AIAFD
AADFI
ASSOCIATION OF AFRICAN DEVELOPMENT FINANCE INSTITUTIONS

AFRICAN DFIs PERFORMANCE SURVEY 2023

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Acronyms

AADFI – Association of African Development Finance Institutions

DFIs – Development Finance Institutions

NPL – Non-Performing Loans

PSGRS – Prudential Standards, Guidelines, and Rating System

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Executive Summary

The African Development Finance Institutions (DFIs) Annual Performance Survey provides information on the status of African DFIs' operations. The biannual performance survey measures African DFIs' performance based on set indicators. The 2023 report is the second edition, based on the 2022 figures. Cross-sectional data from primary sources was used for the survey.

Of the seventy-seven (77) DFIs contacted, only thirty-two (32) institutions responded to the survey. The thirty-two (32) DFIs constituted the sample size of the survey, made up of five (5) Regional DFIs and twenty-seven (27) National DFIs from the African sub-regions, distributed as follows: Central African DFI, one (1) East African DFIs, seven (7); North African DFIs, three (3); Southern Africa DFIs, nine (9); and West African DFIs, seven (7). The collected data were analyzed using descriptive statistics.

The results from the survey indicate as follows:

***Mandate**: 17%, 15%, and 14% of African DFI mandates focused on financing and supporting agriculture, manufacturing, and tourism, respectively.*

***Solvency**: The Regional DFIs in the study had an average capital base of about $1.2 billion, while the National DFIs' average capital base was about $156 million. 68% of the National DFIs had a capital base between $1 million and $100 million, while 60% of the Regional DFIs had a capital base between $500 million and $1.5 billion.*

The Regional DFIs' average balance sheet was about $2.3 billion, while the National DFIs had an average balance sheet of about $913 million. 78% of the National DFIs' balance sheets were between $1 million and $1 billion, while 60% of the Regional DFIs had balance sheets between $100 million and $1.5 billion.

Asset Value of Regional DFIs on the average asset value was about $2 billion, whereas the National DFIs' average asset value was about $897 million. 64% of the National DFIs had an asset value between $1 million and $500 million, while 40% of the Regional DFIs had an asset value between $1.5 billion and $9 billion.

National DFIs derive their external funding from their balance sheets, which consist of equity and debt. On average, each National DFI had $227 million from equity and $430 million from debt. Also, on average, Regional DFIs had $294 million from equity and $1.6 billion from debt.

***Internal funding sources**: 92% of the National DFIs had retained earnings between $1 million and $500 million, with an average retained earnings of over $117 million. Also, 80% of the Regional DFIs had retained earnings between $1 million and $1 billion, with an average retained earnings of over $234 million.*

About 41% of DFIs funding ($986 million) was from retained earnings, 26% was from balance sheet debt ($618 million), 17% was from equity ($412 million), and 16% was from off-balance sheet funding ($382 million). Furthermore, the results indicated that 59% of the DFIs relied more on external sources of funding, while 41% relied on internal sources.

***Profitability**: National DFIs had an average profit of $21 million, while the Regional DFIs had an average profit of $56 million. The study's average National and Regional DFI loan portfolios were $619 million and*

$2.2 billion, respectively. 62% of the National DFIs had a long-term (four years and above) loan portfolio, and 38% had a short-term (less than three years) loan portfolio. 59% of Regional DFI's loan portfolios are long-term (four years and above), while 41% are short-term (less than three years).

The National DFIs had an average loan repayment rate of 60%. 57% of the National DFIs in the study had a loan repayment rate between 61% and 100%. Also, the average loan repayment rate for Regional DFIs was 82%, with 50% of the Regional DFIs having a loan repayment rate between 81% and 100%. Furthermore, 67% and 75% of the National and Regional DFIs in the study had their Non Performing Loans(NPLs) below 21%, respectively. For National and Regional DFIs, the average NPL was 19.41% and 17.26%, respectively.

***Prudential Regulations and Guidelines**: In 2022, 73% of the DFIs complied with prudential regulations and guidelines and participated in the AADFI PSGRS peer review exercise. 27% of the DFIs did not participate in the 2022 PSGRS exercise. Interestingly, other rating agencies such as Moody's, Fitch Ratings, Global Credit Ratings, Augusto and Co. Ratings, S&P, Capital Intelligence, and Bloomfield Investment rated some of the DFIs in the year.*

***Challenges of African DFIs and Support Required**: The survey showed that most African DFIs have performed well and contributed significantly to sustainable development goals(SDGs) and their national development agenda despite numerous challenges. Resource constraints, a high cost of raising funds, a low capital base, and weak macro-fundamentals are among some of their challenges. Therefore, it is crucial to focus deliberate efforts to strengthen these institutions to enhance their capacity, resilience, and efficiency.*

The study suggests that governments, as major stakeholders in DFIs, should scale up support for these institutions through capital injection, raising the capital base, channeling intervention, or establishing a dedicated fund for special projects through DFIs, provision of guarantees, etc. Furthermore, the Regional and Multilateral Development Banks(MDBs) should support the National DFIs by providing them with concessionary funds, technical assistance, and capacity-building and involving them in co-financing projects within their jurisdiction.

1.0 Introduction

1.1 Introduction

In recent times, there has been an increase in uncertainty worldwide due to several factors, such as the coronavirus pandemic, climate change, geopolitical conflicts, the Russia-Ukraine War, the Israel-Hamas Conflict, economic shocks resulting in rising inflation, interest rates, and exchange rate distortion in mostly developing economies, The repercussions of tighter monetary policy contracted fiscal policy, and a protracted recession in most African countries are likely to continue as African DFIs confront these challenges in the years ahead. DFIs play a critical role in advancing sustainable development and addressing climate challenges. DFIs' countercyclical role is acknowledged in times of crisis. However, in light of these current global challenges and the dearth of public finance resources, DFIs' ability to sustain their mandate becomes a function of their resilience, capability, and financial sustainability. Therefore, it is important to continually evaluate African DFIs' performance because of their pivotal role in achieving sustainable socio-economic development. The African DFI performance survey is a biannual assessment by the Association of African Development Finance Institutions (AADFI) that mirrors the status of the DFIs in Africa. The survey aligns with one of the association's strategic objectives to grow knowledge and provide information on DFIs' performance. The performance of African DFIs is measured based on set indicators. The 2023 edition is the second edition, and it is based on the 2022 figures.

Similar studies that measure the performance of financial institutions use standard bank profitability indicators such as interest margins, nonperforming loan ratios, return on assets (ROA), and return on equity (ROE) to evaluate their performance. When it comes to standard financial accounting ratios, most DFIs may perform poorly compared to private banks. This may be understandable given that DFIs serve high-risk sectors and also consider social factors while at the same time aiming to maintain a healthy financial position to guarantee their sustainability. The survey leverages the AADFI PSGRS self-assessment peer review and evaluates selected key indicators to ascertain the performance of African DFIs.

1.2 Objectives of the Survey

The primary objective of the survey was to assess the status of African DFIs based on selected indicators (mandates, ownership, solvency, profitability, etc.) and to determine the level of their capacity to contribute towards achieving the Sustainable Development Goals (SDGs) and the Paris Agreement.

1.3 Methodology

The AADFI members are eighty-two (82) institutions comprising African National, Regional, and Multilateral DFIs. The survey population consists of AADFI's National and Regional member DFIs (77 in number). However, out of the 77 National and Regional DFIs, only 32 (5 Regional and 27 National DFIs) responded to the survey, representing 42% of the survey population.

A well-structured questionnaire was used to collect data and elucidate all the vital information needed to survey the member institutions. The structured questionnaire was administered for about four (4) months to give institutions enough time to answer all questions asked in the questionnaire. Telephone calls, interviews, and follow-up emails to key contacts in the institutions were also used to validate the responses received. This lasted for over two (2) months, making a total of six (6) months used for data collection.

Out of the seventy-seven (77) development finance institutions contacted, only thirty-two (32) institutions responded to the survey. The thirty-two (32) DFIs constituted the sample size of the survey. Five (5) Regional DFIs and twenty-seven (27) National DFIs from the sub-regions comprised the thirty-two (32) institutions, distributed as follows: Central African DFIs, one (1); East African DFIs, seven (7); North African DFIs, three (3); Southern Africa DFIs, nine (9); and West African DFIs, seven (7). The collected data were analyzed using descriptive statistics.

2.0 Major Findings

The major findings from the study cover the characteristics of the DFIs, including their Legal instrument of establishment, Operating Model, Sectoral focus, Gender Equity Finance, and DFI's commitment to Climate Finance. Other considerations reported are the Products and Services offered, Tenure of Credit to clients/ projects, Funding Sources, and Support from Multilateral Development Banks(MDBs) in the past five years. Furthermore, other aspects covered in the study are DFIs' Solvency, Capital Base, Funding Sources, Profitability, Asset Quality, compliance with Prudential Regulation and Guidelines, and DFIs' challenges. The results present a summary statistic of the data gathered, and the inferences were based on the data set.

2.1 Background Information about the DFIs

2.1.1 Legal Instrument Establishing DFIs

African DFIs are established by either an Act of Parliament, Incorporation, or both. Figure 2.1 shows that 48% of DFIs that responded to the survey were established by Incorporation, 32% by Acts of Parliament, and 19% by both the Acts of Parliament and Incorporation.

2.1.2 DFIs Operating Model

DFIs in Africa operate on various business models. Some DFIs operate universal banking, wholesale, retail, or a combination of all three business models. Figure 2.2 shows that 34% of the DFIs are in Retail Financing, 34% in Wholesale Financing, and 31% operate Universal banking.

