's assistance to fragile states stressed that it has a strategic role to play in fragile situations in Africa, including the Horn of Africa, the Sahel, the Manu River and the Great Lakes regions.
The Bank is well positioned to address key challenges such as partnership and alignment, roots of fragility and growth strategies, regional dimensions, mechanisms and modalities of financing.
It operates at the advocacy and strategy level by convening with other key pan-African actors, at the coordination level with key regional and international actors, as well as at the operational level by funding infrastructure projects etc.
Together with the AU and UNECA, the AfDB is centrally placed in the regional institutional structure in Africa. While the AU addresses peace and security issues, the AfDB holds a key role in the follow-up of fragile situations in terms of continuously supporting the further development processes.

The AfDB's Strategy for Addressing Fragility and Building Resilience (2014–2019) is designed to place it at the centre of Africa's efforts towards fragility by making AfDB assume stronger leadership and engage in strategic alliances. Key elements of the strategy include; 1) enhancing the understanding of drivers of fragility; 2) applying a fragility-lens to identify, respond to and prevent fragile situations; 3) building resilience at national and regional level, also by integrating a gender perspective in all programs; 4) assisting governments to address capacity gaps; 5) strengthening the role of non-state actors; and 6) working closer with partners at country, regional, and international levels. The Bank thereby seeks to address fragility at different stages: pre-crisis, during crisis and after crisis, with greater flexibility for using its financial resources.

The Bank's strategic prioritisation of fragility is closely affiliated with the Danish focus on peace and stability in key areas of development engagements, as expressed in Denmark's Policy towards Fragile States (2010–2015) as well as the principles in Denmark's Integrated Stabilisation Engagement in Fragile and Conflict-affected Areas of the World. Governance is at the centre of challenges in fragile states and the Bank's Governance Strategic Direction and Action Plan – GAP II (2014–2018) is built around three strategic pillars: 1) public sector and economic management; 2) sector governance; and 3) investment and business climate. Combating corruption in both the public and private sectors is a crosscutting objective. These areas correspond to the priorities of Denmark's development cooperation in the area of human rights and democracy.

Gender equality and vulnerable groups
The Bank has with strong support and engagement from donors, including the Nordic-Indian Chair, over a long period gradually increased its focus on gender issues. The Bank's approved Gender Strategy for 2014–2018 is also in line with Danish development priorities.
A notable aspect is that the Bank focuses on gender-equality in its operations as well as at corporate level. The former president of the Bank also appointed a Special Gender Envoy. In terms of vulnerable groups, the Bank specifically targets Africa's least developed countries with a clear pro-poor focus in areas such as microfinance. However, it is recognised by the AfDB that it should further enhance its definitions of vulnerable groups and its indicators for measuring the inclusion of the poor and vulnerable in projects and programmes.

Regional integration
Lastly, the intensified efforts of collaboration with other key African actors such as the AU, the New Partnership for Africa's Development (NEPAD) and the various regional economic communities is well in line with a Danish emphasis on regional integration. In this sense, the Bank is well placed to play a leading role in fostering Africa's economic integration to create larger, more attractive markets, to link landlocked countries, including fragile states, to international markets and support intra-African trade. Private sector-led development has received

more attention and financing volume over the past five years and this trend is foreseen to continue.

The Bank's continued focus on efficiency and effectiveness is demonstrated well by the work done to develop a Results Management Framework (RMF) and strengthening the results-oriented culture.

3.2 OPPORTUNITIES AND CHALLENGES

AfDB stakeholders surveyed by MOPAN in 2009 and 2012 largely considered the Bank's performance as adequate in most areas assessed. In both years, survey respondents indicated the need to increase its delegation of decision-making authority to the country level. Since 2012, a comprehensive decentralisation process has been underway, and today the Bank is represented in 37 countries across the African continent. This poses not only new opportunities but also organisational challenges, including ensuring that employees have the relevant skill sets and capacities to deliver the same quality of partnership previously offered by the headquarters. In recent years, the AfDB has undertaken a reform process to improve its effectiveness, efficiency and corporate governance. Since the creation of the Bank's Quality Assurance and Results Department in 2008, it has implemented a number of initiatives, including the development of a results framework covering the entire Bank Group, new reporting tools at the organisation-wide level and strengthened practices in the area of human resource management.

The Danish Multilateral Development Cooperation Analysis from 2013 commended the Bank for its reform efforts, which were seen to have resulted in improved levels of transparency, greater focus on human resource and change management, and a more strategic focus in its overall operations. The Bank's prudent management of its funds during the challenges of the financial crisis was also praised. Keeping its triple-A rating is paramount for the Bank to be able to play the role as a financier and financial intermediary as expected by its RMCs, while ensuring continuous support by member states through capital subscriptions is also of utmost importance.

