Executing Strategy in the face of Crises: 
The Case of the African Development Bank

By

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Abstract
Several research studies on strategy execution have examined corporate establishments with hierarchical organizational structures. These organizations often have refined goals of effectively generating revenue and maximizing shareholder value. Absent from the literature, however, are effective means to manage multiple stakeholders institutions with complex structures and strong political influences. This paper fills this void by examining how the African Development Bank Group (AfDB) developed and executed strategies, as well as factors that helped the bank avoid strategic drift while managing the seven major crises during Donald Kaberuka’s tenure (2005–2015). This paper explores: (1) The impact of the bank’s complex organizational structure (2) Political influences on crisis management, strategy development and execution (3) Challenges and tradeoffs to select a viable strategy consistent with the Bank’s mission. This paper found that the AfDB under Kaberuka’s leadership took deliberate steps to develop and execute well-established and interconnected strategies that led to effective crisis management and business continuity, increased operational efficiency, and expanded regional impact in all 54 African member countries.

Keywords: Strategy Execution, African Development Bank, Crisis Management, Donald Kaberuka, and Donald Sull.

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Background

1.1 Introduction

According to Sull, D. (2014). *Lecture on Executing Strategy in Volatile Markets*. Personal Collection of D. Sull, MIT Sloan School of Management, Cambridge MA, the body of work done in the field of strategy execution indicates most companies struggle to translate their strategy into results. A recent survey of more than 400 global CEOs, conducted by Sull, revealed excellence in execution was the number one challenge facing corporate leaders in Asia, Europe, and the Americas, topping a list of 84 issues including innovation, geopolitical instability, and top-line growth. Further, Sull found of 125,000 respondents representing 1,000 organizations in over 50 countries, nearly two-thirds of organizations struggled to execute their strategy. By most measures, including number of academic articles published, managerial books in print, executive education or MBA courses, strategy execution receives an order of magnitude less attention than strategy.

The fundamental building block of the execution framework developed by Sull (Figure 1 below), upon which this research study is based, is performance commitments—the promises people make to one another to get things done. Employees make promises up and down the chain of command, across divisions or business units, and to external parties including customers and distributors. To understand execution, an organization can be visualized as an ever-shifting social network, where individuals are connected, not by friendship or information flows, but by commitments to get tasks done.

*Figure 1: Executing Strategy in Volatile Markets Framework*
Execution consists of achieving an organization’s objectives by effectively managing the interconnected performance commitments that support the strategy. For simple organizations competing in stable markets, execution is relatively straightforward: Top executives formulate a strategy, communicate it down the hierarchy, and managers at every level negotiate performance commitments with their subordinates. When organizations are complex and markets volatile, execution is much more difficult. Employees must not only make and honor commitments to their boss, but also to colleagues in other units and to customers and partners whose demands shift over time. These commitments—hierarchical, cross-unit, and external—often tug in different directions, and managing these conflicting commitments is the central challenge in effective execution.

1.2 Purpose of Study
Despite the growing focus on the private sector, institutions like the AfDB continue to play a major role in driving growth and infrastructure development in emerging regions like Africa, have hardly been the subject of research. Instead most of the previous studies have focused on the private sector. According to Weiss (2012), the aggregate amount of money flowing through the multilateral development agencies is estimated at $547.7 billion annually. The AfDB was chosen for this case study because unlike the corporate domain, it operates in a complex governance environment and has both social and environmental objectives, not just economic goals. Multiple governments fund AfDB. It embodies three constituent institutions and has 78 member countries with various levels of voting power and wide-ranging expectations (see Exhibit 3). There are many organizations in the world like AfDB, such as governments, which have to keep operating despite these constraints. This case is also timely because Africa is entering into a phase of regional development banks: The Eastern and Southern African Trade and Development Bank (PTA) in Nairobi; ECOWAS bank for Investment and Development (EBID), etc. Lessons from this case study could propose methods that can be utilized by these multilateral development banks, as well as other large corporations, to effectively execute their strategies and avoid future disasters.
1.3 Methodology
This paper uses quantitative and qualitative methods to study sustainable strategy implementation methods utilized by the AfDB during Kaberuka’s tenure as President of the Bank from 2005 to 2015. It also leveraged secondary research through an in-depth literature review with special emphasis on the AfDB. The literature review included scholarly articles and journals from academic databases (Ebsco, and African Journals Online), and annual reports published by the AfDB that coincide with the period covered (2005-2015) by this study. From these primary and secondary sources this paper examined the following: (1) The impact of the bank’s complex organizational structure (2) Political influences on crisis management, strategy development and execution (3) Challenges and tradeoffs to select a viable strategy consistent with the Bank’s mission.

1.3.1 Data collection instruments, sources and procedures
Data collection techniques utilized involve multiple methods including primary and secondary data gathering. The primary data gathering methods include quantitative and qualitative data.

a) Qualitative data
The research examines and analyzes Kaberuka’s experiences during his tenure as the AfDB President from 2005 to 2015. The author used both data analysis and face-to-face interviews. It covers the state in which Dr. Kaberuka met the organization when he took over, his approach to strategy development, execution and revision, as well as methods employed to managing the various crises that impacted strategy execution during his tenure. The descriptive narration focuses on the chronological order of events over the last decade, highlighting critical aspects of Dr. Kaberuka’s tenure as well as principal turning points that led to adaptation.

b) Individual interviews
Research techniques utilized included physical one-to-one semi-structure interviews of sampled personnel in key positions to understand how the firm’s strategy was implemented and how issues that arose were resolved. The data from the interviews were generated as a result of the interviewer detailed notes and recordings during the discussions.
c) Quantitative Data: questionnaires and surveys

Questionnaires were administered to selected personnel at specific groups within the AfDB to learn about their individual and collective experiences. The surveys were conducted by email and in person.

1.3.2 Secondary data gathering

Data mining based on review of documents and publicly available information for background and historical context were gathered through secondary data mining. These secondary data provided a framework for the research project, development of research question(s), and validation of study findings. Content analysis of reports on ADB website as well as previous studies were helpful for in-depth qualitative inquiry. Key sources of secondary data include: (1) Historical analysis, (2) Population and sample (3) The African Development Bank Group

1.3.3 Historical Analysis

This research has a historical base. It covers review of past events, as well as primary and secondary data to explain key insights from the last decade of operations at the ADB. Publicly available data such as reports on the AfDB website and institutional records and expenditures were reviewed to understand the bank’s short and long term strategies and historical priorities. These established a background prior to participant interviewing and also served as a source of knowledge of unexamined areas. Pertinent questions regarding past policy events were included in follow up interviews and findings were used to develop recommendations for effective strategy execution going forward. I would like to offer a couple of caveats here. Firstly, the African Development Bank is a vast and complex institution. By using documents, news reports and interviews, one can shed different light and shadow on the same issues depending on the sources used, thus highlighting the need for openness and alertness when analyzing the data.