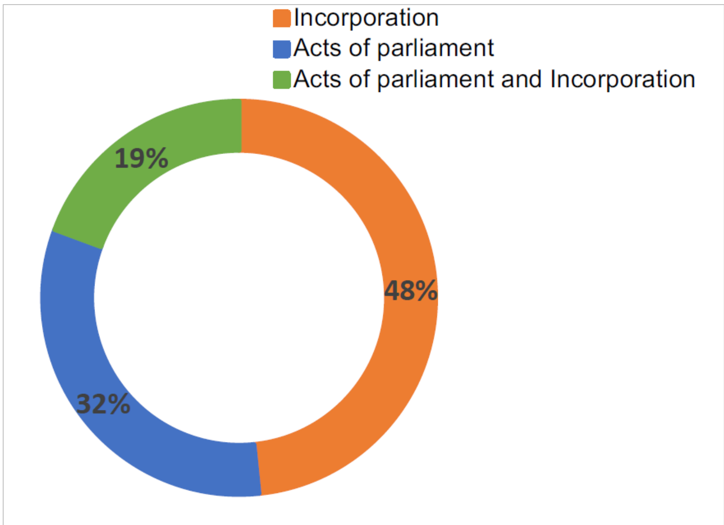


Figure 2.1: Legal Instrument that Establishes the DFIs'

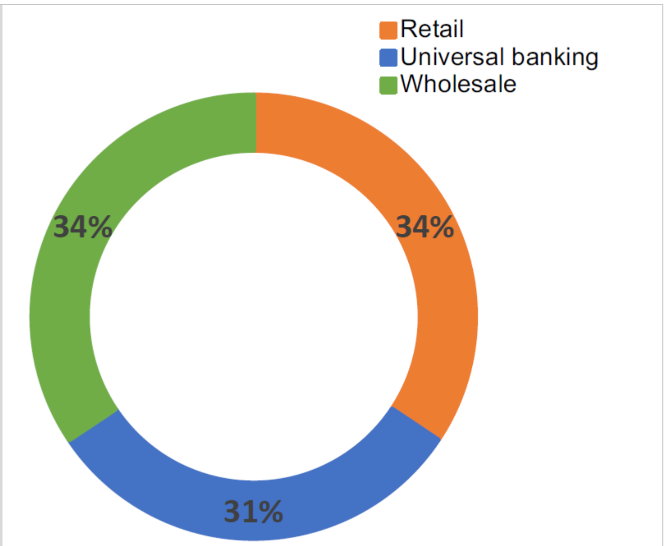


Figure 2.2: Operating Model of DFIs

Source: AADFI Survey (2023)

2.1.3 Sectoral Focus of DFI

Figure 2.3 below shows the sectoral focus of DFIs. 88% of the DFIs in the study focus on multiple sectors, while 12% focus on mono-sectors.

For the DFIs that cover multiple sectors, Figure 2.4 shows their sectoral involvement as follows: Agriculture(17%), Manufacturing(15%), Tourism(14%), Infrastructure(14%), SMEs(13%), 7% on Real estate (housing, building, and construction), 6% on Climate Change, and 5% focus on social investment (education and health). Other areas include solid minerals, service sectors, oil and gas, and technology.

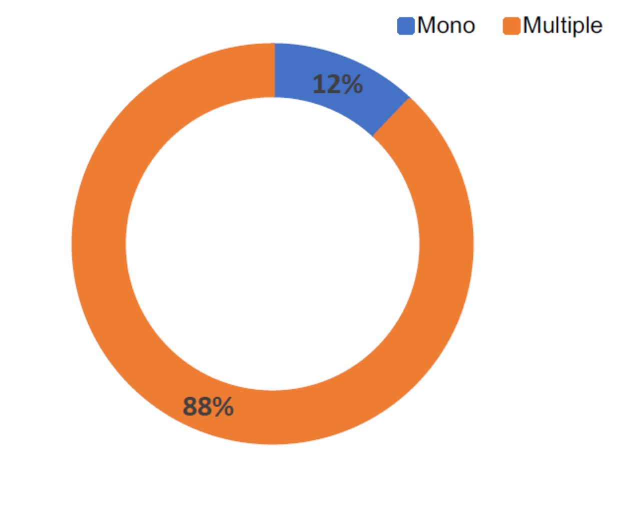


Figure 2.3: Sectoral Focus of DFIs

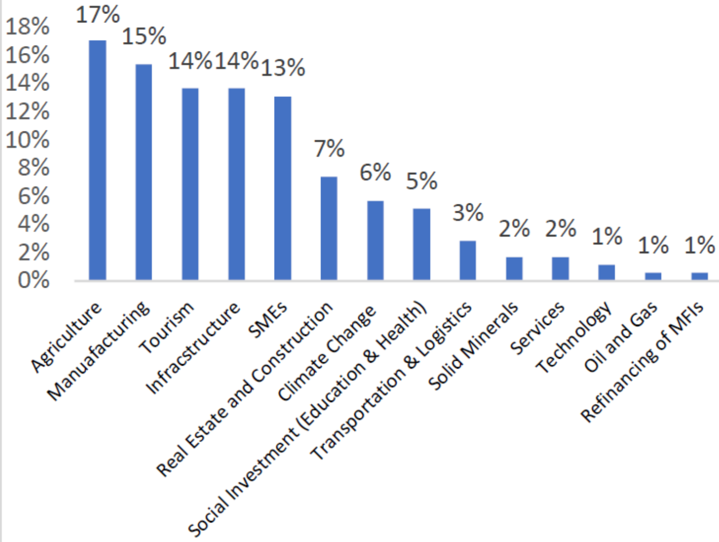


Figure 2.4: Sectoral Focus

Source: AADFI Survey (2023)

2.1.4 DFI Investment in Social Sectors/Social Investment

Figure 2.5 shows DFIs commitment to social investment. 44.7% of DFIs that responded to the survey invest in health, 29.8% in education, and 25.5% in water and sanitation.

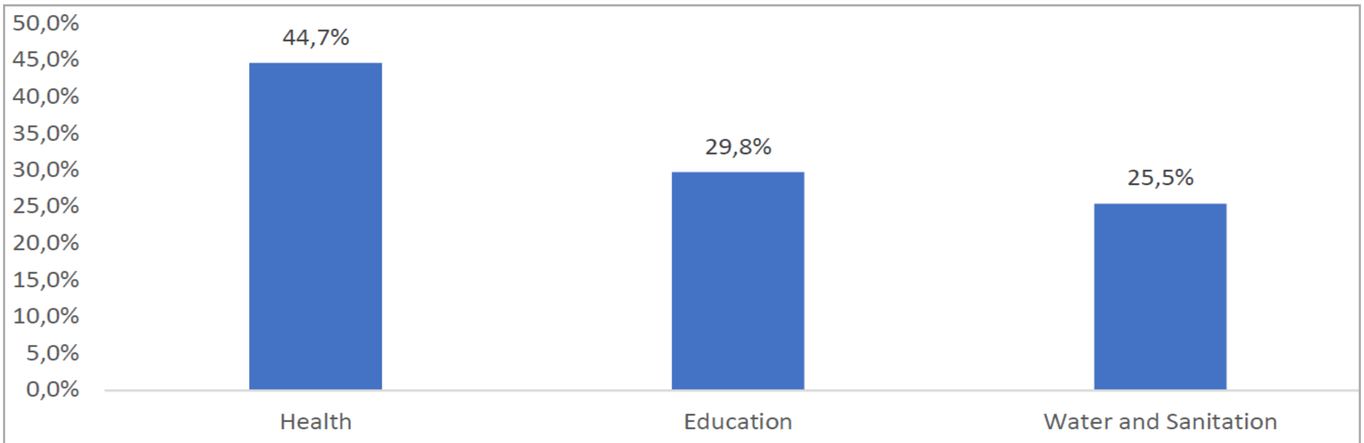


Figure 2.5: DFIs investment in Social Sectors

Source: AADFI Survey (2023)

2.1.5 Gender Finance

Access to finance is one major hindrance to women-led businesses in emerging economies, and as such, they are largely excluded from the formal economy. To broaden financial inclusion, DFIs are encouraged to scale up gender equity in their investment finance. Figure 2.6 shows that 62.5% of DFIs in the study consider women-led businesses in their financing, while 37.5% of the DFIs do not. Though 62,5% of the DFIs consider gender finance, however, only 28% (Figure 2.7) of the DFIs have a functional dedicated gender finance desk, and a majority (72%) of DFIs do not have a functional dedicated gender finance desk.

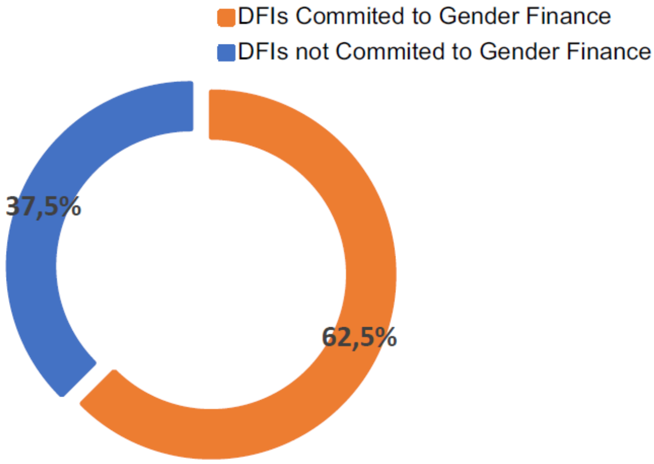


Figure 2.6: DFI Preference for Gender Equity Finance (That is, give priority to women-led businesses or have a specific product for women)

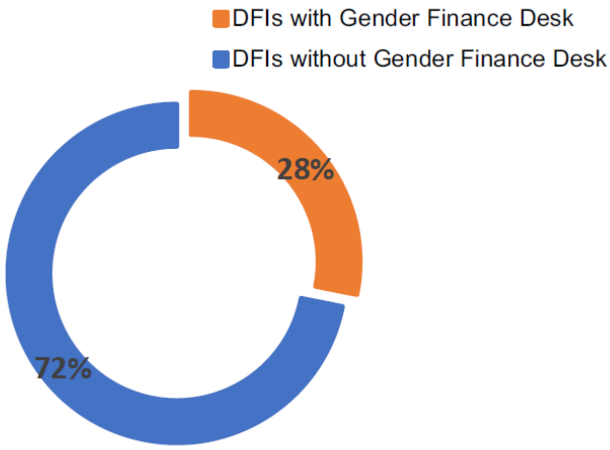


Figure 2.7: DFIs with Functional Gender Finance Desk

Source: AADFI Survey (2023)

2.1.6 DFIs Commitment to Climate Change Finance

Figure 2.8 shows DFIs' commitment to climate financing. The results from the survey reveal that 85% of DFIs are interested in climate change finance, while 15% do not consider financing climate change projects of interest for now.