The British Multilateral Aid Review of 2011 assessed the Bank very positively, highlighting its role in assisting RMCs on public financial management; its strong focus on wealth creation (through infrastructure and regional integration), and on governance through budget support instruments. In terms of results reporting, the report considered the results framework well focused and well led. This was further articulated in a follow-up in 2013, which noted that the most notable achievement was the annual reporting of the Bank's results framework. Other strong points highlighted in areas of priority to Denmark was the fact that the Bank increased its staff presence, authority and performance in fragile states, and that implementation of the Climate Change Action Plan became a more clearly defined objective.

The AfDB faced serious governance issues in the 1990's. Since then, it has strengthened procedures and safeguards and maintained a Triple-A rating from international rating agencies. During the leadership of the former President, Donald Kaberuka, the Bank further underwent significant organisational changes, notably the delegation of authority from headquarters to country level. However, the Bank continues to struggle with slow implementation of projects and weak representation at the country level. The Bank's well elaborated results framework strengthens shareholders' possibility for monitoring overall performance and thereby improving the basis for a structured dialogue on these issues. In September 2015 Akinwumi Ayodeji Adesina took office as new President for an initial five-year term. As described above the new president has launched an ambitious programme for his term in office and expectations for continued strong leadership of the Bank from RMCs and donors are high. Besides ensuring the implementation of the ongoing institutional reforms and consolidating the return of the AfDB's headquarters from

Tunis to Abidjan, it will be crucial for the new President to maintain the Bank's position as a preferred partner for African governments, and increasingly also for private sector actors.

The AfDB continues to play an important role in the international development cooperation architecture. The all-time high ADF-12 replenishment in 2010 enabled the Bank to consolidate its operations and position itself as a trusted and preferred partner for African nations. However, even if future ADF replenishments would reach the same high level, the Bank would still only have a limited capacity to respond to the growing financial needs and future growth path scenarios of ADF eligible countries. Recognising these challenges, the Bank is currently contemplating, at the request of donors, innovative financing modalities such as partial credit guarantees, which could be used as levers for borrowers to increase credit capital. Specific proposals to this effect came out of the ADF-13 replenishment negotiations in 2013 resulting in new initiatives such as the Africa50 Fund, which is not yet fully operationalised. Furthermore, a priority is to look into modalities for new trust fund arrangements with bilateral donors and other actors (e.g. The Bill and Melinda Gates Foundation), who would be interested in making capital available for the Bank on commercial terms.

While the ADF-13 replenishment was completed successfully the continued economic and financial challenges in donor countries remain a risk for the coming ADF-14 replenishment. Thus, it continues to be imperative that the Bank identifies new modalities, including innovative financing mechanisms under the ADF, to enhance its ability to respond positively to the increasing demands for its financial support. Further, attention must be paid to the relative size of the ADF vis-a-vis the AfDB window and the balance between the two. While sources of concessional funding are at risk of declining, the demand on the contrary is rising. Meanwhile, the AfDB window is adequately sourced, but demand is concentrated on few North-African countries, even if the expansion of private sector loans have resulted in AfDB engagement in more countries than traditionally seen. Given the diversity of the Bank's clients, it will be important for its continued relevance to have access to diversified funding instruments and sources, as well as harbouring the necessary capacity to guide its RMCs to the most appropriate choices and solutions. The Bank is fully aware of these issues and its new Resource Mobilization and External Finance Department has been established with the aim of developing a strategy for financing the TYS in the light of the above challenges.

4
PRIORITY AREAS AND INTENDED RESULTS FOR 2016–2019

4.1 DANISH PRIORITIES FOR 2016–2019

Given the size and the scope of the Bank's operations as well as its profound engagement across the entire African continent, four priority areas of interests to Denmark have been identified. While Denmark stays fully committed to the Bank's TYS as a whole, as well as the "high five" priorities of president Adesina, the priority areas are selected to highlight the strategically most important agendas from a Danish perspective.

An opportunity for consistently seeking to inspire and influence the decision making processes is offered through the coordination in the Nordic-Indian constituency. Currently, coordination takes place through weekly tele-conferences and through written procedures as required. However, the coordination could be more effective, and Denmark is working on a proposal for a more structured coordination between constituents. Effective constituency coordination is the basis for active engagement by the Nordic-Indian Executive Director's Office in board meetings. In addition, through the regular replenishments of the ADF, and through active participation in the SEFA fund, Denmark will contribute to a strong value-based profile of the Nordic-Indian constituency and the AfDB by:

- Encouraging the Bank to become a transformative actor for achieving inclusive and green growth championed by the private sector and leading SE4All in Africa;
- Participating in the ADF and underpinning a strengthened role of the Bank in promoting stability in fragile situations;
- Supporting the Bank's promotion of good governance and the fight against corruption;
- Monitoring the quality of implementation of its Gender Strategy across all operations.

