ADF-16 DELIVERY AND RESULTS REPORT

Delivering Greater Impact Through Transformative Investments

ADF-16 Mid-Term Review
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AFRICAN DEVELOPMENT FUND

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Note: In this report, "$" refers to US dollars.

Conversion rate as of 31 Dec 2023: 1 Unit of Account (UA) = 1.34167 US dollars (African Development Bank 2023 Annual Report).

EXECUTIVE SUMMARY

This ADF-16 Delivery and Results Report reviews the performance of the African Development Fund (ADF) at the midpoint of its 16th replenishment cycle, which runs from 2023 to 2025. It assesses progress and results under the two pillars of ADF-16 – sustainable, climate-resilient quality infrastructure, and governance, capacity building and sustainable debt management. It also assesses the ADF's performance against its cross-cutting and institutional commitments.

ADF countries face a challenging operating environment

2023 was a challenging year for Africa, marked by a series of shocks and crises – some global in nature and some originating on the continent. However, amidst global economic turbulence, rising conflict, geopolitical tensions, and the accelerating impacts of climate change, Africa has shown remarkable resilience, steadily charting a course back to economic growth. In 2023, Africa remained the world's second-fastest-growing region, although growth slowed to 3.2%, down from 4.1% in 2022. While inflation increased and debt pressures remained a concern, several positive trends emerged. Many countries, for example, achieved growth rates above 5%, while others have made significant progress in sustainable debt management.

As a result of the challenging operating environment, ADF countries made slow progress in 2023 against a range of development indicators. Access to electricity barely kept up with population growth, at 47%, up from 41% in 2018. Despite modest improvements in agriculture production, the escalating impact of climate change and a continued surge in conflict directly threaten rural livelihoods and nutrition, with undernourishment rates rising to 24% up from 21.7% in 2018. Similarly, the pace of economic transformation remains slow in ADF countries, where the value added to the manufacturing sector declined from $82 billion in 2019 to $76 billion in 2023.

Finally, limited access to finance directly constrains ADF countries' continued growth. Debt pressure has sharply reduced their access to external finance, while the average tax-to-GDP ratio (at 11.9% in 2022) is well below the level required to support national development.

ADF operations are generating strong results

Against this challenging backdrop, ADF-supported operations completed in 2023 continued to deliver strong development results. Regarding access to energy, the Fund achieved or exceeded its targets for new or improved distribution and transmission lines, while reaching 81% of its target on new household energy connections. ADF projects helped support agricultural value chains by providing 11 million farmers with improved agricultural inputs, water management, and access to markets. This enabled nearly 1 million people to benefit from clean water and sanitation.

Solid gains were also achieved in enhancing regional integration by improving connectivity. This included the construction or maintenance of 248 km of roads and 163 km of cross-border roads, resulting in improved transport access for more than 2.5 million people across ADF countries. The Fund also facilitated the construction of 1,303 km of cross-border transmission lines, promoting cross-border power trade and improving access to clean, affordable, and reliable energy. As a result of these achievements, all targets under regional integration were either met or exceeded.

The governance portfolio demonstrated strong performance, with 100% delivery of planned results, contributing to enhanced economic governance capacity and improvements to the business regulatory environment across ADF countries. The Fund also exceeded its targets on improved quality of life, providing 2.7 million people with access to improved healthcare services and 26,000 people with enhanced educational opportunities.

Overall, the Fund's portfolio continues to deliver robust development results, with 81% of completed projects independently rated satisfactory. However, the speed of implementation of active projects remains slow, with 32% facing performance challenges and delays, mirroring the levels reported in 2022.

Steady progress on ADF resource utilisation and policy actions

The African Development Bank (the Bank) remains on track to commit nearly 70% of ADF-16 resources by the end of 2024, demonstrating strong absorptive capacity in Regional Member Countries. This is an improvement over ADF-15, when the utilization rate was 58% at the end of the 2nd year. It reflects the exceptional performance of the regional envelope, where 85% of available resources have already been earmarked for transformational regional infrastructure projects of unprecedented scale and impact. Over 70% of the regional envelope is expected to be committed by the end of 2024, up from 43% approved at the mid-point of ADF-15.

Resources have been invested in strategic areas prioritised under ADF-16 including (a) enhancing food security and self-sufficiency; (b) deepening regional integration; (c) investing in quality health infrastructure; (d) increasing access to climate-resilient water and sanitation; and, (e) investments to promote macro-economic stability. The Bank also scaled up its ADF-16 health-related commitments. At mid-term, the Fund had supported a total of six operations (against the target of three), involving rehabilitation and/or construction of health infrastructure as well as enhancing healthtech, across seven ADF countries.

All but one ADF-16 policy commitments due at the mid-term review (MTR) are delivered or expected to be delivered before the end of 2024. Investment targets were achieved or exceeded in the priority sectors of energy, agriculture and food security, water and sanitation, health infrastructure, regional integration and governance. Cross-cutting targets were also delivered, including strengthening the application of the fragility lens and engaging with partners across the humanitarian-development-peace nexus. To date, 91% of sovereign operations approved under the ADF-16 cycle are expected to deliver outcomes that directly benefit women and girls. Eleven countries received assistance to develop their country climate plans, and all ADF-16 operations are aligned with the Paris alignment building blocks. The new ADF Climate Action Window has received $442 million in contributions, and the first set of projects was selected through a successful call for proposals. Good progress was made on the only outstanding commitment due at the MTR (Support to Just Energy Transition Plans), with two plans already supported out of the five initially planned. The remaining three are expected to be delivered by Q1 2025.

The way forward

This report shows the robust results delivered by the Bank on ADF-16 objectives and commitments, despite a challenging operating environment hampering development progress in ADF countries. The Bank’s new Ten-Year Strategy 2024-2034 sets ambitious goals for the Bank Group to respond to Africa’s most pressing development challenges. In line with the Multilateral Development Bank (MDB) reform agenda, the Bank’s new Strategy calls for a shift towards larger and more transformative operations, in keeping with the pressing need of African countries to accelerate and scale up their investments in national development plans and regional public goods. Yet the biggest threat to the successful implementation of the Ten-Year Strategy is the limited access to affordable and sustainable finance, especially for ADF countries. Looking towards the ADF-17 cycle, the Bank’s priority will be to secure a substantial replenishment level that provides the resources needed for Africa’s lower-income countries to tackle the unprecedented challenges they face and regain momentum towards inclusive and sustainable development.

INTRODUCTION

This report provides an update on the development results supported through the African Development Fund (ADF) at the mid-point of its 16th replenishment cycle, which covers the period 2023 to 2025. This report focuses on the development results achieved through ADF-supported operations completed in 2023. It assesses results under the two pillars of ADF-16 (sustainable, climate-resilient quality infrastructure, and governance, capacity building, and sustainable debt management) and cross-cutting themes (gender and private sector development). It draws on results data generated through the ADF Results Tracking System (RTS) and the current Bank Group's Results Measurement Framework (RMF).[1] The results are presented in the context of the African continent's broader development challenges. While the focus is on development results, the report also summarises the Bank's progress in implementing reforms and institutional commitments undertaken as part of ADF-16.

This ADF-16 Delivery and Results Report has been prepared at a pivotal moment as the Bank embarks on the implementation of its new Ten-Year Strategy 2024-2033, approved in March 2024. This ambitious strategy outlines the Bank's responses to the continent's most pressing development challenges, calling for an overall shift towards large and more transformative interventions that accelerate the continent's progress towards the Bank's twin strategic objectives and the High 5s operational priorities.

Enhanced approach to results reporting

This report was prepared using an enhanced results reporting methodology endorsed by the Bank's Board of Directors (CODE) as part of ongoing consultations on the new RMF expected to be approved later this year. This enhanced approach applies particularly to level 2 indicators that monitor the Bank's contribution to development progress through its operations across the continent. These enhancements align with the Independent Development Evaluation (IDEV) Department's recommendations and findings of a benchmarking study of Multilateral Development Banks' (MDBs) corporate results frameworks.

Under this enhanced approach, level 2 results presented in this report are based on contribution rather than the previous practice of attributing results in proportion to the Bank's financing. This approach aligns with other MDBs' practices and the Bank's commitment to the MDB evolution agenda to work together as a system. This report also presents results delivered from the previous year, drawn from Project Completion Reports (PCRs) for sovereign operations and, where applicable, Extended Supervision Reports (XSRs) for non-sovereign operations, moving away from a three-year average of development results delivered. Targets include the expected results set out in approved Project Appraisal Reports. The comparative analysis of expected versus actual results measures the Bank's effectiveness, providing greater transparency and accountability in areas where the Bank met its objectives and those where performance fell short.

[1] The ADF-16 Results Tracking System (RTS) will be updated and fully aligned with the forthcoming Bank Group's Results Management Framework (RMF) expected in 2024 Q4. The indicators used in this report are in line with the 2024 edition of the Annual Development Effectiveness Review (ADER) endorsed by the Board and launched at the Bank's Annual Meetings in May 2024.

1. PILLAR 1: SUSTAINABLE, CLIMATE-RESILIENT AND QUALITY INFRASTRUCTURE

ENERGY ACCESS

Sustainable, reliable and affordable energy is one of the pillars of Africa's continued economic growth and human development. Over the last decade, the Bank has delivered a large portfolio of investments that have increased access to affordable and reliable energy. Increased energy access has, in turn, contributed to job growth and widespread improvements in basic services, including health and education.

Development context

While Africa has made strides in expanding access to electricity, the pace of electrification remains slow compared to Africa's rate of population growth. According to the International Energy Agency (IEA), the share of people in Africa with electricity access increased from 54% to 58% between 2018 and 2022. However, approximately 600 million people still lack access to electricity. Moreover, only 30% of the population has access to clean cooking solutions, leaving 990 million people dependent on traditional fuels and technologies. Indoor air pollution from the burning of biomass is the second largest contributor to premature deaths among women and children in Africa, and it is estimated to have claimed 400,000 lives in 2019.

Renewable energy in Africa grew from 19% to 23% of total energy production between 2017 and 2021, indicating a steady shift towards cleaner and more sustainable energy sources. However, supply chain disruptions and political instability have hindered the transition. Furthermore, the absence of cost-reflective tariffs threatens the financial sustainability of African power utilities, restricting investments in energy infrastructure.

Overall, energy access in ADF countries saw some progress against the 2019 baseline, with 4 out of 5 level 1 indicators showing improvement. The share of renewables in energy production increased slightly from 65.3% in 2017 to 66.6% in 2021,[2] and installed generation capacity increased from 40 GW in 2018 to 47 GW in 2022. However, power transmission and distribution losses have remained static in both ADF countries and transition states. The share of people with access to electricity in ADF countries increased from 41% in 2018 to 47% in 2022. (**Table 1).**

Table 1. Level 1 energy access

Indicator	ADF COUNTRIES		TRANSITION STATES	
	Baseline 2019	Latest 2023	Baseline 2019	Latest 2023
● People with access to electricity (% population)	41 (2018)	47 (2022)	31 (2018)	34 (2022)
● People with access to clean cooking solutions (% population)	11 (2018)	13 (2022)	11 (2018)	12 (2022)
● Generation capacity installed (GW)	40 (2018)	47 (2022)	16 (2018)	18 (2022)
● Share of renewables in energy production (%)	65.3 (2017)	66.6 (2021)	68.1 (2017)	72.7 (2021)
● Power transmission and distribution losses (% of output)	16.7 (2017)	16.7 (2021)	16.9 (2017)	16.9 (2021)

● Improvement compared to the baseline ● Stability compared to the baseline ● Regression compared to the baseline

Delivering energy access in ADF countries

Energy access remains a top priority. Fund-supported operations completed in 2023 provided 83,653 electricity connections, benefiting nearly half a million people. ADF projects also helped to deliver 10,486 km of new or rehabilitated power distribution lines – over three times the target – and 1,393 km of new or improved power transmission lines. Furthermore, the ADF has made significant

[2] This is the most recent data. Level 1 tables present the latest available data with the corresponding year shown in parentheses.

investments in renewable energy to accelerate the energy transition. Several ADF countries, such as Ghana, Malawi, Mozambique, Mauritania and Togo, are part of the Battery Energy Storage System (BESS) Consortium. The consortium is a multi-stakeholder partnership led by the Global Energy Alliance for People and Planet that includes the Bank as a key resource partner.[3] Launched at COP28, the BESS Consortium aims to secure 5 GW of BESS commitments in low- and middle-income countries by the end of 2024. It also aims to deploy $1 billion in concessional finance to accelerate project deployment, improve the regulatory environment, establish a favourable market for BESS, and unlock commercial and public financing.

An example of an impactful ADF investment operation is Cameroon's Project to Strengthen and Extend the Electricity Transmission and Distribution Networks which has improved access to electricity in eight regions[4]. Co-financed with Japan International Cooperation Agency (JICA), under the Accelerated Co-financing Facility for Africa (ACFA), the project expanded the electricity network by constructing 2,232 km of medium and low voltage distribution lines and a substation. It also improved the quality of life through the installation of public lighting in some rural areas and connected 65,100 households to electricity, benefiting 390,600 people.

The Bank also champions the transition to green energy through regional power interconnections. In Côte d'Ivoire, Liberia, Sierra Leone and Guinea, power interconnection projects have facilitated the integration of renewable energy resources by allowing countries reliant on fossil fuels to import cleaner energy.

Despite these successes, some areas of energy access fell below expected results. For example, although ADF-supported operations provided nearly half a million people with access to electricity, this achievement represented 81% of the target. This was due to underperformance of Ghana's Electricity Distribution System Reinforcement and Extension Project, which did not deliver the connections planned during the appraisal stage.[5] Several factors affected the project, including design issues such as over-budgeting and weak project results frameworks with poorly defined indicators and targets. The project also faced startup delays for signature and disbursement during the COVID-19 pandemic, which further disrupted project implementation. However, with the reallocation of resources and cost savings, the project overperformed in delivering 7,830 km of power distribution lines, greatly exceeding the target of 515 km. The project took seven years to complete, exceeding the target of three years **(Table 2).**

[3] BESS Consortium resource partners include the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, the *Agence Française de Développement* (AFD), Africa50 and Masdar. Resource partners will help prepare projects, improve the regulatory environment and mobilise private and public investments for energy storage solutions and innovations.
[4] The eight regions covered by the project include the centre, south, littoral, west, north-west, south-west, north and far north regions.
[5] The project provided electricity access to 106,758 people out of the planned 226,800 people.

