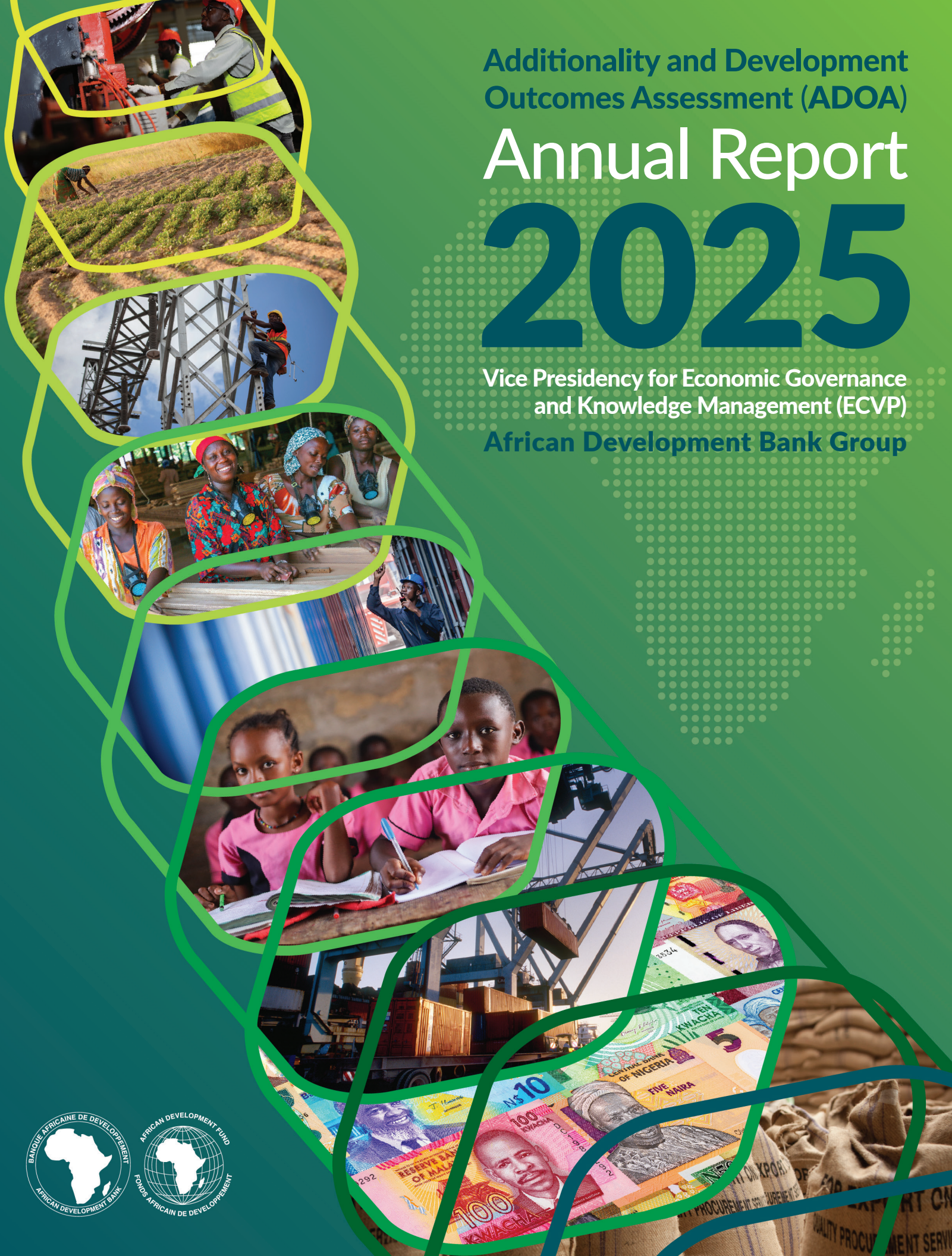


Additionality and Development Outcomes Assessment (ADOA)

Annual Report 2025

Vice Presidency for Economic Governance and Knowledge Management (ECVP)

African Development Bank Group

Microeconomic, Institutional and Development Impact Division (ECMR.2)
Macroeconomics Policy, Forecasting and Research Department (ECMR)
Vice Presidency for Economic Governance and Knowledge Management (ECVP)

Additionality and Development Outcomes Assessment (ADOA)

Annual Report 2025

AFRICAN DEVELOPMENT BANK GROUP

Acknowledgments

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Abbreviations and Acronyms

ADOA	Additionality and Development Outcomes Assessment
AfDB	African Development Bank
DFI	development finance institution
FTE	full-time equivalent
ICT	Information and Communications Technologies
NSO	nonsovereign operation
RMC	regional member country
TA	technical assistance
WESH	Water, Education, Sanitation, and Health

All dollar amounts are US dollars unless otherwise indicated.



Executive Summary

The 2025 Additionality and Development Outcomes Assessment (ADOA) Annual Report reviews the activities undertaken by the Microeconomic, Institutional, and Development Impact (ECMR.2) Division in its primary role of assessing projects for additionality and expected development outcomes. The main focus of this report is to summarize trends and drivers of the ADOA ratings of the Bank's nonsovereign operations (NSOs). In addition to providing a broader view of the outcomes of NSO project assessments, the report highlights other key activities of the ECMR.2 Division, including the generation and dissemination of policy-related knowledge products that inform the design of the Bank's operations. These knowledge products not only address development challenges but, importantly, identify emerging opportunities in regional member countries (RMCs) for the private sector, thereby supporting more proactive and impactful engagement between the NSO ecosystem, RMCs, and private-sector actors across the continent. It also highlights capacity-development activities undertaken by the division both within and outside the Bank.

The ECMR.2 Division produced 121 ADOA notes covering 46 NSOs in 2025. These notes were produced at various stages of the project-processing cycle: 41 at the concept stage, 52 at the appraisal stage, and 28 at the board stage. The number of ADOA notes in 2025 increased by 17% compared to 2024. For broader context, and to illustrate the

sustained upward trend in activity over time, this represents a 30% increase relative to 2023. Of the 46 NSOs processed in 2025, 28 were approved by the board, with a total project value of $27.8 billion. Of this amount, the Bank's financing amounted to $2.66 billion, reflecting an 8% decline compared to 2024. The sectoral distribution of board-approved NSOs by number is as follows: Financial Services, 50%; Energy, 21%; Industry and Services, 14%; Agriculture, 11%; and Water, Education, Sanitation, and Health (WESH), 4%. Financial Services accounted for the majority of approved projects for NSOs, and its share of the Bank's total contribution increased to 70%, almost 30 percentage points higher than in 2024.

The number of approved NSOs by region was similar in 2025 compared to 2024, with a decline in pan-African projects offset by broad increases across all other regions except Central Africa. Pan-African NSOs accounted for 25% of the number of NSOs and 23% of the Bank's total contribution. The non-pan-African NSOs have the following regional distribution: Southern Africa, 21%; West Africa, 21%; North Africa, 18%; East Africa, 11%; and Central Africa, 4%. Their shares for the Bank's contribution are roughly similar.

The Bank continued to prioritize the financing of projects in transition states, with prioritization reflected in both the number of operations and the value of investments. In this context, the share of transition states in 2025 is measured in terms of the number of approved NSOs, which accounted for 25% of operations, down from 53% in 2024, reflecting the overall decline in pan-African operations rather than a shift in strategic focus. Notably, the geographic reach of support expanded, with 17 transition states benefiting from NSOs in 2025 compared to 13 in 2024, indicating broader country coverage despite the lower share of operations.

Most of the NSOs assessed were rated above satisfactory for additionality in 2025. Specifically, 26 of the 28 Board-approved NSOs were rated either Strongly positive or Positive for additionality, reflecting the Bank's commitment to improving the quality at entry of projects in which its value added is demonstrated. All projects under NSOs are assessed for both financial and nonfinancial additionality. As in previous years, financial additionality has remained the primary driver of additionality. Within financial additionality, the major contributing elements were long-term financing, risk-capital provision, hard-currency financing, and catalytic effects. In 2025, two NSOs with a Bank contribution of $129 million are expected to catalyze a pipeline of projects valued at up to $1.1 billion, implying a catalytic ratio of approximately 8.5×. The Bank's role in catalyzing financing for NSO operations reflects its renewed commitment to mobilizing capital at scale to support private-sector development on the continent in line with the Four Cardinal Points. This demonstrates that the Bank continues to prioritize projects that deliver strong additionality—providing value beyond what the private sector would offer on its own—while also playing a catalytic role by mobilizing additional private capital, thereby complementing rather than crowding out commercial investments.

All 28 approved NSOs in 2025 were also assessed, ex ante, as satisfactory or above for expected development outcomes, with 19 rated *Good* and 9 *Very good*. The most significant improvement is the reduction in the share of Bank financing allocated to NSOs rated as Unsatisfactory for development outcomes. This reflects a correction from 2024, when a single NSO rated as *Unsatisfactory* accounted for about 35% of total Bank financing, significantly skewing the portfolio. In 2025, the above-satisfactory ratings were driven by job creation, tax-revenue generation, regional integration, and support for transition states, among other anticipated development outcomes. The 28 Board-approved projects in 2025 are expected to create 38,734 full-time-equivalent (FTE) jobs, a decline of about 16% from 2024, when a single outlier NSO accounted for over 16,000 FTE jobs (35% of all jobs created). Of these, 14,646 are expected to be for women, representing about 38% of total job creation. Youth are expected to account for 53% of the jobs created. In 2025, the Bank's approved NSOs supported loans to over 8,000 small businesses, double the number supported in 2024. The approved NSOs have the potential to generate more revenue for African governments, with $3.85 billion in tax revenue, an increase of 40% from 2024 and a total increase of 80% from 2023. These projects are expected to generate

$4.0 billion in net foreign-exchange earnings or savings, a significant improvement of 150% over 2024.

The division also produced knowledge products that contributed to the design of the Bank's operations and helped shape its development agenda. These products included five policy-relevant working papers, 25 policy briefs/notes, 12 peer-reviewed journal articles, and a book chapter. The division's outreach and knowledge-dissemination activities included five seminars and workshops. Its combination of hands-on knowledge of domestic market specifics and the ability to apply economic insights has been invaluable for impact measurement and assessing the broad spectrum of impacts across the Bank's NSOs.

The NSOs made important contributions toward the Four Cardinal Points. Ten NSOs generated financial additionality from resource mobilization, aligned with the cardinal point "Enhance Access to Capital: Mobilize Africa's Financial Resources." The Bank's investment of $1.74 billion in 13 NSOs in the Financial Services sector generated positive additionality. These operations were fully aligned with the cardinal point on the need to reform and consolidate the continent's financial systems, institutions, and talent to assert Africa's global agency. Over 20,000 jobs are expected to be created for young people, more than half of total job creation. Higher job-content projects benefiting youth is consistent with the third cardinal point on harnessing the demographic transformation for economic development. Under the cardinal point "Build Climate-Resilient Infrastructure and Robust Value Addition to Natural Resources," 1,945 MW of clean-energy installed capacity is expected, with 6.4 million tons of CO_2 avoided, and RMCs are expected to generate an incremental value addition of at least $1.57 billion.



ADOA in Numbers 2025



African Development Bank Group

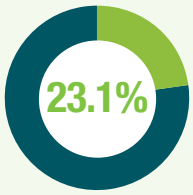
46
NSOs assessed

121
ADOA notes issued

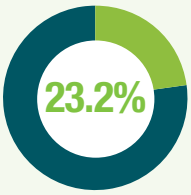
28
NSO projects approved by the Board

$2.66 B
Total Bank's financing for approved NSOs

-8.3%
Decrease over the $2.9 billion Bank financing for NSOs approved in 2024



Share of the Bank's NSO projects that were **pan-African** in scope



Share of the Bank's NSO projects that benefited at least one **transition state**

38,734
Additional FTE jobs to be created by the approved NSO projects

37.5%
Share of newly created jobs to be filled by women

52.6%
Share of jobs going to young people in the approved NSOs reporting job creation

8,328
SMEs expected to benefit from the Bank's financing for approved NSOs

6.4 M
Tons of CO_2 emissions expected to be avoided through NSOs

1,945 MW
Electricity-generating capacity installed by the Bank's financing for approved NSOs

$3.86 B
Expected net incremental government tax revenues from Bank's financing for approved NSOs

$4.0 B
Expected incremental hard currency

43
Knowledge products generated by the ADOA team



1. Introduction

The African Development Bank (AfDB) finances operations that help fulfil the development aspirations of the African continent. However, the Bank's resources are limited relative to the scale of the development challenges. The Bank must therefore deploy its resources strategically and selectively, complementing and catalyzing rather than substituting private capital, and prioritizing investments that deliver the greatest impact in advancing Africa's inclusive development agenda.

The ADOA framework is a tool the Bank uses to assess the impact of private and regional operations. The ADOA tool is based on a framework designed to assess operations before approval (ex ante), following two dimensions:

- **Additionality:** What unique value do development finance institutions (DFIs) add to an operation beyond what commercial sources can provide?

- **Development outcomes:** What incremental development outcomes can be expected from these operations beyond what would occur otherwise?

The tool is an integral part of the processing of NSOs. From the project concept stage to board approval, the ADOA tool provides management

and the board with independent information for project prioritization. To ensure that the tool remains aligned with the Bank's strategic priorities and new operational realities, the ADOA framework is updated every five years. In addition to NSOs, a companion framework is used to assess regional operations, which are sovereign operations benefiting two or more countries. There were no assessments of regional operations in 2025.