The motivation for prioritising these four areas of interest is elaborated below.

Encouraging the Bank to become a transformative actor for achieving inclusive and green growth championed by the private sector and leading SE4All in Africa. The key vehicle for Danish influence in this area is the SEFA initiative, which forms the basis of the alliance between Denmark and the Bank in the field of sustainable energy. Denmark will use its favourable position with the Bank as a founding donor to SEFA to leverage its influence with the aim of strengthening the Banks position as a major actor in respect to climate change, green and inclusive growth in Africa. Denmark seeded the Trust Fund with DKK 300 million in 2011. It is the intention that 100 pct. of this initial funding will be committed to a variety of projects that increase prevalence of renewable energy in the energy mix, stimulates gender disaggregated job creation, especially youth employment. Denmark will continue to pay special attention to results monitoring and will conduct a review of SEFA in 2016. Furthermore, Denmark will take special interest in continued development of AfDB's private sector portfolio to advocate green solutions, which hold great potential for job creation.

Advocating a strengthened role of the Bank in promoting stability in fragile situations. The AfDB and Denmark share a strategic focus on maintaining and promoting stability and protection in fragile states across the African continent. This is most evident in two regions of key priority to Denmark in Africa, namely the Sahel and the Horn of Africa, where longstanding conflicts have strong regional ramifications. The Bank works in a number of fragile situations at the advocacy, strategy and coordination level, convening with key regional and international actors, including the AU, and has also expanded operations in fragile states, funding infrastructure projects, providing crucial budget support and/or sector budget support with stabilising effects etc. Denmark will focus on shaping and following the Bank's planned achievements and results, pursuing policy dialogue in order to inspire operations and seek synergies at the country level, especially in countries of particular interest to Denmark and where the Bank plays a particularly active role in donor coordination. At the international level for example through the Somalia New Deal Compact; at the regional level through dialogue with relevant regional organisations, e.g. IGAD and ECOWAS; and at the local level through international donor coordination groups, e.g. the budget support donor group in Mali and all other relevant coordination fora. At the bilateral level, Denmark will encourage embassies to draw on the Bank's fragility analyses of individual countries and provide feedback on the experience.

Supporting the Bank's promotion of good governance and fight against corruption. The Bank's resources are allocated through a Performance-Based Allocation (PBA) system, which recognises that investments will only be sustainable in situations where good governance, accountability and transparency standards are met. This gives the Bank unique legitimacy in its role as promoter of good governance even if it could be more clearly expressed. While appreciating that the Bank plays a special role as preferred development partner for many African nations, Denmark will utilise the constituency coordination network to influence the Bank's policies, including on human rights and good governance.

Denmark will be a strong supporter of the Bank's oversight, control and quality assurance systems, which are considered very well developed. One of the Bank's strengths is indeed its control and oversight environment. Fighting corruption and illicit flows in its member countries is an integral part of the Bank's governance work. Financial support to governance generally happens through budget support operations complemented by institutional support projects. These help RMCs to promote prudent macroeconomic policies, efficient revenue mobilisation, and sound financial management systems, which reduce risks of corruption. Denmark will support the implementation of the Bank's commitments by paying particular attention to good governance, public sector reform and anti-corruption in countries where Denmark has special interests and where the Bank plays a particularly active role in donor coordination, e.g. Mali and Ghana for budget support.

Monitoring the quality of implementation of its Gender Strategy across all operations. Gender is a special focus area in the TYS, which the Gender Strategy for 2014–2018 indicates. However, the Bank's documented contribution to promoting gender equality and women's rights still remains limited, even if it continuously stresses that gender concerns are actively taken into consideration at the project/programme level. The Gender Strategy, rightly, recognizes that it is necessary with a two-pronged approach that addresses mainstreaming at the operational level in all of the Bank's country and regional operations and strategies, but which also addresses the Bank's own internal transformation to make it a more supportive, gender-responsive institution. Denmark will pay special attention to implementation of the strategy, including its rolling action plan and budget and gender-disaggregated indicators, through regular monitoring of the Bank's Results Matrix Framework.

In addition to the areas of special interest, Denmark will also explore opportunities for seconding specialists to the Bank, increasing the number of Danish staff and strengthening commercial ties between the Bank and Danish companies.

4.2 PRIORITY GOALS AND RESULTS

The AfDB measures results through a corporate management tool known as the Results Management Framework (RMF), which is framed around 100 performance indicators and organised into four interconnected levels, consistent with good practices in other Multilateral Development Banks (MDBs). Adjustments are made from time to time in order to ensure the relevance and utility of the framework. Reporting on the RMF mainly happens through the Annual Development Effectiveness Report (ADER). Denmark will monitor the overall performance through the annual ADER reports. Reference is made to Annex 1 for an overview of the four interconnected performance levels as well as specific indicators. Denmark will continuously support the Bank's efforts at improving efficiency and effectiveness, especially through a strengthened results focus and evolution of the monitoring and evaluation practices.

