

**FINAL COMMUNIQUE OF THE FIFTY-SIXTH ANNUAL MEETING OF THE
BOARD OF GOVERNORS OF THE AFRICAN DEVELOPMENT BANK (AfDB)
AND THE FORTY-SEVENTH ANNUAL MEETING OF THE BOARD OF
GOVERNORS OF THE AFRICAN DEVELOPMENT FUND (ADF)
HELD VIRTUALLY ON 23RD – 25TH JUNE 2021**

WE, the Governors, representing Member Countries of the African Development Bank and State Participants of the African Development Fund (the “Bank Group”), convened virtually for the 2021 Annual Meetings from 23rd to 25th June 2021 under the Chairmanship of His Excellency Mr KENNETH OFORI-ATTA, Minister of Finance for Ghana, and Chairperson of the Boards of Governors:

1. Deeply appreciate the presence of His Excellency Nana Addo Dankwa Akufo-Addo, President of the Republic of Ghana, His Excellency Mr. Felix Tshisekedi, President of the Democratic Republic of the Congo, and His Excellency Mr. Moussa Faki Mahamat, Chairperson of the African Union Commission; and thank them for their inspiring messages. We also appreciate, the presence of Mrs. Kristalina Georgieva, Managing Director of the International Monetary Fund (IMF), Mrs. Ngozi Okonjo-Iweala, Director-General of the World Trade Organization, His Excellency Mr. Ban Ki-moon, former Secretary-General of the United Nations and currently President and Chair of the Global Green Growth Institute; Mr. Yannick Glemarec, Executive Director of the Green Climate Fund, Mr. Alok Sharma, President for COP26, the 26th United Nations Climate Change Conference, Mrs. Amina Mohammed, Deputy Secretary-General of the United Nations, and Mr. Jim Yong Kim, former President of the World Bank Group and currently Vice Chairman and Partner at Global Infrastructure Partners, for their important contributions;
2. Congratulate the Bank Group on the recent awards from: the Center for Global Development, which ranked the African Development Fund second among 49 international agencies for the quality of its development assistance, and its relevance to the Continent’s most vulnerable countries; and the U.S. magazine, *Global Finance*, as the first-ever “Best Multilateral Financial Institution in the world for 2021”;
3. Take note of the enormous challenges that the COVID-19 pandemic continues to pose, including severe disruptions to the development trajectories of our Regional Member Countries (RMCs), including worsened inequalities, especially for the youth and women, deepened poverty, increased food insecurity, and increased unemployment. However, we underscore that the pandemic presents opportunities for the region to embrace rapid green industrialization and digitization of social and economic activities to address some of these challenges;
4. In line with the theme of these Annual Meetings, namely “**Building Resilient Economies in Post COVID-19 Africa**”, we encourage the Bank Group to continue its collaboration with the African Union, the Regional Economic Communities, Multilateral Development Banks (MDBs), International Financial Institutions and other international and multilateral development partners in developing innovative solutions to lessen the severe economic and social impact of the pandemic on our RMCs, and support a green, inclusive and resilient recovery. We call for fast-tracking Africa’s integration and economic and social transformation particularly in view of the implementation of the African Continental Free Trade Area, which has the potential to increase growth, enhance competitiveness, improve the business climate, good governance and institutional consolidation, as well as ensure greater investment and

development of regional, continental, and global value chains, fostering the access of African economies to world markets and their international integration.