1.3.4 Populations and Sample

The population primarily included current AfDB employees and the review focused on the bank’s infrastructure development operations. Sampling was largely judgmental and included key personnel in the main departments being evaluated for strategy execution and crises management. In particular, personnel in relevant positions who had been with
the company long enough to cover a significant duration in the transitional period were included in the sample. 13 executives and eight distributed leaders and young professionals linked to the key components of the strategic execution framework took part in the interviews.

1.4 The African Development Bank Group
The African Development Bank (AfDB) is comprised of the following three constituent institutions, according to the AfDB bank’s website:

a) The African Development Bank
The African Development Bank is the Group's parent organization. According to Bertin-Levecq (2003) and Paget and Makoni (2003), the bank received AAA rating from the major financial rating agencies in 2003. 78 member countries subscribed to the African Development Bank authorized capital since 31 December 2011. It is made up of 53 independent African countries (regional members) and 25 non-African countries (non-regional members). The institution’s resources come from ordinary and special resources. Ordinary resources comprise:

- The subscribed shares of the authorized capital, a portion of which is subject to call in order to guarantee ADB borrowing obligations;
- Funds received in repayment of ADB loans;
- Funds raised through ADB borrowings on international capital markets;
- Income derived from ADB loans; and
- Other income received by the Bank, e.g. income from other investments.

Other special and trust funds include:

- The Arab Oil Fund;
- The Special Emergency Assistance Fund for Drought and Famine in Africa;
- The Special Relief Fund.

b) The African Development Fund
The African Development Fund (ADF) is the concessional window of the African Development Bank (AfDB) Group. Established in 1972, it became operational in 1974. Administered by the African Development Bank, it comprises, to date, 27 contributing
countries and benefits 40 countries. The 40 ADF-eligible countries include those that are increasing their economic capacities and heading toward becoming the new emerging markets—as well as those that remain fragile and need special assistance for basic levels of service delivery. The ADF has the challenge of having nearly half its client countries as fragile states, and facing a situation where even stable economies can become fragile due to a single internal or external shock. A classic example is the 2014 Ebola debacle in West Africa.

The ADF contributes to poverty reduction and economic and social development in the least developed African countries by providing concessional funding for projects and programs, as well as technical assistance for studies and capacity-building activities. The Fund has cumulatively invested USD 45 billion over its 40 years of operations in Africa. Its donor countries have historically replenished the Fund’s resources about every three years.

c) The Nigeria Trust Fund
The Nigeria Trust Fund (NTF) is a self-sustaining revolving fund that was created in 1976 by agreement between the Bank Group and the Nigerian government. According to the Bank’s Operational Guidelines on Nigeria Trust Fund, its objective is to assist the development efforts of the Bank’s low-income regional member countries whose economic and social conditions and prospects require concessional financing. Its initial capital of US$ 80 million was replenished in 1981 with US$ 71 million. In 2008, the Federal Republic of Nigeria and the Bank agreed to a ten-year extension of the NTF. NTF resources can co-finance operations with the ADB and the ADF, as well as fund stand-alone operations, in both the public and the private sector. Supplementary loans for Bank Group financed projects can also be considered.

AfDB Management and control
A Board of Executive Directors, made up of representatives of its member countries, controls the AfDB. The voting power on the Board is split according to the size of each member's share, currently about 60%-40% between African (or "regional") countries and
"non-regional" member countries ("donors"). As shown in Exhibit three, the largest African Development Bank shareholder is Nigeria with nearly 9 percent of the vote. Dr. Donald Kaberuka is the 7th elected President of the African Development Bank Group, having taken the oath of office on September 1, 2005. He chairs the Boards of both the African Development Bank and the African Development Fund. Kaberuka is a former finance minister of Rwanda. Kaberuka noted the AfDB Board of Governors is usually made up of member governments represented by Ministers of Finance or Planning (personal communication, January 17, 2015). The AfDB Governors meet once a year to take major decisions about the institution’s leadership, strategic directions and governing bodies. The Governors typically appoint a representative from their country to serve in the offices of the AfDB’s Board of Executive Directors. C. Akintomide noted the Board of Executive Directors takes decisions about which loans and grants should be approved and what policies should guide the AfDB’s work (personal communication, January 12, 2015).
Historical Perspective

2.1 Brief history and 10 years before Kaberuka
In the 1980s and 90s, many African countries experienced coups and crises that resulted in negative average per capita income growth for their economies, thereby slowing growth and development (see Exhibit 1). However, there were vast differences in performance of countries within the continent. According to Schwank et al. (2011), resource-rich countries that profited from the commodities boom and international trade performed better, while countries affected by conflicts and political instability performed worse. Developments in the world economy such as the abandonment of the Bretton Woods system, the oil shocks of the 1970s and interest rate hike of the early 1980s are believed to have undermined profitability of private firms. Export earnings were not adequate to support import levels and macroeconomic policies were tightened further inline with structural adjustment programs, weakening several sectors such as manufacturing. The ensuing debt overhang weakened investments in critical areas such as transport, health and education; hence sustainable growth and poverty reduction was not achieved.

The period since the early 1980s also saw rising income inequality. By the late 1990s, many citizens were living in abject poverty and nations could not pay their debts. Africa was deemed a hopeless continent by many international organizations and big NGOs started springing up with the aim of reducing poverty and improving living standards. In the 2000s, African economies gradually began to recover with economy growth rates exceeding population growth. Some of the growth was associated with the commodities boom, as well as policy shifts towards liberalization and privatization aimed at integrating into global markets and attracting private investments. However growth based on resource extraction also contributed to rising inequality and limited employment growth, thereby dampening the impact on poverty reduction. Despite the gradual turnaround, Africa remained mired in poverty with huge infrastructure gaps and narrow exports base, which did not support rapid and sustainable development. Report by Schwank et al. (2011) estimates 1,400 million people were living in poverty in 2005, 384M of which were in Sub-Saharan Africa, more than half of that region’s population (see Exhibit 2).
2.2 The African Development Bank in 2005

Strategic Priorities
Kaberuka noted at the beginning of his tenure in 2005, leadership at the African Development Bank appeared to be addressing Africa’s problems as seen in the 1980s and 1990s (personal communication, January 17, 2015). Development priorities were centered on social issues such as providing primary education, tackling HIV, resolving sanitation problems. The bank served as Africa’s NGO, making conservative investments and staying away from huge risk-taking. There was no apparent bank strategy, or at least employees seemed not to be aware of their organizational priorities and didn’t seem to have a unified focus and identity. Some of the bank’s clients and customers reportedly shared similar sentiments.

Cultural & political issues
Information collected from individual interviews and survey results suggested during the bank’s formative years, several years before Kaberuka became President; claims of corruption, lack of transparency and autocracy had been brought against previous Presidents. Some noted that employee promotions were based on extremely subjective measures such as friendliness and the clout of respective managers, rather than based on performance appraisals or merit. These employees noted these and several other factors led to lack of trust and employees were often afraid to openly express their views regarding the situations.

