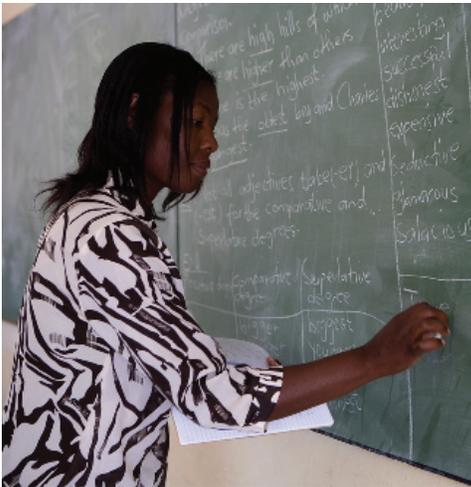


African Development Bank

An institution that works to promote both public and private investment and economic development in Africa, as well as to provide technical and financial assistance to its member states.

History

Following the end of the colonial period, 23 newly-independent African nations established the African Development Bank (AfDB) in 1963 to serve the continent's development needs as a uniquely African institution. It began operations in 1966 with only ten employees and \$250 million in capital, but grew steadily. In 1972, the AfDB created the African Development Fund (ADF) as a subsidiary organization to provide concessional financing to its poorest members. The Nigerian Trust Fund (NTF) was established in 1976 by the Nigerian government to complement the work of the ADF in the lowest-income African countries. The AfDB works to retain its African nature: the majority of its employees are African, its headquarters and 27 field offices are located throughout the continent, and its president is always an African.



John Hogg / World Bank

Objectives and Practices

The AfDB is a multilateral development bank committed to reducing poverty and spurring sustained economic and social development on the continent of Africa. It offers financing to both public and private entities that undertake development projects in key industries such as agriculture, communication technologies, utilities, and others. Since 1968, it has widened its scope to include providing technical assistance and policy advice to member country governments.

The three divisions of the AfDB are:

AFRICAN DEVELOPMENT BANK (AfDB)
Lending on non-concessional terms to member governments at market interest rates for both projects and policy reforms.

AFRICAN DEVELOPMENT FUND (ADF)
Lending on a concessional, interest-free basis to AfDB's poorest African members, especially for projects with long maturities or non-financial returns, such as work involving roads, education, or health. All technical assistance, including loans or grants to provide expertise or improve institutions and governments, is financed exclusively by the ADF.

NIGERIAN TRUST FUND (NTF)
Supporting the efforts of the ADF in the lowest-income member states by offering concessional lending with low interest rates to both governments and private sector firms.

The AfDB is focused on making improvements to the daily lives of Africans. It has stepped up programs in sectors that are often under-financed by private lenders - such as water resource development and road construction - to advance its goals.

The AfDB targets its efforts to four areas:

INFRASTRUCTURE
Improving access to and productivity in the transport, power, and information and communication technology sectors.

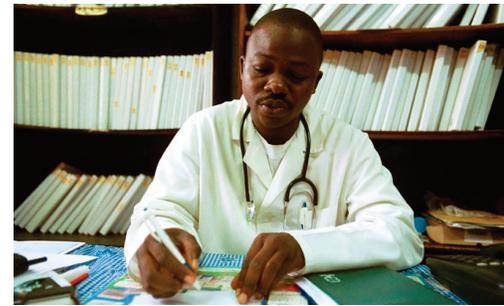
GOVERNANCE
Increasing transparency and accountability in government management, especially of natural resources.

PRIVATE SECTOR
Increasing public-private partnerships and focusing aid on infrastructure, financial mediation, and microfinance for small- and medium-sized enterprises.

HIGHER EDUCATION
Modernizing and supporting centers of tertiary education and providing skills and technical training programs to increase innovation in technology and science.

Where does the AfDB get its funding?

The AfDB is supported by member country contributions, as well as by selling bonds on international markets and recouping interest on its loans.



Ami Vitale / World Bank

Who are the members of the AfDB?

Originally, the AfDB had only African members. However, beginning in 1982, non-regional countries were allowed to join in order to address a growing demand for investment funds and the Bank's lack of resources. Today, the AfDB has 77 members: 53 African countries and 24 from Europe, Asia, and the Americas, including the United States.



Ami Vitale / World Bank

Why are they called "Bretton Woods" institutions?

The name derives from the town of Bretton Woods, New Hampshire, in the United States, where the United Nations Monetary and Financial Conference was held in 1944.

During the conference, member nations agreed to create a family of international financial institutions (IFIs), including the World Bank Group and the International Monetary Fund. Regional multilateral development banks (MDBs) are associated IFIs.