This annual report summarizes the projects assessed in 2025. Considering the Bank's 10-year strategy (2024–33) and the Four Cardinal Points—(1) enhanced access to capital through the mobilization of Africa's financial resources, (2) reforming and consolidating financial systems and institutions to strengthen Africa's global agency, (3) harnessing the continent's demographic transformation for economic development, and (4) building climate-resilient infrastructure and adding real value to natural resources—this report presents an opportunity to incorporate feedback from the board with respect to emphasizing development outcomes for Africa's youth, in addition to those for women and transition states.

The current ADOA annual report proceeds as follows. Following the introduction, section 2 provides an overview of the NSOs assessed during the year under review. Section 3 discusses the additionality assessments and their drivers. The assessment of the expected development outcomes is presented in section 4, highlighting key outcomes in job creation for youth and women and in support for transition states. ADOA's contribution to improving quality at entry for NSOs and to the Bank's Four Cardinal Points is discussed in section 5. A discussion on the division's activities in knowledge generation and dissemination and capacity building is summarized in section 6. Section 7 provides concluding remarks.





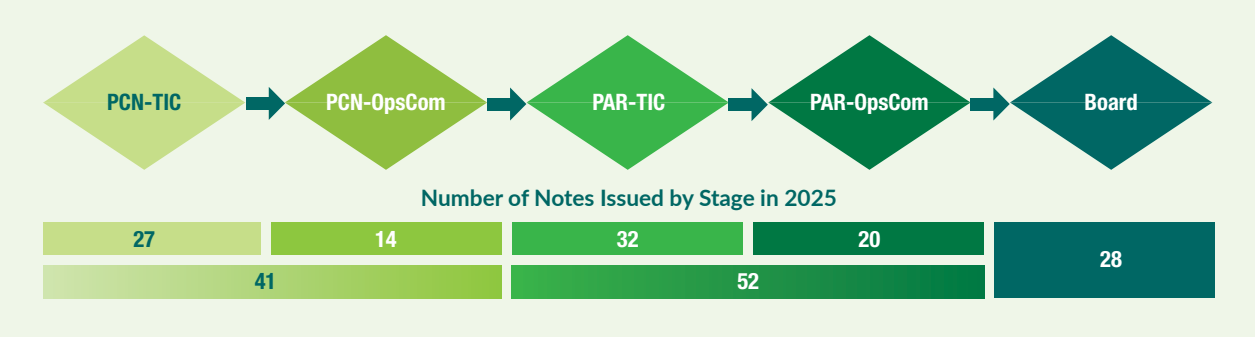
2. Overview of Nonsovereign Operations Assessed

2.1 Assessment of Nonsovereign Operations in 2025

Each NSO is assessed up to five times before board approval at the review stages: Project Concept Note Technical Investment Committee (PCN TIC), Project Concept Note Operations Committee (PCN OpsCom), Project Appraisal Report Technical Investment Committee (PAR TIC), Project Appraisal Report Operations Committee (PAR OpsCom), and Board (**figure 1**). At each assessment stage, an ADOA note is issued summarizing an assessment of the NSO's development outcomes and additionality based on due-diligence findings, which include interviews and queries with the NSO's management team and project documentation. This enables the Bank's senior management to appropriately prioritize projects before they reach the Board for approval. In total, up to five ADOA notes can be issued from the concept note stage to Board approval.[1] **Figure 1** details the number of ADOA notes issued by the NSO-processing stage.

1 For trade finance operations or fast-tracked operations, no ADOA notes are issued at PCN TIC and PCN OpsCom. That is, such operations normally go through PAR TIC and board, with PAR OpsCom required only when certain conditions are not met, such as when the project is rated marginally positive for additionality or has a high risk profile. For such projects, up to three ADOA notes are issued—PAR TIC, PAR OpsCom (eventually), and board.

Figure 1: Project-Processing Stages



Source: AfDB calculations using ADOA data.

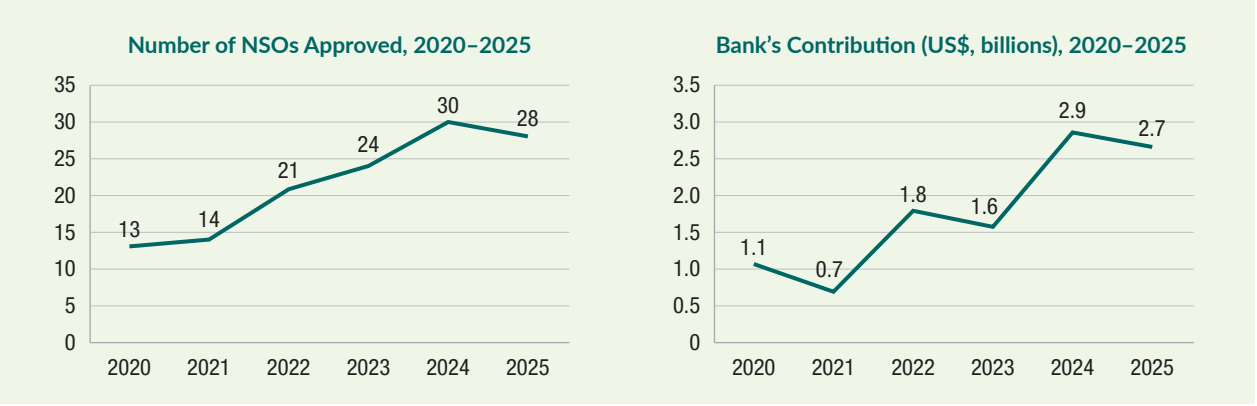
A total of 121 ADOA notes were issued for 46 NSOs in 2025, representing a 17% increase from 2024. Forty-one ADOA notes were issued at the concept stage, and 52 at the appraisal stage. Twenty-eight ADOA notes were issued at the board stage,[2] marginally below the 30 approved in 2024. The distribution of notes issued is uneven due to three factors. First, it reflects the Bank's NSO-processing pipeline, which includes ADOA notes issued for NSOs that entered the pipeline in 2024 or earlier and for NSOs whose review began in 2025 but has not been completed. Second, some NSOs are exempt from certain project concept note stages under the Bank's streamlined project-processing system and move straight to appraisal. These accounted for the majority of the board-approved NSOs (16 of 28) in 2025. Finally, some NSOs are dropped during the review process, often due to factors such as failure to meet additionality requirements, changes in project structure or sponsor readiness, insufficient bankability, or evolving risk assessments.

In 2025, the board approved 28 NSOs, totalling a Bank contribution of $2.66 billion. While these were modest declines from the 30 approved in 2024, with a total contribution of $2.9 billion, the 2025 operations maintain the significant increase in the number of NSOs and the volume of financing with respect to the 2020–23 period (see **figure 2**).

2.2 Nonsovereign Operations by Sector

The sectoral distribution in 2025 is broadly similar to that in 2024. Both in terms of count and Bank contri-

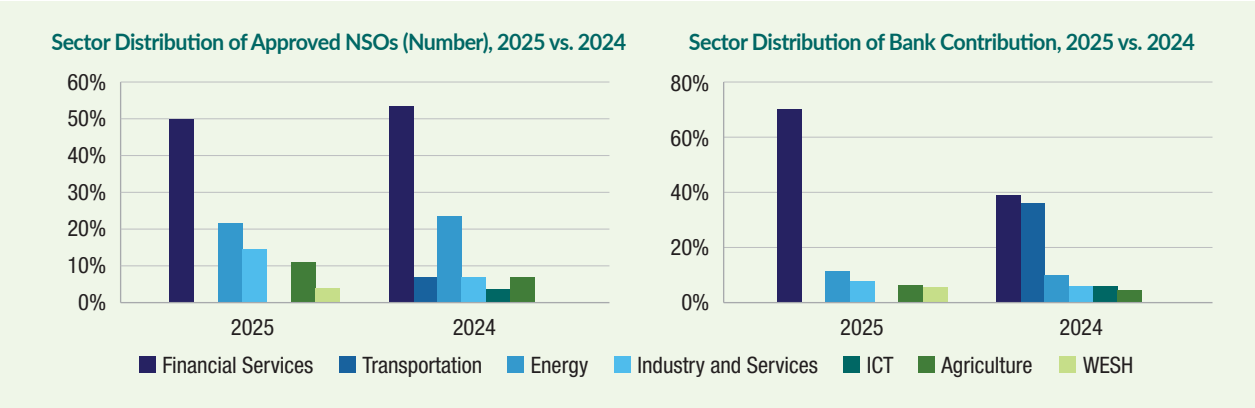
Figure 2: Trends in the Number of Nonsovereign Operations Approved and Value of the Bank's Contributions



Source: AfDB calculations using ADOA data.

2 Twenty-nine ADOA notes were issued at the board stage; 28 were approved in 2025, and one was postponed to 2026.

Figure 3: Sectoral Distribution of Approved Nonsovereign Operations



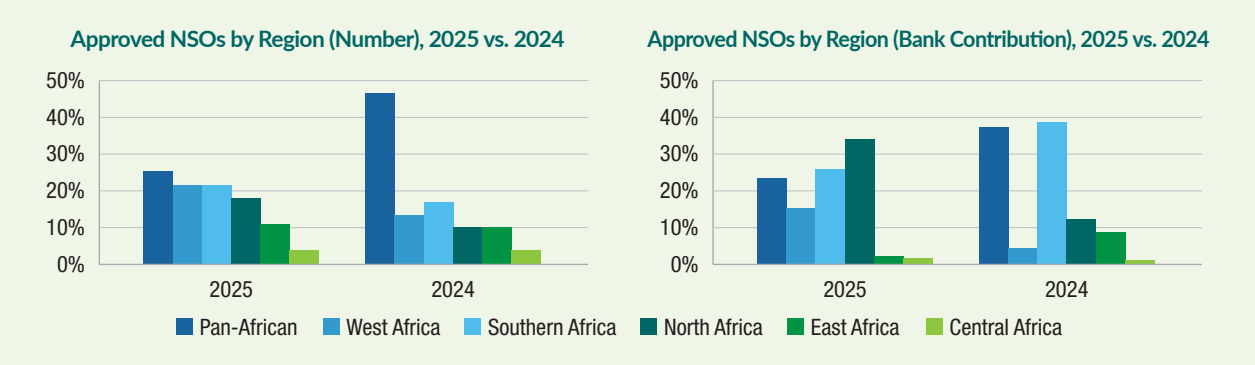
Source: AfDB calculations using ADOA data.

bution, the NSOs approved are dominated by those in Financial Services (**figure 3**). By count, about 50% of projects (compared to 53% in 2024) come from this sector. The second-largest share is the Energy sector at 21% (23% in 2024). The Financial Services and Energy sectors together accounted for about 70% of total NSO financing in both 2024 and 2025. This concentration reflects the Bank's strategic use of financial institutions as intermediaries to deploy capital at scale, as well as the prioritization of large, capital-intensive energy projects. Through financial institutions and their understanding of local market and business condition, the Bank is able to channel resources efficiently toward key strategic priorities, including youth and female empowerment, employment generation, and support to transition states, while energy investments address critical infrastructure gaps and underpin broader economic development. All other sectors typically have only one or two NSOs. The main difference is the drop in NSOs in the Transportation sector, from two NSOs accounting for 36% of the Bank's contribution in 2024 to none in 2025. **Table 1** provides an overview of the Bank's sector classification, with examples of NSOs from 2024 and 2025.

2.3 Nonsovereign Operations by Region

The number of approved NSOs in 2025 was similar to that in 2024 in terms of regional distribution (see **figure 4**). A decline in pan-African projects was compensated for by a broad increase across all regions except for Central Africa. This relatively lower representation is consistent with differences in regional market size. In 2025, Africa's total GDP is estimated

Figure 4: Regional Distribution of Approved Nonsovereign Operations



Source: AfDB calculations using ADOA data.

Table 1: Sector Description of Projects

Project Sector	Description	NSO Example
Agriculture	When the Bank provides financing and/or advisory services to a private company to support crop cultivation, livestock, fisheries, aquaculture, agroforestry, or agroprocessing.	Mohammed Enterprise Tanzania Ltd.
Energy	When the Bank provides financing and/or advisory services to a private company to support power generation, transmission, distribution, or end-user energy efficiency.	Garneton North 20 MW Solar PV
Financial Services	When the Bank provides financing and/or advisory services to support access to credit (the Bank lends to a financial intermediary—for example, commercial banks or regional/national development banks—which in turn on-lend the funds to their clients); access to risk capital (the Bank invests in financial institutions such as private equity funds, which in turn invest the funds in firms through mostly equity); or financial-sector development (the Bank provides financing to financial intermediaries that provide services such as insurance, portfolio guarantees, leasing, digital finance, or financial technologies).	Nigeria Sovereign Investment Authority
ICT	When the Bank provides financing and/or advisory services to a private company to support infrastructure for the digital economy (including fiber-optic cables, telecom towers, undersea cables, satellites, and data centers), as well as Internet of Things and AI projects.	Axian Telecom (2024)
Industry and Services	When the Bank provides financing and/or advisory services to a private company to support manufacturing, construction, real estate, and extractive (mining, oil, and gas) activities and services comprising retail, wholesale, and hospitality.	Nyanza Light Metals
Transportation	When the Bank provides financing and/or advisory services to a private company to support the construction, operation, and/or maintenance of roads, railways, seaports, and airports.	Transnet (2024)
WESH	When the Bank provides financing and/or advisory services to a private company to support the provision of water and access to high-quality sanitation, health, and education services for households.	City of Johannesburg

Source: AfDB ADOA reports.

at approximately $3.1 trillion, with North Africa accounting for about $905 billion, Southern Africa about $723 billion, West Africa approximately $711 billion, East Africa about $542 billion, and Central Africa roughly $218 billion.[3] These disparities in economic scale influence the depth of investment opportunities and the pipeline of bankable projects and may partly explain the relatively lower share of NSOs in smaller regional markets, such as Central Africa.