Table 2. Level 2 energy access (ADF's contribution)

Indicator	ADF Contribution		
	Planned	Actual	Achievement rate
● New electricity connections	103,610	83,653	81%
● of which households	102,900	82,893	81%
● of which businesses	650	700	108%
● of which public infrastructure	60	60	100%
● People provided with access to electricity (number)	617,400	497,358	81%
● of which women	193,788	132,567	68%
● New or improved power distribution lines (km)	3,469	10,486	302%
● New or improved power transmission lines (km)	1,404	1,393	99%

● Indicator reached 85% or more of the anticipated target ● Indicator achieved between 70% and 85% of the anticipated target ● Indicator achieved below 70% of the anticipated target.

Progress in ADF-16 delivery and policy actions to improve energy access

The Bank is making progress in implementing energy access policy commitments. Three of the four commitments due at MTR were met or are on track for delivery by end of 2024. Several operations were approved to support sustainable on-grid and off-grid electricity access. These include the Gambia Electricity System Rehabilitation and Expansion Project (GESREP), which is expected to provide 100,000 people with new electricity services and strengthen the capacity of the national electricity utility company. The Mali-Mauritania Power Interconnection and Related Solar Power Plants Development Project, combined with the development of solar power plants, will accelerate progress towards universal access to electricity for the two Sahel countries. Co-financed with the Green Climate Fund, the project will construct 1,373 km of high-voltage transmission lines with a 600 MW transfer capacity between the two countries. It will also build a 50 MW solar power plant in Kiffa, Mauritania, and connect 100,000 new households (80,000 in Mauritania and 20,000 in Mali) to the grid.

The Bank is also making progress in enhancing energy efficiency to reduce or avoid greenhouse gas emissions. The Eastern Ethiopia Electricity Grid Reinforcement Project, co-financed with the Korea Eximbank, aims to improve the capacity of the transmission system by addressing voltage drops and power losses. The project is expected to enhance the transmission capacity of the Eastern Transmission Grid system, expand grid connections to households, business operators and industries, and improve the quality and reliability of electricity access in the region. Notably, the project aims to eliminate the use of diesel generators, reducing annual tCO2e emissions by over 8 million.

The Bank has only partly met its commitment to support Just Energy Transition in ADF countries. With support from SEFA, two of five planned inclusive, gender responsive transition plans were developed for Senegal (Just Energy Transition Partnership) and Uganda (Integrated Resource Plan). The completion of the remaining plans is expected at the Africa Energy Summit in early 2025.

AGRICULTURE AND FOOD SECURITY

Unlocking the potential of Africa's vast expanses of fertile, uncultivated land through optimal use and strengthening its food systems can help reduce hunger and improve lives across the continent. Farmers also need support in adopting modern technologies and adapting to climate change. African countries are increasingly prioritising investment in resilient and sustainable agriculture and food systems, responding to the global food supply crisis linked to multiple shocks, climate change and economic turbulence.

Development context

The Bank aims to transform African agriculture into a climate-resilient, commercially viable, and inclusive sector, creating economic opportunities, improving livelihoods, and enhancing food and nutrition security. In 2023, agricultural productivity, agro-processing and food security indicators improved modestly in ADF countries (**Table 3**). Cereal yields remained stable at 1.4 tonnes per hectare. Fertiliser consumption increased to 18kg per hectare of arable land in 2021 from 17kg in 2017.

This vital sector faces escalating threats from climate change and conflict, jeopardising livelihoods, food security, and nutrition. Coupled with high prices for imported foods and essential inputs, hunger is a growing threat across much of the continent. While Africa's population is growing at 2-3% per year, food production is increasing by only 1-2% per year, which will contribute to a projected sharp rise in hunger by 2030.

Four out of seven level 1 indicators saw a decline compared to the baseline. Undernourishment rates increased to 24% in 2022 from 21.7% in 2019 in ADF countries, with the largest increases experienced in transition states which saw rates increasing to 28.4% (**Table 3**). The gap between transition states and other ADF countries is most evident in the share of market value for key processed commodities, with ADF countries declining to 10.2% (from 11.6% in 2018) and transition states dropping to just 2.3% (from 2.5% in 2018).

Table 3. Level 1 agricultural productivity, agriproduct processing and food security

	Indicator	ADF COUNTRIES		TRANSITION STATES	
		Baseline 2019	Latest 2023	Baseline 2019	Latest 2023
● (red)	Prevalence of undernourishment (%)	21.7 (2018)	24.0 (2022)	26.1 (2018)	28.4 (2022)
● (green)	Agricultural productivity (constant 2010 US$ per worker)	975 (2015)	1,024 (2019)	884 (2015)	844 (2019)
● (red)	Africa's net agricultural trade balance ($ billion/year)	0.8 (2018)	-6.7 (2022)	-6.6 (2018)	-11.7 (2022)
● (red)	Prevalence of moderate or severe food insecurity (%)	59 (2018)	64 (2022)	62 (2018)	68 (2022)
● (yellow)	Cereal yield (ton/hectare)	1.4 (2017)	1.4 (2021)	0.9 (2017)	0.9 (2021)
● (green)	Fertiliser consumption (kilograms per hectare of arable land)	17 (2017)	18 (2021)	8 (2017)	8 (2021)
● (red)	Africa's share of market value for key processed commodities (h%)	11.6 (2018)	10.2 (2022)	2.5 (2018)	2.3 (2022)

● Improvement compared to the baseline ● Stability compared to the baseline ● Regression compared to the baseline

Transforming agriculture in ADF countries

In 2023, as part of its commitment to enhancing resilience and food security in Africa, the Bank spearheaded interventions to tackle malnutrition and improve living conditions for vulnerable populations. ADF-supported operations completed in 2023 significantly bolstered agricultural value chains. Operations supported 11 million farmers, providing 1,167 tons of improved agricultural inputs, improving water management on 5,966 hectares of land, and constructing 634 km of feeder roads to enhance rural connectivity and access to markets (see Transport section).

One example is the Programme to Build Resilience to Food and Nutrition Insecurity in the Sahel. Through $165 million in ADF funding, the programme contributed to reducing malnutrition and improving living conditions for vulnerable households across Burkina Faso, Chad, Gambia, Mali, Mauritania, Niger, Senegal, and Chad. Targeting 180,000 farms and small and medium enterprises (SMEs) – including small-scale producers, herders, agro-pastoralists and artisanal fishermen – the programme supported nutrition interventions benefiting 450,000 mothers and children. The provision of essential services and infrastructure, such as water management, irrigation facilities and pastoral support, enhanced the capacity of vulnerable communities to withstand shocks and adapt to climate change, thereby reducing poverty and enhancing food and nutrition security. The programme increased average yields for sorghum and millet by 24% and rice by 59%. It also increased annual grain production by 25% and doubled household incomes through improvements in vegetable and animal production.

Senegal benefited from ADF financing through the Food Security Support Project. The project was funded with $1.3 million of ADF financing, which complemented $26.9 million from the Global

Agriculture and Food Security Programme.[6] The project supported investments in irrigation, roads, agricultural inputs, extension services, and value chain development, contributing to improvements in food security, rural incomes, and resilience to climate change in hazard-prone regions in north-eastern and central-western Senegal. The project reached 435,433 people (of which 61% are women), supported 55,800 smallholder farmers to enhance productivity through advisory and extension services, and led to cereal production yields more than doubling. (**see Box 1**).

Box 1. Empowering farmers: success stories from the Food Security Support Project in Senegal

The Food Security Support Project has been a catalyst for empowering change in farming communities. It enabled farmers to achieve some remarkable transformations. According to one beneficiary, "*since the solar power installation on the farm, our diesel consumption has significantly decreased, and we are able to save over 2,000,000 FCFA per campaign.*" With these savings, farmers have expanded the area under cultivation and diversified their activities, for example, by expanding to broiler chicken farming and fruit tree cultivation. Another farmer reported "*the farm is contributing to the construction of sustainable community infrastructure*" by lending two hectares of land for cultivation to the village community association. This enables the association to grow papaya and finance collective infrastructure projects in the village, such as repairing the village's old borehole and building a water tower to meet the community's growing water needs.

Another key ADF-supported agricultural programme is the Technologies for African Agricultural Transformation programme (TAAT 1), a landmark intervention designed to increase productivity. Phase 1 of the programme was funded with $40 million in ADF financing and $6 million in co-financing from the Bill & Melinda Gates Foundation (BGMF). TAAT 1 facilitated the adoption of climate-resilient agricultural technologies and practices in 31 countries across Africa, leading to a 44% rise in cereal production and a 68% increase in income for beneficiaries, while creating job opportunities for 262,937 people. It helped to accredit 100 seed companies and 5,000 suppliers and deployed 208 new agricultural technologies. Through 10,000 outreach campaigns, TAAT 1 reached nearly 25 million individuals (including 10.9 million farmers using improved inputs), of whom 31% were women, offering them climate-adaptive technologies and innovations. For example, in Ethiopia, TAAT distributed over 100,000 tons of certified seeds of heat-tolerant wheat varieties. This significantly expanded the cultivated wheat area under irrigated lowland conditions to over 650,000 hectares in 2022 from under 5,000 hectares in 2019. This expansion led to a substantial increase in wheat production, generating revenue of approximately $1.75 billion.

Although TAAT 1 reached nearly 11 million farmers, it did not fully achieve its target of providing 40 million farmers with improved inputs. This shortfall is partly because the programme's first phase primarily focused on establishing the Regional Technology Delivery Infrastructure (RTDI). This infrastructure comprises of intermediate beneficiaries such as the National Agricultural Research and Extension Services (NARES), National Agricultural Research Systems (NARS), and farmers associations. Working through these national and civil society institutions ensures that the programme continues to reach more farmers and is sustainable over time. Through subsequent phases[7] of the programme, TAAT aims to achieve its original objective of providing 40 million farmers with improved inputs and technologies by 2030, building on achievements and lessons learnt while leading efforts to build a more resilient, inclusive, and sustainable agricultural sector in Africa. An independent evaluation of TAAT 1, conducted by the Bank's Independent Evaluation Department (IDEV), provided valuable insights and recommendations to improve the impact of future agriculture programmes and projects, including TAAT 2 and 3. These include strengthening TAAT's design and implementation arrangements, increasing private sector participation, and improving the monitoring,

[6] Funded by 11 bilateral donors and the Bill and Melinda Gates Foundation.
[7] The TAAT programme has 3 phases: phase 1 ended in 2023, phase 2 will end in 2026, and phase 3 will end in 2030.

evaluation, and learning system. The Bank plans to scale-up TAAT's impact by integrating its activities in relevant agricultural value chain projects, including in ADF and transition states.

Despite these encouraging results, the operational context for ADF agricultural projects has been challenging. Climate change, conflict, COVID-19-related disruptions and other multiple shocks impacted the delivery and implementation of agriculture activities (**Table 4**).

Table 4. Level 2 agricultural productivity, agriproduct processing and food security

	Indicator	ADF		
		Contribution		
		Planned	Actual	Achievement rate
●	Agricultural inputs provided: fertiliser, seeds, etc. (tons)	950	1,167	123%
●	Farmers using improved inputs, including micro-irrigation, fertilizer, and climate resilient seeds	40,646,437	11,076,211	27%
●	of which women	20,331,998	3,487,459	17%
●	Land with improved water management (ha)	7,504	5,966	80%

● Indicator reached 85% or more of the anticipated target ● Indicator achieved between 70% and 85% of the anticipated target ● Indicator achieved below 70% of the anticipated target.

Progress in ADF-16 delivery and policy actions to enhance food security and self-sufficiency

The Bank has met the policy commitments due at MTR, including improving food self-sufficiency and approving several operations to support this objective. The Enabling Sustainable Regional Extension (ENSURE) multinational project seeks to improve agricultural productivity in the East African Community (EAC) Partner States. It aims to strengthen extension systems through innovative private sector-led approaches and a conducive policy environment. The project provides digital extension technologies that enable farmers to access advice and information and promote the adoption of climate-smart technologies. The project aims to reach 3 million farmers through improvements in agricultural extension services.

As part of the Programme to Strengthen Resilience to Food and Nutrition Insecurity in the Sahel (P2-P2RS), the ADF also provided additional financing for Chad, Guinea Bissau and the Gambia. This regional programme aims to contribute to improving food and nutrition security for vulnerable populations in the Sahel and West Africa through interventions targeting agricultural productivity and silvicultural, pastoral and fisheries value chains. The programme also aims to enhance the adaptive capacity of populations to deal with climate risks. Finally, the Fund provided resources to strengthen food self-sufficiency and the agricultural sector and value chains in the Democratic Republic of Congo (DRC) (see **Box 2)**.

Box 2. Enhancing food self-sufficiency and agricultural transformation in the DRC

Approved in July 2024, the DRC's Value Chains Development Project to Support the Agricultural Transformation Programme (PADCV-PTA) demonstrates the Government's commitment to implement its National Food and Agriculture Pact (PNAA), presented by the DRC President during the Dakar 2 Summit. Jointly hosted by the Bank and the Government of Senegal in 2023, the Summit mobilised Africa's Heads of State and development partners to commit and accelerate investments in support of Africa's agricultural transformation.

In support of this commitment, the PADCV-PTA project seeks to reduce the prevalence of food insecurity and food imports in the DRC, while adopting a preventive approach in response to the negative impacts of exogenous shocks, including climate change and armed conflicts. The project is funded by the ADF ($250 million), the Transition Support Facility (TSF) ($10 million) and counterpart funding ($51 million), totalling $311 million. The project aims to improve the country's food self-sufficiency by boosting staple crop production, namely rice, cassava, maize and soya. It will provide improved climate-resilient seeds and inputs, develop 295,000 ha of agricultural land, upgrade 600 km of rural feeder roads to facilitate access to production basins and markets, and support the structuring and financing of agricultural value chains targeting key actors involved in the main staple crops.

The project integrates gender empowerment and resilience building cross-cutting priorities. It includes support from the Bank's Affirmative Finance Action for Women in Africa (AFAWA)[8] initiative to facilitate access to finance for women entrepreneurs. TSF resources will expand the project's activities targeting displaced communities in the South Kivu region. The project will be implemented in six provinces, namely Kongo Central, Kwango, Maï-Ndombe, Kasaï Oriental, Lomami, and South Kivu, accounting for 24% of the population of DRC.