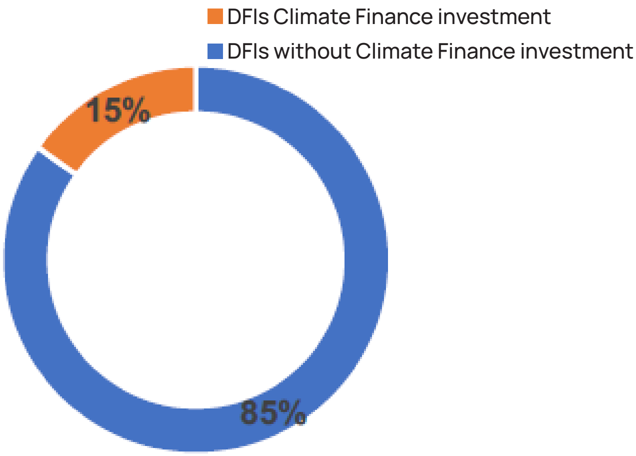


Figure 2.8: DFIs investment in Climate and Projects

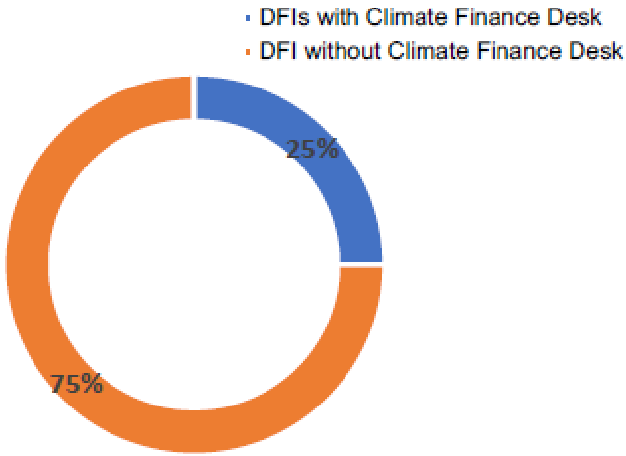


Figure 2.9:Presence of Functional Climate Finance Desk in DFIs

Source: AADFI Survey (2023)

2.1.7 DFI Products Offer and Non-Financial Services

Figure 2.8 shows DFIs' commitment to climate financing. The results from the survey reveal that 85% of DFIs are interested in climate change finance, while 15% do not consider financing climate change projects of interest for now.

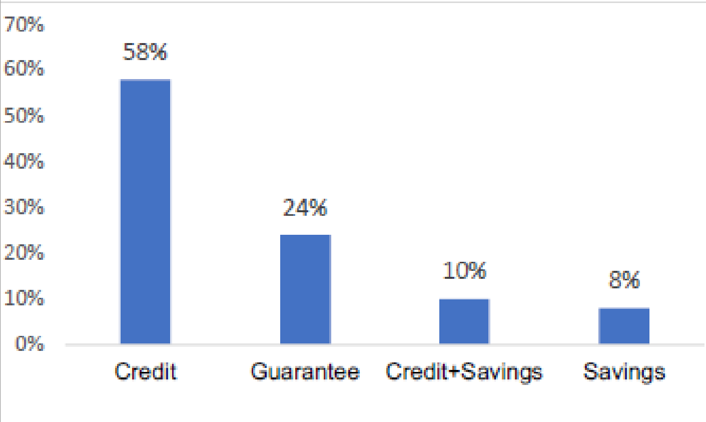


Figure 2.10: Types of Products Offered by DFIs

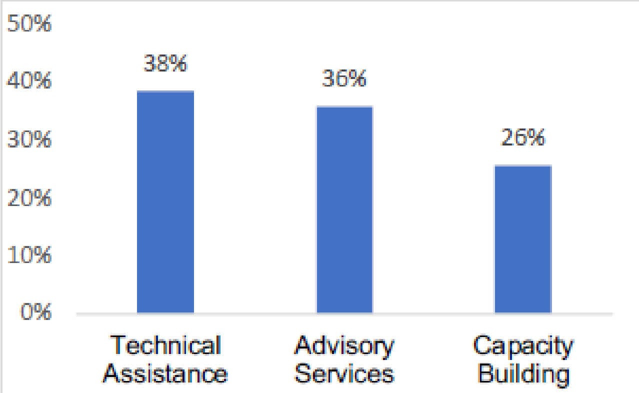


Figure 2.11: Types of Non-Financial Services Offered by DFIs

Source: AADFI Survey (2023)

2.1.8 Tenure of DFIs' Credit

DFIs provide short—to long-term credit facilities. Figure 2.12 reveals that 81% of the respondent DFIs provide short-, medium-, and long-term credits to clients and projects. Furthermore, 6.3% provide only long-term, medium-term, and long-term credit, respectively.

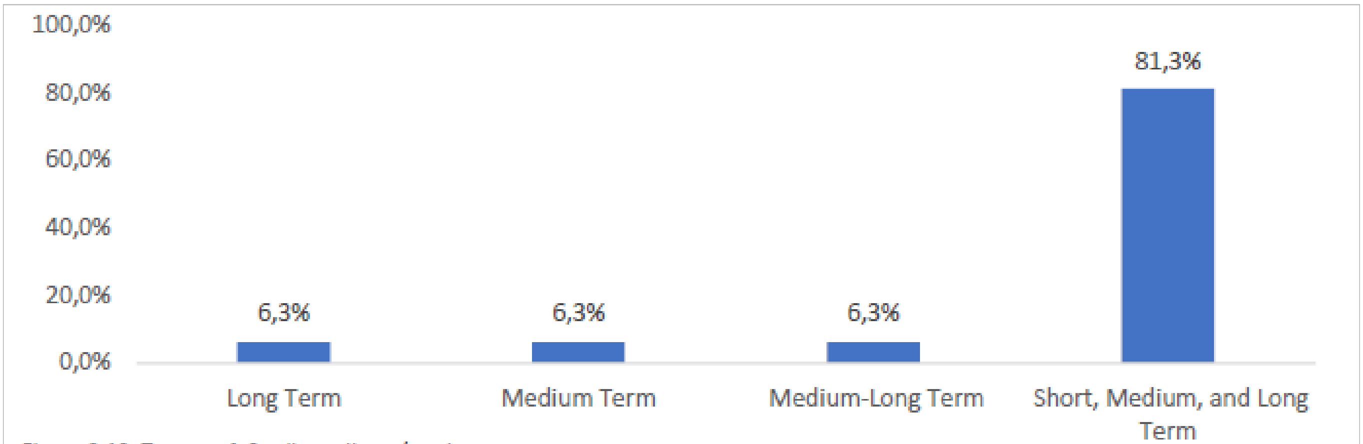


Figure 2.12: Tenure of Credit to clients/ projects

Source: AADFI Survey (2023)

2.1.9 Funding and Technical Assistance by Regional/MDBs to National DFIs (2018-2022)

African DFIs have, over the years, benefited from the funding and technical assistance from Regional and Multilateral Development Banks (MDB). Figure 2.13 shows the percentages of institutions that have accessed funding and/or technical assistance from the Regional and MDBs in the past five years (2018–2022) as follows: 27% of DFIs have benefited from the African Development Bank (AfDB), 19% from the World Bank, 13% from the French Development Agency (AFD), 10% from the International Finance Corporation(IFC), 6% from KFW Development Bank, and 4% from the African Export-Import Bank(AFREXIM Bank). In addition, 3% of the DFIs have benefited from European Investment Banks and the International Monetary Fund(IMF), respectively. Furthermore, commercial banks, the Africa Finance Corporation (AFC), the German Agency for International Development (GIZ), the United States Agency for International Development (USAID), Bill and Melinda Gates, the Society for International Development (SID), and the Alliance for Green Revolution in Africa (AGRA) have 1% of DFIs benefiting from the funding and technical assistance they provided in the period 2018–2022.

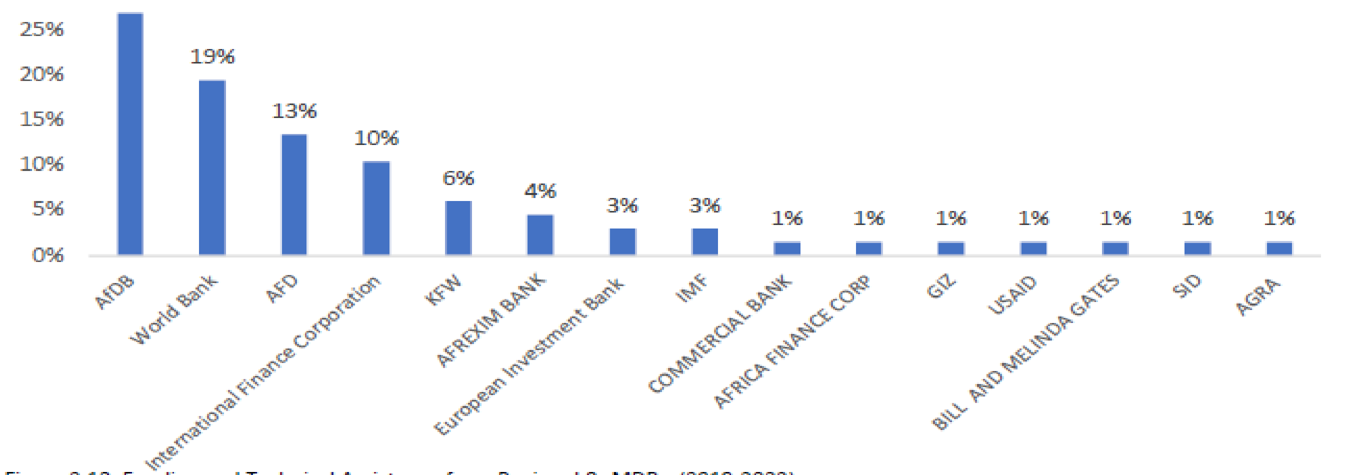


Figure 2.13: Funding and Technical Assistance from Regional & MDBs (2018-2022)

Source: AADFI Survey (2023)

2.2 Solvency of DFIs

The financial health of a DFI is essential for its sustainability and ability to meet its obligations and financial commitments. Capital size, funding, and balance sheet are important indicators of a DFI's solvency.

2.2.1 Capital Base of DFIs

The results in Figure 2.14 revealed that the Regional DFIs in the study had an average capital base of about \$1.2 billion, while the National DFIs' average capital base was about \$156 million. 68% of the National DFIs had a capital base of between \$1 million and \$100 million, while 60% of the Regional DFIs had a capital base of between \$500 million and \$1.5 billion.