In terms of the Bank's contribution, there is greater variation from 2024, with the most significant increase in North Africa and relative decreases in West and East Africa. The share of NSOs in North Africa grew by eight percentage points (from 10% to 18%), and its share of Bank financing increased by 24 percentage points (from 12% to 34%). Southern Africa was one of the largest beneficiaries in 2025, with a 21% share of NSOs and a 25% share of Bank contributions.

3 AfDB-Macroeconomic Performance and Outlook-2026



3. Assessment of Additionality

The ADOA framework[4] assesses two dimensions of additionality:

- **Financial additionality:** The additionality that occurs when DFIs' financing reduces commercial participants' exposure to credit, liquidity, or market risk in ways that cannot be achieved with private lending sources alone. The four categories of financial additionality are (i) financing structure, (ii) innovative financing structure and instruments, (iii) own account equity, and (iv) resource mobilization.
- **Nonfinancial additionality:** This includes enhancements to project design or operations by DFIs that improve the likelihood of project outcomes materializing in ways that commercial investors cannot deliver. The four categories of nonfinancial additionality are (i) mitigation of political risk, (ii) policy/regulatory change, (iii) standard setting, and (iv) knowledge, innovation, and capacity building.

3.1 Additionality Ratings

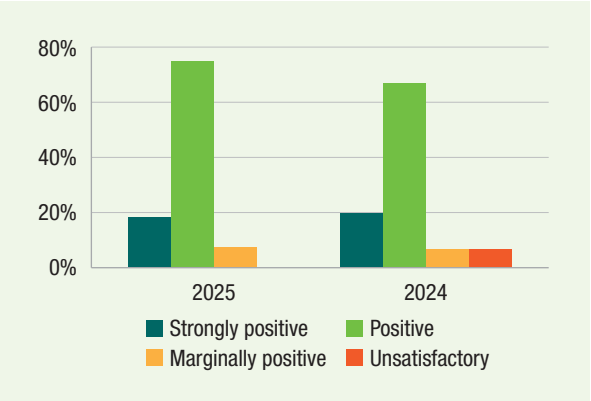
The two dimensions of additionality are assessed separately, and an aggregated additionality rating is provided with a 65%/35% financial/non-

4 The ADOA 3.0 framework can be assessed here: https://www.afdb.org/en/documents/2022-adoa-general-framework

financial weighting. A project's additionality is assessed on a 10-point scale and is considered satisfactory if it receives a rating of *Strongly positive* or *Positive*. A rating of *Marginally positive* or *Unsatisfactory* denotes unsatisfactory additionality (**table 2**).

About 92% of the approved NSOs (26 of 28) had a satisfactory overall additionality rating, a modest improvement over 87% in 2024 (**figure 5**). Generally, the distribution of additionality in 2025 is similar to that in 2024, except that only two NSOs received an unsatisfactory rating in 2025, compared with four in 2024. Hence, the Bank has continued to ensure that its participation is additional and complementary to private and commercial capital.

Figure 5: Distribution of Additionality Ratings, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

Table 2: Additionality Rating Scale

Score Range	Additionality Rating	Rating Type
7.1–10	Strongly positive	Satisfactory
5.9–7	Positive	
4.8–5.8	Marginally positive	Unsatisfactory
1–4.7	Unsatisfactory	

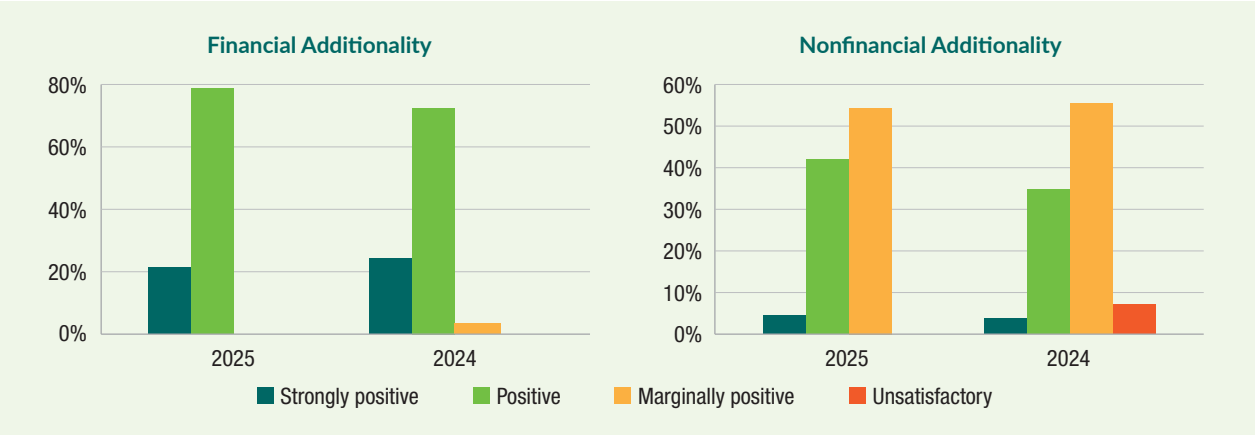
Source: AfDB ADOA reports.

The Bank has improved its additionality on both dimensions in 2025. The main driver of additionality for approved NSOs in 2025 remains financial additionality (**figure 6**). All approved NSOs in 2025 were rated as either *Positive* or *Strongly positive* for financial additionality (97% in 2024). Also, 45% of NSOs received a satisfactory rating for nonfinancial additionality in 2025, a moderate improvement over 2024, when only 38% did so.

3.2 Drivers of Financial Additionality

The main drivers of financial additionality in the approved NSOs are the provision of long-term and hard-currency financing, the provision of risk capital, and the resource mobilization and catalytic effects of the Bank's participation in the projects, among others (see the example in **box 1** for catalytic effects and resource mobilization). Some NSOs have more than one of these additionality drivers.

Figure 6: Distribution of Ratings by Additionality Category, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

a. Long-Term Financing

The provision of long-term financing that commercial banks cannot match is a major source of financial additionality. It is crucial for capital-intensive infrastructure projects that have long gestation periods for investors to realize their returns while enabling end users to pay affordable fees. In 2025, 57% of total NSOs approved (16 of 28) received long-term financing from the Bank, significantly higher than the 43% in 2024 (13 of 30 total). Of these, the median tenor of the Bank's financing was 13.5 years (12 years in 2024), with a median grace period of 2.0 years (compared to 2.9 years in 2024). This continues the trend of increasing tenor from 2023, where the median tenor of approved projects was 10 years. One NSO—a solar power infrastructure project—had a tenor of 21 years in 2025. All six energy infrastructure projects received financing with a tenor of at least 15 years, with a median tenor of 18 years.

b. Equity/Risk Capital

The provision of risk capital, often difficult to source from the market, helps improve financial strength, creditworthiness, and governance. This type of "patient capital" is a significant driver of financial additionality. In 2025, 15% of approved NSOs involved the provision of risk capital, down from 27% in 2024. This reflects the Bank's higher investment in private equity funds in 2024. In value, however, the Bank contributed approximately $230 million in risk capital in 2025, more than double the $105 million in 2024.

c. Catalytic Effects and Resource Mobilization

Another strong source of financial additionality is the demonstrated evidence of DFIs mobilizing capital from commercial or institutional investors. In 2025, 25% of approved NSOs (7 of 28 total) had such capital mobilization. This is an increase from 2024, when the share was 13% (4 of 30 total), reflecting the Bank's increasing emphasis on capital mobilization. The Bank's contribution of $454 million to the seven NSOs catalyzed $1.6 billion in cofinancing, yielding a 3.5:1 catalytic ratio. All approved projects with the catalytic element were rated with a financial additionality of *Positive* or *Strongly positive*. For instance, the Bank invested $15 million in the Adenia Entrepreneurial Fund. This fund has a target capitalization of $150 million to invest in up to 10 midsize companies. The

Box 1: Examples of Financial Additionality through Catalytic Effect and Capital Mobilization

Two examples illustrate the bank's catalytic effect and its capital-mobilization additionality. They demonstrate the potential of blended finance to crowd in commercial financing.

42 MW Solar Photovoltaic Plant in Sokode, Togo
The Bank mobilized €8 million of concessional financing from the Sustainable Energy Fund for Africa. Without the concessional funding, the project would not be bankable, as its debt-service coverage ratio would be only 1.1, below the minimum of 1.20. As a result, blended finance enabled other DFIs to participate and provide additional debt financing, filling a crucial funding gap for the project.

Scatec: 1 GW Solar Photovoltaic and a 100 MW/200 MWh Battery Energy-Storage System in Egypt
The Bank served as a co-mandated lead arranger to mobilize $58.3 million in concessional financing (9.8% of total project costs) from the Sustainable Energy Fund for Africa, Clean Technology Fund, and Canada–African Development Bank Climate Fund, which was blended with the Bank's senior debt to enhance the project's commercial viability while supporting access and affordability. To maintain viability without concessional financing, the off-taker tariff needed to rise by 26%, potentially reducing affordability and access to electricity for low-income households. With the blended financing, other DFIs can fill the funding gap for this project and will contribute 80% of the total project cost, covering 100% of the debt financing.

Source: 2025 AfDB's NSO Approved projects.



contribution of DFIs to the fund is expected to have a catalytic effect on private investors' participation in the fund by attracting some private investors who would otherwise not have invested in the fund, as many do not have their own due-diligence capacity for some African markets and rely on the signaling effect of DFI's due diligence and commitment. Indeed, several private investors with an expected investment of $30 million explicitly indicated that their participation depends on DFI anchor commitments.

d. Provision of Hard Currency

The provision of financing in hard currency is critical for the commercial viability of projects in Africa, where access to foreign exchange is challenging. The Bank's participation eases the foreign-exchange constraint many African enterprises face when importing machinery or intermediate goods not produced domestically. Foreign exchange is also needed to reduce currency-mismatch risk in a project where the final product or service is settled in foreign currency. In 2025, the proportion of approved NSOs with financial additionality driven by the provision of hard-currency financing increased to 36% (10 of 28 NSOs) in 2025 from 23% (7 of 30 NSOs) in 2024. Moreover, this intervention benefited multiple sectors in 2025 beyond the Financial services sector, including four in Energy and one each for Agriculture and Industry and Services.

e. Capital Relief

Another source of financial additionality is the provision of capital relief. This effect entails the Bank partnering with financial institutions through risk-participation agreements[5] to reduce their risk headroom, enabling them to process a higher number of trade finance transactions on the continent. The bank's AAA credit-risk rating enables it to provide capital

5 Risk-participation agreements are guarantees used in trade finance where the Bank takes at least 50% of risk on trade finance transactions (but can go as high as 75% in transactions involving transition states). A similar instrument is the transaction guarantee, which provides a 100% guarantee on nonrepayment risk and was launched in 2021. However, ADOA does not assess this effect on individual NSOs, since an initial assessment was done at the time of its launch.

relief to borrowers with a relatively high credit-risk profile. Four approved NSOs were providing capital relief in 2025, the same as in 2024.

3.3 Drivers of Nonfinancial Additionality

A DFI, such as the Bank, can also deliver nonfinancial additionality by improving project design through technical assistance (TA), enhancing environmental and social standards, and mitigating political risk.

a. Technical Assistance

Providing TA is an integral part of nonfinancial additionality, as it supports the achievement of development outcomes and helps reach underserved groups. In 2025, seven of the approved NSOs valued at $9.84 billion were accompanied by TA packages totalling $22.2 million, compared to seven NSOs valued at $12.2 billion with TA totalling $5 million in 2024. While the number of projects receiving TA is the same across both years, the total value in 2025 is significantly higher due to a single outlier project with a $15 million TA package. Excluding this outlier, TA levels in 2025 would be broadly comparable to those in 2024. All seven NSOs with a TA package in 2025 achieved a *Positive* nonfinancial additionality rating, compared with only three in 2024, with the remainder receiving a *Marginally positive* rating. This suggests that the ability of the TA packages of DFIs (including the Bank) to improve project design and deliver development outcomes has improved.

b. Political-Risk Mitigation

Political-risk mitigation is a significant source of nonfinancial additionality. This effect can be achieved through explicit instruments, such as political-risk insurance, as well as implicitly through the Bank's presence. While the Bank's immunities and privileges in RMCs contribute to mitigating certain risks, its convening power, ability to influence policy and regulatory frameworks, and capacity to structure and provide guarantees to private investors are equally important in reducing perceived political risk, particularly in fragile and unstable environments. In 2025, four approved NSOs were assessed as receiving some degree of political-risk mitigation, and two received a satisfactory nonfinancial additionality rating.

c. Standard Setting

The Bank, like other DFIs, has rigorous social and environmental standards, and NSOs that receive financing from the Bank must adhere to these safeguards. The degree of standard setting as a driver of nonfinancial additionality depends on the extent of improvements resulting from DFIs' participation. In 2025, 25% of NSOs (7 of 28) involved compliance with the Bank's standards, down from 33% (10 of 30) in 2024, indicating a decline in this dimension of additionality. Similarly, about half of the approved NSOs received a nonfinancial additionality rating of *Strongly positive* or *Positive*, with 43% (3 of 7) in 2025 and 60% (6 of 10) in 2024. Those NSOs with a *Marginally positive* rating typically already have an environmental and social management system in place that requires only modest improvements to meet the Bank's standards.