Key expected results include:

- 900,000 farming households, including displaced communities, directly benefit from the project
- 2 million households indirectly benefit
- 100% of female-headed households benefit
- 21 million people in three major urban centres (Kinshasa, Mbuji-Mayi and Bukavu) benefit
- Regional integration enhanced between the DRC and Angola through trade in agricultural products
- 80% increase in yields of targeted crops
- Increase in agricultural production by 1.68 million tonnes per year
- Reduction in food imports by $500 million

TRANSPORT

Infrastructure enhancements are critical for Africa's economic competitiveness. The Fund's investments in transport infrastructure will support ADF countries in achieving greater connectivity, growth, economic integration, and industrialisation.

Development context

Industrial development in Africa is advancing, with various countries now succeeding in diversifying their economies. However, the pace of structural economic change remains slow. This is particularly the case in ADF countries, where the value added to the manufacturing sector declined to $76 billion in 2023 from $82 billion in 2019. Furthermore, economic diversification remains low, showing no improvement since 2018, suggesting a lack of structural transformation. The Bank has identified transport connectivity as a foundational enabler of economic growth, industrialisation and job creation. Large infrastructure deficits in ADF countries are currently hindering their productivity and participation in global value chains. Accelerating progress in transport infrastructure will help boost economic growth, trade and job creation.

Table 5. Level 1 transport

Indicator	ADF COUNTRIES		TRANSITION STATES	
	Baseline 2019	Latest 2023	Baseline 2019	Latest 2023
🟡 Economic diversification (Index, 1 low–0 high)	0.65 (2018)	0.65 (2022)	0.66 (2018)	0.67 (2022)
🔴 Value added of the manufacturing sector ($ billions)	82	76	32	23
🟢 Logistics performance index (low = 1 / high = 5)	2.44 (2018)	2.46 (2022)	2.33 (2018)	2.44 (2022)

🟢 Improvement compared to the baseline 🟡 Stability compared to the baseline 🔴 Regression compared to the baseline

The Fund delivers greater infrastructural connectivity in ADF countries.

ADF's operations completed in 2023 contributed to the construction of transport infrastructure, helping companies integrate their supply chains and improve their competitiveness. ADF-supported operations constructed or rehabilitated 248 km of roads, achieving 85% of the planned length. In addition, 634

[8] The Affirmative Finance Action for Women in Africa (AFAWA) is a pan-African initiative to bridge the $42 billion financing gap facing women in Africa.

km of feeder roads were constructed or rehabilitated, just over half of the planned total. This shortfall was due to the cancellation of components of a multinational agriculture project[9] in the Sahel due to budgetary mismatches during project design **(Table 6)**. Despite several delivery challenges, ADF countries have greatly benefited from these projects, which have the potential to contribute to long-term economic growth and job creation, as illustrated below.

Faced with the challenge of rapid urbanisation, the Government of Ghana initiated the Accra Urban Transport Project with $83.9 million in ADF financing and $11million of counterpart funding. The project involved the construction of a modern 4-tier highway interchange in Accra – the first of its kind in West Africa – which has led to significant reductions in travel time and vehicle operating costs (**see Box 3**). Additionally, the project constructed 15 km of urban roads and supported the protection of 3 hectares of the historic Gua Sacred Forest. The Bank frequently pairs its transport investments with social infrastructure to enhance benefits for neighbouring communities. In this case, the project helped create modern computing laboratories in 14 primary schools, giving over 10,000 children the opportunity to acquire essential digital skills. Finally, it provided skills enhancement opportunities and business support for 250 women, thereby promoting inclusive economic growth and social development.

Box 3. Driving urban transformation and industrialisation: the Pokuase Interchange in Accra

The Pokuase Interchange in Accra is a testament to the transformative potential of investments in urban mobility. This innovative, four-tier interchange inaugurated in 2021 has been a game-changer for the Accra-Nsawam section of the Accra-Kumasi Highway, efficiently managing over 50,000 vehicles daily. It has significantly reduced travel time from 2 hours to just 30 minutes, contributing to a 40% decrease in road accidents. Beyond its impact on transportation, the interchange has become a catalyst for economic growth, fostering opportunities for local businesses and serving as a vital trade link connecting Accra with neighbouring regions. In recognition of its excellence, the project was honoured with the prestigious 'Most Commendable Project of the Year' award at the International Federation of Consulting Engineers ceremony in November 2022. This infrastructure project aligns with broader efforts to drive urban transformation and advance industrialisation, showcasing Ghana's commitment to sustainable development.

Table 6. Level 2 transport (ADF contribution)

Indicator	ADF Contribution		
	Planned	Actual	Achievement rate
● Roads constructed, rehabilitated or maintained (km)	292	248	85%
● Feeder roads built or rehabilitated (km)	1,231	634	52%

● Indicator reached 85% or more of the anticipated target ● Indicator achieved below 70% of the anticipated target.

DEEPENING REGIONAL INTEGRATION

Regional integration is critical for fostering economic growth and development in ADF countries. Efforts to boost intra-Africa trade under the African Continental Free Trade Agreement (AfCFTA) and regional trading blocs are gaining momentum. The Bank has been at the forefront of efforts to deepen regional integration through its strategic initiatives and partnerships. In 2023, the Bank made notable contributions by completing crucial infrastructure links, including cross-border road corridors and power transmission lines, and facilitating increased intra-African trade.

Development context

Regional economic integration across ADF countries hinges on the availability of robust infrastructure links, particularly transport systems that facilitate the seamless movement of goods, services and

[9] Programme to Build Resilience to Food and Nutrition Insecurity in the Sahel (P1-P2RS).

people across borders. African countries currently score low on the regional infrastructure index, at just 0.25 out of 1. The Bank estimates that 80% of goods and 90% of passengers' cross-national borders by road. Despite this heavy reliance, persistent shortcomings in road and other transport infrastructure (for example, air and rail) severely impede cross-border trade, leading to higher prices and lower trade volumes. This has impacted level 1 indicators (**Table 7**), which show limited or no improvement. In ADF countries, intra-African trade has declined to just 18% of total goods traded – although this figure does not capture the full extent of informal, cross-border trade, much of which is undertaken by women and young people.

In addition to trade, human mobility is a critical facet of regional integration, as emphasised in the African Union's Agenda 2063. The ratification and implementation of the African Union's Protocol on the Free Movement of Persons will enhance labour mobility, job creation, trade, and investment. The Bank supports the African Union's vision through initiatives such as the Africa Visa Openness Index. This index encourages immigration policy reforms that make African countries more accessible to citizens from other African countries. Thus far, three ADF countries, Rwanda, Benin, and the Gambia, have provided visa-free travel to African citizens. The index has slightly improved since the 2019 baseline (**Table 7**).

Table 7. Level 1 deepening regional integration

Indicator	ADF COUNTRIES		TRANSITION STATES	
	Baseline 2019	Latest 2023	Baseline 2019	Latest 2023
● African visa openness index (low = 0 / high = 1)	0.52	0.53	0.45	0.50
● Intra-African trade as a proportion of total goods trade (%)	20 (2018)	18 (2022)	19 (2018)	16 (2022)
● Regional Infrastructure Index (low = 0 / high = 1)	0.15 (2016)	0.15 (2019)	0.11 (2016)	0.11 (2019)

● Improvement compared to the baseline ● Stability compared to the baseline ● Regression compared to the baseline

ADF is boosting regional integration through improved connectivity

The ADF has delivered impressive results (**Table 8**) on regional integration, successfully meeting or exceeding its targets across the board. Some 163 km of cross-border roads were constructed or rehabilitated, including the Nacala Corridor Development Project (**Box 4**). The Bank is proud to report that over 2.5 million people benefitted from improved access to transport in ADF countries, of which over 1 million were women. In 2023, the ADF contributed to the construction of 1,303 km of cross-border transmission lines.

Box 4. The Nacala Corridor Development Project

The Nacala Corridor Development Project is crucial for Southern Africa, significantly boosting regional connectivity by linking Zambia and Malawi to the Nacala Port in Mozambique. With $57 million of funding from the ADF for phase IV approved in 2013 and completed in 2023, key components included rehabilitating a 75 km road segment between Liwonde and Mangochi in Malawi and establishing two One-Stop-Border-Posts (OSBPs). These investments led to a 58% reduction in travel time between Liwonde and Mangichi, from 2 hours to just 50 minutes, accompanied by reduced transport costs and notable improvements in road safety. The project also included constructing 100 km of feeder roads within the Liwonde-Mangochi corridor and setting up street lighting and three roadside markets in Mangochi town. As a vital trade and tourism route, the road benefits Malawi and neighbouring countries (Zambia and Mozambique), particularly in the agricultural areas through which it passes, boosting local employment and fostering economic growth. During peak construction, the project created 870 temporary jobs during project implementation and 80 permanent jobs. (See also Box 7 for additional impact of the corridor on jobs).

The ADF also made progress in fostering sustainable cross-border energy trade and integration. An example of a successful project that achieved this objective is the Cote d'Ivoire, Liberia, Sierra Leone, and Guinea Regional Power Interconnection Project. Linking four ADF countries, the project is already yielding significant outcomes for the Mano River Union (MRU) countries. The ADF, TSF and Nigerian Trust Fund (NTF) contributed $128.15 million, comprising 24% of the total project cost, with co-financing from the World Bank, the European Investment Bank and Germany's Kreditanstalt für Wiederaufbau (KfW), along with counterpart financing from the four countries. The project entailed the construction of a 1,303 km transmission line with a transit capacity of 243 MW, along with twelve substations, enhancing the region's power infrastructure. This project alone successfully met the Bank's targets for cross-border transmission line installation (**Table 8**). The project has facilitated sustainable power trade among the four countries, with renewable energy now providing 40% of the generation capacity in the MRU. The project also included capacity building and training for 80 staff from the power utilities to ensure sustainable operations and maintenance. This project exemplifies regional cooperation, fostering sustainable energy trade, enhancing climate resilience, and building local capacity for long-term success.

Table 8. Level 2 deepening regional integration (ADF contribution)

Indicator	ADF Contribution		
	Planned	Actual	Achievement rate
● Cross-border roads constructed/rehabilitated (km)	163	163	100%
● People with improved access to transport (#)	2,212,308	2,559,308	116%
● of whom women	886,812	1,005,326	113%
● Cross-border transmission lines (km)	1,303	1,303	100%

● Indicator reached 85% or more of the anticipated target

Progress in delivery and policy actions that deepen regional integration

The Bank has achieved significant progress on regional integration commitments during the ADF-16 cycle. To date, 85% of available resources have been earmarked for transformational regional infrastructure projects of unprecedented scale and impact. The average value of approved regional operations has more than doubled in recent years, growing to over $150 million (2023-24) from $65 million (2019-2020). Furthermore, these transformative regional operations have demonstrated a strong ability to leverage additional resources from development partners, with over $4 billion of co-financing mobilized for the 16 regional operations supported by the regional envelope in 2023 and 2024. Over 70% of the regional envelope is expected to be committed by the end of 2024, up from 43% approved at the mid-point of ADF.

In prioritising these resources, the Bank has exceeded its first commitment – allocating at least 15% of the regional operations envelope to projects in the Sahel, Lake Chad Basin, and the Horn of Africa regions. This includes the Mali-Mauritania power interconnection project that will connect over 600,000 persons, stimulating power trade between the two countries to the tune of 600 GWh. Under the 2nd commitment, in support of the Programme for Infrastructure Development in Africa (PIDA), the Bank has successfully delivered a transformative regional infrastructure programme of unprecedented scale. The Multiregional Tanzania, Burundi and the DRC Joint Standard Gauge Railway Project II, co-financed by the ADB, ADF, and TSF, was approved in 2023 with a total resource envelope of $872 million, contributing to a total cost estimated at $4 billion. This project will support the construction of 650 km of rail infrastructure along the Central Corridor network linking the three countries. In addition to improving connectivity by providing high-capacity and efficient railway transport service, the project will also enhance regional integration and trade and unlock the vast mining and agricultural potential of the region.

[*Infographic on SGR project*]

HEALTH, WATER, AND SANITATION

Health, water and sanitation are key to the Bank's efforts to tackle poverty and fragility in ADF countries, where nearly 75% of jobs and livelihoods depend on access to water and water-related services. The Bank's water, sanitation, and hygiene investments contribute to livelihoods and support schools and health facilities. The Bank also helps build national education and skills training facilities, especially in technical and scientific areas, to help equip young people to participate in the future workforce.

Development context

The persistence of shocks and crises in the post-pandemic period has slowed progress in improving the quality of life for Africans, highlighting the urgent need to build healthier and more resilient communities. While Africa represents only 15% of the world's population, half of all deaths from communicable diseases are in Africa, underscoring the continent's healthcare challenges. Only 43% of the African population has access to basic sanitation, while the rising frequency and severity of extreme weather is a growing threat to water and sanitation systems. In ADF countries, access to both basic drinking water and sanitation facilities have improved only marginally compared to the 2019 baseline (**Table 9**).

Table 9. Level 1 health, water, and sanitation[10]

Indicator	ADF COUNTRIES		TRANSITION STATES	
	Baseline 2019	Latest 2023	Baseline 2019	Latest 2023
● Population living below the poverty line (%)	41 (2018)	42 (2022)	53 (2018)	54 (2022)
● Enrolment in technical/vocational training (%)	8 (2015)	7 (2019)	10 (2015)	10 (2019)
● Enrolment in education (%)	58 (2018)	58 (2022)	57 (2018)	57 (2022)
● Employment to population (%)	66.1	65.8	61.5	61.1
● Employment to population, female (%)	59.9	59.7	54.5	54.2
● Employment to population, youth [15-34] (%)	58.4	54.9	51.0	51.3
● Access to at least basic drinking water services (% population)	56 (2018)	60 (2022)	52 (2018)	54 (2022)
● Access to at least basic sanitation facilities (% population)	26 (2018)	28 (2022)	25 (2018)	26 (2022)

● Improvement compared to the baseline ● Stability compared to the baseline ● Regression compared to the baseline

ADF's investments are improving the quality of life

ADF-supported operations completed in 2023 improved access to health care, clean water and sanitation in ADF countries. The Fund greatly exceeded planned water access results, with nearly one million people in ADF countries benefiting from new or improved access (see **Table 10**), over a third of whom were women. In Zimbabwe, the Bulawayo Water and Sewerage Services Improvement Project improved access to reliable water supplies, storage and treatment (**Box 5**). However, sanitation projects experienced complex delivery challenges, leaving the Bank short of its targets by just 52%. For instance, Djibouti's Water Supply and Sanitation Project implemented in rural areas and the district centres of Tadjoura, Arta and Ali Sabieh districts encountered challenges due to weak coordination with sanitation sector partners, as well as insufficient ownership and maintenance of the project's sanitation facilities. These challenges contributed to the project falling short of its target of providing access to sanitation services.

