

In Zimbabwe, for instance, the Bank has assumed a politically sensitive role in supporting the efforts of the Ministry of Finance to improve economic governance. Some take the view, however, that the Bank could use its good relationship with the countries to impose more stringent reform requirements.

Despite good, close coordination with the governments of many of these countries, the AfDB could make more use of and contribute more to strengthening the countries' own financial and procurement systems. The extent of its collaboration with other development actors varies. Reports from the Norwegian embassies suggest that the AfDB could participate more actively in coordinating its operations with other donors at country level. The Bank may also involve local stakeholders, especially women and marginalised groups, in decision-making processes and project planning more actively.

The AfDB has an independent internal audit department which maintains high standards, according to international surveys. The Bank also has an independent external auditor (KPMG) that was engaged on the basis of competitive tendering. The auditors' recommendations are followed up through work plans and regular reporting to the Bank's Board of Directors.

The Bank has guidelines for the protection of whistle blowers and for dealing with and preventing corruption. In 2010, the AfDB's anti-corruption unit was upgraded to a separate department and its staff was doubled. In the same year, the department received 35 reports which were investigated,

leading to the exclusion (blacklisting) of one company and two individuals. Around 15 investigations are currently in progress. The Integrity and Anti-Corruption Department is also working on developing a whistle-blowing tool aimed at combating corruption, and there is focus on providing more information to and training for Bank employees. In 2010, the World Bank and the regional development banks entered into an agreement on the mutual recognition of blacklists.

International surveys of the AfDB clearly show that the Bank has made significant advances in the past 10-15 years. Many important reforms have been put in place, and there are plans to maintain the ambitious pace of reform in the coming years. The Bank is considered to have good, effective leadership who have spearheaded the rationalisation process. Wage and cost growth in the Bank has been moderate, and there is high awareness of the importance of cost effectiveness in projects.

In 2010, donor confidence in the AfDB resulted in a 200 per cent increase in capital, which will enable the Bank to make an even greater contribution to development in Africa. The African Development Fund was also able to provide around NOK 55 billion in grants for the poorest countries. The financial crisis showed that the Bank is capable of responding swiftly and flexibly by redirecting resources to where the need is greatest.

Increasing the focus on poverty when selecting projects and strengthening the Bank's presence in the most fragile states will be important challenges in the years ahead.

Norway has supported reform efforts focused on decentralisation, results-based management and reorganisation of procedures and routines to achieve more efficient, better management. Norway has also emphasised the importance of efforts to promote good governance and combat corruption. Other key priority areas have been gender equality, entrepreneurship, clean energy and climate adaptation. Norway has also sought to strengthen the bank's role as dialogue partner and advisor for the AfDB's regional member countries.

3. Norway's policy towards the AfDB

Norway wishes to contribute to making the AfDB the central development actor in Africa. Norway helped to ensure that the African Development Fund allocated substantial funds for promoting regional integration and increased focus on fragile states. Norway makes active efforts to encourage the AfDB to integrate gender equality, environmental and climate considerations into its projects. Through the AfDB, Norway provides NOK 500 million for a fund to preserve the rainforest in 10 countries in the Congo Basin.

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<http://www.regjeringen.no/en/dep/ud/selected-topics/un>.

1. Facts and figures

Type of organisation: Multilateral development bank

Established in: 1964

Headquarters: Abidjan, Côte d'Ivoire (temporarily relocated to Tunis, Tunisia)

Number of country offices: 31 (including 4 currently being established)

Head of organisation: President Donald Kaberuka (Rwanda)

Dates of Board meetings in 2011: The Board of Executive Directors meets as needed, normally once a week

Norway's representation on Board of Directors: together with Denmark, Finland, India and Sweden

Number of Norwegian staff: 2

Responsible Ministry: Norwegian Ministry of Foreign Affairs (MFA)

