



## Quick Facts on the African Development Bank<sup>1</sup>

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- The African Development Bank (AfDB) is a **public bank** that provides loans and grants to African governments and private companies investing in Africa. It is “public” because it is **owned and funded by member governments**, and because it has a **public-interest mandate to reduce poverty and promote sustainable development**.
- The AfDB was **established in 1964** and is **currently based in Tunis, Tunisia** after relocating from its headquarters in Abidjan, Cote d’Ivoire because of instability there.
- The AfDB has 1,020 employees and is made up of **three lending windows—the ADF, the ADB and the NTF**. The ADF provides very long-term, no-interest loans and grants (which don’t have to be repaid) to poorer African governments, while the ADB provides near-market rate loans (similar to those provided by commercial banks) to wealthier African governments, which must be repaid within 5 to 20 years.
- The AfDB is **controlled by a Board of Executive Directors**, made up of representatives of its member countries. The **voting power on the Board is split 60%-40% between African countries and “non-regional” member countries (“donors”)**.
- The AfDB commits approximately **US\$3 billion annually to African countries**, equivalent to only about 6% of development aid to the continent. Its relatively small lending portfolio and its tendency to follow in the footsteps of larger, more prominent public institutions like the World Bank, has meant that the AfDB has received little attention from civil society organizations.
- The **largest share of AfDB lending goes to infrastructure projects**, followed by “multisector operations,” which are usually loans for various policy reforms or general budget support for a government. **AfDB support for infrastructure, private sector development, and the extractive industries (particularly mining) is expected to increase over the coming years.**
- The AfDB is supposed to follow certain **policies and standards** aimed to protect the environment, prevent “harm” to local communities, and ensure public access to AfDB information. **While many of its policies look strong on paper, they are often not implemented.** Understanding AfDB’s policies may help civil society organizations expose contradictions between what the AfDB says and what it does. Highlighting these contradictions to AfDB management, government officials, and the press can be an effective way of influencing the AfDB and its operations.
- The AfDB recently established a **citizen complaint mechanism** to review AfDB operations in which people believe they have been or will be harmed by AfDB’s failure to follow its policies. The mechanism has **not yet been tested**, so its usefulness is still unknown. However, experience with similar mechanisms at institutions like the World Bank indicates that they can **raise the profile of a particular harmful project and increase the pressure** to resolve problems. Over time, the findings of investigations can also help highlight systemic flaws in the AfDB’s operations.

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<sup>1</sup> Note: All figures are from the AfDB’s 2005 Annual Report.

Read more about the AfDB on BIC’s website at: [www.bicusa.org/afdb](http://www.bicusa.org/afdb)