5. Reiterate the call for greater selectivity to deploy resources in areas where the Bank Group has comparative advantages such as transport, telecommunications, agriculture, energy, water, and sanitation. We also call on the Bank Group to explore synergies with other MDBs and development partners to strengthen coherence and accelerate the implementation of the High 5 priorities and the Sustainable Development Goals in Africa as well as the objectives of the African Union Agenda 2063;
6. Welcome the measures adopted by the Boards of Directors, Senior Management and Staff to minimise the impact of the pandemic on operations. We call for further steps to strengthen the financial capacity of the Bank Group, including analysing the loan portfolio and acting in consequence, improving efficiency and selectivity of the operations, establishing buffers, responsibly managing lending levels, harnessing potential for further cost savings and efficiency gains, adopting automatic actions to protect capital adequacy thresholds and ratios, and exploring innovative solutions, including balance sheet optimization measures, for assuring the long-term financial sustainability and strengthening the capital base of the Bank Group while ensuring support to RMCs for recovery from the pandemic. To this effect, we encourage the Bank to undertake in-depth analysis for potential innovative solutions to optimize the balance sheet and strengthen its financial capacity.
7. Express appreciation to the Shareholders that have paid their Seventh General Capital Increase (GCI-VII) subscriptions. We encourage the timely payments of pending subscriptions and welcome the efforts of those shareholders that have been or may be able to accelerate their payments. In the same vein, we thank State Participants and Donors for their contributions to ADF-15 and count on their continued support. In particular, we look forward to fruitful negotiations for the replenishment of ADF-16 to further support economic recovery of low-income, transition and fragile states and ensure the financial sustainability of the Fund. We also reiterate our appreciation to the Governments of Denmark, Germany, Luxembourg and Sweden for their willingness to provide Special Temporary Callable Capital to shield the Bank from the negative impacts of the global downturn on its AAA-rating;
8. Acknowledge the progress made towards implementing the institutional reform commitments for GCI-VII and ADF-15 despite the challenging circumstances. We call for the continued, thorough, and timely implementation of all outstanding reform commitments within the framework of the Bank Group's broader reform agenda, including most notably those concerning selectivity, long-term financial sustainability, and reforms to bolster human resources management. In this regard, we call on the Bank to continue the efforts towards strengthening the oversight, compliance and accountability functions, including prioritizing filling the vacancies at the head of these functions;
9. In line with the reform commitments, commend the progress being made to improve human capacity through quality hires and staff skill development, and call on the Bank Group to further deepen institutional and structural reforms to improve talent acquisition by strengthening the human resources infrastructure of the institution, ensuring gender diversity and inclusive staffing from underrepresented regions, retention, training, and career development for staff, to improve overall productivity, efficiency, performance,

accountability, and staff welfare, in line with the approved People Strategy and within cost-cautious budget frameworks;

10. Take note of the progress made and preliminary findings of the Ad Hoc Committee on the Reforms of the Governance Instruments of the Bank Group. We call for a holistic approach to governance to be pursued in the review and the timely submission of the full report to the Boards of Governors by the end of October 2021 which may be considered in an Extraordinary Session that could be convened in the last quarter of 2021. We remain committed to the implementation of the required reforms and we will continuously strive to ensure that the Bank's governance standards are in line with international best practices;
11. Welcome the measures taken to strengthen the Bank Group's accountability and compliance functions, including those taken on the Bank's zero tolerance towards sexual exploitation, abuse and harassment; strengthened implementation of the Integrated Safeguards System and progress in updating it especially with regards to labour standards; and continued improvements in the Independent Review Mechanism. We commend the problem-solving and compliance review activities undertaken in 2020 under very challenging circumstances; and encourage the expeditious completion of the Independent Review Mechanism review and the timely implementation of its recommendations. We encourage the Bank Group to place the highest standards of compliance and accountability at the core of all operations;
12. Appreciate the debate at the Governors' Dialogue on the theme **"Inclusive Growth, Debt, and Economic Governance"**. In this regard, we encourage the Bank Group to draw on its comparative advantages to address the major strategic challenges in post-COVID-19 Africa, and thereby ensure the Continent's economic recovery, access to finance, and sustainable, resilient, green and inclusive growth through policy reforms and prudent debt management;
13. Welcome the Bank's role in tackling Africa's debt issue through its African Economic Outlook, development of its draft Debt Action Plan, and collaboration and partnership with the World Bank Group and the IMF on the Debt Service Suspension Initiative and the G20 Common Framework, including any supportive private sector participation. We call the Bank to contribute to the operationalization of the G20 Common Framework. We also take note of the efforts being made by the Bank to explore options for the strategic use of the Special Drawing Rights to support Africa, including potentially through the Bank Group, in partnership with African Public Development Banks and called for continued engagement and coordination with the IMF, the World Bank Group and member countries. We further call on the Bank Group to strengthen its effectiveness to respond to the unique needs of RMCs, including those that may be in fragile and conflict situations as well as small, middle income, and island states, including advocating for and incentivizing prudent macroeconomic policy frameworks, and providing sound advice on debt sustainability and debt data accuracy and transparency in coordination with the IMF and the World Bank Group;
14. Welcome the Bank Group's readiness to explore how and to what extent it can support Africa's health care infrastructure. In this regard, we encourage the Bank to prudently analyse its financial capacity and to utilize the benefit of technology in infrastructure, including through the G20-endorsed Infrastructure Technology Agenda and identify areas of specific comparative advantage, to harness linkages with existing projects and expertise based on an in-depth cost-benefit analysis of its potential contribution in this

field, in coordination with other partners. We further take note of the Bank Group to assess how, in the context of its comparative advantages, to support Africa's pharmaceutical industry to manufacture vaccines and therapeutics to assure Africa's health security and access to essential medicines and vaccines, and ensure the Continent's ability to weather future pandemics, taking into account other development partners' areas of expertise and the Bank internal capacity;