4. Assessment of Development Outcomes

As a DFI, the Bank's mandate is to promote the social and economic development of RMCs. The ADOA plays a key role in ensuring that Bank-financed projects promote economic and social development and are aligned with the Bank's broader strategic priorities outlined in its 10-year strategy, the president's Four Cardinal Points, and other long-term development frameworks.

The ADOA 3.0 provides a consistent framework for assessing each project to ensure alignment with the Bank's development objectives. The assessment is evidence-based and provides clear guidance through ratings indicating whether a project meets the expected level of development outcomes.

The assessment of the development outcomes is composed of six broad components (**table 3**): households, private-sector development, green growth, gender and social, government, and integration and resilience. These categories are described in **table 4**. Each component is rated on a four-point scale: *Poor*, *Marginal*, *Good*, and *Excellent*. Overall ratings of development outcomes are then computed through a weighted average of the components' scores. The aggregation of the elements takes into account the development contexts (*Highly constrained*, *Moderately constrained*, and *Less constrained*). The likelihood factor discounts the overall rating to obtain an aggregate development outcome score, which is used to rate the project's overall development outcomes on a six-point scale: *Excellent*, *Very good*, *Good*, *Marginal*, *Unsatisfactory*, and *Highly unsatisfactory*.

Table 3: Rating Scale of the Development Outcomes Dimension of ADOA

Dimension	Description	Range of Scores	Satisfactory or Not
Development Outcomes	**Overall:** What are the expected development outcomes generated by the project relative to the no-project scenario?	• Excellent (score between 7.4 and 10) • Very Good (6.4–7.3) • Good (4.7–6.3)	Satisfactory
		• Marginal (4.1–4.6) • Unsatisfactory (3.0–4.0) • Highly unsatisfactory (1.0–2.9)	Below satisfactory
		Category Rating Scale	**Satisfactory or Not**
	Components: • Households • Private Sector Development • Green Growth • Gender and Social • Government • Integration and Resilience	• Excellent (10) • Good (7)	Satisfactory
		• Marginal (4) • Poor (1)	Below satisfactory

Source: AfDB ADOA Framework.

Table 4: Development Outcomes Category Descriptions

Category	Description
Households	NSO's impact on job creation, access to affordable and improved-quality goods and services directly benefiting households, where access to goods includes but is not limited to housing and new products. Access to services includes, among others, infrastructure (for example, energy and transportation) and financial services. The assessment of job creation uses full-time-equivalent jobs per million US dollars of total project cost. In contrast, changes in access to infrastructure, such as energy, are assessed using household counts or other proxies (such as cost per kWh in off-take agreements) where data on the former are unavailable.
Private Sector Development	Assessment of this category covers NSO's direct impacts on private-sector firms and the associated market effects that alter market structure and dynamics. Direct effects include improvements in access to infrastructure and financial services, the quality of such services, and the general enabling environment for private actors to thrive. Other direct effects include improved business practices and capacity development through activities such as training, the restructuring of corporate governance, support for local firms, and standard setting (for example, the acquisition of accredited professional certifications). Market effects include demonstration effects and the introduction of new business models (such as digital service delivery).
Green Growth	Assesses each NSO's outcomes relative to green growth with a focus on the "promotion of economic growth through building resilience, managing natural assets efficiently and sustainably, including enhanced agricultural productivity, and promoting sustainable infrastructure and urbanization, while minimizing pollution and waste" and cross-cutting issues such as climate change. Ratings under this category capture, to the extent possible, all NSOs' environmental effects (expected net environmental footprint of Bank-financed projects) across the project cycle benchmarked against a business-as-usual scenario. Climate-change mitigation and adaptation measures are all considered in assessing an NSO's green-growth effects, as well as the alignment of the project with relevant articles of the Paris Agreement.

Table 4: Development Outcomes Category Descriptions

Category	Description
Gender and Social	Assesses all the impacts of the NSO on social and economic inclusion, including but not limited to gender, youth, and fragility. This category covers explicitly issues related to financial inclusion, benefiting underserved groups such as small and medium-sized enterprises owned and/or managed by women and young people and rural areas (for example, through targeted electrification projects). Other underserved categories include smallholders (for example, farmers), remote communities, and unemployed youth. NSOs, through Bank-financed projects, are expected to contribute to development outcomes that empower women and women-owned businesses, youth, and other marginalized groups, in line with the Bank's Gender Strategy (2021–25).
Government	Captures all direct effects of NSO's operations on governments in RMCs, including fiscal outcomes (for example, payment of income/corporate tax, customs duties, value-added tax, royalties), adherence to public-sector regulatory frameworks (for example, compliance with investment codes related to tax exemptions/waivers, subsidies, concessions, and award of contracts to private entities), and institutional building, among others (for example, treatment of government contingent liabilities).
Integration and Resilience	Assesses NSO's contributions to regional integration, with a focus on economic integration, such as through intra-Africa trade, and its catalytic effects in transforming industrial and agricultural-sector activities through cross-border value chains and/or export clusters. Resilience is assessed to gauge how a project helps an RMC economy withstand macroeconomic shocks through economic or sectoral diversification (for example, diversified energy sources), net foreign-exchange earnings, and other measures.

Source: AfDB ADOA Framework.

4.1 Distribution of Overall Development Outcome Ratings

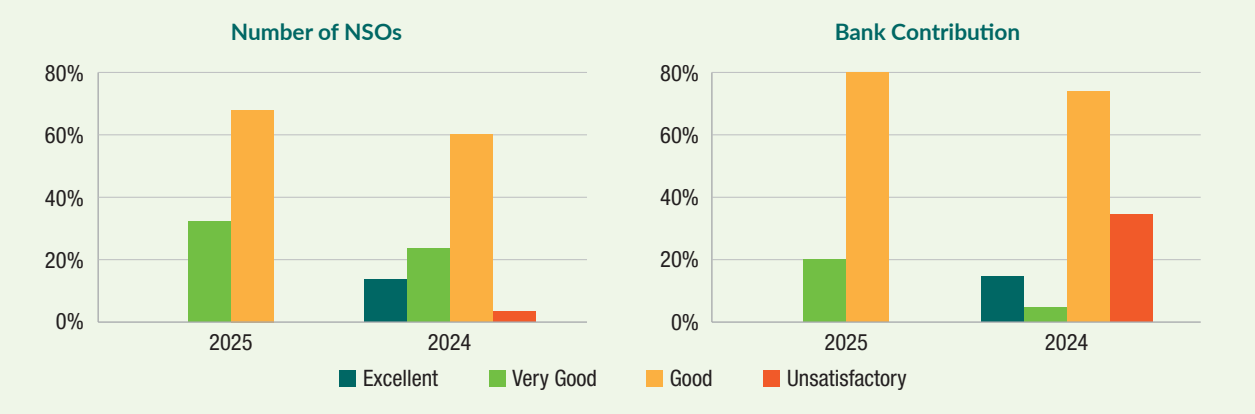
All 28 approved NSOs in 2025 received a satisfactory rating for development outcomes, with 19 rated *Good* and 9 *Very good*. There are some variations from 2024 (see **figure 7**). First, one NSO received an *Unsatisfactory* rating in 2024, while four NSOs received an *Excellent* rating. The primary and significant improvement is the share of Bank financing that did not benefit NSOs with unsatisfactory development outcomes. In 2024, that single NSO rated as *Unsatisfactory* accounted for about 35% of the Bank's financing. The granular distribution of ratings by sector and category for 2025 is presented in **table 5**.

Figure 8 provides the average development outcome scores by sector and by region. There is no significant variation across regions, and they are all within 10% of the overall average development outcome score of 5.8. In general, regions with higher average levels of development as measured by indicators such as GDP per capita, such as North and Southern Africa, have slightly below-average scores, while those in Central and West Africa have slightly above-average scores. In part, this reflects the application of an uplift factor in the assessment for transition states in Central and West Africa. The uplift factor is intended to capture the potentially higher development impact of the Bank's interventions in contexts with greater initial development gaps. The pattern across sectors is similar, with all sector averages within 10% of the overall average, except for Water, Education, Sanitation, and Health (WESH), with only one NSO, which does not represent a statistically significant difference. Comparing the development outcome scores from 2024 to 2025, there are no major changes in the distribution of scores across regions and across sectors.

The NSOs that received a rating of *Very good* or higher for expected development outcomes in 2025 were

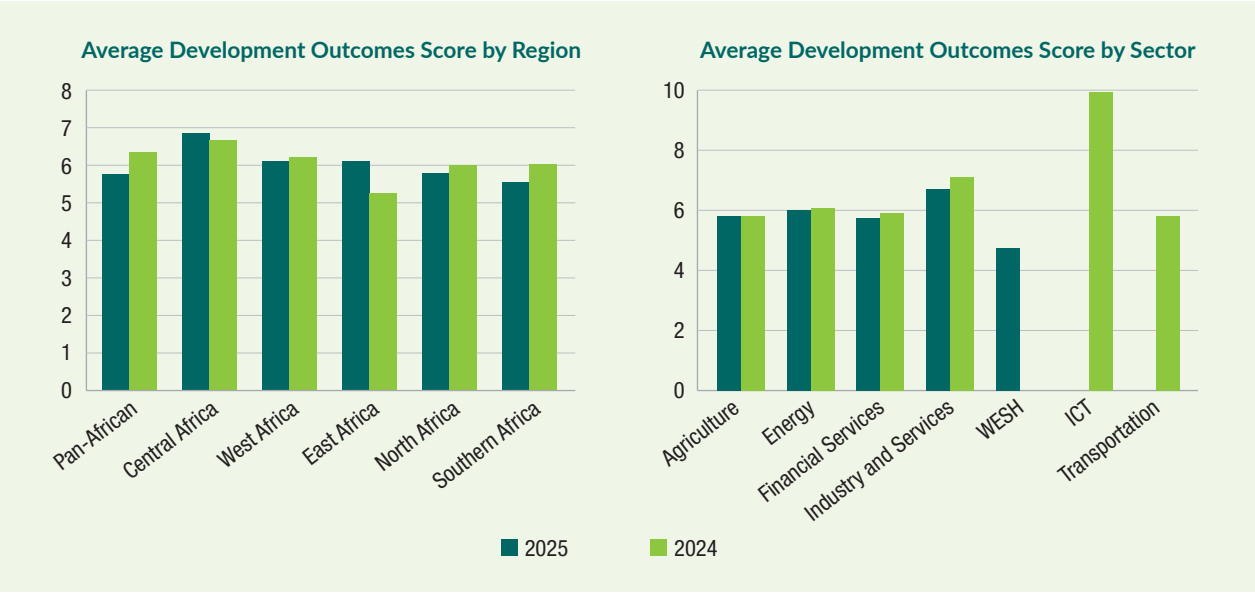
evenly spread across the three sectors of Energy, Financial Services, and Industry and Services, with three NSOs each. For Industry and Services, this was 75% of the approved NSOs (3 of 4), and for Energy, it was 50% (3 of 6), a higher percentage than Financial Services, whose share of NSOs rated *Very good* or higher is 21% (3 of 14). This relative outperformance pattern is similar to that in 2024, when ratings of *Very good* and higher were higher in the Energy (43%) and Industry and Services (100%) sectors than in Financial Services (25%).

Figure 7: Distribution of Development Outcome Ratings, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

Figure 8: Average Development Outcome Score by Region and Sector, 2025



Source: AfDB calculations using ADOA data.

Table 5: Rating Distribution of Development Outcome Categories by Sectors for Nonsovereign Operations Approved in 2025

	Sectors	Excellent	Good	Marginal	Poor	Not Applicable
Households	Agriculture	2		1		
	Energy		6			
	Financial Services		9	2		3
	Industry and Services	1	3			
	WESH		1			
Private Sector Development	Agriculture	1	2			
	Energy		6			
	Financial Services	4	10			
	Industry and Services	3	1			
	WESH	1				
Green Growth	Agriculture			3		
	Energy		5	1		
	Financial Services		3	8		
	Industry and Services		1	3		
	WESH			1		
Gender and Social	Agriculture		3			
	Energy		6			
	Financial Services	4	9	1		
	Industry and Services		4			
	WESH	1				
Government	Agriculture	1	1	1		
	Energy		1	5		
	Financial Services		4	10		
	Industry and Services	1		2	1	
	WESH		1			
Integration and Resilience	Agriculture		2	1		
	Energy			6		
	Financial Services		3	11		
	Industry and Services	3		1		
	WESH					1

Source: AfDB ADOA data.