Highlights of Bank’s First Strategic Plan (2003 – 2007)
According to the Bank’s previously documented Strategic Plan prior to the start of Kaberuka’s tenure covered the years 2003 through 2007 and was built around the following core objectives:

- Support productivity growth and poverty reduction;
- Contribute to development results within the Millennium Development Goals (MDG) framework;
• Forge stronger partnerships with multilateral, bilateral and regional agencies;

• Help bring the benefits of market access and economic diversification; improve long-term debt sustainability; and, build capacity.

2.3 Beginning of Donald Kaberuka tenure (2005)

President Kaberuka’s background and previous career experiences
Dr. Kaberuka served as Rwanda’s Minister of Finance and Economic Planning from 1997 to 2005, and is credited with helping to stabilize the Rwandan economy from the effects of the 1994 genocide. He initiated and implemented major economic reforms, which led to the widely recognized revival of Rwanda’s economy, and to the sustained economic growth that enabled Rwanda to obtain debt cancellation under the Heavily Indebted Poor Countries initiative in April 2005. Kaberuka stated in this capacity, he also introduced new systems of structural, monetary and fiscal governance, laying special emphasis on the independence of Rwanda’s central bank; and served as a member of the board of governors for the World Bank and International Monetary Fund (personal communication, January 17, 2015).

Kaberuka’s vision at the start of his first 5-year term
Kaberuka noted, having served on the board of governors for the AfDB and World Bank in his previous career, he had a clear sense for the strategic issues he intended to tackle when he was elected to be the bank’s President in 2005 (personal communication, January 17, 2015). At the beginning of his first tenure, Kaberuka was of the opinion that establishing poverty reduction programs was not adequate to improve Africa’s developing economies. After gaining an understanding of the strategic priorities of competing organizations and their development offerings, he chose to focus on initiatives that would support wealth creation coupled with even distribution. Kaberuka also stated he believed that empowering citizens to create lasting wealth for them would be more impactful and sustainable in the long term (personal communication, January 17, 2015).
2.4 Shift towards three main priorities
Kaberuka initially identified three focus areas to stimulate wealth creation in African Countries including:

- Infrastructure Development
- Economic Integration
- Private Sector Growth

In contrast with focus areas highlighted in the bank’s existing initial strategic plan, these priorities were aimed at focusing on avenues to reduce the cost of doing business in Africa and mitigate the associated risk of establishing a venture in Africa while expanding market size and flexibility options.

Resistances that arose as a result of new priorities and how they were managed
Kaberuka believes several stakeholders opposed his approach because they believed the organization should continue to focus on aspects like primary education, fighting HIV, water, etc. (personal communication, January 17, 2015). Further, many wrongly expected he won’t have the clout to take on leadership of the AfDB and drive such huge transformations given he was from a smaller African Country, Rwanda. Culturally, the organization seemed lethargic and employees were not used to freely expressing their views and thinking creatively. Based on information collected from individual interviews, regionally motivated disputes also arose for various reasons.

Kaberuka pulled through in the face of strong resistance by applying various management tactics at different points in time. One of the ways in which he signaled transparency and openness to feedback by conducting an organization-wide survey in the first year of his tenure, encouraging employees to freely share their thoughts without the threat of being punished for their views. His objective was to understand the level of internal resistance that was going on at different levels in the organization, as well as reasons why people did not want to change. According to Kaberuka, the survey was conducted by an independent London-based consultancy and responses were synthesized to maintain full confidentiality. Results of the survey were made public, follow-up action items were agreed upon with the management team and subsequent results could be clearly observed.
by all employees. This enabled Kaberuka signal transparency and gain trust of employees early on in his tenure. Unlike his predecessor who strongly discouraged open expression of differing views, Kaberuka became reputed for encouraging personnel to speak up, strongly supporting open communication and working with management to create an enabling work environment for all employees (personal communication, January 17, 2015). He also conducted follow-up reviews every two years to track progress and identify any lingering issues that were yet to be dealt with. Many CEOs fear to conduct such company-wide surveys for lack of clarity regarding the results and even when they do, often keep the results in their drawers and don’t act upon them.
Strategy Formulation, Testing and Refining

3.1 The ADB’s complex organizational structure

The bank’s organizational structure is more complex than those of most large institutions. The president chairs the board, which comprises of 20 resident directors with varying levels of voting power (see Exhibit 3) and 40 advisors. The board of directors in turn report the board of governors typically made up of the ministers of finance of the member shareholder countries. See Exhibit 4 for high-level overview of the bank’s organizational structure. C. Akintomide noted that driving consensus on the board given this complex structure and the fact that various shareholders have different political influences and priorities proves to be a significant challenge (personal communication, January 12, 2015).

Kaberuka underscored the fact that at the time he took over leadership at ADB, the average age of employees was 46 and the Bank lacked a youthful vibrant spirit; staff were set in their ways and not challenged to come up with new initiatives (personal communication, January 17, 2015). People had been in the same jobs for protracted periods and had become complacent, employees were not necessarily in the right jobs that suited their skill set or had simply become redundant in certain roles. Kaberuka described the state of the organization using the Arab saying: “a camel is a horse designed by a committee, highlighting the ineffectiveness that results from the bank’s heavy reliance on committees to run day-to-day operations”. Typically, these committees result in too many conflicting opinions on a single project and diluted responsibilities such that individual contributions and effectiveness can hardly be observed. In most organizations, employees assume responsibility when they can easily be rewarded or sanctioned for their individual contributions. Summarized versions of the Bank’s organizational charts in 2005 and in 2015, shared by L. Barrow can be found in Exhibits 5 and 6 (personal communication, March 24, 2015).
3.2 The impact of Political influences on the bank’s operations
Unlike other multilateral development banks, the ADB board is resident at the bank’s headquarters and meets weekly or more frequently to establish the bank’s institutional direction and review policies. C. Akintomide noted that it comprises of 20 board members, including 40 advisors, that represent the 54 regional and non-regional member countries and largely operates by consensus (personal communication, January 12, 2015). However, the ADB management sometimes sees the board as interfering with day-to-day running of the institution, which includes the development, and approval of strategies, operational manuals, work programs and subsequent implementation. Board reforms are difficult to execute since board members, who represent political interests of their respective countries, often have differing opinions. K. Kapoor shared that some of the Bank’s dated board procedures, which cannot easily be changed because of the constituency structure of the institution, have yet to be changed for decades make it difficult to creatively work around unique situations (personal communication, January 14, 2015). For instance, due to restrictions around adoption of new shareholder member countries, countries like China that wish to contribute are limited to parallel contribution structures. K. Kapoor noted despite these challenges, the ADB board and management have been very effective at establishing policies and implementing strategies in times of crisis partly because personal and political differences are often set aside and all hands are on deck to resolve issues of priority (personal communication, January 14, 2015).