Website: www.afdb.org

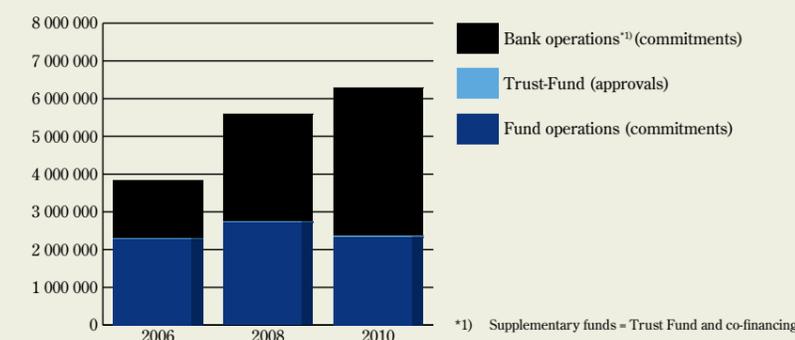
The five largest shareholders of the bank, and Norway:

Countries	%
1 Nigeria	8,596
2 USA	6,415
3 Japan	5,322
4 Egypt	4,986
5 South Afrika	4,461
26 Norway	1,144

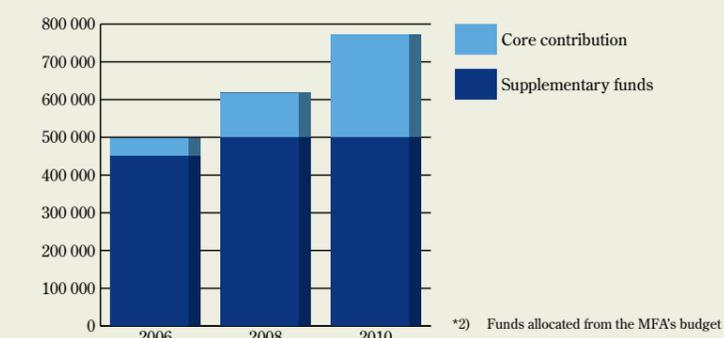
The five largest donors of supplementary funds (in US\$ 2010)

Countries	Amount
1 EU	19,6
2 Canada	11,6
3 UK	11,3
4 Denmark	9,7
5 Norway	3,2

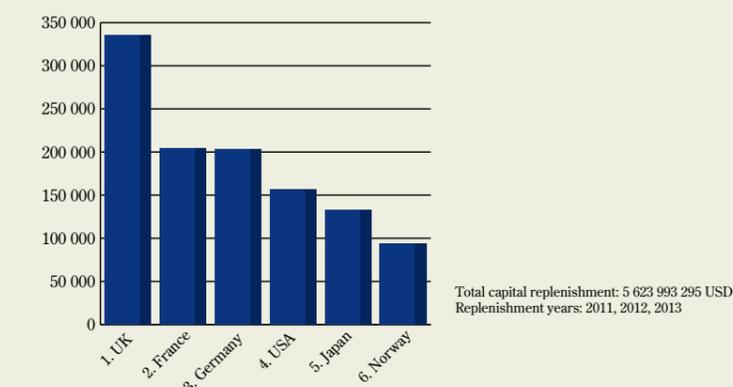
Total revenues (in US\$ 1000), broken down by loans, grants:



Norway's contributions²⁾ (in NOK 1000).



The five largest donors, and Norway, in 2010 (in US\$ 1000).



Mandate and areas of activity

The objective of the African Development Bank (AfDB) is to promote economic and social development in Africa by providing support for good governance and private sector development, infrastructure, higher education and vocational training. Strengthening efforts to assist fragile states and increase regional integration are priority tasks. Attention is also focused on increasing operational efficiency by consolidating internal reform processes in the Bank and delegating more functions to its country offices.

The African Development Bank Group provides loans and technical assistance in the form of grants to African member countries. Loans are financed through borrowings on international capital markets based on the AfDB's share capital. The most important part of the share capital consists of the guarantees that developed countries have made available to the bank, which enable the AfDB to borrow in capital markets on favourable terms. The AfDB provides loans on nearly the same terms as those on which it borrows, which are far better than those that African countries themselves could have obtained. African countries hold 60.7 per cent of the bank's share capital and votes in the bank's Board of Directors, while non-African countries hold 39.3 per cent. The five largest shareholders in terms of percentage of share capital are Nigeria, USA, Japan, Egypt and South Africa.