4.2 Drivers of Development Outcome Ratings

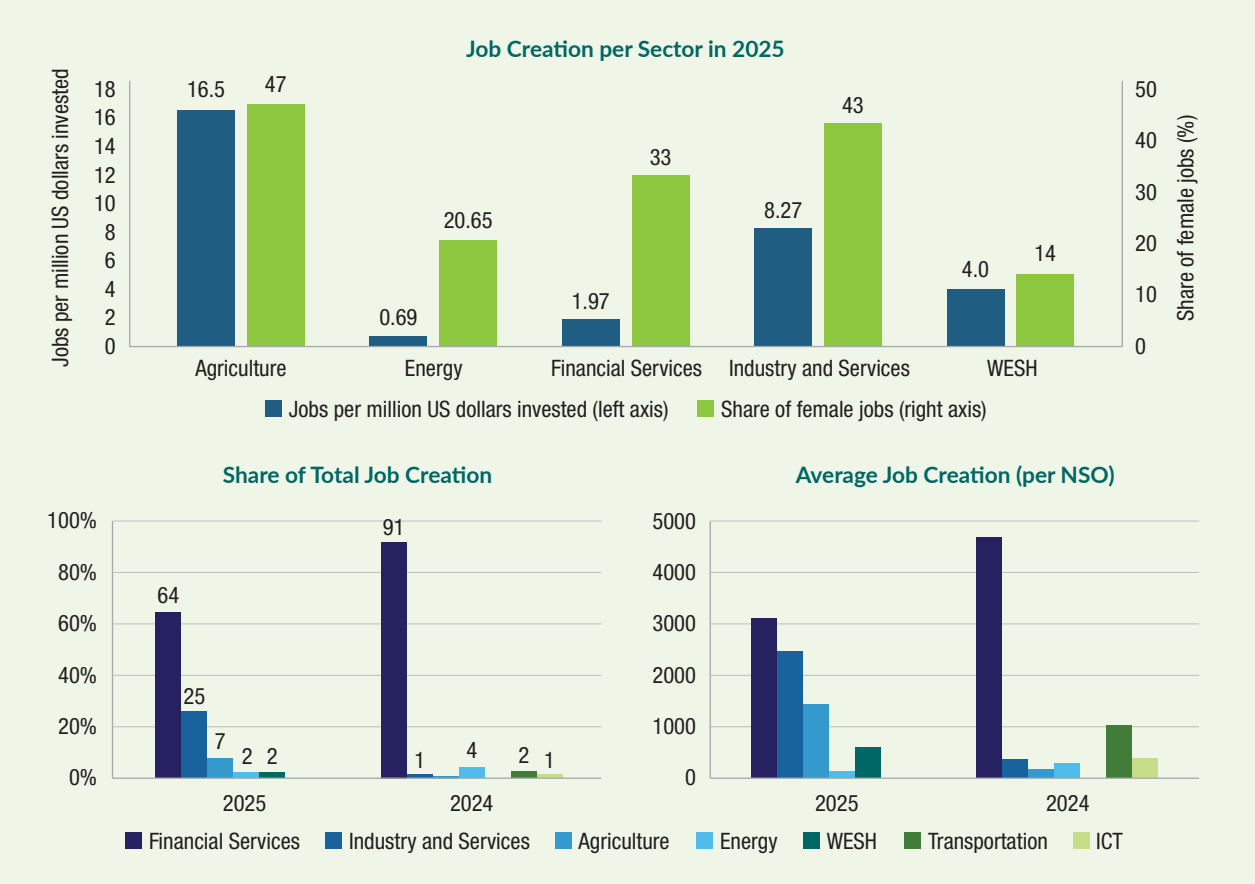
The key drivers of development outcome ratings are summarized below. These include job creation, support for underserved groups (gender, youth, transition states), access to finance, government revenue generation, climate-change mitigation, regional integration, power generation, and others. Overall, NSOs approved in 2025 demonstrated mostly improvements over those in 2024, especially in critical areas such as jobs for youth and women.

a. Job Creation

Job creation for the 28 approved NSOs in 2025 is expected to be 38,734 jobs[6] and about 4.65 jobs per million US dollars of Bank financing, compared to 46,097 jobs across 30 NSOs, or about 2.6 jobs per million US dollars, in 2024. This indicates a higher job intensity of Bank financing in 2025.

As in 2024, the NSOs in the Financial Services sector accounted for most of the expected job creation (64%), but this sector is less concentrated than in 2024, when it accounted for 91% of job creation (**figure 9**). In 2025, NSOs in the Energy and Industry and Services sectors also made material contributions to job creation (greater than 5% of total). The lower share of job creation in 2025 in Financial Services is primarily due to higher average job creation in the Energy and Industry and Services sectors, rather than a higher number of approved NSOs in those sectors (**figure 9**, lower right panel).

Figure 9: Job Creation, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

6 Full-time-equivalent jobs, which are the sum of the permanent jobs and half of the sum of temporary and part-time jobs.

Box 2: Job Creation through Nonsovereign Operations

While the Financial Services sector continues to account for the majority of jobs created, the share of jobs from NSOs in the Industry and Services sector has increased significantly in 2025.

Arise Integrated Industrial Platforms (Arise IIP) will build special economic zones in Côte d'Ivoire and Nigeria with a total cost estimated at €1.05 billion. This will include the construction of residential and office buildings, along with supporting infrastructure. The project is expected to create 7,984 direct full-time-equivalent (FTE) jobs (corresponding to 7.6 jobs per million euros invested), of which 4,868 FTE jobs are in Côte d'Ivoire and 3,116 FTE jobs are in Nigeria. Of these, 54% of the incremental jobs created by the project will benefit women, totaling 4,296 FTE jobs.

OCP is a state-owned Moroccan enterprise that is a leading exporter of phosphate-based products. The 2025 green loan to OCP is expected to create at least 5,986 FTE jobs, mainly through the construction (767 FTE jobs) and operation (5,219 FTE jobs) of solar, seawater-desalination, and wastewater-treatment plants. Moreover, 1,233 FTE jobs are expected to accrue to women (20.6% of total jobs), which is higher than the percentage of females among waged and salaried workers in Morocco (18.6%) and the percentage of female workers at OCP (10%).

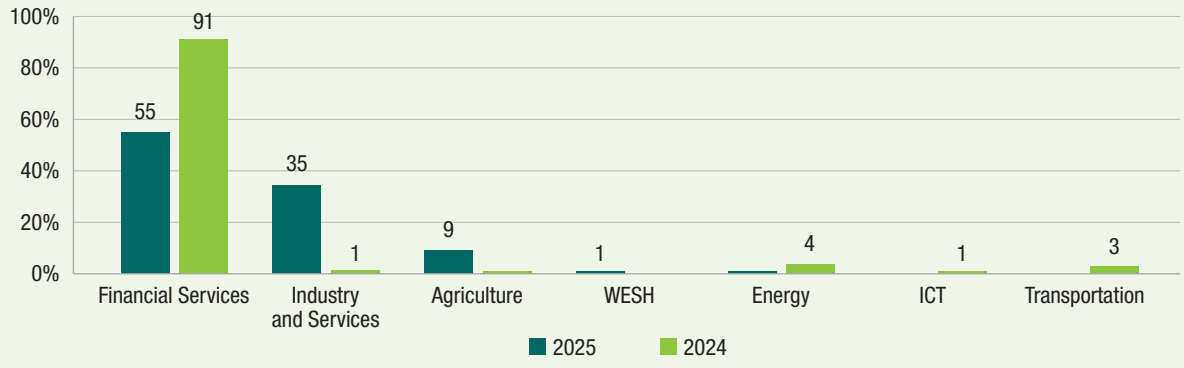
Source: AfDB ADOA reports.

b. Gender

Inclusive, broad-based growth is an important goal of the Bank. The majority of approved NSOs (96%) in 2025 received a *Good* or higher rating for the social and gender category. Overall, this is a modest but statistically insignificant improvement over the 90% in 2024. The results show that almost all approved NSOs are expected to yield material improvements in the economic well-being of underserved groups, in line with the Bank's cardinal point "Harness the Demographic Transformation for Economic Development," empowering youth and women and supporting transition states.

Among the 21 approved NSOs with job-creation expectations, 38% of the jobs are expected to be for women, totalling 14,646 jobs. This is an increase from the 30% in 2024 for the 19 approved NSOs reporting on job creation. While most of the expected job creation, both in absolute numbers and relative share, is concentrated in the Financial Services sector, female job creation is more evenly distributed across industries than general job creation. **Figure 10** provides a

Figure 10: Female Job Creation by Sector as Share of Total Female Job Creation, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

96% of approved NSOs in 2025 received a *Good* or higher rating for the social and gender category

breakdown of the expected female job-creation share by sector.

c. Youths

Youths constitute one of the largest and most dynamic demographic groups in Africa, yet the region lags in providing opportunities for them. While official youth unemployment rates are relatively low (for example, 9.9% in Sub-Saharan Africa in 2024, according to the International Labour Organization), studies frequently find that the majority of young Africans are outside the formal labor market. Over three in four young Africans face insecure work, and many turn to entrepreneurship, as formal jobs are scarce.[7] Providing opportunities for them is an important element in achieving the objectives of the Bank's long-term strategy to support Africa's younger generations.

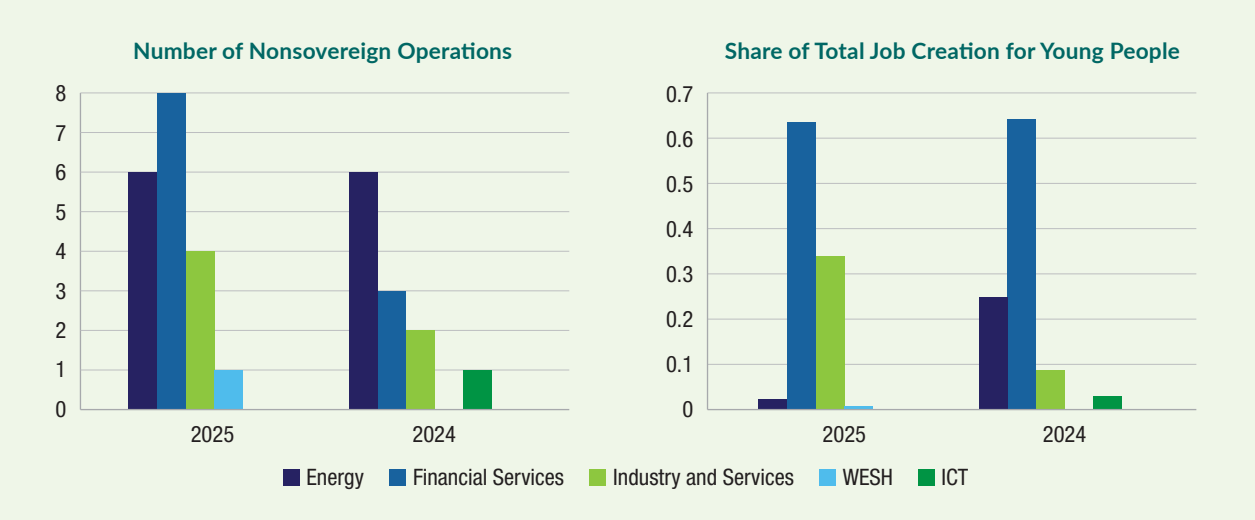
Since 2025, the Bank has begun systematically tracking data on its support to youth across its operations. This is aligned with the Bank's 10-year strategy and the Four Cardinal Points, both of which place a strong emphasis on youth.

The Bank's approved NSOs in 2025 increased opportunities for this demographic group by creating 20,386 jobs, accounting for about 53% of all job creation. Over two-thirds of approved NSOs (19 of 28) in 2025 contributed to youth job creation. In comparison, 12 approved NSOs in 2024 reported youth job creation, totalling 5,800 jobs and 13% of all expected job creation. Following the pattern for overall and female job creation, youth job creation is predominantly concentrated in the Financial Services sector, which accounts for the largest share of youth jobs among all sectors, with additional contributions from the Energy and Industry and Services sectors (**figure 11**).

d. Fragility Context

Transition states are a group of fragile countries, most of which are in Africa. These states are often characterized by instability, internal displacement, and poor governance. As a result, the populations of these countries are highly vulnerable, with limited

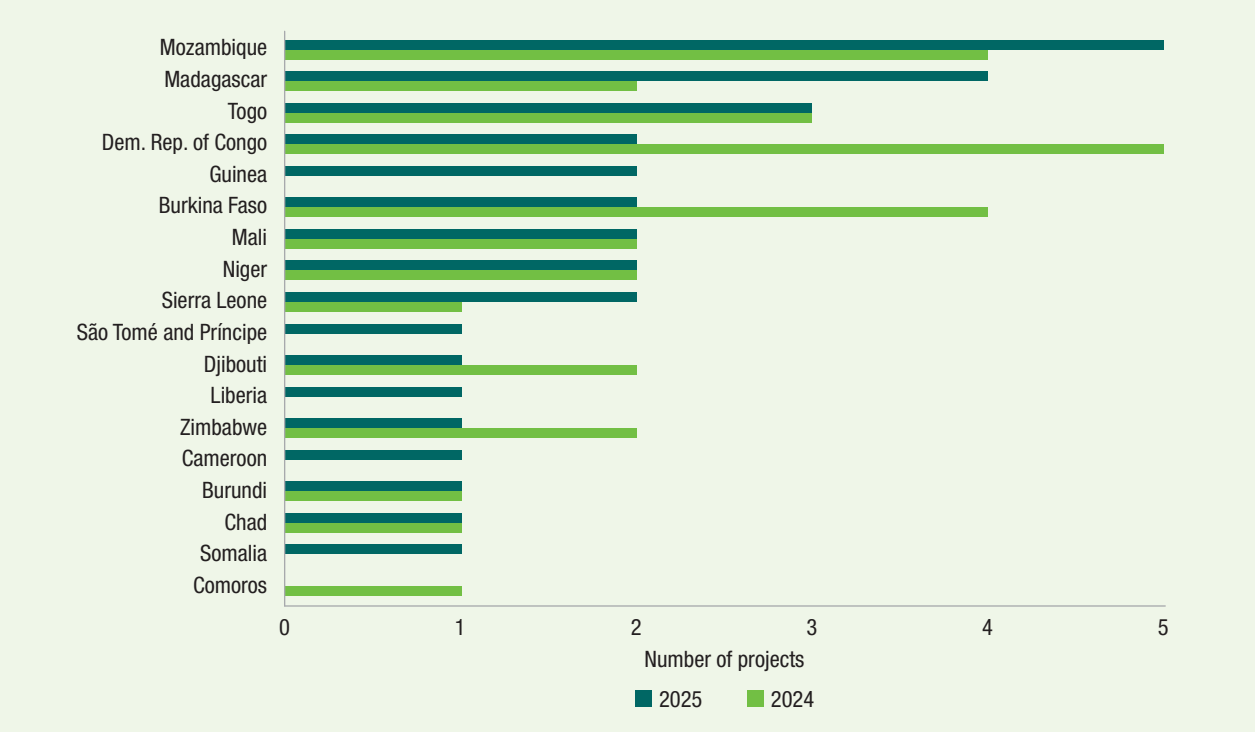
Figure 11: Expected Job Creation for youths by Sector, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

7 https://www.ilo.org/publications/major-publications/global-employment-trends-youth-2024

Figure 12: Transition States That Were Beneficiaries of NSOs Approved



Source: AfDB calculations using ADOA data.

private-sector investment due to a weak enabling environment and weak market institutions. Therefore, NSOs that provide benefits to transition countries receive a higher weighted rating in ADOA's development context assessment. From an ADOA perspective, prioritization is assessed across both the volume of operations (number and value of NSOs) and the breadth of country coverage. In 2025, the share of NSOs benefiting transition states declined to 25% of total approved operations, from 53% in 2024, reflecting a reduction in the number of such operations. However, the number of transition states reached increased from 13 to 17, indicating broader geographic coverage despite the lower share of operations.