3.3 Selecting a viable strategy consistent with the Bank’s mission.
Many large complex organizations with multiple priorities have a hard time making strategic choices and instead try to do everything at the same time for various reasons. Inability to spell out strategic priorities in the midst of many potential focus areas often leads to problems for firms. Kaberuka stated that he and his team made strategic choices, realizing the Bank was resource constrained and needed to prioritize focus areas, in order to formulate strategy. First, he resisted the pressure to make a long-term strategy immediately he resumed office in 2005. Instead, he chose to first establish a short-term strategy with the potential of making immediate impact, test the strategy, learn from it and then make a longer-term strategy that would be more inclusive of Africa’s broader needs. He achieved this by taking several deliberate steps including gathering information
regarding the bank’s current strengths, refining his thoughts on priority areas that would drive sustainable growth in Africa based on current and projected future needs, developing strategies, reorganizing the ADB to effectively execute strategies, testing and learning in order to refine strategies and managing unexpected shocks to prevent deviation from established strategies (personal communication, January 17, 2015).

50/50 Information Gathering Process
Kaberuka stated he believes in management verification and piloting. In order to take well-calculated risks he decided to collect the necessary information to make well-informed decisions. In the first 18 months of his tenure, Kaberuka visited approximately 50% of the African member countries of the ADB and 60% of bank’s ongoing projects in those countries to get a first hand perspective of what was going on at these locations. Another objective of his was also to become familiar with the teams on ground in these locations, get a sense for the ongoing dynamics and working conditions, as well as understand the challenges they were faced with. Further, he read all the bank’s internal reports on the various projects to understand the views of his management team. Sighting the titanic iceberg analogy, he refers to this process as the 50/50 information gathering methodology, where CEOs of organizations mostly get to know what is reported by their management teams which typically is only half of the true picture. They get to see the 50% that’s clearly in front of them but not the 50% that’s under water, which is potentially more dangerous. He believes the 50/50 methodology is particularly important when seeking to implement change. After collecting the necessary information from both perspectives, he was able to shape his views about what was working well and also identify gaps that could lead to misalignment of perspectives in the system (personal communication, January 17, 2015).

Initial Review by Center for Global Development
Shortly after President Kaberuka’s election into office, the Center for Global Development, which had taken special interest in promoting greater effectiveness of the world’s most important development institutions, commissioned a working group that began deliberations in Spring 2006 with the aim of helping the President identify few key
priorities on which the Bank had strong competitive advantage. According to Center for Global Development. (2006), the working group concluded with the following three recommendations that provided guidance for President Kaberuka’s medium term agenda:

- **Make economic growth the defining objective of the Bank**
  - Promote private sector development
  - Help connect Africa’s markets
  - Improve governance
- **Specialize in one sector that matters to growth: Infrastructure**
  - The bank had substantial experience in infrastructure and had built a positive reputation in this sector
  - Relevant for clients in both ADB and AfDB lending windows
  - Infrastructure governance can serve multiple needs
- **Lead, but don’t lend on key regional issues**
  - Play a critical role as a bridge between the demands of donor nations and the legitimate frustrations of recipient nations trying to cope with systematic long-term problems of corruption
  - Elevate the prominence of business climate analysis and reforms
  - Right investments in global public goods such as Africa-oriented agricultural or medical research

The working group also identified implications of these recommendations for management and key gaps to be cognizant of, including:

- Staffing requirements needed to develop skills mix that matches operations portfolio
- Decentralization with caution, given the bank was just re-establishing itself
- Building monitoring and evaluation systems for development strategies

The team equally recommended the following for shareholders:

Reducing the number and scope of shareholder demands since shareholders were notorious for creating laundry lists for the multilaterals without giving management space and time to implement strategies.
• Transforming the Board into a non-executive, non-resident body based on the significant costs and management interference akin to resident executive boards
• Confronting the unsettled “temporary” headquarters status, which was viewed as a roadblock to a successful future.

3.4 Strategy development and execution

Formulating the Medium-Term Strategy (2008 – 2012)

The medium term strategy constituted a road map for the Bank and its partners at a critical time for Africa. The financial crisis was in its early stages when work began to draw up this plan, hence the team aimed to stay focused on core priorities while providing response to the new unfolding economic landscape. Building on lessons learnt from earlier plans, it set out principles and priorities on the best way to maximize focus and effectiveness on the AfDB’s core areas including Infrastructure, Private Sector, Regional Integration and Governance while being complementary with outer partners in the rest of the key domains. Kaberuka noted the development process was iterative and mechanisms of involvement included 1:1 reviews, group discussions, etc. According to Sull, D. (2014). Lecture on Executing Strategy in Volatile Markets. Personal Collection of D. Sull, MIT Sloan School of Management, Cambridge MA, there is existing evidence that inclusive mechanisms of strategy development improves odds of executing strategy because people understand and are committed.

Setting the stage for Execution

To support successful implementation of the medium term strategy, Kaberuka implemented several organizational changes, programs and frameworks including decentralizing the bank’s operations away from the headquarters and staffing changes through restructuring the young professionals program and establishing new departments such as the private sector and economics research group within the bank. Kaberuka noted that his aim was to put systems in place to insulate development work from these challenges (personal communication, January 17, 2015).
**Decentralizing Operations**

One of the main initiatives executed by Kaberuka during his time at the ADB was the decentralization of the bank’s operations away from the headquarters. Kaberuka noted the AfDB manages approximately 1,000 projects annually in 54 countries, many of which they previously had no field presence (personal communication, April 15, 2015). Upon assuming office as President, Kaberuka found that the bank struggled to maintain high levels of effectiveness with projects execution across these different locations. It was increasingly difficult to interact with the various African governments to understand their day-to-day needs and partner with them to respond accordingly. Further, given that the ADB was continuously faced with unprecedented crisis, the President sought to more effectively mitigate against unexpected shocks and keep ongoing projects active. Seeking increased levels of efficiency in the bank’s operations, Kaberuka decided to decentralize the organization and establish a presence in the regions and countries where the bank had significant investments and ongoing projects. Kaberuka stated that in picking the optimal power distribution model, he considered three models including decentralization, delegation and de-concentration models (personal communication, April 15, 2015).

After carefully evaluating associated costs, risks and expected returns, Kaberuka opted for the decentralization model for the ADB since this was considered most effective for the bank’s purpose. Considering the bank had operations in 54 countries with different taxonomies, socio-political terrains and varying levels of complexity, resources were allocated in accordance with the size of existing investment portfolios and tailored needs. Kaberuka noted this initiative was a significant investment since it cost about 8% increment on the bank’s total admin budget of over $320M (personal communication, April 15, 2015). Although the cost of implementation was very expensive, it turned out to be a great investment and helped the bank manage their Headquarters relocation and Ebola mitigation plans more effectively.