5
FINANCIAL CONTRIBUTIONS (COMMITMENTS)

Past and expected future Danish contributions to the Bank are presented below:

DANISH CONTRIBUTIONS IN MILLION DKK	2010	2011	2012	2013	2014	2015	2016
General Capital Increase, AfDB	250.0*						
Extraordinary Capital Increase, AfDB						6.0	
Replenishment, ADF	630.0*			630.0*			630.0**
Ear marked (Trust Funds)		300.0***	9.3	10.5	11.0		
Total	880.0	300.0	9.3	640.5	11.0	6.0	630.0

* Not including discounts for accelerated payments.
** Estimated contribution for ADF-14 (2017–2019).
*** Contribution to the Sustainable Energy Fund for Africa.

6
MAJOR RISKS AND ASSUMPTIONS

The Risk Assessment focuses on contextual and institutional risks, but excludes programme risks as programming takes place at operational level, and due to the character of our engagement does not involve a direct risk for Denmark. Generally, risks related to the Bank's operations are minimal. The main risks are summerised on the matrix on the following page:

RISK FACTOR	LIKELIHOOD	BACKGROUND TO ASSESSMENT (LIKELIHOOD)	IMPACT	BACKGROUND TO ASSESSMENT (IMPACT)	RISK RESPONSE
CONTEXTUAL RISKS					
Political turmoil leads to losses.	Unlikely	Uuncertainty associated with Arab Spring in North Africa did not lead to losses despite the concentration of borrowers in that region	Insignificant	Exposure is small compared to balance sheet	Regularly assess the Bank's capacity for context analysis and monitoring of framework conditions
Increase in non-performing loans	Likely	Increased private sector lending could lead to increase of non-sovereign non-performing loans	Insignificant	Non-sovereign loans are still only a small proportion of overall assets. Non-performance unlikely to threaten ability to service own debt	Historically, non-performing loans have been associated with a few sovereign actors. Increased attention to the situation of arrears is needed to monitor future developments
Decreasing strength of members' support	Likely	Latest general capital increase (AfDB, 2010) and replenishment (ADF-13, 2014) saw unwaivered member support. Strong contractual support in terms of callable capital. Bank maintains conservative risk-management policy. Still, reduced aid budgets could affect members' support	Significant	Strong members' support is key to MDBs and in the case of AfDB contributes significantly to offsetting effects of the Bank's challenging regional environment	Continued commitment to demonstrate support by honouring replenishment calls and opportunities to buy new shares
INSTITUTIONAL RISKS					
Effectiveness at country level	Unlikely	Continued decentralisation and delegation of authority could trigger institutional uncertainties, if not well managed	Major	Bank's status as preferred partner for African nations is at stake, if local representations do not deliver same quality and relationship as previously done at the HQ level	Increased dialogue with country based representatives of Bank. Continued support to Bank's positions on decentralisation
Slower than foreseen implementation	Almost certain	Mainly associated with trust funds and/or low capacity in some RMCs	Minor		Discourage the use of trusts funds. Increased dialogue with representatives at country level

ANNEX 1
OUTLINE OF THE RESULTS MANAGEMENT FRAMEWORK OF THE AFRICAN DEVELOPMENT BANK

In 2013 the Board approved a new One Bank Results Measurement Framework, which was designed to document how the Bank meets its ambitions, as outlined in the TYS (2013–2022). To improve the way it measures the AfDB's contribution development, focus is on measuring intermediate outcomes rather than outputs and generally seeking to improve the Bank's understanding of development impact. The Bank is equally working to support member countries' capacities for evidence based policy making through investments in national statistical capacity and through the Africa Community of Practice for Managing for Development Results. The Bank is well under way in the evolution from measuring to managing for development results and generally strengthening the results-oriented culture in the organisation. It is re-enforcing the tools, processes and systems that underpin the Results Measurement Framework. This includes: tracking results throughout the project cycle; monitoring results in real time; Mapping the Bank's portfolio of ongoing operations (MapAfrica) and assessing the Bank's development effectiveness though thematic and country Development Effectiveness Reviews. These are discussed in more detail below.

To better communicate results to diverse stakeholders, the AfDB has developed a new geocoding tool 'MapAfrica' which was launched at the Annual meetings in May, 2014. MapAfrica is an interactive platform that maps the geographic locations of AfDB's investments in Africa. It has mapped 5988 sub-national locations and a total of 602 active operations with project information. It allows the institution to examine the geographic allocations of its resources, and will provide stakeholders with a better understanding of the Bank's activities as well as their impact on local development.