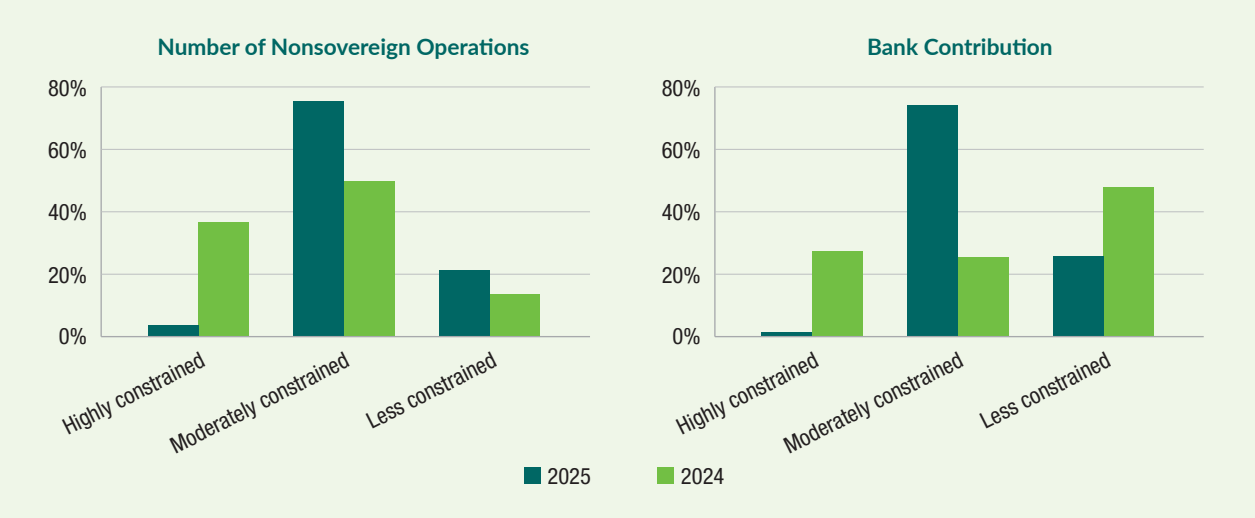


In 2025, seven NSOs involving transition states were approved, all in the Financial Services sector. Moreover, six of these seven NSOs were multinational, benefiting one or more transition states. In total, 17 transition states were beneficiaries in 2025, a 30% increase from the 13 that benefited in 2024 (**figure 12**). As in 2024, some transition states benefited from multiple NSOs, with Mozambique receiving five (either the entire NSO or part of it) in 2025.

e. Market and Development Context

Understanding the country's market and development context enables the Bank to prioritize projects and allocate its resources. The categorization of the degree of underdevelopment, and hence the development gap to be addressed, is highly granular, sector-specific, and dynamic in ADOA 3.0, as the framework is updated with over 70 market indicators annually. Taking the level of market development into account also recognizes the fact that certain regions and sectors within some countries can exhibit all the relevant qualities of underdevelopment or fragility

Figure 13: Distribution of Approved Nonsovereign Operations by Development Context, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

without a country being officially labelled as such. Markets with the most significant gaps in a particular year are categorized as *Highly constrained*, followed by *Moderately constrained* and finally *Less constrained*.

In 2025, only one of the 28 approved NSOs was in a *Highly constrained* market, while 75% of all projects were in a *Moderately constrained* market. In contrast, in 2024, 11 of the 30 approved NSOs (37%) were in *Highly constrained* markets, and 50% were in *Moderately constrained* markets. Yet the Bank's contribution to transition states reached 17 countries, 4 more than in 2024, by financing multicountry NSOs where the higher risks of transition states are blended with moderately developed markets. However, the size of the Bank's contribution to *Less constrained* markets was considerably larger in 2024 at 48% of total Bank financing. While there were only a few projects in these markets in 2024, all were large. In 2025, the Bank's share in these markets fell to only 26%. **Figure 13** summarizes the distribution of approved NSOs across development contexts.

f. Access to Finance

Access to finance is an important element of financial inclusion and enables small businesses to expand operations, hire workers, invest in equipment, and improve productivity. In 2025, the Bank's approved

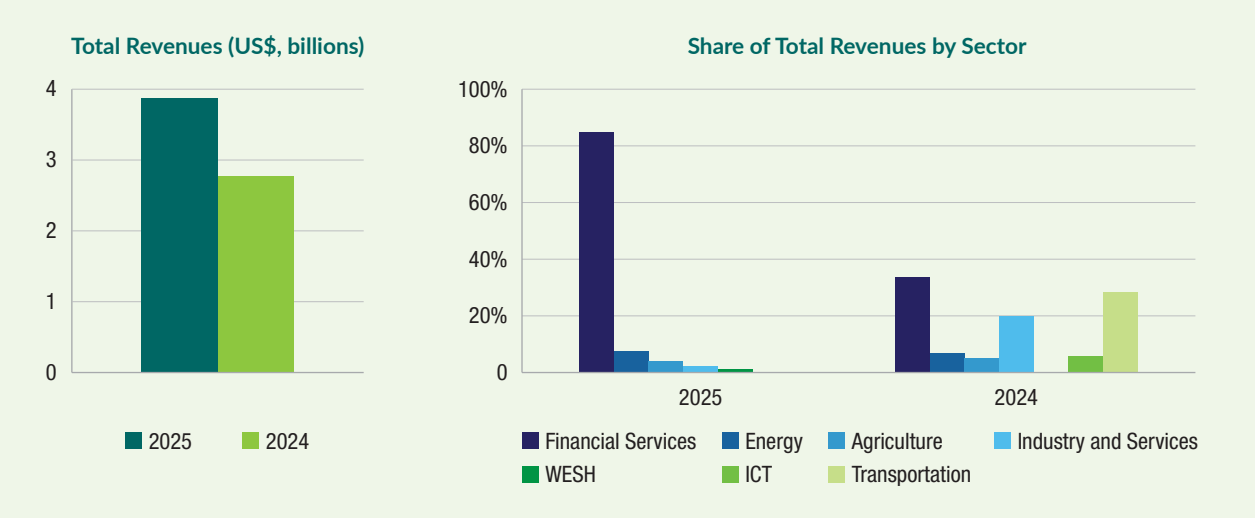


NSOs supported loans to over 8,000 small businesses, with a total value of $300 million, an average loan of $37,640 and 10-year tenor—double the number supported in 2024. Another critical constraint faced by African businesses is access to trade finance, which would allow them to link into global value chains and support their participation in global trade and competition. In 2025, approved NSOs are supported by 57 financial intermediaries across 21 African countries in expanding access to trade finance, with risk exposures exceeding $800 million.

g. Government Revenue Generation

The approved NSOs in 2025 are expected to generate approximately $3.85 billion in government revenue, a 40% increase from $2.75 billion in 2024 (**figure 14**). In 2025, the largest share is concentrated in the Financial Services sector, which accounted for 85% of expected total government revenues. This sector

Figure 14: Government Revenue Generation, 2025 vs. 2024

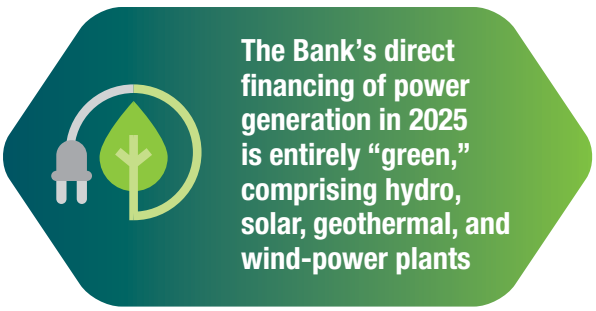


Source: AfDB calculations using ADOA data.

accounted for the entire increase from 2024. Overall, the approved NSOs in 2025 have a higher concentration of revenues than in 2024, which had a more even distribution across sectors. The Bank's NSO activities contribute to government revenue generation, thereby strengthening the fiscal position.

h. Climate-Change Mitigation

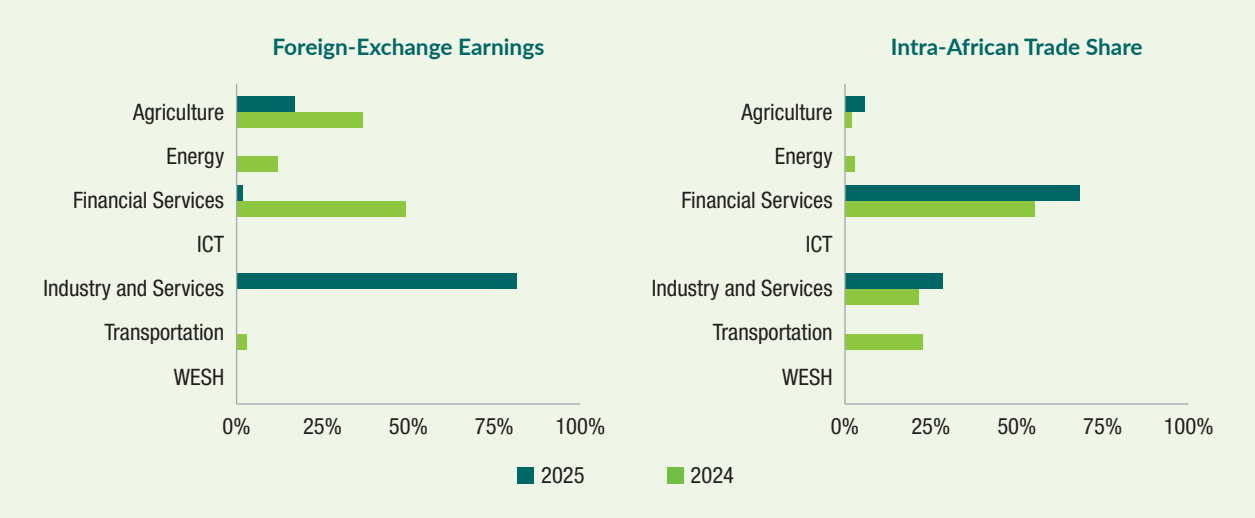
Sustainable green growth is one of the Bank's strategic priorities, and each NSO's contribution to green growth is assessed and rated. One key indicator is the expected avoidance or savings of greenhouse-gas emissions per year. There were nine approved NSOs in 2025, which are expected to avoid 6.4 million tons of CO_2 emissions per year, compared to 72.7 million tons in 2024. This difference is not driven by the number of operations but by the sectoral composition of the portfolio. In particular, 2024 represented an outlier, as a single large transportation project accounted for approximately 62 million tons of CO_2 emission reductions per year. By contrast, the 2025 portfolio consists mainly of smaller-scale renewable energy projects. Notably, the Bank's direct financing of 1,945 MW of power generation in 2025 is entirely "green," comprising hydro, solar, geothermal, and wind-power plants. For example, the 35 MW Menengai Geothermal Project in Kenya is expected to avoid over 75,000 tons of CO_2 emissions per year while enabling electricity connections for over 100,000 new households.



i. Regional Integration and Global Trade

Overall, the contribution of the Bank's approved NSOs to regional integration declined in 2025 compared to 2024. The share of NSOs rated *Good* or *Excellent* in the integration and resilience category decreased from 37% (11 of 30 NSOs) in 2024 to 29% (8 of 28 NSOs) in 2025, reflecting a modest decline in performance across key indicators. One of the most important indicators under the integration and resilience category, foreign-exchange earnings, shows significant progress in 2025, increasing by over 150% to $4.0 billion from $1.55 billion in 2024. This therefore represents a considerable advance in helping African countries build greater resilience. On the other hand, the expected value of intra-African trade supported by the approved NSOs declined by

Figure 15: Trade Shares by Sector, 2025 vs. 2024

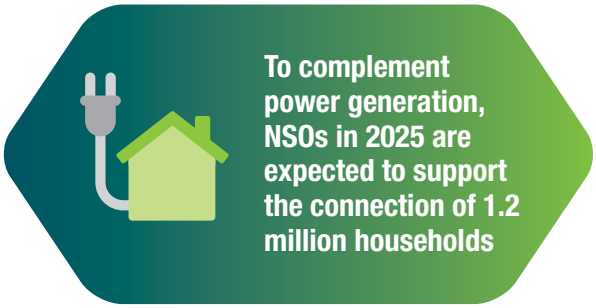


Source: AfDB calculations using ADOA data.

over 75%, from $2.2 billion in 2024 to $470 million in 2025, reflecting differences in the type and scale of projects financed, rather than the number of NSOs. In past years, this category has emphasized pan-African NSOs, which have been less important in 2025. Overall, this change in emphasis has been reflected in the sectoral shares of foreign-exchange earnings and intra-African trade generation. While the Financial Services sector has remained the most important contributor to intra-African trade in both 2025 and 2024, it is a much less important source of foreign-exchange earnings in 2025, where the real sectors of Agriculture and Industry and Services are the primary contributors (**figure 15**).

j. Power Generation

One of the Bank's priorities is the expansion of the energy infrastructure. In 2025, the number of approved NSOs financing power generation declined from 11 in 2024 to 7, while the overall Bank's contribution increased slightly from $392 million to $419 million (7%). However, the expected increase in total installed capacity from NSOs approved in 2025 is only 1,945 MW, about 65% lower than in 2024, when the Bank's NSOs financed an expected total installed capacity of 5,208 MW. It should be noted that 2024 was an outlier: one large NSO involving the Africa Finance Corporation in the Financial Services sector contributed $30 million and supported the financing of the development of approximately 3,300 MW of expected installed capacity, which largely explains the difference between 2024 and 2025. Looking only at NSOs in the Energy sector shows that approved NSOs in 2025 were very similar to those in 2024 in their contributions to African power generation.