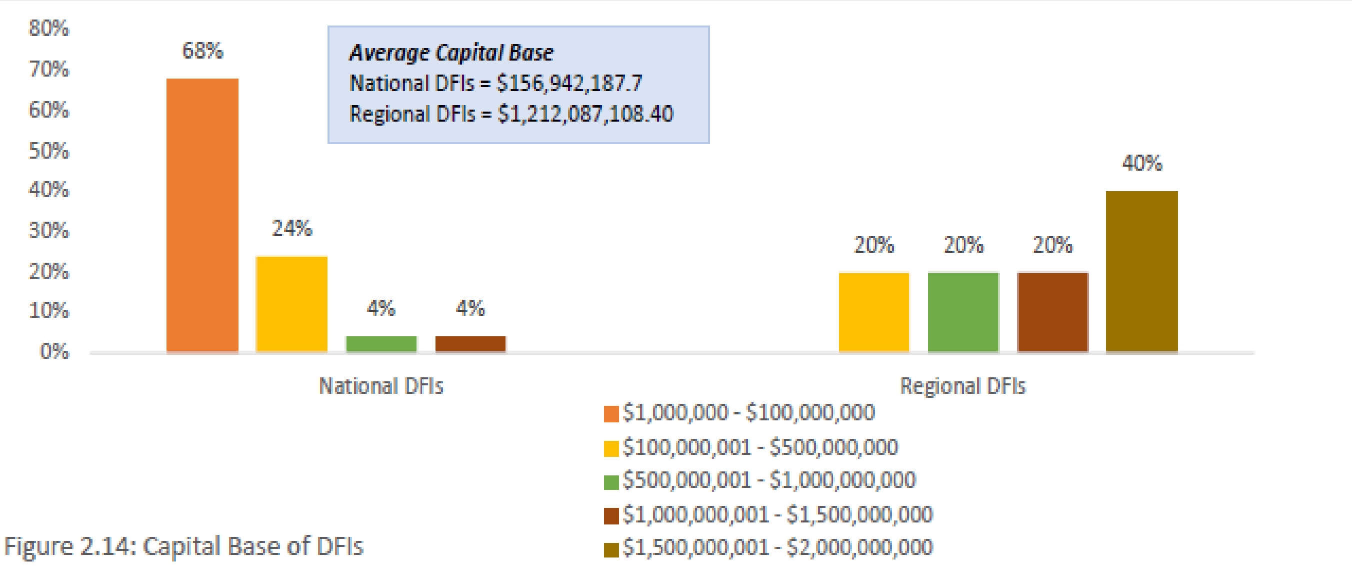


Figure 2.14: Capital Base of DFIs

Source: AADFI Survey (2023)

2.2.2 Balance Sheet of DFIs

The results in Figure 2.15 revealed that the Regional DFIs had an average balance sheet size of about \$2.3 billion. In contrast, the National DFIs had an average balance sheet size of about \$913 million. 78% of the National DFIs had a balance sheet between \$1 million and \$1 billion, while 60% of the Regional DFIs' balance sheet was between \$100 million and \$1.5 billion.

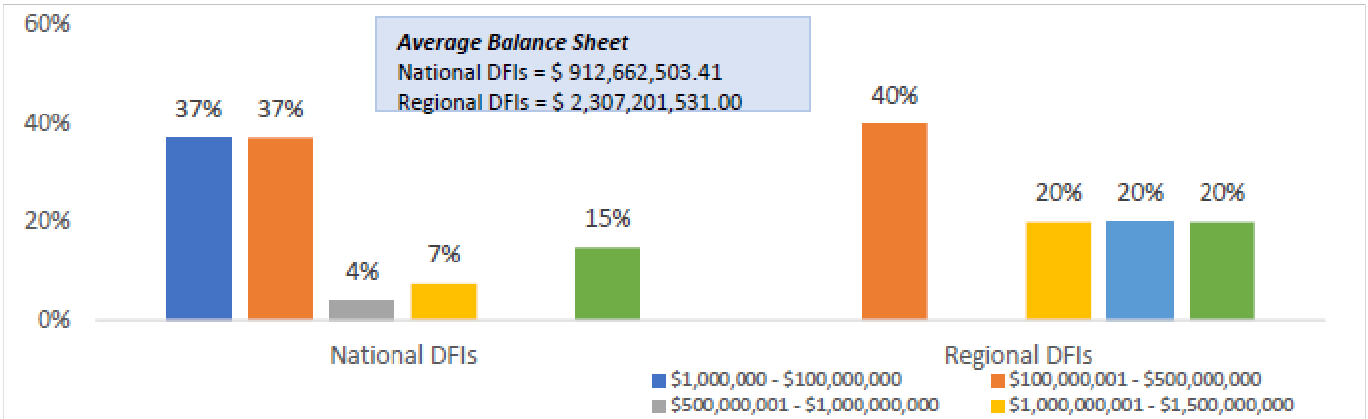


Figure 2.15: Balance Sheet of DFIs

Source: AADFI Survey (2023)

2.2.3 Asset Value of DFIs

Figure 2.16 shows the average asset value of Regional DFIs to be about $2 billion, while the National DFIs had an average asset value of about $897 million. 64% of the National DFIs had an asset value between $1 million and $500 million, while 40% of the Regional DFIs had an asset value between $1.5 billion and $9 billion.

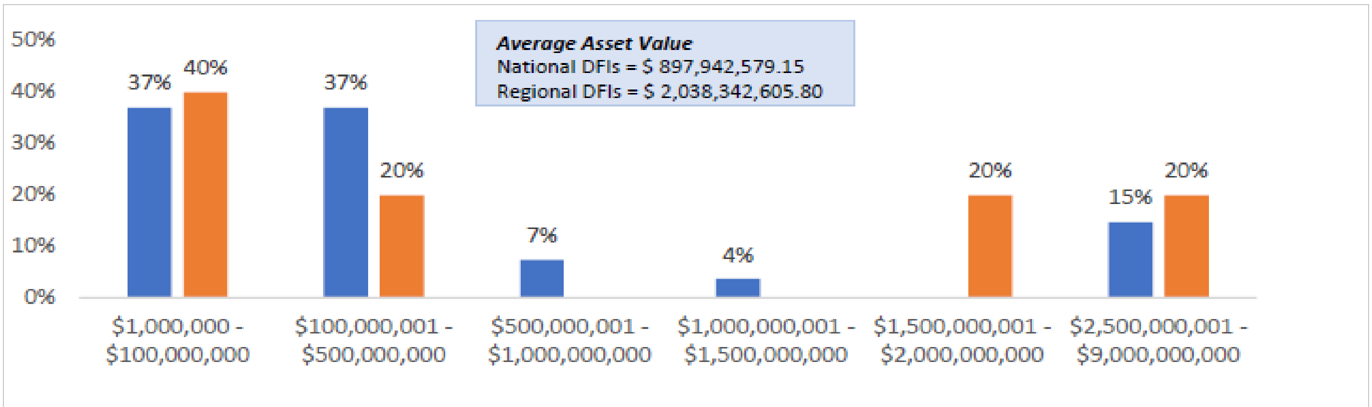
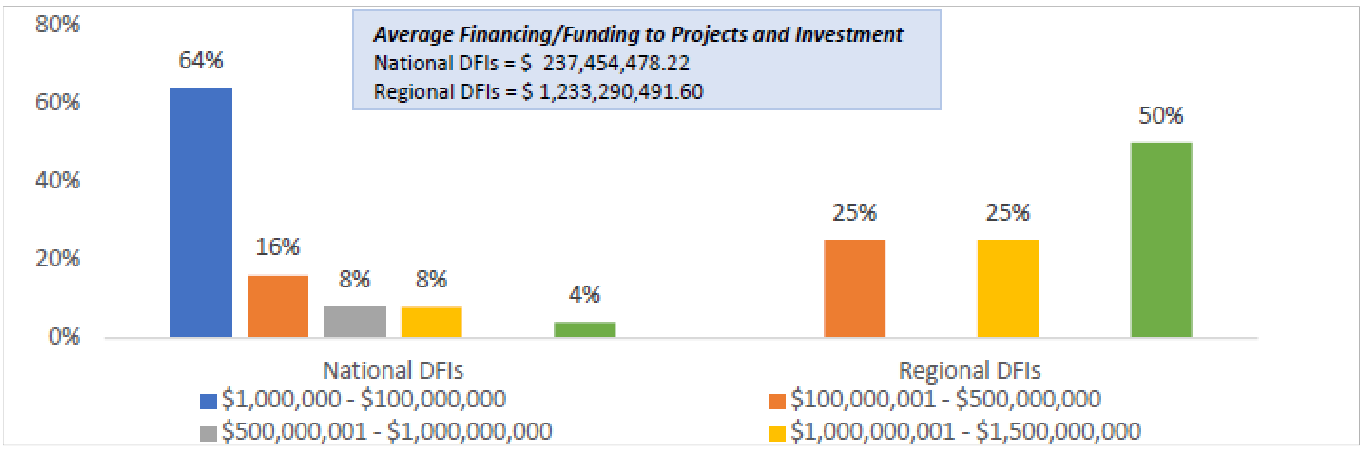


Figure 2.16: Asset of DFIs

Source: AADFI Survey (2023)

2.2.4 Financing to Projects by DFIs

The result in Figure 2.17 revealed the amount of financing for projects by DFIs. The National DFI's average commitment to projects was $237 million, while the Regional DFI's average was $1.2 billion. 64% of the National DFIs funded projects between $1 million and $500 million, while 75% of the Regional DFIs committed over $1 billion to project and investment financing.



Source: AADFI Survey (2023)

2.2.5 Funding Sources

DFIs' sources of funding are both internal and external. The internal source is the retained earnings, while the external sources are mainly the balance sheet (debt and equity) and the off-balance sheet (intervention funds or ring-fenced funds for specific projects by the government or development partners). Figure 2.18 shows that 41% ($986 million) of funding to DFIs in the study was from retained earnings, 26% ($618 million) was from the balance sheet (debt), 17% ($412 million) funding was from the balance sheet (equity), and 16% ($382 million) from off-balance sheet funding. Furthermore, the results suggest that 59% of the DFIs in the study relied on external sources for funds, while 41% relied mainly on internal sources for their funding.