Users of the MapAfrica platform are able to filter projects by country, sector and year. With different filtering options, policymakers and citizens can gain a better understanding of the scope of a project's implementation and the distribution of resources for development by location. The platform design also includes various data layers to enable users to look at socio-economic and country specific indicators alongside activity implementation locations on the maps. The Bank has also commissioned the development of detailed content in the form of results stories from the field. In this respect, over 50 results pages for MapAfrica have been developed to show the results of the Bank's interventions, including beneficiary stories, photos and videos.

Going forward, the Bank plans to engage actively with civil society in regional member countries, by developing a feedback loop that enables AfDB to capture feedback on its operations and incorporate this knowledge directly into project design and implementation.

The Results Reporting System (RRS) was developed in 2013 to provide Management with real-time information on the results of ongoing operations. It also tracks portfolio performance by sector, region and country, providing management with critical information to further improve portfolio performance. The RRS will be fully rolled out when the Bank's SharePoint infrastructure is completed. The remaining work to be done includes: Integration into the live Operations portal currently developed by Corporate Information Management and Methods Department and roll out in partnership with operations.

The Aid Transparency Index (ATI) of 2014 shows that the AfDB is one of the strongest performers on transparency, ranking in the top 10 of 68 donors by gaining over 10 percentage points from 2013.

Value for Money (VfM) is a key concern for MDBs underpinning their credibility and guiding them in improving their efficiency. In this connection, MDBs are working together on developing a conceptual framework that will guide and improve MDBs' approach to VfM. AfDB is lead in this process and has commissioned this work on behalf of the other MDBs, which includes providing overall guidance to the process. The framework aims to achieve a shared understanding of VfM in the context of MDBs and will outline – collective and individual – actions the MDBs can take to improve VfM. In doing so, MDBs recognise that they have different mandates, management structures, governance requirements and scopes of activities, which all have implication on the way they track and measure VfM.

Denmark will monitor the AfDB's overall performance through the annual Development Effectiveness Frameworks that captures to which extent Africa is making development progress, to which AfDB's operations are making an impact, if its operations are managed effectively and the extent to which AfDB is an efficient organisation.

INDICATORS AND RESULTS FROM THE 2015 DEVELOPMENT EFFECTIVENESS REVIEW ARE EXTRACTED ON THE FOLLOWING PAGES

Table 1
This table summarises the continent's development progress between 2010 and 2014. The indicators are those in the One Bank Results Measurement Framework 2013–2016, reflecting the Bank's two strategic goals: inclusive growth and the transition towards green growth. Inclusive growth has five dimensions: economic, spatial, social, and political inclusion, and promoting sustainable growth through improved competitiveness. The transition to green growth has three: building resilience and adapting to a changing climate, managing natural resources sustainably, and promoting sustainable infrastructure.

Table 2
This table presents the contribution the Bank is making to development through its operations in Africa. The Bank's performance is measured by comparing expected and actual achievements for all operations that have been completed.

Table 3
This table presents the Bank's progress in achieving its 2014 targets for portfolio management.

Table 4
This table presents the Bank's progress in achieving its 2014 targets for organisational performance.

Good progress: On average the group improved over baselines or reference groups
Moderate progress: Results are mixed: on average the group of indicators show moderate improvement
Progress stalled or regressed: On average the group of indicators stalled or regressed
Progress could not be measured

SUMMARY PERFORMANCE SCORECARD 2014

LEVEL 1: IS AFRICA MAKING DEVELOPMENT PROGRESS?

Inclusive growth	**Transition towards green growth**
Economic inclusion	Building resilience
Spatial inclusion	Managing natural assets
Social inclusion	Reducing waste and pollution
Political inclusion	
Sustaining growth	

LEVEL 2: ARE AFDB OPERATIONS MAKING AN IMPACT?

Regional integration	**Private sector development**
Cross-border transport	Private sector
Cross-border energy	Agriculture

Infrastructure development	**Skills & technology**	**Governance & accountability**
Transport	Vocational training	Financial management
Water	Education	Public sector transparency
Energy	Health	Competitive environment
ICT		

LEVEL 3: ARE AFDB OPERATIONS MANAGED EFFECTIVELY?

Country-level results	**Effective & timely operations**	**Gender & climate change**
Country engagement	Quality of operations	Gender-informed operations
Aid effectiveness	Portfolio performance	Climate-informed operations
	Learning from operations	

LEVEL 4: IS AFDB AN EFFICIENT ORGANISATION?

Moving closer to our clients	**Engaging & mobilising staff**	**Value for money**
Decentralisation	Human resources	Cost-efficiency
Connectivity	Gender	IT services

For Level 1 Africa's relative performance is measured by comparing its progress with progress in Africa's peer group (low-and middle-income countries around the world); for Level 2 the Bank's performance is measured by comparing expected and actual achievements for all operations that have been completed; for Levels 3 and 4 the Bank's progress is measured against its progress in achieving its 2014 targets set out in the Bank's Results Measurement Framework.