Box 5. Bulawayo Water and Sewerage Services Improvement Project in Zimbabwe

The Bank's TSF supported the Bulawayo Water and Sewerage Services Improvement Project in Zimbabwe with a $32 million grant, significantly enhancing water supply and sanitation services for Bulawayo, Zimbabwe's second most populous city and an important economic centre. This project

[10] Additional health related indicators for level 1 are being considered for the upcoming new RMF

improved water storage and treatment, increasing access to reliable water supply services for nearly 470,000 people and facilitating new connections for 75,000 people. It also rehabilitated a wastewater treatment plant, tripling its capacity and reducing the proportion of residents exposed to raw sewage to 17% from 80%, thereby lowering the risk of waterborne diseases.

The Fund also delivered strong results in other areas. In 2023, nearly 2.8 million people gained access to better healthcare services, with more than 1.3 million women benefiting. This exceeded the targeted 246,700 people due to the underestimation of project beneficiaries at the design stage[11]. ADF-supported operations contributed to the training of over 867,000 people across various sectors, particularly agriculture, despite missed targets due to COVID-19-related disruptions.[12] ADF operations also enhanced educational opportunities for more than 26,000 people, exceeding its targets and contributing to long-term development and prosperity.

In terms of job creation, the ADF, together with its partners, supported 346,000 direct jobs, of which 44% were for women. The Bank uses the Joint Impact Model (JIM)[13] to estimate the indirect jobs its investments support. The total number of indirect jobs supported by ADF-funded operations completed in 2023 is 226,000. Most jobs are expected to come from operations that target job-rich, women and youth-friendly sectors, including power, transport and agricultural sectors.

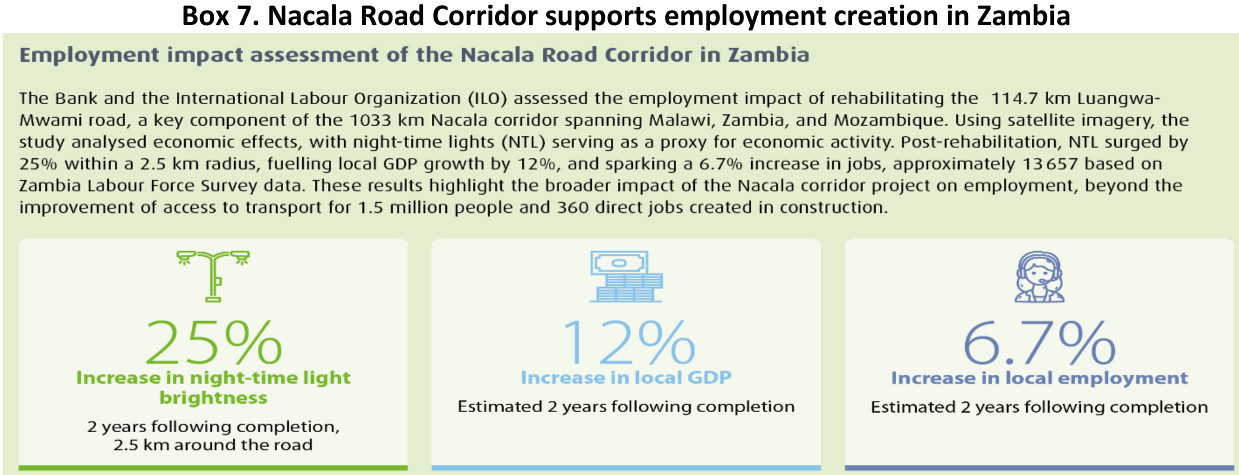
Box 6. Joint Impact Model

Based on JIM projections, the Bank estimated that 700,000 million jobs (321,000 for women) will be generated by 38 ADF-funded operations approved in 2023. The share of direct and indirect jobs expected amounts to 166,000 and 534,000 jobs, respectively. It is estimated that jobs created will contribute $3.5 billion to ADF-supported economies.

[JIM Infographic to be inserted below]

As part of its efforts to develop more innovative approaches to assessing the impact of its operations on development, the Bank partnered with the International Labour Organization (ILO) to conduct an employment impact assessment of the ADF-supported Nacala Road Corridor Project, completed in 2017. The impact study demonstrates the positive impact that transport corridors can generate on socio-economic development and job creation (**Box 7**).

Box 7. Nacala Road Corridor supports employment creation in Zambia



[11] This applied particularly to COVID-19 response projects due to insufficient knowledge about the pandemic.
[12] For instance, in the TAAT Programme phase 1, only 497,275 out of the targeted 9,573,665 individuals were trained, mainly due to COVID-19-related interruptions affecting field activities.
[13] JIM is an input-output model developed and used by several MDBs and DFIs to estimate indirect impacts generated by their investments. See www.jointimpactmodel.org for more information.

The Bank has supported ADF countries to strengthen health services provision. For instance, through an ADF grant of $9.4 million, the Bank supported 12 countries in the East African region in responding to the COVID-19 pandemic. The project improved countries' capacity for early detection, recording, reporting, and analysis of diseases, and procured essential medical equipment to help diagnose and treat infectious diseases. Through the project, oxygen generation plants were constructed in South Sudan and Somalia, and a cross-border command centre was established in collaboration with the EAC to monitor and control cross-border disease spread. Similarly, through an ADF grant of $8.7 million to the Southern African Development Community (SADC) Secretariat, the Bank supported six SADC countries (Lesotho, Madagascar, Malawi, Mozambique, Zambia and Zimbabwe) and São Tomé and Príncipe (a non-SADC member) in responding to the COVID-19 pandemic. This included institutional strengthening of the Secretariat and provision of medical supplies and equipment. The project enhanced testing capacity, infection prevention and control, and disease surveillance while contributing to the effective provision of other health and medical services to populations in beneficiary countries.

Table 10. Level 2 health, water and sanitation (ADF contribution)

	Indicator	ADF		
		Contribution		
		Planned	Actual	Achievement rate
●	People with new or improved access to water (#)	332,500	908,498	273%
●	of which women	118,750	389,049	328%
●	People with new or improved access to sanitation (#)	31,500	16,498	52%
●	of which women	16,380	8,909	54%
●	People trained across Bank operations (#)	9,980,008	867,462	9%
●	of which women	3,205,392	398,249	12%
●	People benefiting from better access to education (#)	15,150	26,406	174%
●	of which female	2,636	4,183	159%
●	People with access to better health services (#)	246,700	2,782,623	1128%
●	of which female	123,350	1,341,312	1087%
●	Direct jobs supported (#)	547,354	346,786	63%
●	of which women	258,164	151,525	59%

● Indicator reached 85% or more of the anticipated target ● Indicator achieved between 70% and 85% of the anticipated target ● Indicator achieved below 70% of the anticipated target.

Progress in delivery and policy actions related to water, sanitation and health infrastructure

Investing in quality health infrastructure and increasing access to resilient health services are key policy commitments under ADF-16, and both have been fully delivered. In alignment with these goals, the Bank is implementing the Strategy for Quality Health Infrastructure in Africa (SQHIA) to accelerate the development of quality healthcare infrastructure among African countries. At mid-term, a total of 6 operations (against the target of 3 operations), spread across more than 7 ADF countries, had been approved, all involving rehabilitation and/or construction of health infrastructure as well as enhancing healthtech.

One notable project is the ECOWAS Quality Health Infrastructure for tackling Neglected Tropical Diseases (NTDs) in Burkina Faso, Niger and Mali. The project seeks to improve the diagnosis, prevention and treatment of NTDs among vulnerable cross-border populations. in . With $7 million in ADF financing, the project is rehabilitating and equipping rural health facilities, enhancing surveillance systems to detect NTDs in a timely manner, and improving environmental sanitation and hygiene practices. The project aims to reach more than 370,000 beneficiaries with improved quality health services in the three countries.

Another example is the $26 million ADF-financed Multinational Emergency Project to Support the Stabilisation and Recovery of Refugees and Host Communities in Lake Chad. The project will construct and/or rehabilitate 15 health centres to enhance access to primary health services to refugees and host communities. Box 8 shows a summary of other health-related projects.

Box 8. Investing in quality national health infrastructure projects

- The *Burkina Faso Multisectoral Project to Support Skills Development for Resilience* (PMACR-BF) aims to enhance access to healthcare through the delivery of healthcare, health education, and health information services via remote technologies (telehealth) ($39.2 million investment).
- The GAMBIA *Vulnerable Youth and Women Support Project* aims to enhance access to health, especially primary health, by rehabilitating and equipping two health centres, focusing on improving the maternity and paediatric wings and further upgrading two residential areas for doctors and nurses to increase the retention rate of healthcare workforce ($14.52 million investment).
- Investments to improve access to health care services in the Central African Republic by supporting the construction and equipment of six primary health facilities ($13.91 million investment)
- Investing an additional $18.09 million in *East Africa's Centres of Excellence for Skills and Tertiary Education in Biomedical Sciences – Phase 1.* The investment aims to address shortages in highly skilled professionals in oncology sciences and cancer management in Uganda and the EAC region. The project is supporting the finalisation and operationalisation of the East Africa Centre of Excellence in Oncology in Uganda.

The Fund has also delivered the second policy commitment to invest in operations that will provide sustainable, inclusive and pro-poor access to climate-resilient water and sanitation services. In Malawi, the Rumphi Water and Sanitation Services Improvement Project aims to improve the quality of life for residents of Rumphi town by constructing resilient water supply and sanitation infrastructure, with more than 200,000 residents set to benefit from improved access to these services. In Mozambique, the Chimoio Inclusive Urban Sanitation Project, financed through TSF resources, is the country's first water and sanitation sector investment since 2010. The project aims to increase access to improved sanitation services for Chimoio residents by developing climate-resilient sanitation infrastructure, including a new wastewater treatment plant and sewerage network, to improve the quality of life for more than 480,000 residents.

2. PILLAR 2: GOVERNANCE, CAPACITY BUILDING AND SUSTAINABLE DEBT MANAGEMENT

STRENGTHENING GOVERNANCE, DEBT MANAGEMENT AND CAPACITY BUILDING

ADF countries have demonstrated their resilience in recovering from the COVID-19 pandemic. However, economic fragility persists. Public revenues have not bounced back to pre-pandemic levels, while governance challenges such as debt pressures remain a significant risk for ADF countries, inhibiting public investment and economic growth. The Bank's top priority is scaling-up domestic resource mobilisation, and it will work with ADF countries to promote sustainable and transparent debt management.

Development context

While public debt in Africa has eased slightly, it remains high compared to other regions, with many countries in debt distress or at high risk. The average debt-to-GDP ratio for Africa is projected to decline to 62.6% by 2024, compared to an average of63.9% during 2021-2023 primarily driven by the pandemic and related external shocks. In ADF countries, this ratio is projected to decline to 58.5% by 2024 from an average of 62.2% during the pandemic. ADF countries implementing fiscal consolidation or debt restructuring measures are showing positive trends (for example, São Tomé and Príncipe, and Ethiopia). However, given that countries' public debt is now more short-term and non-concessional, countries will need to prioritise governance reforms that cushion economies from debt vulnerabilities, while scaling up domestic resource mobilisation. The average tax-to-GDP ratio in ADF countries, though recovering and reaching 11.9% in 2022 from 11% in 2020, still needs to grow above pre-pandemic levels of 12%. (**Table 11**).

Table 11. Level 1 strengthening governance, debt management and capacity building

Indicator	ADF COUNTRIES		TRANSITION STATES	
	Baseline 2019	Latest 2023	Baseline 2019	Latest 2023
● Mo Ibrahim Index of African Governance (0 low—100 high)	46 (2018)	46 (2022)	40 (2018)	40 (2022)
● Green Growth Index (Score: 0-100)	48.5 (2018)	49.1 (2022)	45.5 (2018)	46.1 (2022)
● Refugees and internally displaced people (millions)	23.9	30.6 (2022)	19.9	24.4 (2022)
● Africa Gender Index (AGI) (Score: 0-100)	46.8	48.3	42.2	43.7
● General government taxes (% of GDP)	12.0 (2018)	11.9 (2022)	9.6 (2018)	10.8 (2022)

● Improvement compared to the baseline ● Stability compared to the baseline ● Regression compared to the baseline

ADF is contributing to good governance and debt management in ADF countries

The Bank's governance projects completed in 2023 achieved 100% of their targets across all the indicators in the pillar (**Table 12**). These projects contributed to enhanced governance, macroeconomic policy management and the business regulatory environment in ADF countries. A key measure of success is the improvement in the Country Policy and Institutional Assessment (CPIA) scores for the quality of policies and institutions. The DRC registered improvements in the CPIA governance scores and Guinea-Bissau, Sierra Leone and Somalia saw overall improvements in macroeconomic management. CPIA business regulatory environment scores improved in the DRC, Cote d'Ivoire, Guinea-Bissau and Lesotho. Across ADF countries, a total of 90 public sector officials were trained to improve their skills in public financial management, of whom a third were women.

Programme management effectiveness has been sustained through the design of country capacity development needs assessments in four countries experiencing persistent fragility (Central Africa Republic, Guinea-Bissau, Somalia and South Sudan). These products provide valuable knowledge for enhancing relevance, effectiveness and sustainability of ongoing and upcoming programmes and operations in these countries. These achievements are being sustained through developing national capacity development strategies that will improve development partner coordination and streamline capacity development interventions. It also includes facilitating resource mobilisation by the countries to better achieve the Sustainable Development Goals and Agenda 2063.

In Somalia, the Economic and Financial Governance Institutional Support Project Phase II strengthened macro-economic management and enhanced transparency and accountability in the use of public resources. A total of 30 personnel from both the Ministry of Finance and federal member states completed training on fiscal forecasting and public investment. The tax administration systems were updated and modernised to ensure greater efficiency in functions such as registration, filing/assessment, payment, audit and arrears management. Five inland tax offices were constructed and equipped, and a public tax payment sensitisation programme rolled out. Technical assistance was also provided to review tax policies and laws, leading to the execution of seven policy measures, contributing to improved fiscal management. Notable outcomes include a significant increase in domestic revenue collection, with the revenue-to-GDP ratio rising to 6.7% from 1.9%. Together with strengthened capacity for budget management and execution, this contributed towards meeting the budget allocation targets for social sectors, which increased to 17% from 2.8%.