**Private Sector**

The future of African economic growth is closely tied to the private sector. Poor economic progress is often attributed to dysfunctional market and business environments.
Kaberuka noted in many of these economies, up to 40% of the population lives on less than a dollar a day, human and crop diseases are prevalent, credit constraints and information barriers are severe, and transactions costs can be prohibitive (personal communication, April 15, 2015). A great deal of exchange is personal – networks, relationships and trust are extremely important, but also precarious and unstable. Creating better, more efficient markets could yield considerable benefits, representing for many a route out of persistent poverty and the prospect of a longer, more fulfilling life. As such, the private sector plays a key role in fostering growth in developing economies. However, the public sector still needs to create an environment in which the private sector can thrive and the two must work together to deliver services and opportunities.

Kaberuka established a private sector department within the ADB with the aim of leveraging private-public partnerships to provide public goods and increase private sector operations in Africa. Given that Africa was experiencing unprecedented economic growth and increasingly private businesses were creating wealth for themselves and for societies, the bank sought strategic ways to provide support and further stimulate the associated growth. Kaberuka noted the bank started by providing limited lines of credit of about $400M annually to private banks and has now increased volumes to about $3B per year (personal communication, April 15, 2015). Products utilized by the bank include lines of credit, guarantees, equity, mezzanine finance and debt. There are three main pillars that need to be in place for sustainable development to occur and these include resources, policies and delivery capacity. While money plays a key role, it is only part of the solution. High quality policies often enhance return on investments while delivery capacity of governments support implementation.

Kaberuka stated he envisioned the private sector initiative as an extension of decentralization; hence the bank chose their private sector partners carefully. In executing projects, the bank assessed the strengths and relative weights of the abovementioned pillars for sustainable development to identify opportunities for improvement in order to ensure successful project delivery (personal communication, April 15, 2015). Since development organizations don’t have the resources to effectively manage all partners, hence the ADB sometimes outsources execution by relying on external partners. In some
cases where a government appeared to lack execution capacity, the bank would identify and work with a private sector organization to fulfill such needs. For example, Kaberuka noted the bank recently funded a 30-year concession to build a bridge that cost 230M Euros for the Ivorian Government, where the lead arranger was the African Development Bank (personal communication, January 17, 2015). Thereafter, the bank will take specific steps to weigh in on the pillars that need to be boosted on a case-by-case basis. The bank invests in due diligence activities to know their partner’s capabilities as well as any related political, cultural and social risks. Today, the private sector generates significant revenue streams for the bank and supports effective execution of projects across many countries through private-public partnerships.

**Staffing**
In addition to decentralization and establishment of new departments such as the private sector group, Kaberuka made several organizational changes to support the bank’s new execution plans. Examples of changes included pulling expertise together under the newly established Economics Department to focus on research and analysis that feed the bank’s strategy revisions and deepening capacity and knowledge by establishing regionally oriented sector departments. Kaberuka shared that these changes included the reconstruction of the Young Professionals program to attract and hire young talent with the aim of reducing average employee age from 46 to 42 (personal communication, January 17, 2015). The gender parity initiative that aimed at establishing a 50/50 male/female employee ratio also increased the ratio of women working at the previously male dominated organization to 30%. Kaberuka also established the Economics Research Group to foster research and knowledge sharing at the bank and created Vice President positions. Exhibits 5 & 6 show pictorial depiction of organizational transformation between 2005 and 2015, based on organizational charts shared by L. Barrow (personal communication, March 24, 2015). To signal heightened transparency, Kaberuka noted that he utilized a meritocratic approach that was considered unfair by deciding that no Rwandan will be made a director.
Strategy Testing, Learning, Refining

Despite the progress made with successful implementation of the medium term strategy, the bank still encountered several internal and external challenges. External challenges encountered were mainly around lack of execution capabilities on the part of governments as well as lack of systems and structures needed to implement projects locally. On the other hand, internal challenges were mainly staffing related. Kaberuka stated that many of the bank’s employees were men who were closer to retirement and some lacked the right skills mix to suitably work on current projects (personal communication, March 24, 2015).

3.5 Execution Challenges

Execution Challenges – Internal

The following are internal challenges that were collected from individual interviews and survey results:

• Project Execution
  
  – The bank’s cumbersome system of rules, policies & procedures often leads to over-control, increasing the length of time it takes for project approvals and implementation kick-offs.
  
  – Board involvement in strategy and project approvals further prolongs processes.
  
  – Management tends to be less efficient in “business-as-usual” operations because development requires long-term commitments, which by nature are not urgent.

• Staff Development and Performance Framework
  
  – Succession planning: bank’s office locations often restrict number of high quality talents that can be attracted; consequently current skills mix not fully aligned with bank’s priorities.
  
  – Staff development: no clear career path and competency requirements for various roles hence employees need to take responsibility for developing required skills.
Lack of flexibility in hiring and firing employees. Culturally, employees hardly get fired; hence personnel can easily get lethargic.

Previous lack of accountability and transparency in staff performance still causes some employees to be cautious about appraisal system.

• **Systems and Infrastructure**
  - Location: relatively low quality of software bandwidth and cellular networks sometimes impacts productivity through dropped calls, inability to use video conferencing, etc.
  - Systems need improvement for increased efficiency.

• **Data Measurement**
  - Difficult to measure project execution and development impact at different levels of the resource management framework.
  - Timelines of data capture and accuracy could be enhanced.

**Execution Challenges – External**

• **Governance structure and political influences**
  - Country capacities: institutional weaknesses on the part of beneficiary country governments impact their ability to satisfy required ADB disbursement conditions, thereby slowing development work.
  - Lack of complete independence since shareholders could also be beneficiaries of the bank’s offerings.
  - Like most MDBs, the bank sometimes gets pulled in many different directions.
  - Regulatory environments sometimes inhibit vibrant private sector from actively participating in development initiatives.

• **Resource mobilization and allocation**
  - Replenishing process for ADF donor contributions is cumbersome
  - Existing structures won’t allow new non regionals with growing influence like China and India take stronger positions
Limitations to efficient allocation e.g. Bank’s credit policy recently diversified to enable eligible countries access ADF resources

3.6 Developing and implementing the 10-year strategy
Following successful implementation of initial strategy, which worked brilliantly well, the ADB shareholders were happy with the bank’s performance and decided to implement a general capital increase, which typically occurs every 10 to 20 years. According to Weiss (2012), the bank’s capital base was increased by $66 billion in 2010, representing a 200% increase. Kaberuka noted consequently that shareholders requested for a 10-year view of the bank’s strategy (personal communication, April 15, 2015). Kaberuka proceeded to develop 10-year strategy in addition to sub-strategies for each sector and mid-term rolling plans to be reviewed every 3 years. K. Kapoor noted the strategy development team made tradeoffs to select focus areas given the development priority and limited resources (personal communication, January 14, 2015).