Progress is strong and better than peers[1]
Progress is positive but less than peers or no progress against the baseline
Regression against the baseline
Data are not available to measure progress

TABLE 1: DEVELOPMENT IN AFRICA (LEVEL 1)

INDICATOR	ALL AFRICAN COUNTRIES		OF WHICH ADF COUNTRIES	
	BASELINE 2010	LATEST 2014[2]	BASELINE 2010	LATEST 2014[2]
INCLUSIVE GROWTH				
Economic inclusion: Reducing poverty and income inequality				
Gross domestic product (GDP) growth (%)	4.8	4.3	6.0	5.8
GDP per capita (US$)	905	948	352	380
Population living below the poverty line (%)	42.0	42.3	48.3	45.7
Income inequality (Gini index)	42.3	41.7	40.3	40.9
Spatial inclusion: Expanding access to basic services				
Access to improved water source (% population)	66.5	68.2	59.8	61.5
Access to improved sanitation facilities (% population)	40	39.1	24.1	25.1
Access to telephone services (per 1000 people)	538	742.1	367.6	565.7
Access to electricity (% population)	40	42.5	22.4	24.0
Road density (km per km^2)	7.9	8.2	6.7	7.1
Share of population living in fragile countries (%)	22	23.4	22.8	22.9
Social inclusion: Ensuring equal opportunities for all				
Life expectancy (years)	58	59	57	58
Enrolment in education (%)	45	45	38	39
Enrolment in technical/vocational training (%)	12.5	11.4	8.2	9.9
Unemployment rate (%)	10.6	8.2	6.38	6.4
Women's participation in the labour market (%)	54.7	64.5	72.9	73.1
Political inclusion: Securing broad-based representation				
Mo Ibrahim Index of African Governance (index)	51	51.5	47.5	48.1
Tax and non-tax fiscal revenues (% of GDP)	22	22.3	15.5	16.6
Index of effective and accountable government (index)	2.7	2.8	3.2	2.9
Country Policy and Institutional Assessment (CPIA) score	4.0	3.4	3.4	3.5
Gender-Sensitive Country Institutions (index)	..	0.3	..	0.3
Sustaining growth: Building competitive economies				
Intra-African trade (billion US$)	125	145	23.4	32.4
Cost of trading across borders (US$)	2090	2384	2338	2675
Economic diversification (index)	0.6	0.6	0.6	0.6
Global competitiveness (index)	3.6	3.61	3.4	3.5
Time required for business start-up (days)	42	26.2	39.5	20.4
Access to finance (% population)	..	32.9	..	14.1

- Progress is strong and better than peers[1]
- Progress is positive but less than peers or no progress against the baseline
- Regression against the baseline
- Data are not available to measure progress

INDICATOR	ALL AFRICAN COUNTRIES		OF WHICH ADF COUNTRIES	
	BASELINE 2010	LATEST 2014[2]	BASELINE 2010	LATEST 2014[2]
THE TRANSITION TOWARDS GREEN GROWTH				
Building resilience and adapting to a changing environment				
● Food insecurity (% of population)	29	27.6	27.8	25.9
● Resilience to water shocks (index)	..	3.87	..	1.72
Managing natural assets efficiently and sustainably				
● Institutional capacity for environmental sustainability (index)	3.5	3.5	3.3	3.4
● Agricultural productivity (US$ per worker)	537	547	290	303
Promoting sustainable infrastructure, reducing waste and pollution				
● Production efficiency (kg CO_2 emissions per US$ of GDP)	0.18	0.16	0.18	0.16
● Renewable energy (% total electricity produced)	16	16.3	78	77.3

.. = data not available; ADF = African Development Fund; GDP = gross domestic product; US$ = United States dollars.

1 Peers refers to other developing countries around the world. For two indicators – the Mo Ibrahim index and institutional capacity for environmental sustainability – Africa is not assessed against peers but rather on the basis of progress on historic trends.

2 Where data are not available for 2014, the latest available values are used.

Notes: ADF countries are the 37 lower-income AfDB member countries that qualify for concessional funding: Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Côte d'Ivoire, Djibouti, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, São Tomé and Principe, Senegal, Sierra Leone, Somalia, Sudan, South Sudan, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

Source: AfDB, Carbon Dioxide Information Analysis Center, Education Statistics, Food and Agriculture Organization, Freedom House, International Finance Corporation, International Labour Organization, IMF, International Telecommunications Union, Mo Ibrahim Foundation, Organisation for Economic Co-operation and Development, UN Population Information Network, UN Conference on Trade and Development, United Nations Development Programme, United Nations Children's Fund, World Bank, World Economic Forum.