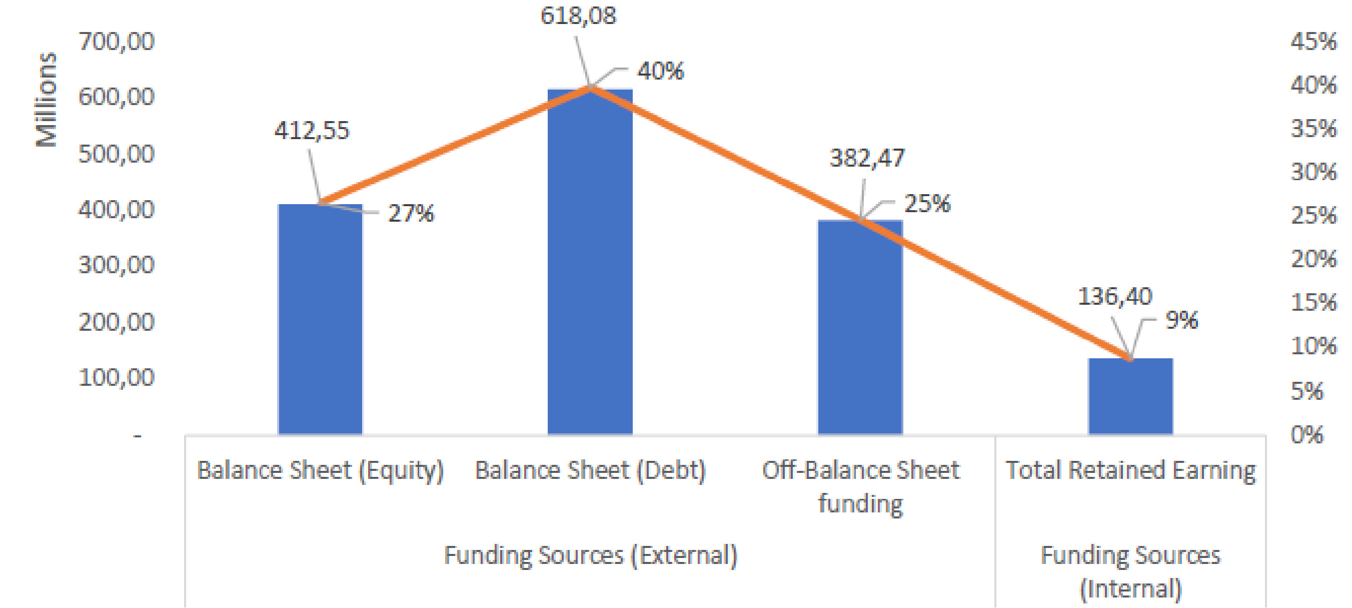


Figure 2.18: Funding Sources for DFIs

Source: AADFI Survey (2023)

2.2.5.1 Funding Sources (External)

National DFIs Funding Sources (Balance Sheet:Equity and Debt)

Figure 2.19 shows the external funding sources for National DFIs. 92% of the equity and 81% of the debt funds were between $1 million and $500 million, respectively. On average, each National DFI had $227 million from equity and $430 million from debt.

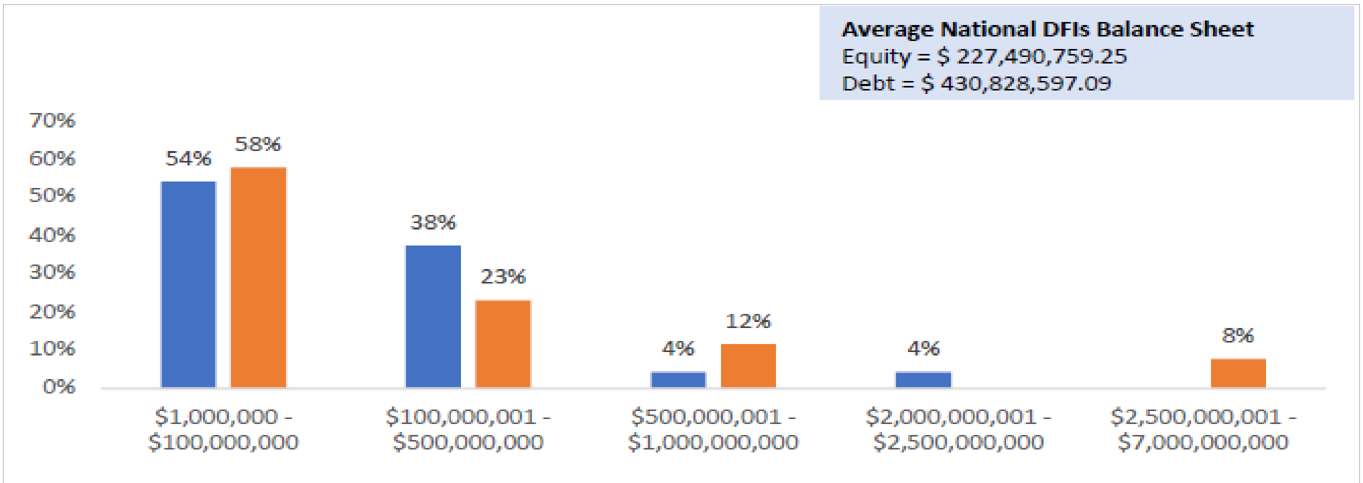


Figure 2.19: Balance Sheet of National DFIs

Source: AADFI Survey (2023)

Regional DFIs Funding Sources (Balance Sheet:Equity and Debt)

Figure 2.20 shows that for Regional DFIs, 100% of the funds from equity and 50% of the funds from debt were between \$100 million and \$1 billion, respectively. On average, each Regional DFI had \$294 million from equity and \$1.6 billion from debt.

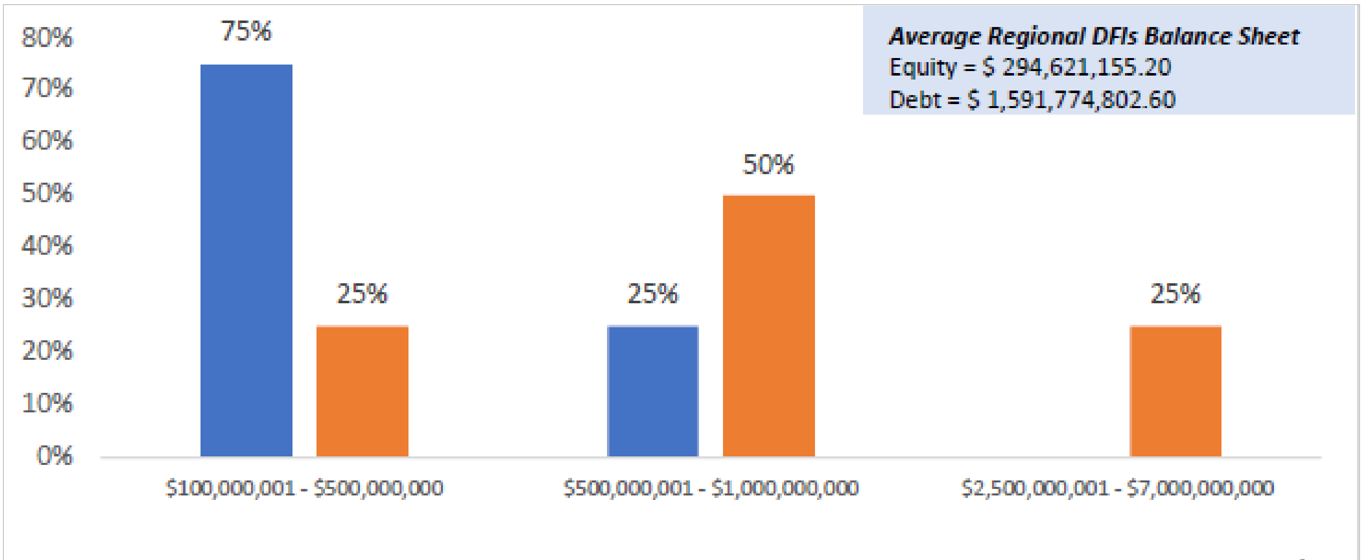


Figure 2.20: Balance Sheet of Regional DFIs

Source: AADFI Survey (2023)

Funding Source Internal (Retained Earning)

Figure 2.21 shows the internal funding of DFIs in the study using retained earnings. According to the results, 92% of the National DFIs in the study had retained earnings between \$1 million and \$500 million, with an average retained earnings of over \$117 million. Also, 80% of the Regional DFIs had retained earnings between \$1 million and \$1 billion, with an average retained earnings of over \$234 million.

Figure 2.21: Retained Earning of DFIs

Source: AADFI Survey (2023)

2.2.3 Off-Balance Sheet Funding (i.e., Trust fund, Intervention Fund)

DFIs in the study were asked if they had off-balance sheet funding. According to figure 2.22, 88% of DFIs replied "no," while 12% responded "yes" to the question.