The African Development Fund (AIDF), established by the AfDB in 1972, is the AfDB's lending facility for the poorest countries in the region. The fund is primarily financed by contributions from donor countries, but also by the repayments of earlier loans. Contributions to the fund are made through replenishment negotiations, usually every three years. The AIDF's lending terms are the same as the World Bank's IDA terms. The loans are interest-free and are subject to a grace period for the first 10 years, with a repayment period of up to 40 years. The five largest donors over time have been the USA, Japan, France, Germany and the UK. The Nordic countries are the largest aggregate donor to the fund.

The AfDB's resources are distributed to recipient countries on the basis of objective criteria such as governance indicators, results of Bank-financed projects and need. Around 30 per cent of the resources are earmarked for projects to promote regional integration and for the poorest and most fragile states. The Bank's solid capital base enables it to provide long-term assistance to multi-year projects. Once a project has been approved by the Bank's Board, it often takes a long time for it to be implemented.

The AfDB has a full-time Board of Directors with a permanent presence at the bank's headquarters in Tunis. The Board participates in the day-to-day monitoring and oversight of the bank's operations, and helps to strengthen ties between the governments of recipient and donor countries and the Bank. One of the 20 seats on the Board of Directors is held jointly by the Nordic countries and India, and is allocated on the basis of a rotation system. Norway is currently not represented at the Nordic-Indian constituency office, which is headed by a Dane.

Results achieved in 2010

Following a huge increase in the AfDB's contributions in 2009 to help African countries weather the financial crisis, activity returned to normal levels in 2010. Loans, grants and debt relief totalling around NOK 36.9 billion were approved. Some 70 per cent of the funds were used to support infrastructure, particularly transport, energy supply and production, and water and sanitation. Substantial funding is also provided for social programmes, ICT, agriculture and mining. The bank focuses heavily on promoting private sector development, and 40 per cent of private sector funds went to the poorest countries (LDCs). In 2010, the Bank contributed a total of approximately NOK 10.8 billion in private sector loans.

Support worth a total of NOK 2.7 billion was provided for good governance projects in 18 countries in 2010. For instance, projects were initiated to improve the financial situation and budget management in Benin, Tanzania, Togo and Liberia. Funding was provided for education in Botswana, Eritrea, Niger and Rwanda.

The AfDB assists countries with technical advice and expertise in the fields in which it works, and aspires to become a leading knowledge institution in the region with increased focus on research and knowledge dissemination.

The environment and climate are the focus of growing attention in the Bank, and in 2010 funding was provided to replace Egypt's taxis with less-polluting cars and to promote bioethanol production in Mali. Through the Clean Technology Fund and the Strategic Climate Fund, both of which are climate funds, and the Global Environmental Facility, the AfDB has access to earmarked resources that are channelled to environmental and climate projects in a number of countries. A wind power project in Cape Verde was the only renewable energy project approved by the bank in 2010.

The AfDB promotes regional cooperation by supporting investments in cross-border infrastructure ventures. For instance, the Bank has carried out road projects linking Mali with port facilities in Guinea, and Addis Abeba with Nairobi. A new project will connect Zambia and Malawi with ports in Mozambique. These projects help to spur trade and development in the countries concerned. Due to the construction of power lines, Benin and Togo can now import cheaper, more environmentally friendly energy from Nigeria.