The Bank also works with ADF countries to implement governance reforms to strengthen debt management capacity. A multi-dimensional approach is needed to improve the collection and use of domestic revenues. The Bank has called for reform of the global financial architecture to facilitate access to debt restructuring for low-income countries in debt distress. The Bank has simultaneously financed several debt management capacity-building programmes across ADF countries to encourage debt transparency, strengthen monitoring of state-owned enterprises, and improve the quality of debt statistics.

In 2023, the Bank held capacity-building events and diagnostic sessions in programme development and project management in ADF countries. The Bank's Public Finance Management Academy for Africa (PFMA) and the Macroeconomic Policy Management Academy for Africa (MEMA) and its policy lab units helped build macroeconomic, financial and debt management skills among government officials in ADF countries, working in partnerships with institutions such as the International Monetary Fund (IMF). In Zimbabwe, through the Bank Debt Action Plan, the African Development Institute effectively collaborated with development partners and the government to develop a fiscal model on public investment, debt and growth. This comprehensive model incorporates natural resources and revenue mobilisation for macroeconomic policy analysis and development planning. In June 2024, the PFMA held a spotlight dialogue on public debt management in Ethiopia, focusing on addressing the emerging debt management capacity challenges in transition states. In addition, the PFMA also held a formal inauguration and first learning session of the Africa Debt Managers Initiative Network (ADMIN), which focused on developing and deepening the domestic debt markets in Africa.

Table 12. Level 2 strengthening governance, debt management, and capacity building

Indicator	ADF Contribution		
	Planned	Actual[14]	Achievement rate
● Bank-supported countries that registered improved CPIA governance score (number)	1	1	100%
● Public sector officials with improved skills in public financial management (number)	90	90	100%
● of whom women	31	31	100%
● Bank-supported countries that registered improved macroeconomic policy management (number)	3	3	100%
● Bank-supported countries that registered improved competitive business environment (number)	4	4	100%

● Indicator reached 85% or more of the anticipated target

Progress in governance and sustainable debt management delivery and policy actions

The Bank has delivered the two policy commitments related to strengthening governance and sustainable debt management due at mid-term and made very good progress on the other five commitments due at end-term. Several investments have been approved to support ADF countries implement policies that promote macro-economic stability and ensure the effective, accountable and transparent management of public finances. These investments will also strengthen the capacity of ADF countries to manage debt productively and transparently, using instruments such as programme-based operations or institutional support projects.

For instance, in Mauritania, the ADF-financed Public Enterprise Governance Support Project is an institutional support programme that focuses on modernising the governance of state-owned enterprises and improving their performance to reduce their burden on public finances. Another example is Ghana's Fiscal Consolidation and Economic Recovery Programme. This is a multi-sector programme aimed at supporting macroeconomic stabilisation through reforms geared towards improving public financial management, strengthening the financial sector and supporting the agricultural sector. The Institutional Support for Economic Governance Project in Somalia represents the Bank's continuous engagement to build resilience in transition countries. The project seeks to strengthen domestic revenue mobilisation, public expenditure and debt management, and accountability for greater economic resilience.

[14] Countries that registered progress in governance, macroeconomic policy management and the business regulatory environment include the DRC, Cote d'Ivoire, Guinea Bissau, Lesotho, Sierra Leone and Somalia.

3. SCALING-UP CLIMATE ACTION

Africa is disproportionately vulnerable to the effects of climate change, including extreme weather and growing water scarcity. By 2030, African countries will need approximately $2.8 trillion in climate financing to implement their Nationally Determined Contributions (NDCs) under the Paris Climate Agreement.

Development context

Africa's progress in adapting to the impacts of climate change and shifting to a low-carbon development pathway continues to be held back by a lack of access to international climate finance. The Green Growth Index[15] assesses sustainability targets and shows only a marginal improvement in ADF countries, with the score increasing to 49.1 (out of 100) in 2022 from 48.5 in 2018 **(Table 11)**. This highlights the urgent need for effective climate action across the continent. Key areas include bolstering adaptation measures, reducing greenhouse gas emissions, safeguarding natural resources, and advancing renewable energy sources. These efforts are essential to mitigate the adverse impacts of climate change and fostering resilience in African countries. However, ADF countries have limited access to international climate finance to implement their national commitments under the Paris Climate Agreement.

ADF is leading efforts to scale-up climate action

The Bank continues to prioritise climate action and green growth across its development operations in Africa. In 2023, the Bank increased its share of climate finance to 55%.[16] Mitigation finance accounted for 47% of the Bank's climate finance, and adaptation finance accounted for the remaining 53%. This demonstrates the Bank's commitment to support countries to increase their share of global climate finance to 10% by 2030 from the current level of 3%.

The Bank is also working with other regional and global partners to mobilise additional financing to scale-up climate action in Africa. These include global climate funds such as the Green Climate Fund, the Global Environmental Facility and Climate Investment Funds. Through the Africa Adaptation Acceleration Programme (AAAP), launched in 2021 in partnership with the Global Centre on Adaptation (GCA), the Bank secured nearly $4 billion in adaptation finance through its investment operations and the AAAP upstream financing facility. Finally, as part of the ADF-16, the Bank has established a new Climate Action Window (CAW) (see next section), which aims to mobilise substantial additional climate finance for Africa.

Implementation update on the Climate Action Window[17]

In December 2022, the Bank established the CAW for Africa within the ADF, with a primary focus on supporting adaptation in the continent's 37 poorest, most fragile and vulnerable countries. The CAW aims to mobilise substantial resources, including increasing future replenishments to $13 billion from around $4 billion in the current programme window. The CAW's first call for proposals, which closed in February 2024, prioritised adaptation projects totalling approximately $321.8 million, representing about 73% of current resources ($442 million in total from the United Kingdom, the Netherlands, Germany and Switzerland). A second call for mitigation proposals was issued between May and July 2024, prioritising projects that aim to reduce or avoid greenhouse gas emissions or enhance the sinks

[15] The Green Growth Index of the Global Green Growth Institute (GGGI) measures a country's performance in achieving sustainability targets, including Sustainable Development Goals (SDGs), Paris Climate Agreement, and Aichi Biodiversity targets. It consists of four green growth dimensions, including efficient and sustainable resource use, natural capital protection, green economic opportunities, and social inclusion. The GGGI scores range from 1 to 100, classifying 1–20 as very low, 20–40 as low, 40–60 as moderate, 60–80 as high, and 80–100 as very high green growth performance.
[16] The Bank has committed to allocating at least 40% of its annual investments as climate finance to enable countries to address climate change, including adaptation and mitigation.
[17] Additional updates will be provided in the dedicated CAW paper.

that accumulate and store them, with the overall goal of promoting approaches that foster low greenhouse gas growth pathways.

Progress in delivering climate-related policy actions

The Bank has delivered three of the four climate-related ADF-16 policy commitments due at the mid-term; the other is on track to be delivered by year-end. All ADF-16 operations are now aligned with the Paris Climate Agreement's 1.5 degrees target and Paris alignment building blocks. New indicators were also established to capture aspects related to biodiversity conservation, restoration and land degradation, with plans on track to fully operationalise the indicators by the end of the ADF-16 cycle. Finally, the Bank has met its MTR target by supporting eleven countries in developing and implementing their country climate plans in accordance with the Paris Climate Agreement. These countries include Burkina Faso, Lesotho, Liberia, Mozambique, Uganda, Ethiopia and Zambia.

Progress is underway on the policy commitment towards increasing access to clean cooking solutions. At least nine clean cooking projects were submitted for the CAW adaptation call, demonstrating considerable demand and interest. Two projects are proposed for allocation and approval by year-end in Kenya and Uganda. Additional projects are expected under the mitigation call, which closed on 8 July 2024. Prioritisation of CAW proposals considers the policy commitment on access to clean cooking solutions to ensure targets are met. Access to clean cooking also applies to the CAW mid-term policy commitment to support countries in benefitting from energy efficiency technologies and measures, particularly the adoption of modern, clean cooking solutions. Additional updates on this commitment will be provided in the dedicated report on the CAW.

4. APPLICATION OF THE FRAGILITY LENS

Addressing fragility and enhancing resilience remains a vital priority for Africa. Many countries on the continent are vulnerable to conflict, food insecurity, natural disasters, the effects of climate change, and post-COVID-19 shocks. These vulnerabilities have undermined socio-economic gains over the past decade and progress towards achieving the SDGs.

Development context

Violent conflict and political instability are on the rise in several parts of Africa and are a key driver of extreme poverty. Despite a modest improvement in Africa's Fragile States Index to 84 in 2023 from 86 in 2019, some regions remain trapped in long-term conflict cycles. Reported incidents of conflict in Africa surged to over 23,000 in 2022 from approximately 3,000 in 2009. In 2022, the number of refugees and internally displaced persons (IDPs) reached 34.8 million, with over 88% in ADF countries. In the first half of 2023, there were 6.8 million new IDPs, highlighting the persistence of humanitarian crises **(Table 11)**. Heightened insecurity is leading many ADF countries to allocate more public resources to security, reducing the funding available for development initiatives and exacerbating debt distress and inflation. Unconstitutional transfers of power, particularly in the Sahel, and large-scale conflict in Sudan continue to disrupt investment in national development.

The Bank has demonstrated robust leadership in seeking to break the emergency response cycle and investing in building long-term resilience in Africa's most fragile situations. Through its role as a key convenor, it aims to bring together partners working across the humanitarian-development-peace nexus. A strong example was the Bank's 5th Africa Resilience Forum, held in October 2023, which explored novel instruments and partnerships for financing peace, security and development.

ADF is addressing fragility and building resilience in ADF countries

Through its 2022-2026 Strategy for Addressing Fragility and Building Resilience in Africa, the Bank prioritises the development of critical infrastructure, private sector-led growth, and national capacity in fragile and conflict-affected settings. For instance, the Project for the Rehabilitation of Agricultural Infrastructures in the Southwest Region of Madagascar has helped alleviate socio-economic challenges and enhanced the region's resilience to climate change. The project supported irrigation infrastructure and the expansion of the cultivable land area by 14,190 hectares, increasing rice, cape pea and maize production. Additionally, the construction of feeder roads has facilitated the transport of crops to local markets. The project helped curb rural-urban migration by creating economic opportunities for women and youth and contributed to peace and stability in Madagascar's southern regions.

The TSF is the primary instrument for operationalising the ADF fragility and resilience agenda. The TSF has shifted to a programmatic approach, aligned with crisis response and prevention objectives that foster partnerships at the humanitarian-development-peace nexus. Notably, the newly introduced TSF 'Crisis Response Envelope' extended support to Chad and the Central African Republic amidst a refugee influx from Sudan in 2023 (**see Box 9**).

The introduction of the TSF prevention envelope in 2023 represented a transformative innovation, leveraging a competitive call-for-proposals across low-income countries to encourage joint bids with external partners.[18] The prevention envelope aims to shift the focus of the TSF from crisis response to anticipation and prevention by leveraging the Bank's deep understanding of regional dynamics to prevent escalation of emerging fragilities. A notable example is support to private sector development in low-income and transition countries where this is hindered by high-risk premiums. Through the prevention envelope, the Bank is supporting a transformative project in Guinea[19] aimed at advancing industrial development and strengthening the resilience of the country's SMEs. The project will achieve this by enhancing Guinea's investment climate, supporting entrepreneurship and addressing regulatory challenges for SMEs.

Similarly, Togo's Agro-Food Processing Project supported by the TSF prevention envelope aims to stimulate private investment in the country's agricultural processing by establishing an agro-industrial park, providing incentives for private sector engagement and improving governance frameworks. The project will attract more than $100 million in investments and support 39,000 jobs, half of them for women, thus improving rural livelihoods and economic growth. The Climate Smart Agriculture Value Chains and Waste Management Project in Sierra Leone is another example supported by the prevention envelope. It aims to enhance resilience and sustainable practices while targeting women and youth-led/owned SMEs. Key project outcomes include the creation of 100 business linkages to improve market access for enterprises, strengthened capacity for private sector-related institutions, and more than 9,000 jobs created for youth and women.

Box 9. Joint socio-economic recovery: addressing the refugee crisis in Chad and the Central African Republic

In 2023, the Bank and the United Nations Development Programme (UNDP) approved a joint programme to address the refugee crisis in Eastern Chad and the Central African Republic. This programme aims to enhance the resilience of refugees and host communities through essential humanitarian aid and sustainable economic recovery. The comprehensive approach seeks to improve access to basic services and promote social cohesion, encouraging hope and reconciliation. Anticipated outcomes include the provision of healthcare to 500,000 people and clean water to 1 million people. The programme will also empower 1,500 youth and women through training centres, create 12,000 jobs, and boost community income through economic activities. Additionally, it will support beneficiary communities with climate change adaptation.

[18] Seventeen high-impact proposals were selected, focusing strategically on women's empowerment, youth employment, climate adaptation, and private sector development in conflict-prone areas across the continent.
[19] GUINEA - Industrial Development and SME Resilience Support Project

Progress in delivering policy actions to address fragility and build resilience

The Bank has successfully delivered on all of its fragility lens-related policy commitments due at mid-term. The TSF guidelines for operationalising the revised eligibility and programmatic approach have been updated and were approved by the Board in 2023. The Bank continues to deepen its strategic engagement with partners at the humanitarian-development-peacebuilding nexus to jointly advance the fragility and peace finance agenda. Under ADF16, the Bank signed three memoranda of understanding with the International Committee of the Red Cross (ICRC), Interpeace, and with the Stockholm International Peace Research Institute (SIPRI). Additionally, the Bank completed fragility-related activities, including a joint fragility assessment with UN agencies in Central Africa Republic to facilitate policy dialogue. The Bank also co-organised a strategic partnership event with SADC and UNHCR to promote regional cooperation on displacement, fragility and climate resilience among SADC members.

5. ADVANCING CROSS-CUTTING AREAS: GENDER, YOUTH AND PRIVATE SECTOR DEVELOPMENT

Persistent barriers exacerbated by the socio-economic and health challenges of the COVID-19 pandemic and global shocks have curtailed progress on gender equality and women's empowerment in Africa. Scaling-up progress towards gender parity will improve outcomes for women and girls, deliver economic and social benefits, and promote inclusive growth.