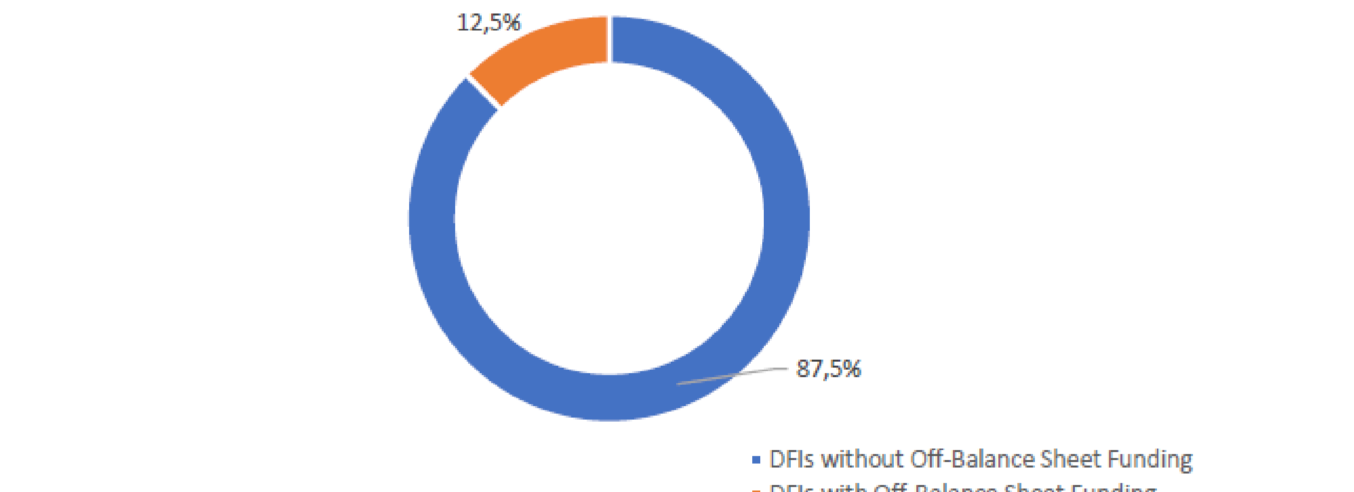


Figure 2.22: Off-Balance Sheet Funding

Source: AADFI Survey (2023)

2.3 Profitability of DFI

Balancing the expectations of DFIs in delivering social outcomes and being profitable and sustainable are issues that resonate with mixed opinions. However, DFIs must invest to generate returns for sustainability. The AADFI PSGRS considers DFI profitable " if minimum annual profit after tax is more than 1% of assets, it makes loan provision for unpaid interest, and profit is high enough to preserve adequacy and sustainability." Profitability is a measure of profit relative to its expenses.

2.3.1 Profitability of DFIs

Figure 2.23 shows the profitability of the DFIs in the study. National DFIs had an average profit of $21 million, while the Regional DFIs' average profit was $56 million based on their 2022 audited figures. 81% of the National DFIs recorded profits valued between $1 million and $100 million. While 80% of the Regional DFIs reported profits ranging from $1 million to $500 million.

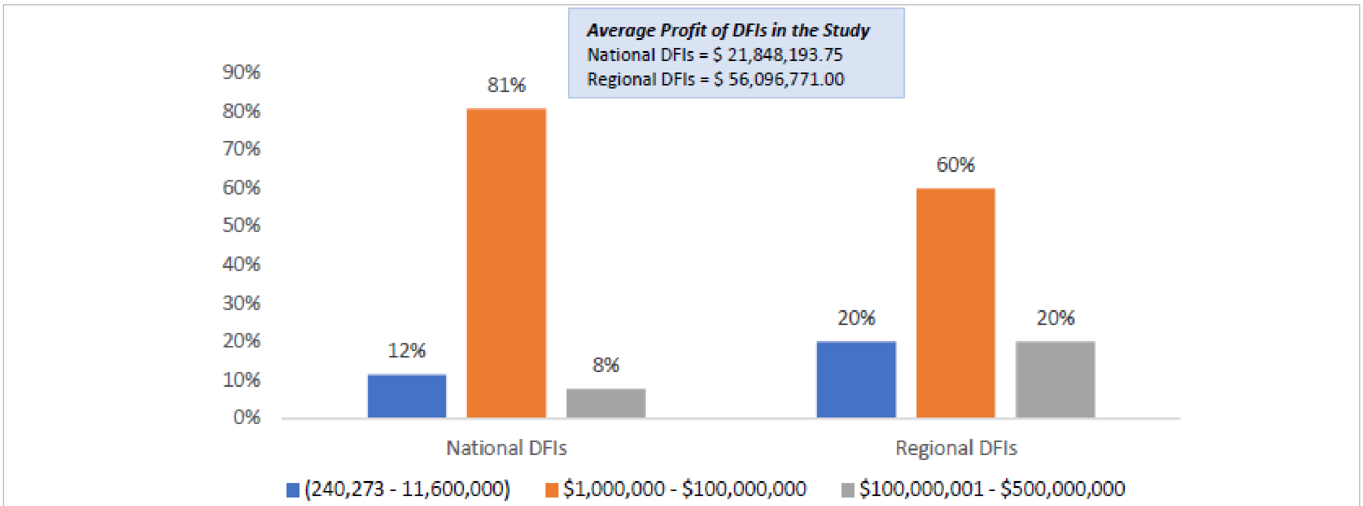


Figure 2.23: Profitability of DFIs

Source: AADFI Survey (2023)

2.3.2 Loan Portfolio

Figure 2.24 shows the loan portfolio of DFIs, with the average loan portfolio of the National and Regional DFIs in the study being \$619 million and \$2.2 billion, respectively. 77% of National DFIs had a loan portfolio between \$1 million and \$500 million, while Regional DFIs had a loan portfolio between \$100 million and \$1.5 billion. Furthermore, Figure 2.25 shows that 62% of the National DFIs' loan tenure was long-term (four years and above), and 38% was short-term (less than three years) in their loan portfolio. Also, 59% of the Regional DFI loan tenure was long-term (four years and above), while 41% was short-term (less than 3 years).

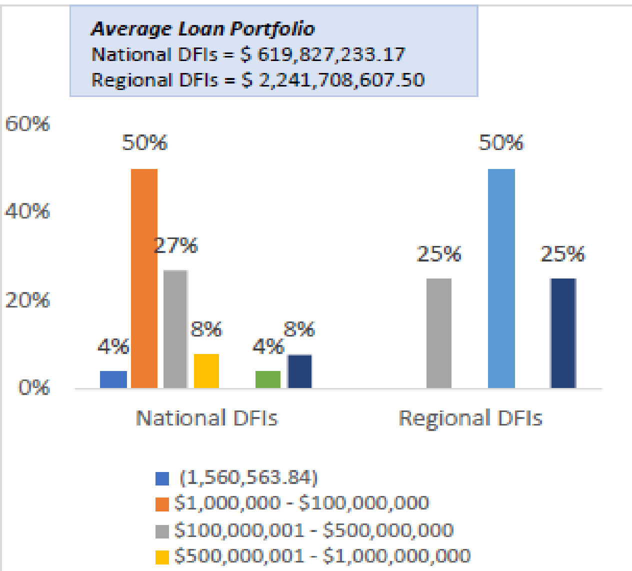


Figure 2.24: Loan Portfolio of DFIs

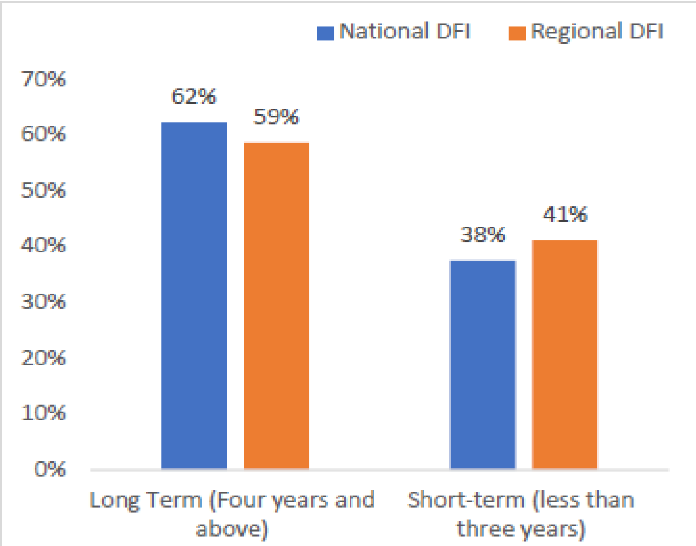


Figure 2.25: Loan Tenure of DFIs

Source: AADFI Survey (2023)

2.3.3 Loan Repayment Rate

Figure 2.26 shows the National DFI's average loan repayment rate of 60%; 57% of the National DFIs had a loan repayment rate between 61% and 100%. The average loan repayment rate for Regional DFIs was 82%, with 50% of the Regional DFIs having a loan repayment rate between 81% and 100%.

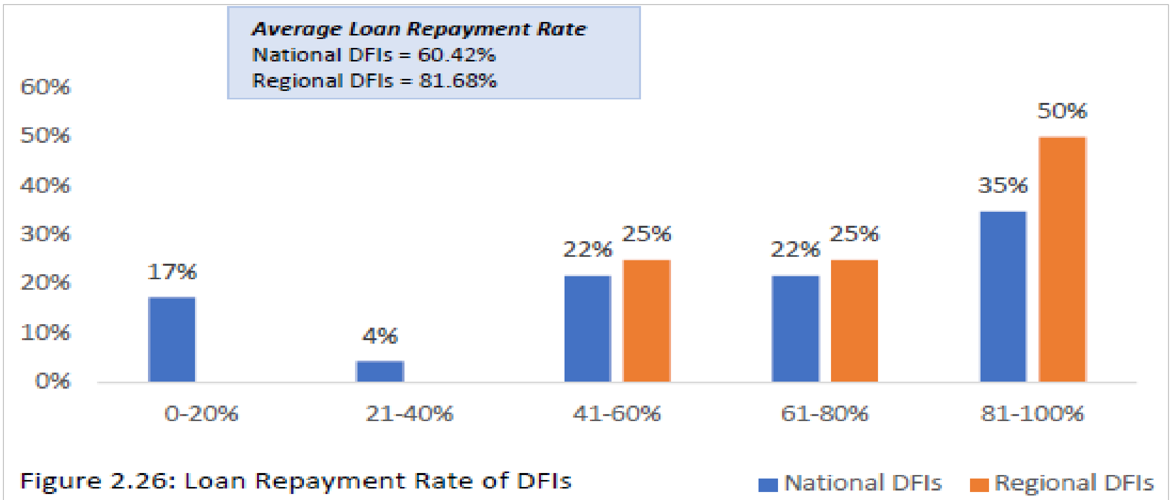


Figure 2.26: Loan Repayment Rate of DFIs

Source: AADFI Survey (2023)

Non-Performing Loan (NPL)

Figure 2.27 shows the study's NPL for DFIs. 67% and 75% of the National and Regional DFIs, respectively, had an NPL below 21%. On average, NPL was 19.41% and 17.26% for National and Regional DFIs, respectively.