The AfDB's contributions to achieving the Millennium Development Goals have perhaps been particularly significant in the water and sanitation sector. For example, 1.5 million of the poorest inhabitants of Ouagadougou, the capital of Burkina Faso, now have access to clean drinking water. A drinking water project in Chimbombo, Zambia, reduced the incidence of digestion-related diseases among children from 70 per cent to 30 per cent. According to evaluation reports, the AfDB was instrumental in providing a total of 17 million people with access to electricity between 2006 and 2009, 42 million people benefited from better transport connections, and 5 million people gained access to clean water and sanitation. The aim of

The AfDB's support for Uganda

In 2010, an independent evaluation was carried out of the AfDB's activities in Uganda in the period 2001-2007. The evaluation concluded that the Bank had contributed to strengthening the Ugandan institutions' financial management and economic governance, particularly at the local level. Furthermore, as a result of the bank's support, there was greater focus on poverty reduction in public budgets. In the agricultural sector, the AfDB contributed towards limiting the deterioration of farmland and to the development of fisheries and animal husbandry. Financing facilities for the agricultural sector made a positive contribution, and improved roads in rural areas made it easier for farmers to access their markets.

Improvements were also achieved in primary health services and in mental health, although the shortage of medicines and qualified personnel was a clear constraint. While both access to and the quality of education increased, still very few Ugandans were pursuing higher education. Projects to provide clean drinking water in rural areas were among the most successful initiatives, and an important contribution to improving the population's health. However, the economy's competitiveness did not improve as much as hoped, partly due to the limited supply of energy. Efforts to curb and prevent corruption have apparently produced little results.

many of the transport projects is to improve farmers' access to markets, thereby increasing agricultural production and improving food security. In 2010, the AfDB contributed some

NOK 680 million to a water and sanitation project for 15 towns around Lake Victoria, which will help to curb pollution in the world's second largest lake.

2. Assessments: Results, effectiveness and monitoring

Several surveys (MOPAN, COMPAS, DFID's Multilateral Aid Review) indicate that the AfDB has made significant progress, a conclusion that coincides with Norwegian assessments. However, even if the Bank can give an account of the activities that it has funded and carried out, it still has some way to go in terms of its capacity to document the results of all projects. In early 2011, a new "One Bank" results measurement framework (RMF) was therefore adopted, which the AfDB is in the process of introducing. The RMF covers basic figures and target figures against which the Bank's operations will be measured. This applies to both the interventions that are to be carried out and their impact on target groups and at society level. This will facilitate better documentation of project performance, and of the Bank's contribution to poverty reduction and development. The AfDB's internal effectiveness will be measured and documented, including such cross-cutting considerations as gender equality. Management staff at all levels will be held accountable for results. The targets in the RMF are to be reflected in the Bank's country plans, and country-level data will be aggregated, making it easier to provide a picture of the Bank's contributions to Africa's development.

The AfDB has an independent Operations Evaluation Department (OPEV) that reports directly to the Bank's Board of Directors. Its evaluations, which are often highly critical of the Bank's work, cover strategies, guidelines, country programmes and individual projects. Independent studies cite the OPEV and the fact that the evaluations are translated into practical action as one of the Bank's strengths. Nonetheless, only around 15 per cent of completed projects are the object of a final evaluation.

The AfDB also has a dispute resolution mechanism. Individuals or organisations that consider that the Bank has breached its guidelines can submit a complaint about the Bank for independent assessment. Complaints regarding several power projects have been submitted to the mechanism, weaknesses have been identified in the Bank's project preparations, and the Bank has been ordered to take corrective action.

In the field of gender equality, considerable efforts have been made to develop targets and guidelines. A gender perspective has been mainstreamed in all the Bank's activities. So far, however, the extent to which this has generated results in practice is unclear. The Bank has a good partnership with UNIFEM and works with the World Bank to prevent violence against women in fragile states.

Focus on social standards, climate and the environment has also been integrated into all the Bank's operations. There is a comprehensive set of guidelines and standards in these areas, and increased resources have been allocated to monitor compliance. Progress has been made in the Bank's contributions to addressing the climate problem, and the Bank aims to invest close to NOK 60 billion in this area in the period 2010-2014. The AfDB could potentially make a more important contribution to promoting climate adaptation and developing low-carbon alternatives in the region, but there are still some capacity constraints in this area.

As far as aid effectiveness and the Paris/Accra agenda are concerned, the Bank still has some room for improvement. Because of the AfDB's strong African ownership, it collaborates closely with the governments in those countries, and interventions are generally well aligned with the countries' own priorities.