Development context

The Africa Gender Index 2023, produced by the Bank and UNECA, shows that African women continue to face various formal and informal barriers to reaching their potential. According to the index, Africa's gender parity score is 50.3%, on a scale of 0 to 100 where 100 represents gender equality. This represents a slight increase from 48.6% reported in 2019. Progress in the region has been uneven. The gender parity score for ADF countries increased marginally to 48.3% in 2023 from 46.8% in 2019 **(Table 11).** ADF countries, such as Lesotho and Rwanda, have made significant progress in closing the gender gap, with scores above 79%. The DRC, Mali and Chad are among the lowest-performing countries, with scores below 50%. In terms of youth empowerment, Africa's youthful labour force is one of its most important assets, yet according to the ILO, more than 72 million young people are excluded from education, training or work.[20]

The Fund is empowering women and youth in ADF countries

The Bank is addressing barriers women face through several projects focusing on women's skills development and empowerment in ADF countries. The Bank also supports youth entrepreneurs through skills development, financing and business development.

In 2023, the Bank's work on gender equality focused on enhancing women's empowerment and entrepreneurship. For example, the Rural Enterprises Project III in Ghana helped establish 43,000 women-owned micro and small enterprises and created 51,000 new jobs for women. The Youth and Women Empowerment Project in Zimbabwe challenged traditional gender roles, with 72% of jobs created benefiting women. In the DRC, the Rural Economy Integrated Development Support Project (**Box 10**) is another example of a cross-cutting project benefiting women and enterprise development. Lastly, the Last Mile Connectivity Project II in Kenya facilitated women's entrepreneurship through electricity access, enabling the establishment of SMEs (for example, local cookie and bread baking, hair salons, and small shops), and contributing to improvements in household livelihoods.

[20] https://ilostat.ilo.org/blog/african-youth-face-pressing-challenges-in-the-transition-from-school-to-work/

Box 10. Supporting women entrepreneurs in fragile regions

The Rural Economy Integrated Development Support Project aims to improve agricultural and rural socio-economic services and diversify agricultural production in rural areas of Kasaï-Central in the DRC.[21] The region was heavily impacted by conflict that undermined the local economy, contributing to high poverty levels (60% of the population are below the poverty line of $1.90 per day). Marie-Félicité N'daya (Director of Fondation Femme Plus and leader of a local women's cooperative specialising in fruit production) experienced the transformative impact of the project. Through support from the Bank, Marie-Félicité was able to acquire new processing equipment, allowing her agri-business to diversify its offerings to include pineapple juice, jam and wine. This expansion strategy doubled her profits and enabled her to hire local people, reducing unemployment in the province and providing alternatives for youth engaged in artisanal mining activities. Marie-Félicité was also able to catalyse broader societal change by demonstrating the impact of interventions that empower women and advance peace and prosperity in fragile regions like Kasaï Central.

For youth-related programming, the Skills for Youth Employability and Social Inclusion Project in South Sudan provided vocational training to 1,619 youth, which resulted in 1,012 trained youth securing permanent employment. 49% of those securing permanent employment were female youth, with some working in male-dominated trades such as electrical installation, plumbing and pipefitting, enabling them to significantly contribute to their households and communities. Another example is Ghana's Rural Enterprises Programme III, which promoted youth entrepreneurship and job creation in agriculture-related enterprises, integrating the Bank's Empowering Novel Agribusiness-led Employment for Youth (ENABLE Youth) initiative.[22] As a result, 3,200 tertiary graduate youth (of which 25% were female) were recruited into the ENABLE Youth concept and provided with business development and management skills. Also, 31,000 youth-led/owned new micro and small enterprises were established, contributing significantly to the Government's efforts to improve rural livelihoods and foster economic diversification and employment creation.

Finally, the ADF supported the Nelson Mandela African Institutions of Science and Technology (NM-AISTS) Project, which contributed to strengthening science and technology skills. The project supported three universities in Nigeria, Burkina Faso and Tanzania with ICT infrastructure and equipment and furnished business incubation centres. In addition, 2,195 students in Burkina Faso and Nigeria (31% women) received support to obtain Master's and PhD degrees. As shown in Box 11, research from several NM-AISTS graduates have attracted national and international recognition.

Box 11. NM-AISTS Graduate National and International Research Recognition

Neema Mduma (PhD), is among 20 young women who were awarded the L'Oréal-UNESCO Young Talents Award for Sub-Saharan Africa (in 2020) for her exemplary research. She also developed a mobile application known as *BakiShule* (remain at school), which aims at preventing students (mainly girls) in Tanzania from dropping out of school through the use of mobile technology to trace them. The findings from *BakiShule* were presented to high-level policy makers in Tanzania, including Tanzania's Parliamentary Standing Committee on Social Welfare and Community Development. Interventions such as *BakiSchule* are very timely, especially since African countries witnessed high dropouts, especially among girls, due to prolonged school closures as a result of the COVID-19 pandemic. It was estimated that over 20 million more secondary school girls, mostly from developing countries, could be out of school following the pandemic due to sexual violence (Malala Fund, 2020).[23]

Sandra Musu Jusu, a PhD scholarship beneficiary at the African University of Science and Technology was awarded the L'Oreal-UNESCO for Women in Science Young Talent Laureate in 2021. Her research work focused on the development of targeted drug delivery systems for the treatment of triple-negative breast cancer. In driving innovative solutions to local problems faced by the private sector, the NM-AISTS project supported research in the

[21] Rural Economy Integrated Development Support Project (PROADER).
[22] ENABLE Youth programme helps young African men and women to incubate and scale-up their agribusiness.
[23] Malala Fund, 2020. Girls Education and COVID-19. What Past Shocks Can Teach Us About Mitigating the Impact of Pandemics.

Department of Petroleum and Energy Resources Engineering focused on the use of nanoparticles for land remediation in oil spillage zones in the Niger Delta Region of Nigeria.

The Fund also prioritises private sector development in ADF countries and transition states using available lending instruments and leveraging other resources and partnerships, such as the Private Sector Credit Enhancement Facility (PSF), the Fund for Private Sector Assistance (FAPA) and the AFAWA, to expand private sector and MSME-related investments. In particular, the PSF, an innovative risk sharing vehicle established by the ADF, enables the Bank to increase private sector investments in ADF and transition states through risk participation instruments, which attracts more private sector resources to finance critical projects.

During ADF-16, PSF approved three unfunded risk participations valued at $98 million in higher risk transition countries. These included two corporate loans in Mozambique's power sector and in Sudan's agribusiness sector with a regional outreach, and a transport project in Ghana. The Bank's support to Mozambique's Hidroeléctrica Cahora Bassa aims to enable the country's largest power producer to increase the production of reliable renewable power, ensuring continued electricity supply to consumers in the country and beyond in SADC region. Ghana's Shiprite project to construct a modern floating dock facility at the port of Takoradi will increase the capacity for vessels maintenance in the Gulf of Guinea, therefore enhancing operational efficiency. Furthermore, the project will promote economic growth through revenue generation and private sector participation in maritime services.

Progress in gender, youth and private sector development-related policy actions

The Bank performed well on the cross-cutting ADF-16 policy commitments due at the mid-term, with all being delivered or on track to be delivered by year-end. The Bank made progress on gender and youth-related policy commitments. Out of the four policy commitments due at mid-term, three gender and youth-related commitments were delivered, and one private sector development commitment is on track to be delivered by year-end. The Bank supported four national statistics offices in Burundi, Mozambique, South Sudan and Zimbabwe to enhance the generation of gender-disaggregated data and reporting of gender results. By July 2024, 69% of approved private sector operations were categorised using the Gender Marker System (GMS), above the target of 50% by mid-term.

The Bank has integrated skills development for green jobs and climate adaptation for youth in more than 13 operations approved by the Board across a range of sectors such as agriculture, water, energy and transport. These operations are aligned to the Climate Change and Green Growth Action Plan and are supporting youth/women enterprises that are venturing into climate smart and green fields, with the potential to create jobs.

By mid-term, the Bank was able to develop the Youth, Jobs and Skills Marker System (YJSMS), cleared by OpsCom on 23rd July 2024 and forwarded to the President for approval. The Marker System, which is the first of its kind across International Finance Institutions (IFIs), was developed by the Bank with technical support from the ILO and inputs from ten external partners including MDBs and IFIs. In line with the commitments under the Bank's Ten-Year Strategy 2024–2033 and ADF-16, the YJSMS will help the Bank to systematically integrate and track youth, jobs and skills related results in sovereign and non-sovereign operations. A pilot of the system is planned as soon as it receives the President's approval.

Under private sector development, the pending policy commitment is the development and operationalisation of guidelines for the PSF's newly funded risk participation and programmatic approach instruments. Simulations were completed to determine the right amount of capital to allocate. Internal stakeholder engagement is ongoing on the 1st Draft Concept Note and determining appropriate pricing for proposed new instruments. Operationalisation of the guidelines is expected before the end of the year.

6. ENHANCING OPERATIONAL AND INSTITUTIONAL PERFORMANCE

During 2023, the Bank has continued strengthening its operations and capacity as a development institution.[24] *This has involved maintaining a focus on the quality and performance of its operations. 70% of completed sovereign operations fully met their planned development outcomes, and all new operations ensured climate and gender considerations were mainstreamed at the design stage. The Bank also made progress by moving geographically closer to its clients by decentralising staff and functions and managing a diverse and engaged staff. The ADF RTS shares the same indicators as the Bank's RMF. See Annex 1 for the full list of indicators for levels 3 and 4 as included in the 2024 Annual Development Effectiveness Review.*

Enhancing quality and impact of operations

In 2023, the Bank continued to make progress on improving implementation effectiveness in the RMCs by delivering project cycle management and portfolio performance management capacity building workshops, benefiting 1,200 national stakeholders. This also contributed to the quality of the Bank's new operations by mainstreaming climate and gender considerations during project design. All new operations were fully appraised for environmental and social safeguards, and 100% of sovereign operations were screened and categorised using the GMS. The tool assigns each project to one of four categories based on the extent to which it explicitly addresses gender equality and women's empowerment in its objectives, components and expected results. The proportion of category 1 and 2 projects with direct outcomes benefiting women and girls increased to 91% in July 2024, from 63% in 2022 and 44% in 2018. Category 3 projects, which include some gender elements, increased to 39% in 2023 from 12% in 2018. The Bank aims to keep the share of these operations within the limit of 15%. Category 4 projects, which have minimal or no gender components, have been kept within the limit of 5%, decreasing to 3% in 2023 from 8% in 2018. With these achievements, the Bank has rolled out the GMS to non-sovereign operations. By July 2024, 69% of approved private sector operations were categorised using the GMS, above the target of 50% by ADF-16 mid-term and on track to reaching the Bank's objective of 100% by 2025.

Results delivery also remained strong. In 2023, IDEV independently rated 81% of completed sovereign operations in ADF countries as satisfactory. In addition, 70% of completed sovereign operations fully met their planned development outcomes, while 85% were assessed as particularly strong in terms of sustainability.

Despite these remarkable achievements, the challenging operating environment continued to impact the Bank's ongoing operations, contributing to delays. In 2023, 32% of operations in the active portfolio in ADF countries faced implementation challenges and delays. Project start-up and implementation delays continued to hinder project implementation and disbursements. Various factors contributed to these delays, including extended ratification processes, political instability and technical design gaps.

Improving institutional performance

The Bank has set a target of 83% of projects to be managed from country offices and regional hubs. This is intended to make the Bank more responsive to its clients. However, the target is yet to be met, as the proportion of projects managed from country offices decreased to 75% in 2023 from 78% in 2022. Vacant positions and recruitment restrictions in 2023 have proven to be a hurdle in the redeployment of staff to regions and country offices. Ongoing work to update the mobility policy will help the Bank remain flexible to evolving business needs while ensuring that key staff are available to support operations. Management will continue to monitor mobility issues through its strategic staffing initiative and the updated Decentralised Roadmap Action Plan. This plan will set specific targets for

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[24] In-depth analysis of the Bank's operational and institutional performance in 2023 is available in Chapter 7 of the 2024 edition of the ADER. Available here. For ease of reference, Bank Group's 2023 data for levels 3 and 4 is presented in this report's Annex.

each complex within the One Bank approach and apply measures for operational efficiency and improvements in project implementation. Overall, the percentage of operations staff based in-country offices and regional hubs increased marginally to 55% in 2023 from 54% in 2022, its highest level to date.

The continuous focus on transparency and accountability remains central to the Bank’s institutional priorities. The Bank's efforts in this area have yielded impressive results. For the second consecutive time, the Bank was ranked the most transparent development institution for its sovereign operations in the 2024 Aid Transparency Index by Publish What You Fund. The Bank's sovereign portfolio, which includes the ADF portfolio, achieved the highest score among 50 global development institutions, with an impressive 98.8 out of 100, demonstrating its dedication to publishing consistent, high-quality, and accessible data about its aid flows.

To further enhance transparency and stakeholder engagement, the Bank has revamped MapAfrica, an innovative online data platform. In May 2024, an updated version was introduced, now integrated with the Bank's project portal. This tool provides a comprehensive overview of how the Bank's operations (including ADF projects) are enhancing economies and transforming lives across Africa, allowing users to explore detailed project information and monitor progress in implementing the Bank's Ten-Year Strategy 2024-2033.

A key commitment of the Bank is promoting equal opportunities for all employees and fostering an inclusive workplace culture fit to drive positive change across the continent. In 2023, women’s representation among professional staff remained at 32%, the same as in 2022. Women in management roles also remained the same, at 27%. These figures fall well below the 2028 targets of 40% and 35%, respectively. However, the Bank is implementing an ambitious action plan focused on four pillars: representation, pay, policies and practices, and fostering an inclusive culture. The share of operations staff has remained at 68% of the Bank’s workforce, which aligns with the Bank’s corporate target.

The Bank strives to remain an excellent workplace for its staff and ranks among the top 10% of organisations globally in terms of staff engagement. Results from employee surveys in 2023 show an improvement from the 80th percentile in 2019 to the 90th percentile in 2023. However, the survey results highlight areas for improvement: staff satisfaction with compensation, which fell from the 67th percentile in 2019 to the 51st percentile in 2023, career advancement, performance evaluation and management, and the efficiency of decision-making. The Bank is taking these results on board. The results have informed the Bank’s action plan, which aims to continuously improve employee engagement levels. This will boost employee morale, helping to attract, retain and develop top talent, while enhancing productivity and driving the effective delivery of the Ten-Year Strategy 2024-2033.