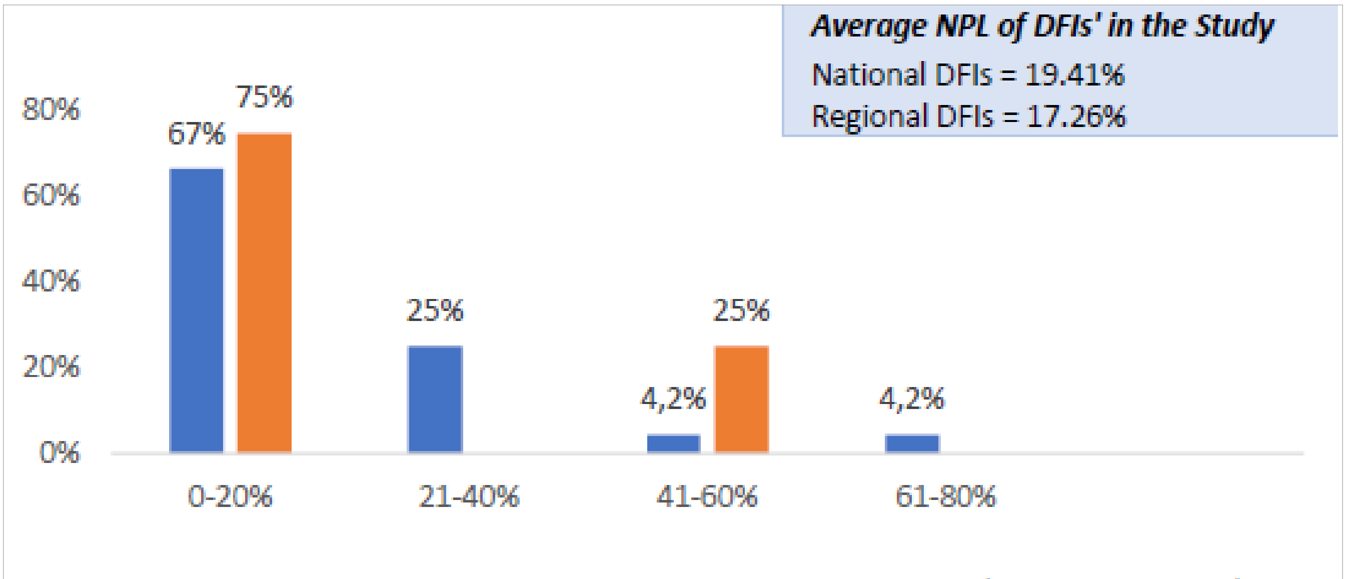


Figure 2.27: Percentage of NPL

Source: AADFI Survey (2023)

2.4 Prudential Regulation and Guidelines

Good governance is necessary for DFIs to operate according to best practices. Prudential Regulation enables good governance, efficiency, and sustainability in DFIs. The AADFI introduced the PSGRS to help DFIs comply with prudential guidelines.

The survey indicates that 73% of the DFIs in the study complied with prudential regulations and guidelines, while 27% did not comply, as shown in Figure 2.28.

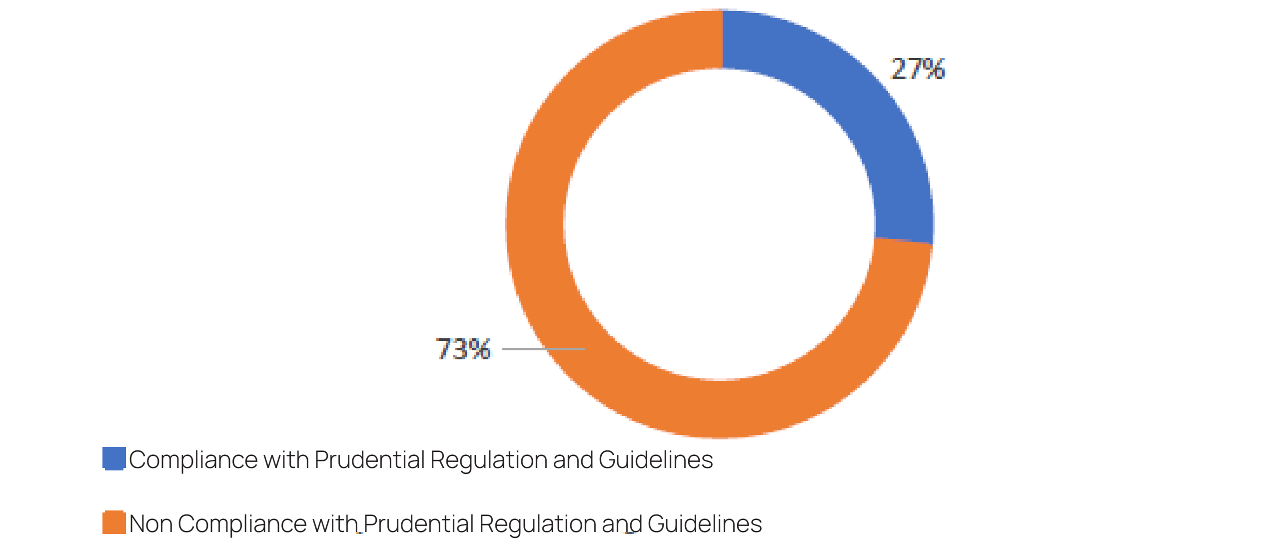


Figure 2.28: Prudential Regulations and Guidelines

Source: AADFI Survey (2023)

2.4.2 DFIs Participation in the AADFI Prudential Standards, Guidelines, and Rating System (PSGRS) Peer Review Exercise in 2022

Figure 2.29 shows that 73% of the DFIs in the study participated in the 2022 AADFI Prudential Standards Guidelines and Rating System (PSGRS) peer review exercise, whereas 27% did not. In addition to the AADFI PSGRS rating, other rating agencies, such as Moody's, Fitch Ratings, Global Credit Ratings, Augusto and Co., S&P, Capital Intelligence, and Bloomfield Investment also rated some DFIs, as shown in Figure 2.30.

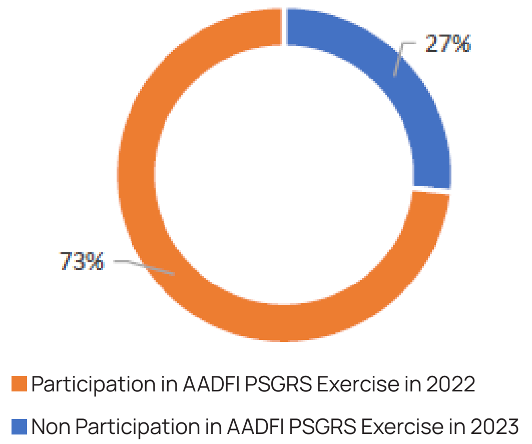


Figure 2.29: AADFI Prudential Standards Guidelines and Rating (PSGRS) Peer Review exercise in 2022

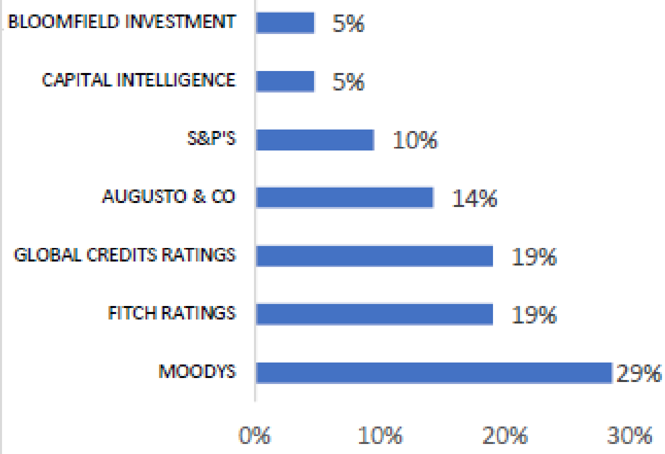


Figure 2.30: Other Rating Agencies

Source: AADFI Survey (2023)

2.5 Challenges and Support Required by DFIs

2.5.1 Main Challenges DFIs Face in Delivering their Mandate

Figure 2.31 shows the main challenges DFIs face in delivering their mandate. According to the results, 29% of DFIs identified the high cost of raising funds as a major challenge in delivering their mandates. Other challenges include a low capital base and weak macro-fundamentals, ranking second and third, respectively. Overall, the high cost of raising funds, the low capital base, and weak macro-fundamentals constituted 69% of the challenges faced by DFIs in Africa.

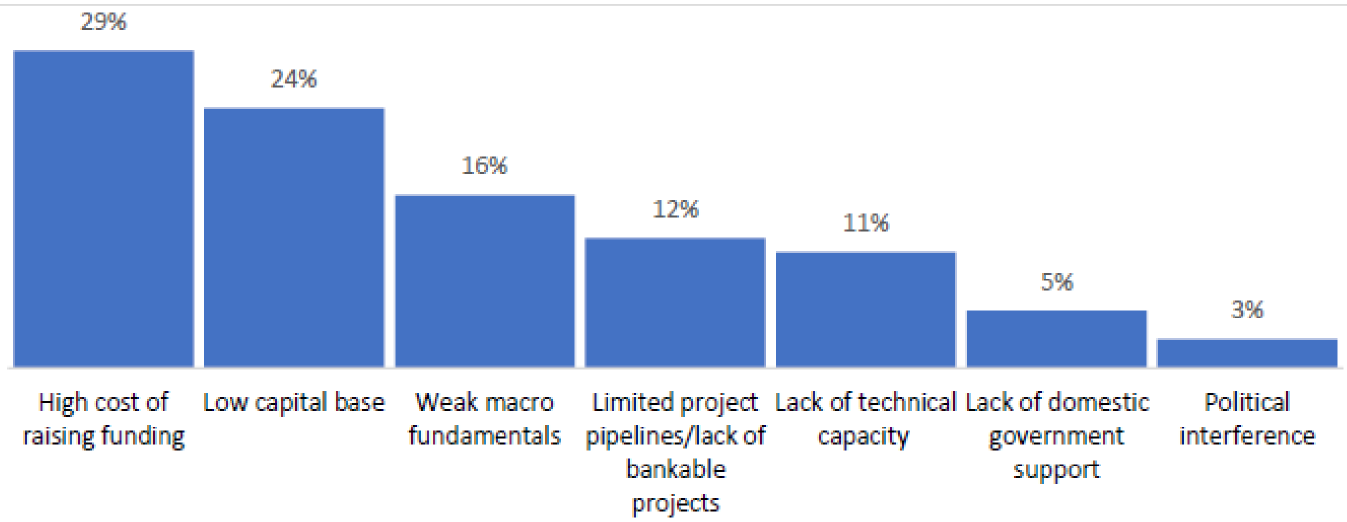


Figure 2.31: Main Challenges DFIs Face

Source: AADFI Survey (2023)

2.5.2 Support Required by DFIs

According to Figure 2.32, 23% of the DFIs in the survey identified more concessional funding as the top priority on their requests list, 21% indicated the need to raise their capital, and 20% required that the government channel intervention for special projects through DFIs. Furthermore, 19% of the DFIs requested that DFIs be involved in developing and implementing national development policy; 11% required a sovereign guarantee, and 7% called for greater operational autonomy.