15. Commend the Bank Group for the partnerships it is forging to increase women's economic empowerment and access to finance, including through the Affirmative Finance Facility for Women in Africa (AFAWA);
16. Commend the Bank Group for the progress it is making in agriculture. We specifically commend the Bank Group for its leadership in working with the International Fund for Agricultural Development (IFAD) and other global institutions, with support of African Heads of State on the prospects for the establishment of a Facility for Food Security and Nutrition in Africa to ensure Zero Hunger in Africa by 2030. We urge the Bank Group to do more to tackle the underlying cause of food insecurity on the continent and help RMCs to build resilience, and to prepare and respond to crisis with early action;
17. Further encourage the Bank Group to support RMCs to enhance capacity in quality and green infrastructure development, domestic resource mobilization, quality job creation, support for gender equality and youth empowerment, public financial management, tax reforms, debt management and transparency, private sector development, with the aim of fostering a business-friendly environment, combating corruption, and stemming the tide of illicit finance;
18. Call upon the Bank Group to support RMCs in addressing the challenges associated with climate change, and adopting approaches that ensure just transition, energy security and sustainability, expand access to clean, renewable, affordable, reliable, and sustainable energy services and stimulate low-carbon and climate resilient development, and support RMCs in raising their ambitions in Nationally Determined Contributions (NDCs) and Long Term Strategies (LTSs), or other national development strategies. We call for the Bank Group to publish before COP26 a time bound plan for fully aligning its investments and activities with the objectives and targets set out in the Paris Agreement, based on the joint MDB framework adopted at COP24 and the use of renewable energy towards achieving inclusive economic growth;
19. Commend the leadership of the Bank on climate financing, particularly the efforts to expand financing for climate adaptation to Africa through the establishment of the African Adaptation Acceleration Program, in collaboration with the Global Center for Adaptation, to mobilize \$25 billion for climate adaptation; and call for the deployment of all efforts to realize this goal, to support transformative climate adaptation actions in Africa;
20. Welcome and commend the Bank on the successful arrears' clearance of Sudan, and thank the Governments of the United Kingdom, Sweden and Ireland for their unflinching support and concerted efforts to make it a reality. We call for a strong commitment to results-focussed negotiations for the replenishment of ADF-16 to further support economic recovery of low-income, transition and fragile states, and to prudently analyse the opportunities and challenges of a potential innovative use of ADF resources to boost economic recovery, while assuring debt sustainability;

21. Take note of the support provided by the Bank Group to African Ministries of Finance and Central Banks to explore the efficacy of developing innovative mechanisms such as the African Financial Stability Mechanism that could ensure greater financial market stability for Africa, buffers against exogenous financial shocks, a harmonized fiscal regime based on proven best practices and strengthen home-grown macro-economic and fiscal policy reforms, in addressing long-term liquidity issues and debt sustainability;
22. Commend the Bank Group's continued commitment to supporting the Continent's efforts to attain water security and call for the expeditious implementation of the new Bank Group Water Policy; and the finalization and implementation of the Bank Group Water Strategy (2021 – 2025). We take note of the performance of the sector in 2020 and its contribution to job creation, health, and overall improvement in the quality of life;
23. Thank the Boards of Directors, Management and staff of the Bank Group for their performance in 2020 under challenging circumstances; and welcome the unqualified opinion of the Bank Group's external auditors on the financial statements ending 31 December 2020 and their confirmation of the effectiveness of the internal controls of the Bank Group;
24. Congratulate the newly elected Executive Directors and assure them of our full support. We thank the outgoing Executive Directors for the services rendered to the Bank Group and wish them every success in their future endeavours; and
25. Look forward to the next Annual Meetings scheduled for 23 to 27 May 2022.