According to K. Kapoor, the 10-year strategy is similar to the initial strategy in that both strategies are based on similar building blocks, which focus on key initiatives to improve the quality of Africa’s growth such as infrastructure and governance (personal communication, March 24, 2015). Although this strategy builds upon and draws lessons from the bank’s previous medium term strategy, modifications in the current strategy are inline with recent global changes such as the emergence of new bilateral donors that contribute funding to Africa, such as China and India, improving political and investment climate, as well as the quicker response time demonstrated by the ADB, amongst others. According to strategy documents on the bank’s website, the 10-year strategy focuses on inclusive growth and transition to green growth with five main operational priorities including infrastructure development, regional economic integration, private sector development, governance and accountability, skills and technology. It also includes sub-strategies for three areas of special emphasis including agriculture and food security, fragile states and gender related initiatives. Key highlights of the 10-year strategy as found in African Development Bank: Strategy Documents, are summarized in Exhibit 7.
Notable Achievements
Some of the key achievements under Kaberuka’s leadership include but are not limited to the following:

4.1 Well-established and interconnected strategies at the institutional, sector and country levels
The African Development Bank has well documented strategies that are integrated across the various departments within the organization. The strategies were developed with input from employees at various levels within the bank using both a top-down and bottom-up approach, and have been adapted over the years to reflect changes in the markets and countries. These strategy documents are also publicly available on the institution’s website for ease of access to all parties, both internally and externally.

- **The Bank Group Strategy**: this ten year strategy, which focuses on inclusive growth and transitioning to green growth, serves as the umbrella strategy that drives direction for other sub-strategies.

- **Sectorial Strategies**: document specific strategies for each of the various sectors the bank plays an active role in. These include Financial Sector Development, Regional Integration and Human Capital Strategy to mention a few.

- **Strategies on Cross Cutting Issues**: these cover broad topics that cut across different sectors and aspects of the banks overall operations including Communication and External Relations, Corporate Governance, etc.

- **Country strategies**: these strategies document the bank’s strategic objectives for implementation at each country level. For instance the current Nigeria Country Strategy documents the ADB’s strategy for support Nigeria’s development efforts over the period 2013 – 2017, based on the country’s current situation and projected policy environment, to support investments in critical infrastructure.

- **Action plan Strategies**: for special situations such as the Fragile States Strategy that looks at institutional or structural weaknesses in certain countries and provides the bank’s approach to supporting development in those areas.
4.2 Effective Crises Management and Business Continuity Planning
Timeline of the major crises that impacted the African Development Bank over the last decade is summarized in Exhibit 7. The bank successfully managed these severe shocks, which threatened their business operations as well as the economies of African Regional Member Countries (RMCs) they support, and emerged with strong operational and financial performance. The AfDB also maintained its AAA rating through the financial crisis that negatively impacted many other organizations around the world.

4.2.1 Example 1 – Successful Headquarters relocation in the midst of Ebola Crisis

Shortly after the board of governors approved the bank’s headquarters relocation back to the original Abidjan location from Tunis, the bank made investments to secure the move. Kaberuka stated, unfortunately, the Ebola Crisis hit several neighboring countries and threatened the bank’s planned HQ relocation in August 2014 (personal communication, January 17, 2015).

Kaberuka worked with his team to develop and internal and external agenda to address the crisis leveraging their previously documented fragile states strategy. Kaberuka stated, internally, the Bank needed to make quick decisions and take decisive action to secure 5,000 employees and their families, while ensuring the planned relocation to Abidjan was not disrupted. Additionally, the Bank needed to help impacted countries cope and recover from the deadly crisis, mobilize international support through partner organizations like the World Health Organization (WHO), International Monetary Fund (IMF) and World Bank (personal communication, January 17, 2015).

According to the survey results, several employees considered the bank’s relocation hugely successful. The bank was able to leverage its fragile states strategy to support impacted countries and also prevent the imminent spread of the disease to Abidjan. Further, the bank’s operations in many countries around Africa continued to be operative and Kaberuka stated the Bank showed its strongest financial and operational performance in 2014 since the last eight years (personal communication, January 17, 2015).
4.2.2 Example 2 – AfDB drives fight against Ebola

The African Development Bank’s report on Ebola indicates that in 2014, the African Development Bank provided USD $223 million and pledged an additional USD 300 million in April 2015 to help the three affected countries in West Africa – Guinea, Liberia and Sierra Leone – in their fight against Ebola and to rebuild their economies post-Ebola.

The AfDB has supported the World Health Organization (WHO) in the crisis response by providing essential medicines and equipment to fight the disease as well as emergency training of local health workers. Jointly with the African Union and ECOWAS, the Bank has financed the deployment of Foreign Medical Teams to help contain the epidemic.

According to the African Development Bank: Ebola report, as part of its post-Ebola response, the Bank is preparing two new operations to strengthen health systems and restore provision of social services: (i) the establishment of an Africa Centre for Disease Control (CDC), and (ii) a post Ebola Livelihoods Restoration Project (PELREP).
4.3 Strong execution leading to increased operational efficiency and expanded impact in all 54 regional member countries

In line with the bank’s mission and increased capital, the bank executed various impactful projects in its regional member countries.

4.3.1 Example 1 – AfDB revolutionizes Transportation in Kenya

According to Warsama, (2014), a majority of Kenyans commuting to Nairobi’s central business district now enjoy a smooth ride to and from the Kenyan capital, courtesy of the African Development Bank. The opposite was the case five years ago.

Warsama's paper (2014) noted the following:
“About two decades ago not much was known of the AfDB in the region’s grassroots, other than the fact that it was an African lender with a mandate for development. Its presence particularly in the greater East African Community (EAC) block was not so much known and neither was it appreciated. It had a big name and with a long history but little to show for it in the region. However in the last decade AfDB changed completely. It is not clear what was different other than the ascendance to the presidency of the bank by Rwanda’s former minister for finance and economic planning Mr. Donald Kaberuka in 2005. Under Kaberuka AfDB’s changed its strategy and focused on infrastructure development especially roads, railways and electricity generation among others whose multiplier effect fostered regional integration, enabled private sector participation and helped reduce poverty. The major economic boom experienced in the EAC bloc has its sinews anchored on AfDB. Today AfDB is very much known in the region. (p. 4)”
4.3.2 Example 2 – ADB increases support for Climate Initiatives in 27 countries

According to AfDB CIF Annual Report (2014), the bank made an additional $500 million available towards a total of $2.1bn for projects across the African continent. The bank’s report, Financing Change, which explores climate smart initiatives in 27 countries, also shows that African Development Bank (AfDB) support for the Climate Investment Funds (CIF) increased exponentially in 2014, including an additional nine countries being funded for renewable energy projects and regional and national investment.