Concerning the support required by National DFIs from the MDBs, Figure 2.33 shows that 35% of DFIs required the provision of concessional funding as the top priority on their requests from MDBs, 35% required technical assistance and capacity building, and 30% desired co-financing of projects with Regional and Multilateral Development Banks (MDBs).

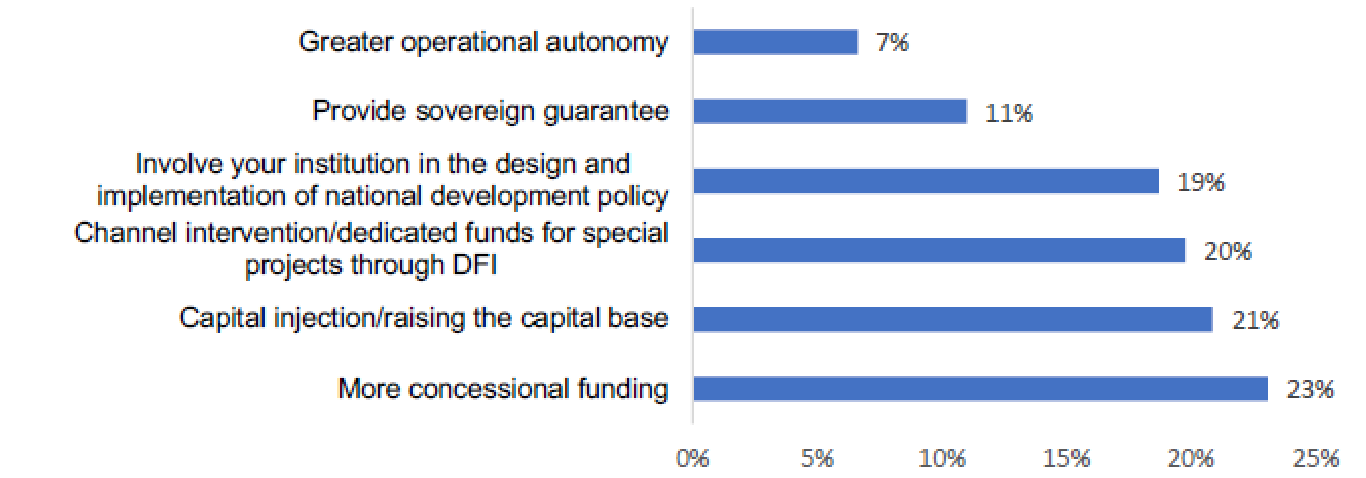


Figure 2.32: Support required from government

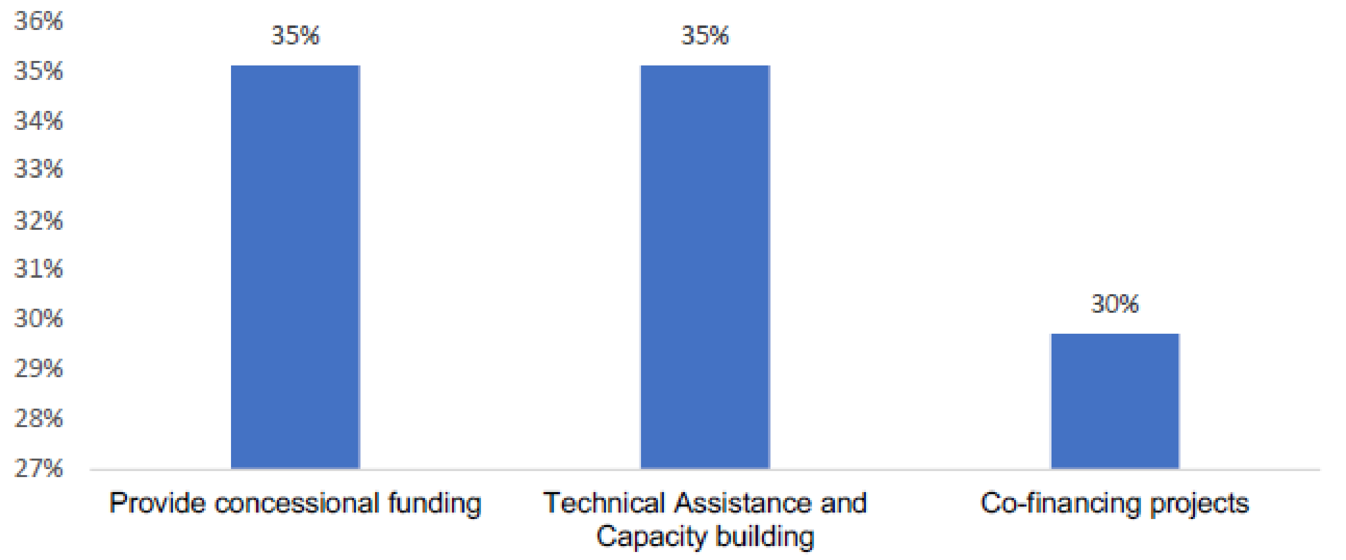


Figure 2.33: Support Required from development partners/MDB

Source: AADFI Survey (2023)

3.0 Conclusion and Recommendations

African DFIs have demonstrated a willingness to maintain their mandate and contributions to the Sustainable Development Goals and the Paris Agreement. Most DFIs have shown interest and commitment in promoting the climate change agenda, gender finance, and social investment. Their mandate, which focuses primarily on agriculture, manufacturing, and SMEs, supports efforts to actualize development goals.

The majority of DFIs comply with prudential standards and guidelines. This has improved governance in these institutions, resulting in a positive impact on their operations. As a result, risk management and the credit delivery process have improved, with a reduction in the incidence of non-performing loans (NPLs) and a 64% increase in the loan repayment rate. This positive indication gives credence to the African DFIs' capacity to collaborate with other development partners in financing development projects.

Despite the positive records shown from the survey, most of the DFIs are grappling with the following challenges :

i) High cost of raising funds,
ii) Low capital base and
iii) Weak macro fundamentals

The DFIs, therefore, request for the following support to be given attention and prioritized as ranked below:

i) More concessionary funding
ii) Increase in their capital base
iii) Channel intervention funds from government and development partners through the National DFIs,
iv) Governments should involve DFIs in the design and implementation of National development policies and programs,
v) Provide sovereign guarantee to National DFIs to enable them access to more funding,
vi) Governments should grant DFIs greater operational autonomy.

As development partners and stakeholders scale up efforts to achieve the SDGs and the Paris Agreement, evidence from the survey shows that the African National DFIs have demonstrated the capacity to partner in driving the development agenda. Therefore, these DFIs should be given the necessary support, as meaningful development can only be achieved at the National level with their involvement.

4.0 Limitations to the Study

The study spanned over six (6) months due to the slow response rate and the need to validate the figures collected from the DFIs. The study also faced some other limitations; for instance, out of 77 DFIs contacted for the study, only 32 institutions responded to the survey. The study resorted to paper-based and electronic questionnaires to elucidate data from the DFIs.

Appendix 1 : List of Respondents

SN	INSTITUTIONS	COUNTRY/LOCATION
A	**Regional DFIs**	
1	Trade & Development Bank (TD Bank)	Kenya
2	Shelter Afrique	Kenya
3	Banque de Développement des Etats de l'Afrique Centrale (BDEAC)	Congo
4	Fonds Africain de Garantie et de Coopreation Economique (FAGACE)	Benin
5	ECOWAS Bank for Investment and Development (EBID)	Togo
B	**National DFIs by Regions**	
	Central Africa	
6	Development Bank of Angola	Angola
7	National Bank for Economic Development, BNDE-Burundi	Burundi
	East Africa	
8	Agricultural Finance Corporation (AFC)	Kenya
9	Kenya Development Corporation (KDC)	Kenya
10	Tanzania Agricultural Development Bank (TADB)	Tanzania
11	Development Bank of Rwanda	Rwanda
	North Africa	
12	Société Nationale de Garantie et de Financement de la PME (ex. CCG)	Morocco
13	Tamwil El Fellah (TEF-GCAM)	Morocco
14	Société Tunisienne de Banque	Tunisia
	Southern Africa	
15	Botswana Development Corporation (BDC) Limited	Botswana
16	Development Bank of Seychelles (DBS)	Seychelles
17	Development Bank of Namibia (DBN) Limited	Namibia
18	Development Bank of Southern Africa (DBSA)	South Africa
19	Eswatini Development Finance Corporation (FINCORP)	Eswatini
20	Eswatini Development and Savings Bank	Eswatini
21	Gapi – Sociedade de Investmentos, SA	Mozambique
22	Infrastructure Development Bank of Zimbabwe (IDBZ)	Zimbabwe
23	Industrial Development Company of Eswatini (IDCE)	Eswatini
24	Development Bank of Mauritius LTD	Mauritius
25	NBM Development Bank Limited	Malawi
	West Africa	
26	Bank of Industry (BOI)	Nigeria
27	Banque Nationale d'Investissement	Cote d'Ivoire
28	Development Bank of Nigeria (DBN)	Nigeria
29	Nigerian Export-Import Bank (NEXIM BANK)	Nigeria
30	Liberian Bank Development and Investment(LBDI)	Liberia
31	Agricultural Development Bank Plc Ghana	Ghana
32	Caisse des Dépôts et Consignations de Côte d'Ivoire	Cote d'Ivoire

About the AADFI

The Association of African Development Finance Institutions (AADFI) is the umbrella organization for development finance institutions in Africa. The association was formed in 1975 under the auspices of the African Development Bank (AfDB), with the objective to stimulate cooperation to promote and finance sustainable development in Africa and encourage economic integration in the African region. In addition, it establishes among its members a mechanism for a systematic exchange of knowledge and information and the conduct of studies on issues of common interest, among others. The AADFI comprises eighty-three (82) member institutions.