Implementation update of relevant ADF-16 policy commitments

The Bank is on track to deliver an updated ADF-16 RTS in the mid-term, with operational and institutional levels 3 and 4 indicators. This is contingent upon the Board’s approval of the Bank Group RMF, which management will submit for Board consideration in Quarter 4 2024. The ADF-16 RTS is drawn from and aligned with the Bank Group’s RMF.

7. LOOKING FORWARD

This ADF Delivery and Results Report demonstrates the strong results delivered by the Bank in meeting ADF-16 objectives and commitments amidst a challenging operating environment hampering development progress in ADF countries. The report follows the adoption of the Bank’s new Ten-Year Strategy 2024-2033, which sets out ambitious goals for tackling Africa’s most pressing development challenges. It calls for a shift in the Bank’s portfolio towards larger operations designed to deliver transformational impact for Africa.

The greatest threat to the successful implementation of the Ten-Year Strategy is the lack of affordable and sustainable finance. Across the continent, public investment is constrained by high debt burdens and low domestic resource mobilisation. Africa must urgently accelerate its investments in national development and regional public goods, narrow the infrastructure deficit, promote structural economic change, and begin converging with other developing regions.

The Bank has a mandate to mobilise development finance for Africa. Under its Ten-Year Strategy, the Bank will work with African countries to boost domestic revenues, deepen their financial sectors, and mobilise private investment. In line with calls for MDBs to make their balance sheets work harder, the Bank is actively pursuing various options to boost its financing capacity.

However successful these measures are, Africa's lower-income countries will crucially need greater access to concessional finance provided by the ADF. Looking towards the ADF-17 cycle, the Bank's priority will be to secure a substantial replenishment that enables it to support the transformative investments that ADF countries urgently need.

ANNEXES

Annex 1: Bank Group's 2023 results on enhancing operational and institutional performance (extracted from the 2024 ADER Edition)

Table 1: How effectively is the Bank managing its operations (level 3)

INDICATOR	AFRICA			ADF COUNTRIES		TRANSITION STATES	
	Baseline 2015	Actual 2023	Target 2023	Baseline 2015	Actual 2023	Baseline 2015	Actual 2023
ACHIEVE DEVELOPMENT IMPACT							
Operations independently rated as satisfactory and above at completion	77	81	79	63	81	-	80
Completed operations with a timely completion report (%)	60	83	88	64	78	89	75
Operations that achieved planned development outcomes (%)	71	71	80	73	70	68	70
Completed operations delivering sustainable outcomes (%)	74	85	-	76	85	68	78
ENHANCE THE QUALITY AND SPEED OF OPERATIONS							
Operations fully appraised for ESS mitigation measures (%)	87	100	93	92	-	-	-
New operations with a gender-informed design (%)	75	100	91	84	-	-	-
New operations with climate-informed design %)	75	97	91	90	-	-	-
Quality of country strategy papers (scale, 1-4)	3.0	2.8	3.6	3.0	2.8	3.0	2.7
Time from concept note to first disbursement (months)	21.9	25	21	23.9	22	17.5	21
Quality of new operations (%)	-	46	90	-	43	-	43
IMPROVE PORTFOLIO PERFORMANCE							
Time to procure goods and works (months)	8.5	7.5	6.4	8.5	-	-	-
Operations at risk (%)	15	15.8	9	18	14.6	8.2	15.2
Operations eligible for cancellation (%)	25	30	15	31		29	
Operations facing implementation challenges and delays (%)	29	30	25	29	32	24	34

Indicator reached 90% or more of the anticipated target Indicator achieved between 80% and 90% of the anticipated target
Indicator achieved below 80% of the anticipated target Data are not available to measure progress

Table 2: How efficiently is the Bank managing itself as an institution (level 4)

INDICATOR	Baseline 2015	Actual 2023	Target 2023
MOVE CLOSER TO CLIENTS TO ENHANCE DELIVERY			
Projects managed from country offices (%)	60	75	83
Share of operations staff based in country offices and regional hubs (%)	40	55	76
IMPROVE FINANCIAL PERFORMANCE AND MOBILISE RESOURCES			
Climate-related Bank commitments (%)	15	55	40
Active Resources mobilised for public sector operations (UA million)	969	2 141	850
Active Resources mobilized for private sector operations (UA million)	373	710	750
STAFF ENGAGEMENT, DEVELOPMENT, AND PRODUCTIVITY			
Share of women in professional staff (%)	32	32	40
Share of women in managerial positions (%)	27	27	35
Operations professional staff (%)	69	68	69
Employee engagement index	80	90	90
Managerial effectiveness index	50	77	80
Net vacancy rate—professional staff (%)	16	7.7	10
Time to fill vacancies (days)	157	75	117

Indicator reached 90% or more of the anticipated target Indicator achieved between 80% and 90% of the anticipated target
Indicator achieved below 80% of the anticipated target

Annex 2: Implementation matrix of ADF-16 policy commitments – progress in delivering on ADF-16 commitments

The table below provides the implementation status for the policy commitments by the MTR and end-of-cycle (EOC). The actions are listed under the overarching ADF-16 strategic pillars. A simple traffic light system indicates the status of implementation: a blue light (🔵) indicates the commitment has been met, and a green light (🟢) indicates that the milestone is on track and to be delivered by year-end 2024 for MTR targets. Red (🔴) indicates the deliverable is off-track.

PILLAR I: SUSTAINABLE, CLIMATE-RESILIENT AND QUALITY INFRASTRUCTURE					
NO		**COMMITTMENTS**	**SUCCESS INDICATORS**	**Due Date**	**IMPLEMENTATION UPDATE**
		ENERGY SECTOR			
1	🔴	Support the Just Energy Transition in ADF countries through Technical Assistance, and development of inclusive, gender-responsive Transitions Plans [1]	5 plans by MTR and 10 by EOC.	MTR	**Development of 2 JET-P plans supported:** Senegal Just Energy Transition Partnership (JET-P) investment plan and SEFA-financed Africa Energy Transition Catalyst (AETC). Uganda integrated resource plan via SEFA. **Additional plans expected at Africa Energy Summit in Q1 2025.**
2.1	🟢	Support the increase of sustainable on-grid and off-grid electricity access	4 projects by MTR and 10 by EOC.	MTR	**3 projects approved and one at PCN stage:** i. Gambia Electricity System Rehabilitation and Expansion ii. Mali-Mauritania Power Interconnection iii. Desert To Power Regional Technical Assistance Project iv. Rural Electrification Project in Benin (PCN Approved, LTS for 4 Nov)
2.2	🟢	Support the increase of renewable energy generation capacity	Approved projects generating 200 MW by MTR and 500 by EOC	MTR	**Nearly 200MW approved or enabled through ADF-16 financing: 50 MW of solar power plant approved**: DtP 225 KV Mali-Mauritania power interconnection; (ii) ADF PRG envisaged for the 30 MW DtP Gassi and Lamadji Solar PV projects in Chad (LTS for 25 Sept); (iii) ADF PSF cover under discussion for the Namaacha 120 MW wind project in Mozambique (LTS for 23 Oct); (iv) ADF PPF under preparation for the 128 MW DOGO BIS hydro project in Benin.
2.3	🔵	Support energy efficiency to reduce or avoid greenhouse gas emission	2 projects by MTR and 5 projects by EOC.	MTR	**2 Projects approved:** (i) Eastern Ethiopia Electricity Grid Reinforcement Project (ii) The Gambia Electricity System Rehabilitation and Expansion Project.
		AGRICULTURE AND FOOD SECURITY			
3	🔵	Improve ADF's countries food self-sufficiency [2]	Invest in 4 regional projects, 2 by MTR.	MTR	**4 Regional projects approved:** i. Enabling Environments for Sustainable Regional Agriculture Extension (ENSURE) ii. Strengthening Food Safety Standards and Nutrition in Africa (SFNA) iii. and iv. Programme to Strengthen Resilience to Food and Nutrition Insecurity In The Sahel (Gambia and Chad)
		WATER AND SANITATION			
4.1	🔵	Improve sustainable, inclusive, and pro-poor access to climate-resilient water and sanitation services for strengthened water security	Investment projects in 9 countries, and 6 by MTR.	MTR	**11 operations approved in 10 countries: -** Rwanda, Malawi, Ethiopia, Burundi, Mozambique, Zambia, Chad (2 projects), Senegal, Togo and Burkina Faso.
4.2	🟢	Knowledge-based services enhanced advisory and water sector programming	12 new country water sector profiles by EOC.	EOC	**11 new country water security profiles/diagnostics were prepared** in Djibouti, Kenya, Comoros, Seychelles, Zambia, Sao Tome and Principe, Madagascar, Eswatini, Cameroon, the DRC and Congo. Ongoing: Equatorial Guinea
		HEALTH INFRASTRUCTURE			
5	🔵	Increase access to resilient quality health services investing in quality national health infrastructure projects, including mother-child health	3 projects by MTR and 5 by EOC.	MTR	**A total of 6 operations (totalling USD 118.97 million), spread across 7 ADF countries, approved, all involving rehabilitation and/or construction of health infrastructure.** The 6 approved operations include: (1) USD 39.2 million Burkina Faso multisectoral project to support skills development for resilience in (PMACR-BF) that aims to enhance access to healthcare through the delivery of healthcare, health education, and health information services via remote technologies (telehealth); (2) USD 14.52 million The Gambia Vulnerable Youth and Women Support Project that will enhance access to health, especially primary health, by rehabilitating and equipping 2 health centers with a focus to improve their

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NO		COMMITTMENTS	SUCCESS INDICATORS	Due Date	IMPLEMENTATION UPDATE
					maternity and paediatric wings and further upgrade 2 residential areas for doctors and nurses to increase healthcare workforce retention rate that is currently very low in Gambia; (3) USD 13.91 million in Central African Republic that will enhance access to health by supporting the construction and equipment of 6 primary health facilities; (4) USD 26.25 million Multinational–Emergency Project to Support the Stabilisation and Recovery of Refugees and Host Communities in the Lake Chad region, which seeks to construct and/or rehabilitate 15 health centers to enhance access to primary health services to refuges and host communities; (5) USD 18.09 million additional financing for Uganda - East Africa's Centres of Excellence for Skills and Tertiary Education In Biomedical Sciences – Phase 1 aimed at addressing the crucial labour market shortages in highly skilled professionals in oncology sciences and cancer management in Uganda and the EAC region in general. The project is supporting the finalisation and operationalisation of the East Africa Centre of Excellence in Oncology in Uganda; (6) USD 7 million ECOWAS Quality Health Infrastructure for tackling Neglected Tropical Diseases (NTDs) in Burkina Faso, Niger and Mali that seeks to improve the diagnosis, prevention and treatment of NTDs among vulnerable populations in cross-border communities of Burkina Faso, Niger and Mali. The project is supporting: (i) the rehabilitation and the equipment of 30 rural health facilities (10 in Mali, 10 in Niger and 10 in Burkina Faso); (ii) the provision of medical/surgical equipment to 30 health facilities and diagnostic equipment and reagents to 15 laboratories (5 in Mali, 5 in Niger, and 5 in Burkina-Faso); (iii) installation of ICT infrastructure in 30 border health districts; (iv) equipment for 12 central medical stores with handling equipment and air conditioners (4 in Mali, 4 in Niger and 4 in Burkina-Faso) and; (v) the rehabilitation of WASH infrastructure in 30 rural health facilities.
		REGIONAL INTEGRATION			
6	●	Allocate resources from the RO for operations in Sahel, Lake Chad Basin, and Horn of Africa regions	At least 15% by MTR and 30% by EOC.	MTR	**19% approved in 2023. MTR target met since December 2023. 40% projected by Q3 2024.**
7	●	Allocate resources to PIDA [Programme for Infrastructure Development in Africa] related operations (transport, energy, water, or ICT)	At least 3 projects by MTR and 6 by EOC.	MTR	**2 projects approved in 2023, 4 projected to be approved in 2024.** MTR target will be reached by the end of Q3 2024.
PILLAR II: GOVERNANCE, CAPACITY BUILDING AND SUSTAINABLE DEBT MANAGEMENT					
		CAPACITY BUILDING GOVERNANCE			
8	●	Country Strategy Papers (CSPs) are informed by country diagnostic notes covering governance and capacity development issues [3]	At least 18 ADF CSPs by EOC.	EOC	**12 of which 11 CSPs and 1 RISP have been approved.** 67% achieved towards EOC target
9	●	Strengthen the ability of RMCs to implement policies that promote macro-economic stability and ensure the effective, accountable, and transparent management of public finances.	Invest in projects in 6 ADF countries by MTR and 10 countries by EOC	MTR	**10 ADF countries supported**: Sao Tome and Principe (PBO & ISP), Benin (PBO), Central African Republic (PBO & ISP), Zimbabwe (ISP), Gambia (PBO), Ghana (PBO), Somalia (ISP), Mozambique (PBO), Mauritania (ISP) and Tanzania (PBO). 100% achieved of MTR target and 80% achieved towards EOC target. MTR target was achieved by December 2023 and EOC target is projected to be achieved by September 2024
		GOVERNANCE			
10	●	Strengthen ADF countries' ability to mobilise domestic resources aiming at increasing the tax-GDP ratio	Increase tax-GDP ratio by 10 % by EOC.	EOC	**8 ADF countries** supported so far: Sao Tome and Principe (PBO and ISP), Central African Republic (PBO and ISP), Mozambique (PBO and ISP), Somalia (ISP), Ghana (PBO) and Gambia (PBO), Tanzania (PBO) and South Sudan (ISP). First reporting on this target will be included when tax data for 2023 become available.