The report identifies already existing projects such as the Noor Concentrated Solar Power project in Morocco and the Menengai geothermal project in Kenya, which have been moved into full implementation. Similarly projects also extend to new institutional frameworks and financial mechanisms, forecasting, early warning systems, participatory management and local community engagement. It indicates that countries are seeing “economic transformation take place first-hand by incorporating low-carbon and climate-resilient solutions as an integral part of ongoing business of development,” says Kurt Lonsway, AfDB manager of Environment and Climate Change.

The CIFs, established in 2008, provide fast-tracked climate financing for developing countries, and are implemented by large development banks worldwide. Of the global CIF portfolio of $8.1bn, around 34% is channeled to African countries. Projects supported by the AfDB through the CIF include the Clean Technology Fund (CTF), Forest Investment Programme (FIP), the Pilot Programme for Climate Resilience (PPCR) and the Program for Scaling up Renewable Energy in Low Income Countries (SREP). (AfDB website 26/2; PANA 26/2)
4.4 Things that didn’t work as planned
Kaberuka noted there were certain initiatives that didn’t work as he originally anticipated for various reasons.

4.4.1 Example – Gender Parity

Kaberuka found that factors contributing to the heavy male workforce at the AfDB were more complex than he originally anticipated. For instance, he found that hiring and keeping female staff was challenging partly due to the fact that there were limited career opportunities outside the bank in Ivory Coast and some of their partners were not willing to give up their careers in other parts of the world to relocate to Abidjan. Consequently, Kaberuka changed the bank’s rule, which previously prevented couples from working at the AfDB, to allow their partners also seek opportunities within the bank. Currently, the bank has achieved a 30% female workforce, short of its 50% initial target.

4.5 Ongoing improvements
In addition to the abovementioned and other achievements, several systems and frameworks implemented continue to undergo enhancement in order to improve operations. These include:

- Risk Management Framework to mitigate inherent business risks
- Resource measurement and institutional framework to manage projects & financial key performance indicators
- Use of SAP and automation of data mining process to enhance integrity and increase focus on proactive analysis and remedial action for ongoing projects
- Business process reengineering including enhancing staff performance and linking to performance evaluation
Lessons on making strategic choices & leading through crisis
Leaders often need to make difficult choices and tradeoffs in order to successfully run large complex organizations. Kaberuka summarizes some of the key lessons learnt from his leadership experience at the ADB into four key decisions that leaders need to make in order to effectively execute strategies in complex organizations:

5.1 Making Strategic Decisions

5.1.1 Decision 1 – Identifying the organization’s strengths and defining priorities
Early on in their role, new leaders need to get a deep understanding of an organization’s current state, existing resources, strengths and improvement opportunities. Simply reading internal reports and holding review meetings with senior leaders will hardly provide an exhaustive understanding of strengths and competitive positioning of an organization. Kaberuka highly recommends the 50/50 information gathering methodology (described in section 3.3) which allows leaders get a more complete view of the organization from internal reports and word of mouth via meetings, as well as through personal insights from site visits and independent evaluations. Kaberuka claims this critical information gathering often shapes the leader’s views and feeds his or her ability to crystallize ideas about refocusing the organization’s priorities and leveraging existing strengths and resources (personal communication, January 17, 2015).

5.1.2 Decision 2 – Successfully executing strategy
Changing the strategy and culture of a large complex organization is very tough and requires making and prioritizing delicate choices. After gaining a well-rounded view of the organization’s capabilities, it is important to choose what to focus on internally and selectively partner with external organizations to achieve other goals where skills are lacked internally. Kaberuka noted that trying to implement all initiatives, including those that don’t fit with an organization’s core competencies and existing resources, often leads to lack of focus and mediocre results (personal communication, January 17, 2015).

5.1.3 Decision 3: Testing and refining elements of an organization’s strategy
A key element of any successful strategy is adaptability to suit ongoing changes in the business environment. Kaberuka found that beginning with a short-term strategy was
useful to test initial ideas and learn key lessons before committing to a long-term strategy. This approach enables teams understand aspects of their strategy that work as expected and should be maintained as-is, capture key lessons regarding things that don’t work, as well as portions that need to be refined to satisfy ongoing changes in volatile markets. Kaberuka stated that these valuable insights captured from the short-term strategy supported the development of a broader and more robust long-term strategy as well as a plan to restructure the institution to respond to the new agenda (personal communication, March 24, 2015).

5.2 Leading through crises

Crisis creates a sense of urgency
Kaberuka found that in additional to proactive preparation, the bank performs very well during crises partly because crisis creates a sense of urgency that often compels people to put aside their political or personal preferences and focus on fixing issues arising from emergencies. K. Kapoor noted that under business as usual operations, development is not considered urgent hence there is usually a slower response time (personal communication, January 14, 2015).

Preparing for crisis
There are several steps that organizations can take to proactively prepare for sudden shocks to the business and manage business continuity. Establishing and regularly testing robust resiliency plans that include triggers and alternative action plans in times of emergency could insulate organizations from catastrophic damage. For example, at the AfDB, decentralization made the organization less vulnerable to the Ebola Crisis since not all of its operations were concentrated in impacted countries.

Additional lessons from decentralization
Decentralization brought the bank closer to clients through increased advocacy and outreach, improved policy dialogue with stakeholders and lenders, enhance group portfolio management and performance quality improved notably. Several challenges arose with the implementation of decentralization at the ADB. Some of the employees
that were empowered to execute the bank’s strategy at the local affiliates were unable to effectively implement plans for various reasons. Some of them couldn’t use the power due to lack of capacity, hence required tailored training. Others were afraid to use the power for fear of making mistakes; hence they sat on critical time-sensitive decisions that often had far reaching consequences for the organization. In a few instances, some were considered to use the power in an unintended manner. While leaders should not be afraid to delegate for fear of abuse of power, they should be ready to support personnel through various learning phases. Kaberuka stated that under the decentralization models, big mistakes could be contained within a small unit while over-concentration at the headquarters could cause small mistakes to be amplified through systems (personal communication, April 15, 2015).

5.3 Kaberuka’s Personality and Management Style
In his role as President of the AfDB, Kaberuka played a big role in influencing and shaping the board’s decisions, bridging the gap between the board and management and fostering closer relations with clients. Several employees noted that he welcomes ideas from everyone and encourages his team to think out of the box, rather than get stuck on groupthink. According to Ebrima Faal, Senior Advisor to the First Vice President, “As chair of the AfDB board, he does not bully to drive consensus. Due to the trust he has for his management team, he typically does not go against recommendations of the Senior Management Committee” (personal communication, January 13, 2015). Several employees at the AfDB described him as knowledgeable, flexible and accessible. Cecilia Akintomide, Secretary to the Board, stated “His leadership style makes it easy for everyone to emulate” (personal communication, January 12, 2015). The career progression and opportunities now enjoyed by Young Professionals at the Bank were previously non-existent. Ralph Olaye, an MIT graduate who joined the Bank as a young professional and is now Head of the Bank’s newly created Delivery and Performance management group described President Kaberuka as “An extremely brilliant and visionary leader with little tolerance for mediocrity” (personal communication, January 12, 2015). Kaberuka was also commonly described as a bold leader with a clear vision that takes calculated risks. In contrast, some employees considered some of his predecessors more risk-averse and less amenable to grand ideas. According to the bank’s
report on brokering better global development (2015), Kaberuka has succeeded in improving the bank’s visibility, reputation and impact over the course of his 10-year tenure and strategically positioned the bank to be more responsive to Africa’s current as well as longer-term needs, while managing sudden shocks in the market.