To complement power generation, NSOs in 2025 are expected to support the connection of 1.2 million households, a significant increase over 2024, when seven NSOs in the Energy sector were expected to yield potentially 330,000 new household connections.

k. Other Development Outcomes

Several NSOs in 2025 are expected to deliver significant development outcomes that do not fall in any of the foregoing development outcome categories. Agriculture remains the primary source of employ-

ment for many RMCs and is an important potential engine of economic growth and greater regional value addition. One of the most important segments of the Agriculture sector is smallholder farmers. Three NSOs provided support to over 27,000 outgrowers in 2025. For example, Zambeef, a vertically integrated cold chain of food products and agribusiness company in Zambia, is expected to generate 1,398 FTE jobs, contribute incremental value of $93 million (net present value at a 12% discount rate), and add 12,400 smallholder farmers to its supply chain.

Generating greater value addition and employment is even more important in the Industry and Services sector, especially when coupled with expanding local economic linkages and knowledge transfer. The NSOs in the Industry and Services sector are expected to generate $1.57 billion (net present value at a 12% discount rate) in incremental value addition and add almost 10,000 FTE jobs. For example, the loan to Nyanza Light Metals is expected to yield incremental value addition of $1.10 billion (net present value at a 12% discount rate), with an expansion of its domestic supply chain estimated at $736 million (net present value at a 12% discount rate). It will create 1,386 FTE jobs, which will be accompanied by formal training for 882 employees with programs covering laboratory procedures and sample production, equipment operation, plant maintenance, and advanced mineral processing.





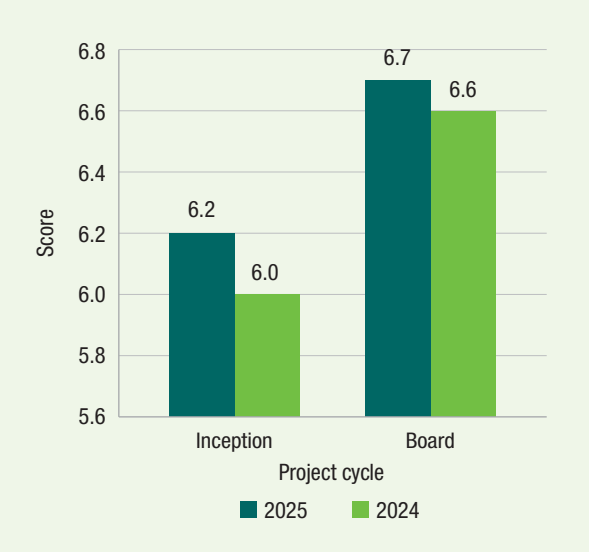
5. Improving Quality at Entry and Contributing to the Cardinal Points

5.1 Quality at Entry

The ECMR.2 Division plays a significant advisory role in processing NSOs within the Bank, and its independence is critical to its success in this capacity. Its independence is also important to its success in providing guidance to sector departments and senior management on each NSO's development outcomes and the Bank's additionality. This advisory function allows problematic projects to be deprioritized or enables sector experts to improve project design to enhance expected development impacts. In this capacity, ADOA contributes to improving quality at entry for NSOs.

Figure 16 shows that the overall additionality ratings improved from inception to board stage for the 28 approved NSOs in 2025. The overall improvement of 0.5 points, from an average score of 6.2 at inception to 6.7 at the board stage, is similar to that in 2024, where the average increased from 6.0 at inception to 6.6 at board. The improvement is more striking if we limit the sample to the 12 approved NSOs that received an ADOA score at the concept stage. These projects had an average score of 5.9 at the concept stage and increased by 0.9 to an average of 6.8 at the board stage. This highlights the significant value addition that ADOA's expertise and assessments continue to bring to improving the quality at entry of NSOs.

Figure 16: Additionality Improvements over Project Life Cycle, 2025 vs. 2024



Source: AfDB calculations using ADOA data.

As ADOA issues only a rating and not a score at the concept stage for development outcomes, and the Bank's 2025 streamlining of project processing meant that more projects are going straight to the appraisal stage without an ADOA assessment at concept (16 of 28 NSOs), it is less relevant to compare the ADOA scores over the project life cycle, as in previous years. In general, the ADOA score for development outcomes at appraisal is the same as at the board stage, as almost no additional information is provided and almost no changes to the project are made following the appraisal stage.

5.2 Contributions to the Four Cardinal Points

The 28 approved NSOs in 2025 make important contributions across all Four Cardinal Points (table 6).

Table 6: Selected Contributions of Nonsovereign Operations to the Four Cardinal Points

Cardinal Points	NSO Contribution
Enhance access to capital: mobilize Africa's financial resources	• Bank contribution of $1.836 billion supported projects with total cost of $27.8 billion (15:1 catalytic ratio). • Bank contribution of $544 million supported private capital funds with a pipeline value of $11.1 billion (20:1 catalytic ratio).
Reform and consolidate the continent's financial systems, institutions, and talent to assert Africa's global agency	• Bank contribution of $1.858 billion to NSOs in the Financial Services sector. • Risk-capital funds with a pipeline value of $1.77 billion were supported by a Bank contribution of $55 million. • Two NSOs supporting regional DFIs with a Bank contribution of $214 million (12% of total Bank contribution for Financial Services) and expected pipeline value of $2.23 billion. • DFI-designed private equity fund in renewable energy with a $40 million Bank contribution that is expected to have a final close of $1 billion. • Ten long-tenor loans with $1.05 billion in bank contribution are expected to generate total long-tenor financing of $6.51 billion.
Harness the demographic transformation for economic development	• Jobs created for women: 14,646 (38% of total job creation and 30% increase from 2024). • Jobs created for young people: 20,386 (53% of total job creation).
Build climate-resilient infrastructure and robust value addition to natural resources	• 1,945 MW of clean energy installed capacity. • 6.4 million tons CO_2 avoided. • $1.57 billion total incremental value added (net present value at a 12% discount rate).

Source: AfDB ADOA Framework.



6. Knowledge Generation, Capacity Building, and Outreach

As part of the ECMR Department within the ECVP Complex, the ECMR.2 Division undertakes analytical and applied research relevant to the Bank's operations and the development concerns of RMCs.

6.1 Knowledge Generation

In 2025, the ECMR.2 Division engaged in knowledge generation (table 7) by producing 25 policy notes and briefs, five working papers, 12 articles in peer-reviewed journals, and a chapter in a book. The Division produced a total of 43 knowledge products in 2025, compared with 36 in the previous year, representing an increase of 19 percent over the

Table 7: ECMR.2 Knowledge Products, 2025 vs. 2024

	2025	2024	Change
Working papers	5	9	–44%
Policy notes and briefs	25	17	+47%
Peer-reviewed articles	12	10	+20%
Book chapters	1	–	–
Total	**43**	**36**	**+19%**

Source: AfDB ADOA data.

period. This output demonstrates the Division's continued capacity to generate evidence-based knowledge products to inform the design of projects and operations, as well as policy dialogue and advisory services in RMCs..

The division's knowledge of local market specifics in the RMCs and the ability to apply economic modeling tools has made invaluable impact in the measurement and impact assessment of a broad spectrum of the Bank's NSOs. The following three studies highlight this with particular clarity:

- "Financial Constraints and Exports: Firm-Level Evidence from Kenya and Tanzania," published in the *African Development Review*, tackles key questions about access to finance and trade finance.
- "The Role of African Fintechs in Facilitating Telemigration," published as a working paper at the Harvard Business School, looks at how fintech innovation is enabling African participation in global digital service markets and supply chains.
- "Beyond the Balance Sheet: SME Financing Strategies for Fixed Assets amid Constraints," published in the *Finance Research Letters*, documents and investigates how financial constraints alter how small and medium-sized enterprises structure and prioritize their financing strategies.

6.2. Ongoing Impact-Evaluation Projects

The Division is implementing two impact-evaluation research projects financed through grants from the Korea Africa Economic Cooperation Fund: (i) the Ghana Grain Grading and Certification Quality Project, supported by a grant of nearly $500,000, and (ii) the Food Loss and Waste Project in Uganda, supported by a $634,979 grant. These projects were approved in 2022 and 2023, respectively. They underscore the ability of the division to mobilize resources from external sources for flagship studies and knowledge products to supplement funding provided through the administrative budget.



- **Ghana Grain Grading and Certification Quality Project**

The grain grading and certification project seeks to transform Ghana's maize value chain by addressing long-standing quality, safety, and market-efficiency challenges. The project aims to improve grain quality, enhance farmers' incomes, and reduce food-safety risks associated with aflatoxin contamination. Launched in October 2023, the project completed a large-scale household listing across 298 communities, identifying 26,301 households and establishing a sampling frame for the next stages, followed by a rigorous baseline survey of approximately 3,400 maize-producing households in 2024. It also completed its first major intervention, training 1,952 farmers (representing 88% of the treatment group) in best agricultural and post-harvest practices. The training included practical demonstrations of grain testing, moisture measurement, aflatoxin sampling, and grading. In 2025, the research team visited farmers after harvest during the minor season, collected maize samples, and delivered them to Ghana Commodity Exchange laboratories in Kumasi, Ejura, and Wenchi for analysis. As expected for the dry season, the findings show that 88% of the samples fell below the regulatory aflatoxin limit of 5 ppb. However, 31% of the samples were assessed as grade 4 or lower, indicating

significant issues with visible defects and marketability. During the last quarter of 2025, preparations for the major season assessment began. The sampling process yielded 1,674 samples, and laboratory analyses are currently underway.

- **Food Loss and Waste Project in Uganda**

The experimental study measures traders' willingness to pay for shared solar-powered cold-storage services in Uganda's urban fresh-food markets and evaluates how information design affects demand and usage. The goal is to identify price points and service features that encourage adoption of technologies that reduce food loss, thereby informing operators and investors exploring scalable cold-storage solutions. In 2025, a scoping study assessing Kampala's food markets and the use of cold storage was commissioned and completed. The study found that 63 food markets in Kampala City host a highly uneven distribution of fruit and vegetable traders. The 2025 assessment across 13 priority markets shows extensive reliance on traditional, low-efficiency storage methods and severe post-harvest losses—traders lose about one-third of fruits and one-quarter of vegetables weekly, largely due to heat, delayed sales, and poor handling. Tomatoes and avocados dominate in volume, vulnerability, and spoilage, making them prime targets for cold-storage services. Awareness of cold storage is low, yet perceived benefits are high, with most traders willing to pay for nearby, pay-per-use facilities and preferring simple storage-only services. However, adoption barriers, especially fees, distance, and security concerns, remain substantial. Overall, the findings reveal large shelf-life gaps, significant economic losses, and strong latent demand for affordable, accessible, and trusted local cold storage.

The Bank conducted a preparatory mission in 2025 to engage with the government and secure the authorities' ownership and buy-in, identify in-country partners, and select eligible food markets for intervention. Uganda's Ministry of Trade, Industry, and Cooperatives and the Kampala City Council Authority



welcomed the initiative and committed their support. Several development partners, including the Food and Agriculture Organization, which is pursuing complementary market-modernization efforts, also expressed interest in collaborating with the Bank on the project. A shortlist of five markets was identified for potential rollout, and procurement of two 40 ft solar-powered, containerized cold-storage units is currently underway.

6.3. Knowledge Dissemination

It is important to disseminate the key findings and insights from knowledge products generated by the division. To be effective in linking research to operations, it is equally important to share and discuss it with operations and internal stakeholders. In 2025, the division presented research produced by staff at seven internal research seminar series. In addition, staff of the division participated in six international conferences to disseminate findings of ongoing research. These included attendance at the Oxford Centre for the Study of African Economies' 2025 conference on economic development in Africa (United Kingdom), the 2025 International Society for the Advancement of Financial Economics China Conference, the annual meeting of the Italian Economic Association (Italy), the American Economic Association conference in San Francisco (United States), the Harmonized Indicator for Private Sector Operations annual meeting (Luxembourg), and the Africa International Conference 2025 (United Kingdom). These engagements provided valuable platforms for scholarly exchange, enabling staff (i) to receive constructive feedback to strengthen the quality and policy and operational relevance of their papers and enhance their prospects for publication in reputable international peer-reviewed journals, and (ii) to identify and cultivate potential collaborative research opportunities.