- Bank operations achieved 95% or more of their targets[1]
- Bank operations achieved 60–94% of their targets
- Bank operations achieved less than 60% of their targets
- Data are not available to measure progress

TABLE 2: HOW AFDB CONTRIBUTES TO AFRICA'S DEVELOPMENT (LEVEL 2)

INDICATOR	2012–2014 EXPECTED	2012–2014 DELIVERED		2015–2017 EXPECTED
INFRASTRUCTURE DEVELOPMENT				
Transport – Roads constructed, rehabilitated or maintained (km)	6,184	5,126	83%	21,529
Transport – Staff trained/recruited for road maintenance	9,142	9,376	103%	26,814
Transport – People educated in road safety, etc	663,240	859,400	130%	1,505,762
Transport – People with improved access to transport – of which women[2]	19,510,540 9,897,520	19,350,390 9,816,280	99%	43,593,280 15,479,310
Energy – Power capacity installed (MW) – of which renewable (MW)	1,334 142	1,334 142	100% 100%	3,730 1,849
Energy – Staff trained/recruited in the maintenance of energy facilities	20	20	100%	3,982
Energy – People with new or improved electricity connections – of which women[2]	9,669,470 5,839,810	10,869,730 6,452,060	112%	22,087,750 7,134,630
Energy – CO_2 emissions reduced (tons per year)	635,030	706,700	111%	6,208,740
Water – Drinking water capacity created (m^3/day)	76,890	58,940	77%	1,213,460
Water – Workers trained in maintenance of water facilities	5,391	5,234	97%	88,121
Water – People with new or improved access to water and sanitation – of which women[2]	4,010,340 2,568,570	4,234,650 2,712,240	106%	41,036,130 27,315,520
ICT – People benefiting from improved access to basic ICT services	602,780	602,780	100%	4,616,960
REGIONAL INTEGRATION				
Transport – Cross-border roads constructed or rehabilitated (km)	695	680	98%	5,279
Energy – Cross-border transmission lines constructed or rehabilitated (km)	..	..	..	1,215
PRIVATE SECTOR DEVELOPMENT				
Government revenue from investee projects and subprojects (US$ million)	1,095	1,680	153%	1,085
SME effect (turnover from investments) (US$ million)	345	386	112%	1,392
Microcredits granted (number)	20,198	17,958	89%	50,607
Microfinance clients trained in business management	312	311	100%	35,130
Jobs created – of which jobs for women[2]	1,260,950 ..	1,239,670 338,040	98%	1,194,740 439,810
People benefiting from investee projects and microfinance – of which women[2]	2,903,380 ..	2,989,180 1,395,910	103%	3,801,340 ..
Agriculture – Land with improved water management (ha)	76,644	53,004	69%	181,770
Agriculture – Land whose use has been improved: replanted, reforested (ha)	452,090	441,270	98%	393,050
Agriculture – Rural population using improved technology	1,188,680	2,305,670	194%	1,306,330
Agriculture – People benefiting from improvements in agriculture – of which women[2]	9,762,940 4,219,800	9,696,310 4,191,000	99%	41,726,070 19,521,820

- Bank operations achieved 95% or more of their targets[1]
- Bank operations achieved 60–94% of their targets
- Bank operations achieved less than 60% of their targets
- Data are not available to measure progress

INDICATOR	2012–2014 EXPECTED	2012–2014 DELIVERED		2015–2017 EXPECTED
SKILLS AND TECHNOLOGY				
People benefiting from vocational training – of which women[2]	8,695 5,868	5,435 3,669	63%	78,747 34,008
Classrooms and educational support facilities constructed	1,871	1,478	79%	1,025
Teachers and other educational staff recruited/trained	40,390	33,747	84%	22,661
People benefiting from better access to education – of which female[2]	2,196,600 1,046,880	2,159,210 1,029,060	98%	1,116,690 502,510
Primary, secondary and tertiary health centres constructed/ equipped	807	755	94%	260
Health workers trained	13,879	14 661	106%	30 417
People with access to better health services – of which female[2]	55,326,350 31,649,580	48,557,860 27,777,650	88%	12,930,390 6,992,410
GOVERNANCE AND ACCOUNTABILITY				
Countries with improved quality of budgetary and financial management	19	16	84%	..
Countries with improved quality of public administration	6	6	100%	..
Countries with improved transparency, accountability and corruption mitigation in the public sector	19	13	68%	..
Countries with improved procurement systems	3	3	100%	..
Countries with improved competitive environment	13	7	54%	..

.. = data not available; ha = hectares; km = kilometres; MW = megawatts; m3 = cubic metres; SME = small or medium-sized enterprise; US$ = United States dollars; ICT = information and communication technology

1 The performance indicator for governance applies different thresholds. Given the nature and attribution distance, the levels for the traffic lights are different from other indicators: green, 75% and above, yellow, 50%–75%, and red, below 50%.

