

 Early Warning System

AFDB-P-Z1-KF0-078

Multinational - Strengthening capacity of transition states for effective management of debt



Quick Facts

Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	C
Voting Date	2023-04-13
Borrower	Regional
Sectors	Finance, Law and Government
Investment Type(s)	Grant
Investment Amount (USD)	\$ 2.64 million



Project Description

According to the Bank's website, this Project, on Strengthening the Capacity of Transition States for Effective Management and Mitigation of Debt Distress Risks, seeks to address debt management and other related public finance management issues in the twenty-two (22) Transition states eligible for the TSF in ADF-15 (as shown in Technical Annex B.18 and B.20), most of which are in debt distress, or at a moderate to high risk of debt distress. The Project is consistent with the Bank Group's and Regional Economic Communities' strategies and effort of ensuring debt sustainability of its member countries, especially Transition states. The Project's objective is also based on the rationale that unmitigated debt crisis in Transition states would have profound implications for fiscal vulnerability and further instability not only for these countries but for the whole of Africa and will significantly impair the continent's ability to achieve the Sustainable Development Goals (SDGs) and the AU Agenda 2063.

The Project's objective and approach are largely consistent with the Bank's "One Bank" approach, which recognizes the synergy between different Bank Group units and instruments. Therefore, the Project will activate the synergy between the Bank Group's fragility and private sector development strategies, as well as other operational and technical instruments for fiscal stability and resilience. Fragility, governance, and private sector development are intertwined - a fragile environment adversely affects public governance and the ability of private sector to thrive; on the other hand, a strong private sector stimulates economic growth, job creation, increased household, and firm income necessary for sustainable tax revenues for government, fiscal stability, governance effectiveness and resilience. Consequently, the Fund for Africa Private Sector Assistance (FAPA) is willing to contribute US\$1million to this Project, in acknowledgement that sound public debt management will enhance private sector participation in the debt market to finance their operations.



Investment Description

- African Development Bank (AFDB)



Contact Information

CONTACT DETAILS

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents>. Under the AfDB's Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at <https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process>.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: <https://www.afdb.org/en/independent-review-mechanism/>