7. Conclusion

The ADOA is essential for monitoring the performance of the Bank's NSOs, ensuring that their additionality aligns with the Bank's development objectives and avoiding the crowding-out of private investment. The ADOA tool at the Bank plays a necessary role in assessing NSOs for additionality and expected development outcomes. In 2025, 46 NSOs were assessed, of which 28 were approved by the board, with the ratings indicating satisfactory additionality: either *Positive* or *Strongly positive* for overall additionality. The Bank's additionality continues to be primarily financial while ensuring that it crowds in, rather than crowds out, private-sector investment and participation.

The different projects also had strong job-creation potential and contributed to increased tax-revenue generation and deeper regional integration. The NSOs approved in 2025 are expected to yield total FTE job creation of 38,734, incremental tax revenue of $3.85 billion, and foreign exchange of $4.0 billion. They also contributed to reducing gender inequality, empowering youth, and creating employment. The approved NSOs also eased financing constraints faced by the private sector, particularly businesses operating in transition states characterized by fragility.

The division continued to demonstrate its research capabilities, contributing to the production of relevant knowledge products to inform the Bank's operations and strategies and informing policy dialogue and advisory services in the RMCs. The division advanced the research findings through regular engagements with operations departments and through presentations at internal and external dissemination platforms. Crucially, the knowledge products generated from assessed projects would provide lessons to be applied beyond the specifics of any single NSO.

Additionality and Development Outcomes Assessment (ADOA) 2025 Annual Report

Annex 1: List of Nonsovereign Operations in 2025

					PCN TIC		PCN-OpsCom		PAR TIC		PAR OpsCom		Board	
Board Date	Project Name	Country	Primary Sector	Bank's Contribution (US$, millions)	Overall additionality	Overall development outcomes	Overall additionality	Overall development outcomes	Overall additionality	Overall development outcomes	Overall additionality	Overall development outcomes	Overall additionality	Overall development outcomes
19/11/2025	Adenia Entrepreneurial Fund I	Multinational	Financial Services	15	Marginally positive	Good			Marginally positive	Good			Marginally positive	Good
14/05/2025	Arise Integrated Industrial Platforms (Arise IIP)—Convertible loan notes subscription	Multinational	Industry and Services	100	Positive	Good	Positive	Good	Positive	Very good	Positive	Very good	Positive	Very good
14/07/2025	Burn eCooking Expansion Program (BEEP)	Multinational	Industry and Services	4					Positive	Good	Positive	Good	Positive	Good
12/06/2025	Cabeólica Phase 2—13.5 MW and battery energy-storage system (BESS)	Cabo Verde	Energy	22					Marginally positive	Very good	Marginally positive	Very good	Marginally positive	Very good
01/12/2025	Crédit Communautaire d'Afrique (CCA BANK)	Cameroon	Financial Services	29					Positive	Very good	Positive	Very good	Positive	Very good
25/06/2025	Subnational Loan to the City of Johannesburg (CoJ)	South Africa	WESH	139	Positive	Good			Positive	Good	Positive	Good	Positive	Good
24/10/2025	Emerging Africa & Asia Infrastructure Fund (EAAIF 4)	Multinational	Financial Services	100					Strongly positive	Good			Strongly positive	Good
10/12/2025	Fonds d'Equipement Communal (FEC)	Morocco	Financial Services	150	Marginally positive	Good	Marginally positive	Good	Positive	Good	Positive	Good	Positive	Good
12/11/2025	FirstRand Bank Ltd.	South Africa	Financial Services	300	Unsatisfactory	Good	Marginally positive	Good	Positive	Good	Positive	Good	Positive	Good
29/10/2025	Garneton North 20 MW Solar PV	Zambia	Energy	15					Strongly positive	Good	Strongly positive	Good	Strongly positive	Good
27/06/2025	Générale de Banque Mauritanie—Trade finance facility	Mauritania	Financial Services	23					Positive	Good			Positive	Good
08/12/2025	Industrial Development Corporation (IDC)	South Africa	Financial Services	114	Positive	Good			Positive	Good			Positive	Good
25/06/2025	Intercontinental Investment Bank Djibouti (IIB-Djibouti)	Djibouti	Financial Services	10					Positive	Good			Positive	Good
12/11/2025	Mohammed Enterprise Tanzania Ltd. (MeTL)	Tanzania	Agriculture	25	Positive	Good			Positive	Good			Positive	Good
26/03/2025	Minapharm Expansion and Renovation Program	Egypt	Industry and Services	16	Positive	Good			Positive	Very good			Positive	Very good
11/07/2025	Mota Engil Engenharia E Construcao Africa	Multinational	Financial Services	211	Positive	Good	Positive	Good	Positive	Very good	Positive	Very good	Positive	Very good
18/07/2025	Nedbank Group Limited (NGL)	Multinational	Financial Services	220					Positive	Good	Positive	Good	Positive	Good
03/12/2025	Nigeria Sovereign Investment Authority (NSIA)	Nigeria	Financial Services	100	Positive	Good	Positive	Good	Positive	Good	Positive	Good	Positive	Good
22/10/2025	Nyanza Light Metals	South Africa	Industry and Services	75	Positive	Good			Strongly positive	Very good			Strongly positive	Very good
03/12/2025	Partial Credit Guarantee to support OCP Green Loan	Morocco	Financial Services	521	Marginally positive	Good	Marginally positive	Good	Positive	Good	Positive	Good	Positive	Good
24/11/2025	35 MW Menengai Geothermal Project	Kenya	Energy	17	Positive	Good			Strongly positive	Very good			Strongly positive	Very good
15/10/2025	M300-Phase 2 Electricity for All Project (PEPT) Social Bond	Côte d'Ivoire	Energy	27					Positive	Very good			Positive	Very good
11/06/2025	Scatec 1 GW Solar PV and 100 MW/200 MWh Battery Storage Project	Egypt	Energy	184	Positive	Good	Positive	Good	Positive	Good	Positive	Good	Positive	Good
30/04/2025	Sokodé 42 MWac Solar PV Project	Togo	Energy	28	Positive	Good			Strongly positive	Good			Strongly positive	Good
24/09/2025	SUCDEN Côte d'Ivoire	Côte d'Ivoire	Agriculture	117					Positive	Good			Positive	Good
17/09/2025	The Currency Exchange Fund (TCX)	Multinational	Financial Services	25	Positive	Good	Positive	Good	Positive	Very good	Positive	Very good	Positive	Very good
16/07/2025	Project Zafiri DRE Equity Platform	Multinational	Financial Services	40	Positive	Good	Positive	Good	Positive	Good	Positive	Good	Positive	Good
30/04/2025	Zambeef Products PLC	Zambia	Agriculture	32	Positive	Good	Positive	Good	Positive	Good	Positive	Good	Positive	Good

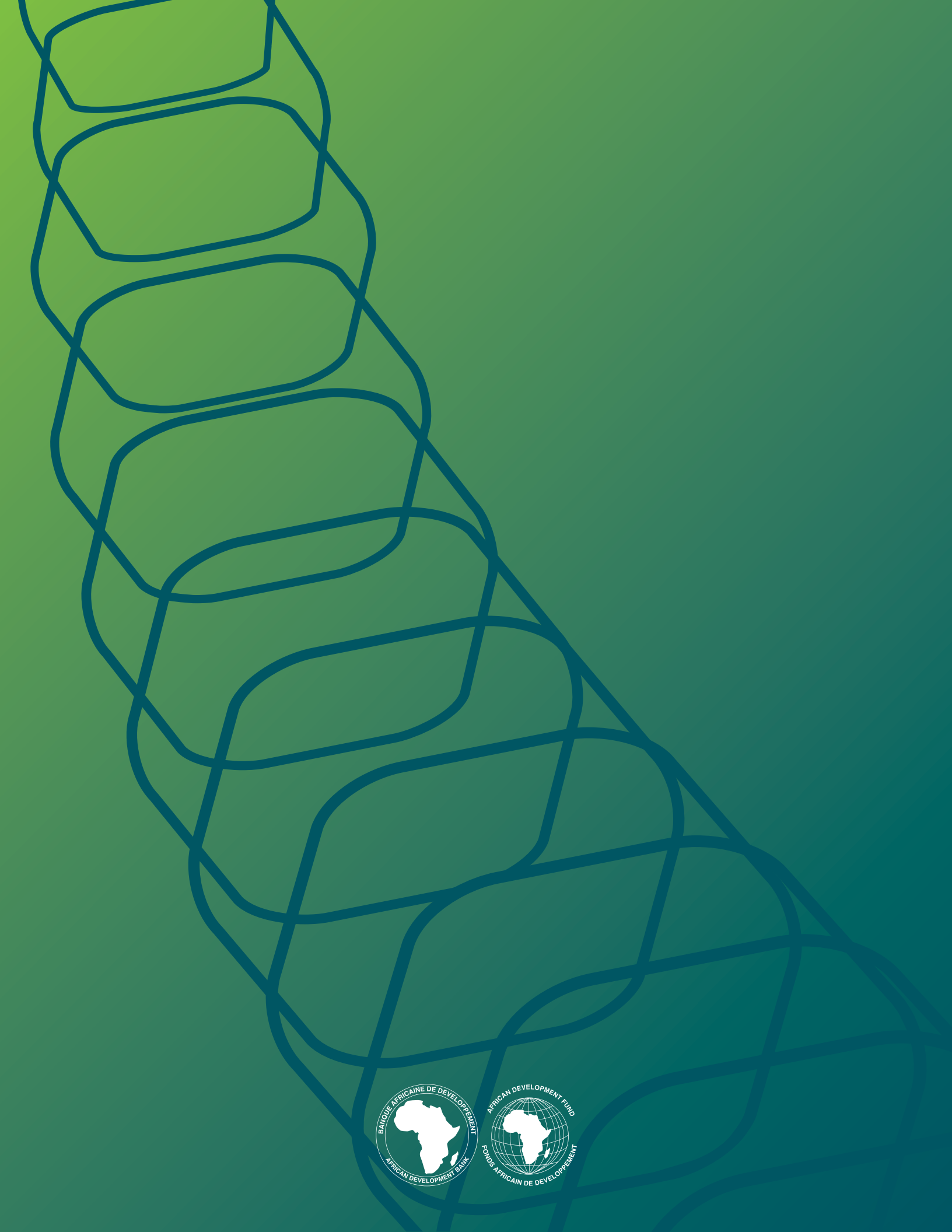
Source: AfDB ADOA reports.

Annex 2: 2025 ECMR.2 Division

Name	Position
Anthony SIMPASA	Director, ECMR
Eugene BEMPONG NYANTAKYI	Manager, ECMR.2
Francis KEMEZE	Chief Research Economist, ECMR.2
Omolola AMOUSSOU	Chief Research Economist, ECMR.2
Patrick MABUZA	Principal Research Economist, ECMR.2
John Herbert AINEMBABAZI	Principal Research Economist, ECMR.2
Sahawal ALIDOU	Principal Research Economist, ECMR.2
Oriéta COVI	Senior Research Economist, ECMR.2
Michael MACHOKOTO	Senior Research Economist, ECMR.2
Mamadou BAH	Senior Research Economist, ECMR.2
George MARBUAH	Senior Research Economist, ECMR.2
Josephine Gakii GATUA	Research Economist, ECMR.2
Lucette ALESSE	Team Assistant, ECMR.2

Annex 3: 2025 Research Products

	Title	Publication	Online
Journal Articles and Reports			
1	Linguistic Nuances and the Valuation of Corporate Investments in Innovation	*Finance Research Letters*	Link
2	Language Structure and Corporate Financing: The Role of Future Time Reference	*International Review of Financial Analysis*	Link
3	Beyond the Balance Sheet: SME Financing Strategies for Fixed Assets amid Constraints	*Finance Research Letters*	Link
4	Climate Variability and Its Impact on Sanitation Facility Choice in Ethiopia	*Discover Water*	Link
5	Non-cognitive Skills and Willingness to Participate in Drought Index Crop Insurance in Ghana	*Climate and Development*	Link
6	Membership of Water User Association and Implications for Food Security	*Journal of Agriculture and Food Security*	Link
7	Women, Men, and Money: A Gendered Analysis of Financial Resilience	*Economics Letters*	Link
8	From Code to Creativity: The Impact of Legal Origins on Innovation of Private Enterprises	*Economics Letters*	Link
9	Domestic versus International Remittances and Job Creation in Family Firms in Nigeria and Uganda	*Review of Development Economics*	Link
10	Trade Finance Supply Dynamics in Africa	*Global Trade Finance Report*	Link
11	Financial Constraints and Exports: Firm-Level Evidence from Kenya and Tanzania	*African Development Review*	Link
12	The Role of African Fintechs in Facilitating Telemigration	*Harvard Business School Working Paper Series*	Link
Book Chapter			
1	Role of the African Private Sector in Financing Development	*Financing African Economies from Within*	Link
Working Papers and Policy Briefs			
1	Is Financial Anxiety Gendered? A Cross-Sectional Analysis during the COVID-19 Pandemic	Working Paper	
2	From Code to Creativity: The Impact of Legal Origins on Innovation of Private Enterprises	Working Paper	
3	The Effect of Linguistic Structures on Economic Resilience: Evidence from Emergencies, Preparedness, and Coping Mechanisms	Working Paper	
4	Tenses and Temptations: Does Linguistic Temporal Orientation Influence Bribery?	Working Paper	
5	Gender Differences in Export Performance: Some International Evidence	Working Paper	


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