2 Gender-disaggregated figures are extrapolated from a subset of projects that have available data with baseline and actual data built in. As more projects have started to include gender-informed design, these data are expected to become increasingly robust and complete.

Note: UA figures from material converted at 1 UA = $1.53.

Source: African Development Bank

- We have achieved or are within 90% of achieving the target
- We are regressing against the baseline or are within 80% of achieving the target
- We are not moving towards the target
- Data points are missing

TABLE 3: HOW WELL AFDB MANAGES ITS OPERATIONS (LEVEL 3)

	AFDB			ADF	
INDICATOR	BASELINE 2012	LATEST 2014	TARGET 2014	BASELINE 2012	LATEST 2014
STRENGTHENING RESULTS AT COUNTRY LEVEL					
Average CSP rating (1-6)	4.7	5	4.9	4.7	5
Timely CPPR coverage (%)	25	56	26	19	60
Development resources recorded on budget (%)	67	68	74	67	51
Predictable disbursements (%)	72	75	76	72	72
Use of country systems (%)	58	69	60	58	65
New ESW and related papers (number)	27	32	27	..	18
DELIVERING EFFECTIVE AND TIMELY OPERATIONS					
Preparing high-quality operations					
Time to first disbursement (months)	13	10.6	11	11	10
New operations rated satisfactory (%)	96	100	› 95	95	100
Time for approving operations (months)	7	6.5	6	6	6.3
Ensuring strong portfolio performance					
Disbursement ratio of ongoing portfolio (%)	22	19	22	22	18
Time for procurement of goods and works (months)	8	9	8	8	9
Operations with satisfactory mitigation measures (%)	60	72	68	68	80
Operations no longer at risk (%)	28	59	30	30	57
Operations at risk (%)	19	11	17	21	12.5
Operations eligible for cancellation (%)	9	13	7	7	12.4
Learning from our operations					
Completed operations rated satisfactory (%)	75	94	77	77	94
Completed operations with sustainable outcomes (%)	81	82	85	85	77
Completed operations with a timely PCR (%)	91	66	95	95	69
DESIGNING GENDER- AND CLIMATE-INFORMED OPERATIONS					
New CSPs with gender-informed design (%)	75	89	85	85	100
Projects with satisfactory gender-equality outcomes (%)	67	78	71	71	71
New projects with gender-informed design1 (%)	78	89	83	83	91
New projects with climate-informed design (%)	65	75	90	90	80

.. = Data not available; AfDB = African Development Bank; ADF = African Development Fund; CSP = Country Strategy Paper; CPPR = Country Portfolio Performance Review; ESW = economic and sector work; PCR = Project Completion Report.

1 This indicator builds on five dimensions: sector-specific gender analysis, a gender-equality-related outcomes statement, a gender-equality-related baseline, specific activities to address gender gaps, and adequate budgets and human resources to implement the activities.

Source: African Development Bank

● We have achieved or are within 90% of achieving the target
● We have not made enough progress but are within 80% of achieving the target
● We are not moving towards the target
● Data points are missing

TABLE 4: HOW EFFICIENT AFDB IS AS AN ORGANISATION (LEVEL 4)

INDICATOR	BASELINE 2012	LATEST 2014	TARGETS 2014	TARGETS 2015	TARGETS 2016
DECENTRALISATION: MOVING CLOSER TO OUR CLIENTS					
● Operational staff based in field offices (%)	36	50	40	45	50
● Projects managed from field offices (%)	42	51	50	53	55
● Connecting to field offices (% successful videoconferences)	90	98.5	› 95	› 95	› 95
HUMAN RESOURCES: ENGAGING AND MOBILISING STAFF					
● Employee engagement index (%)	53	..	64	67	70
● Managerial effectiveness index (%)	48	..	55	60	65
● Operations professional staff (%)	67	66	70	70	70
● Share of women in professional staff (%)	27	27	28	30	33
● Share of management staff who are women (%)	24	31	28	30	32
● Net vacancy rate – professional staff (%)	9	16	15	13	9
● Time to recruit new staff (days)	223	..	..	150	100
VALUE FOR MONEY: IMPROVING COST EFFICIENCY					
● Administrative costs per UA 1 million disbursed (UA 000)	86	98	87	85	80
● Cost of preparing a lending project (UA 000)[1]	74	71	72	71	70
● Cost of supporting project implementation (UA 000)[1]	21	14	20	19.5	19
● Work environment cost per seat (UA 000)	3.5	3.3	3.4	3.35	3.3
● Share of users satisfied with IT service delivery (%)	96	97	› 97	› 97	› 97

.. = Data not available; IT = information technology; UA = Units of Account.
1 Both the cost for project preparation and the cost for project implementation are still based on estimates.

Source: African Development Bank

STRATEGY FOR DENMARK'S ENGAGEMENT
WITH THE AFRICAN DEVELOPMENT BANK
2016 – 2019

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