PILLAR I: SUSTAINABLE, CLIMATE-RESILIENT AND QUALITY INFRASTRUCTURE					
NO		COMMITTMENTS	SUCCESS INDICATORS	Due Date	IMPLEMENTATION UPDATE
11	●	Scale up support for reforms to combat corruption and illicit financial flows, assisting countries in designing and implementing comprehensive risk-based approaches and mitigation plans [4]	Assist 7 countries by EOC.	EOC	**5 ADF countries supported:** Central African Republic (ISP), Mozambique (PBO), Sao Tome and Principe (PBO), South Sudan (ISP) and Somalia (ISP). 57% achieved.
		DEBT MANAGEMENT			
12	●	Strengthen capacity of RMCs to manage debt productively and transparently through use of Programme Based Operations [PBOs] or Institutional Support Projects (ISPs).[5]	Support 6 RMCs by MTR and 10 by EOC.	MTR	**22 ADF countries supported (4 PBOs and 6 ISPs)** including through a TSF III institutional support project supporting all 19 transition states. 100% achieved. Target was achieved by December 2023.
13	●	Support ADF countries enhance debt management capacity and formulate prudential borrowing policies through technical assistance and policy advice.	Support 7 ADF countries by EOC.	EOC	**6 ADF countries benefitted from institutional support** projects geared towards building capacity for debt management. A multi-country TSF III TA project is also under implementation benefitting 19 transition states.
14	●	Monitor the implementation of the Bank's new sustainable borrowing policy in ADF countries while ensuring that projects complement the Agreed Policy Action [APAs] discussed with RMCs [6]	6 projects complement the Agreed Policy Action (APAs).	EOC	**5 pilot countries to date have drafted Agreed Policy Actions** (total 17 APAs). These APAs are included in the PBOs for Ghana, Gambia, Sao Tome et Principe and Mozambique. **SBP implementation guidelines will be submitted to OpsCom in September 2024**
AD					
		SEXUAL EXPLOITATION ABUSE AND HARASSMENT (SEAH)			
15	●	In ADF operations operationalise the Bank's directive on Sexual Exploitation, Abuse, and Harassment [SHEA] in the workplace as well as in projects funded by the Bank.	Report progress at MTR.	MTR	Ongoing process.
LENSES					
		CLIMATE CHANGE			
16	●	Assist ADF countries in developing and implementing their country climate plans, including the NDCs, NAPs and or LTSs aligned to the Paris Agreement [7]	7 countries by MTR and 15 by EOC.	MTR	**4 Countries already assisted:** Long Term Climate Visions (Liberia, Lesotho), Long Term Strategy (Mozambique), NDC Investment Plan (Burkina Faso). 7 RMCs will be supported by MTR. Design of Long-term Carbon and Climate Resilience Visions (Liberia, Lesotho); Implementing Long-Term Strategy (LTS) (Mozambique, Uganda); NDC implementation - Burkina Faso to develop NDC investment plan, Ethiopia to develop NDC governance structure and MRV system, and Zambia to develop 5 bankable project proposals to meet NDC sector targets
17	●	Align all ADF-16 operations with the Paris Agreement's 1.5 degrees target and are fully aligned with the Paris Alignment building blocks	1-3 building blocks by MTR, and all six by EOC.	MTR	**All projects** are Paris Aligned on Building Blocks 1 on mitigation, 2 on adaptation and 3 on climate finance.
18	●	Allocated ADF core annual investments (excluding CAW) to climate finance.	40% of annual investment, out of which ≤ 50% is adaptation finance.	EOC	**55% of ADF resources allocated as climate finance, with 37% to adaptation.**
19	●	Establish indicators for new projects on biodiversity conservation, restoration, and to land degradation neutrality co-benefits	All relevant new projects by MTR and fully operationalise indicators by EOC.	MTR	**New climate change indicators have been developed that capture biodiversity in collaboration with ECNR**. These are also captured in the Monitoring, Evaluation, Results, and Learning System.
20	●	Roll-out projects for increasing access to clean cooking solutions including through collaboration with partners	1 by MTR and 3 by EOC.	MTR	Sufficient demand and interest demonstrated with **9 clean cooking projects submitted for CAW adaptation call**. Additional projects are expected under the mitigation call. Two clean cooking projects are on track to be approved by end of 2024 in **Kenya** and **Uganda**.
21	●	Use climate-informed designs with clear climate-related results indicators in all ADF operations	100% of ADF operations by EOC.	EOC	**Currently 99% of ADF projects are based on climate-informed design**

PILLAR I: SUSTAINABLE, CLIMATE-RESILIENT AND QUALITY INFRASTRUCTURE					
NO		**COMMITTMENTS**	**SUCCESS INDICATORS**	**Due Date**	**IMPLEMENTATION UPDATE**
		FRAGILITY			
22	●	Update TSF operational guidelines [8] for operationalising the revised eligibility and programmatic approach.	End of Q2 2023.	MTR	**Revised and approved by the Board in June 2023 and published on the Bank's website.**
23	●	Promote policy dialogue and mainstream fragility and resilience considerations in national sector strategies and development plans in partnership with humanitarian, development, and peacebuilding partners.	4 joint fragility-related activities by MTR and 8 by EOC.	MTR	**By Q2 2024, the Bank, through RDTS, signed three MoUs to advance its fragility and peace agenda: (i) International Committee of the Red Cross (ICRC); (ii) Interpeace; and (iii) Stockholm International Peace Research Institute (SIPRI).** Additionally, the Bank completed the following five activities in 2023: 1. Conducted a joint fragility assessment with UN agencies for the Central African Republic to facilitate policy dialogue on fragility issues. 2. Jointly organised event with the IFC in the DRC to address operational challenges and explore opportunities to strengthen the resilience of the DRC's agribusiness sector. 3. Co-organised a strategic partnership event with SADC and UNHCR to promote regional cooperation on forced displacement, fragility, and climate resilience among SADC Member States. 4. Expedited a joint programming and co-financing project with UNDP to support the stabilisation and recovery of refugees and host communities in the Central African Republic and Chad in response to the impact of the Sudan armed conflict. 5. Co-chaired the Central African Republic Solution Support Platform (CAR-SSP) with UNHCR, aiming to provide sustainable and peace-transformative solutions for the forcibly displaced populations in the Central African Republic, supported by a core group of donors.
24	●	Allocate resources from the TSF programmatic approach for transition states (i.e., countries eligible for TSF upfront allocations or Pillar III)	50% of resources by EOC.	EOC	**Out of the UA 263 million allocated, 66% went to 12 transition states.** Additionally, all the resources utilised so far from the TSF response envelope (UA 20 million) were allocated to two transition states, namely the Central African Republic and Chad.
CROSS-CUTTING					
		PRIVATE SECTOR DEVELOPMENT			
25	●	Develop and operationalise guidelines for the new funded risk participation and programmatic approach instruments of the Private Sector Credit Enhancement Facility PSF	End of 2023.	MTR	**Completed simulations to determine capital allocations.** Internal stakeholder engagement on the 1st draft concept note ongoing, as well as determining appropriate pricing for proposed new instruments. **Operationalisation expected by Q4, 2024**
26	●	Implement MSME support programmes prioritising Women-led MSMEs and Youth employment	In at least 5 countries, including minimum of 3 transition states, by EOC.	EOC	**Pillar III and the TSF prevention envelope supported MSME programmes in 13 ADF countries**, focusing on entrepreneurship, skills development, and innovation, with emphasis on women-led MSMEs and youth employment. Countries are Burkina Faso, Burundi, Djibouti, Mali, Niger, Cameroon, CAR, Comoros, DRC, The Gambia, Mozambique, Sierra Leone, and South Sudan.
27	●	Improve the PSD enabling environment in ADF countries to strengthen public private sector dialogue and private-sector investors and companies	Through upstream sovereign investments and TA programmes.	EOC	**Pillar III and the TSF prevention envelope have allocated UA 69 million** to capacity-building programmes and upstream investments, enhancing the private sector environment in transition states.
		PROJECT PREPARATION FACILITY			
28	●	Increase ADF 16 utilisation rate [9]	30% utilisation rate from the UA 75 million allocation for ADF-16.	EOC	**To date, 40% of the PPF resources have been utilised** (exceeding the target of 30% set for utilisation by end ADF-16), with a balance of UA 45.13 million available for utilisation out of the UA 75 million.
		GENDER AND YOUTH			

NO		COMMITTMENTS	SUCCESS INDICATORS	Due Date	IMPLEMENTATION UPDATE
PILLAR I: SUSTAINABLE, CLIMATE-RESILIENT AND QUALITY INFRASTRUCTURE					
29.1	●	Improve the monitoring and evaluation system to generate gender-disaggregated data and reporting on gender results	Support 4 National Statistics Offices (NSOs) results by MTR and 10 by EOC.	MTR	**4 NSOs (Burundi, Mozambique, South Sudan, and Zimbabwe) through the CB-GenSMS project approved in 2021.** Work in these countries is ongoing and the project is expected to complete by end December 2025. The other 6 NSOs will be covered by the Capacity Building for Gender and Infrastructure in Transition States project. An appraisal mission for this second project is scheduled in September 2024.
29.2	●	Ensure gender diagnostic analysis is reflected in CSPs of ADF countries.	100% of CSPs by EOC.	EOC	Gender diagnostic analyses were conducted for all the 18 CSPs approved since 2023 (Burundi, Cameroon, Djibouti, DRC, Equatorial Guinea, Ethiopia, Gabon, Guinea Equatorial, Kenya Malawi, , Mauritania, Mauritius, Mozambique, Sao Tome and Principe, Sudan, Uganda, Zambia and Zimbabwe)
30.1	●	Ensure that public operations have direct outcomes that benefit women and girls (categories 1 or 2 of the GMS).	80% of public operations by EOC.	EOC	**At end of July 2024, 91% of sovereign operations approved were categorised as GEN I and II**
30.2	●	Ensure that private sector operations are gender marked	50% by MTR and 100% by EOC.	MTR	**As at end of July 2024, 69% of the private sector operations approved** were categorised by the GMS
31	●	Integrate skills development for green jobs and/or climate adaptation for youth	12 agriculture, water, energy and transport projects at MTR and 20 by EOC.	MTR	**A total of 13 operations (totalling USD 472 million/UA357.9 million), across 11 countries, approved by the Board, integrate skills development for green jobs or climate adaptation for youth.** These operations are aligned to the Climate Change and Green Growth Action Plan and are supporting youth/women enterprises that are venturing into climate smart and green fields, with the potential to create jobs. These include: (1) Burkina Faso multisectoral project to support skills development for resilience - a UA29.7million project approved in July 2024; (2) Sierra Leone: Job Creation for Youth and Women in Climate Smart Agriculture Value Chains and Waste Management (WOKDONCAM) – UA 11.3 million approved in June 2024; (3) Benin: Benin Development of Skills for Employment n Priority Sectors – Phase I (PDCESP-I) – UA52.99 million approved in December 2023; (4) Ethiopia: Agri-MSMEs Development for Jobs (AMD4J) – UA 32.2 million approved in May 2024; (5) the DRC: Governance and Skills Development Support Project in Support of the Agricultural Transformation Programme (PAGDC-PTA) – UA 90 million approved in February 2024; (6) Cameroon: Promoting Entrepreneurship, Improving Skills in the Construction, Transport and Energy Sectors (PEACC) – UA 50.9 million project approved in July 2023; (7) Centrafrique Support Programme for the Reconstruction of Basic Communities, Phase 2 (PARCB-2) – 10.1 million approved in September 2023; (8) Multinational Emergency Project to Support the Stabilisation and Recovery of Refugees and Host Communities in the Lake Chad – UA 15.1 million approved in December 2023; (9) South Sudan Support to TVET for Value Chain Development (STVET-VCD) Project - UA 7.0 million approved in November 2023; (10) Gambia: Vulnerable Youth and Women Support Project – UA 5 million approved in September 2023; (11) South Sudan: South Sudan Entrepreneurship Support to Refugees and Host Communities in South Sudan (ESRHC-SS) – USD 1 million approved in December 2023; (12) Togo Projet d'Accompagnement des Jeunes Entrepreneurs sur les Chaines de Valeur Créatrices d'Emplois – UA15.23 million, approved in July 2023; (13) Uganda – East Africa's Centres of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1 – Uganda Cancer Institute - additional Financing UA 13.5 million approved in December 2023.
32.1	●	Adopt the Jobs and Skills Marker on ADF public & Private sector operations to maximise the creation of jobs for youth particularly green jobs	Jobs and skills marker adopted.	MTR	**The Youth, Jobs and Skills Marker System (YJSMS) was cleared by OpsCom on 23rd July 2024 and forwarded to the President for approval and signature.**

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NO		**COMMITTMENTS**	**SUCCESS INDICATORS**	**Due Date**	**IMPLEMENTATION UPDATE**
32.2	●	Apply the Jobs and Skills Marker on ADF public & Private sector operations to maximise the creation of jobs for youth particularly green jobs	50% of operations by EOC.	EOC	**Following approval, the YJSM will be piloted for 6 months (from September to January 2025), followed by a 3–6-month application from February 2025 of the marker on all projects.**
		RESULTS IN ADF COUNTRIES			
33	●	Complete the Results Tracking System (RTS) with the operational and institutional Levels 3 and 4 of RMF & TYS 2.0	End of Q2 2023.	MTR	**The RTS is expected to be approved** once the Bank Group RMF has been approved by the Board.
CLIMATE ACTION WINDOW					
34	●	All approved Climate Action Window projects receive technical assistance grants where required.[10]	100% (all approved projects) by EOC.	EOC	The first set of cleared projects were presented to the CAW donors during the Bank's Annual Meetings in May 2024. **41 projects have been proposed for allocation of CAW resources.** These will be presented to OPSCOM for approval in July 2024. TA resources will be available from September 2024 for all approved projects that require TA to fast track their preparation and presentation to board for approval. We envisage **providing TA grants to at least 15 countries by end of the ADF-16 cycle**.
35	●	Support countries benefit from energy efficiency technologies/measures, notably the adoption of modern clean cooking solutions	2 projects in 2 countries by MTR and 5 countries by EOC.	MTR	**Two clean cooking projects** are on track to be approved by end of 2024 in Kenya and Uganda.
36	●	Allocate more Climate Action Window resources to Adaptation Projects	75% of resources by EOC.	EOC	This target is on course to be met. The **first call for proposals will prioritise 41 projects from 37 ADF countries.** These projects are allotted US$ 321.75 million, representing 100% of the Adaptation Sub-Window and 73% of the existing pool of CAW resources. An additional **39 projects from 24 ADF countries requesting US $ 470 million will be retained on a reserve list** and will be part of the CAW IOP for resource mobilisation.

Notes:

i. Climate-informed design is the process through which the Bank mainstreams climate change and green growth into its operations through: i) at the strategy level, aligning new CSPs with the national climate change plans and strategies, including NDCs, LTSs and NAPs; and ii) at the project level, it entails screening projects and programmes for climate risks and opportunities as well for climate finance through applying tools such as climate safeguards system, greenhouse gas accounting tool, and methodologies for climate finance tracking.

ii. Management considers that policy commitments ensure improved efficiency and impact of the Bank's operations. Mainstreaming fragility in all Bank Group programming and operational engagements and documents also ensures that the execution of additional commitments is equally fragility sensitive. In other words, an effective mechanism for mainstreaming fragility and resilience considerations will naturally ensure that the execution of new policy commitments reflects fragility considerations.