5.4 The Bank’s Strategic Approach – What worked?
Several aspects of the AfDB’s strategy development and implementation process were effective and helped build shared context across the entire organization. These include:

Working the network
The AfDB’s strategy development process entailed a top-down and bottom-up approach where top leaders established broad guidance and strategic frameworks that were handed over to distributed leaders to further explore identified focus areas. The distributed leaders worked with various teams including sector operations, regional and country programs representatives, project managers, and other staff at various levels within the organization to gather additional information and refine the strategies and foster emergence of clear themes. The strategy teams also worked closely with special groups such as the economics and research department to understand current and forecasted trends in the various markets to shape the strategies. This rigorous process enabled the AfDB establish key operational priorities as well as new opportunities since they also gleaned insights from various governments including regional and non-regional shareholders. The approach also enabled them receive quick feedback about aspects of their strategy that seemed misaligned with the market’s general direction. Given the complexity of managing development needs for 54 countries with unique needs on the African continent, these thorough reviews facilitated selection of viable strategies that were consistent with the Bank’s mission and early resolution of misunderstandings and inconsistent interpretations of aspects of their strategy. This inclusive approach also afforded the Bank the opportunity to clearly articulate their value proposition to internal and external stakeholders and build stronger partnerships that formed the foundation for effective execution.
Ongoing discussions
Including the entire organization in the strategy development process upfront helped establish a sense of joint ownership. Rather than leaving a few senior leaders to develop the strategy in closed door sessions, bypassing distributed leaders and communicating these ideas to the rest of the organization via boring lectures, the strategy teams included employees at all levels in the organization and various teams were given a chance to share their ideas and constructively shape the direction of the strategies. Thus employees engaged in designing the strategies, establishing implementation plans and executing the strategies. Employees were committed to the successful implementation of the strategies since they had a stake and had been involved in developing it. Years later, the AfDB is still communicating their operational priorities, initiatives, plans and progress in various committee reviews, country team evaluations, sector discussions, and several other settings. Unlike traditional corporate strategies that end up on shelves, the AfDB’s strategies are still alive and being refined on an ongoing basis. K. Kapoor stated the Bank’s 10-year group strategy is underpinned by three-year rolling action plans and the shorter-term sub-strategies are also shaped to accommodate ongoing updates (personal communication, January 14, 2015).

Cultural Evolution
The thoroughly engaging process utilized to develop AfDB’s strategies supported the cultural evolution of the bank to one where employees are free to express their views and reinforced their emerging culture of transparency. The Bank’s leadership not only maintained reasonable flexibility throughout the process, they were also open to receiving feedback from within and outside the organization and were also comfortable with making necessary changes to suit market demands. Transparency was a key factor that led to the success of the various strategies and thus helped the management team gain trust of both their employees and the external community.
5.5 The Bank’s Implementation Approach – What didn’t work?

There are a few aspects of the AfDB’s strategy implementation methodologies that could be improved upon to achieve increased efficiency. Key insights are captured below:

**Project Execution**

Given the AfDB’s size and complex organizational structure, the Bank’s cumbersome system of rules, policies and procedures often leads to over-control, increasing the length of time it takes for project approvals and implementation kick-offs. This could potentially slow down the pace of development work in certain areas. The bank’s board and management need to continue to identify efficiency improvement opportunities and streamline their process to improve execution at all levels.

**Project Evaluation**

Previously the data capture process seemed to be more reactive, giving little time for teams to take corrective action in situations where things were not going as planned. Timelines of data capture and utilizing more automated systems to proactively measure progress and take corrective action where necessary could enhance accuracy. Another area that could be improved is measuring and quantifying development impact at different levels of the very complex resource management framework. The bank is currently looking into all these areas as part of their continuous improvement initiatives.

**Young Professionals Program**

Despite the huge success of the Young Professionals Program (YPP), there is still room for improvement in this area. The program was sold as a fast track for talented individuals interested in shaping the future of the Bank and the African continent at large. While the experiences of some of these YPP staff have been in line with expectations, others who worked in groups where that had a more culturally “old-school” mentality seemed to have had varying experiences. The Bank has recently established a steering committee to look into ways to improve the YPP program.
5.6 Broad Lessons

In today’s fast paced world filled with volatility, intense competition and rapid technological advancements, traditional strategies that end up on the shelf are no longer viable. CEOs and senior leaders are increasingly aware of the merits of collaboration. Firms have to encourage innovative collaboration to glean the best ideas and develop actionable strategies in order to achieve their organizational priorities. Amongst several valuable insights drawn from AfDB’s strategy development and crisis management, three key common themes emerge:

**Involve the entire organization**

Organizations should open up the strategy development process to include not just senior leaders, but also involve distributed leaders and contributors at all levels within and where practicable, outside the organization. The ensuing collaboration would allow senior leaders access new ideas and opportunities, and extract value from various innovation and creativity zones within their organization. By making the strategy process transparent and collaborative, organizations can ensure the most powerful ideas are gathered from available sources.

**Technology plays a big part**

In today’s world where social networks are growing and people are increasingly innovating through collaboration, firms can utilize modern technology to stay competitive. Industry leaders use technology to implement robust infrastructure with adequate security and tap into various value zones across their organizations. Collaborations amongst large networks of employees located in different parts of the world also facilitate the flows of ideas and sharing of best practices. The resulting transparency establishes trust and enhances efficient execution. The AfDB created transparent collaboration through various stages of their strategy development projects by utilizing similar mediums like shared point tools, blogs and chats to stimulate conversations amongst employees. These conversations fostered shared context and yielded great results for the Bank. Documenting strategies, market analysis reports, recent news, and other relevant information on the Bank’s public website also ensure all internal and external stakeholders are kept updated with current trends and topics.
Adaptability

Winning business strategies today have to be adaptable to timely match growing dynamic markets with increasing volatility. The strategy process at AfDB has been going on for the last decade and has proven to be effective partly because they have continued to iterate and improve the strategies and sub-strategies along the way, while allowing operational focus areas to get deeply entrenched in the firm’s culture. By keeping the momentum behind their strategies strong and communicating often, leaders have ensured their companies stay focused on executing against their strategies and remain flexible to modify plans when necessary. Organizations should emulate the AfDB’s proactive approach of structuring their firms around operational priorities, identifying key interdependencies, establishing early warning signals of looming crisis and clearly established execution procedures to swiftly respond and avoid strategic drift.
Recommendation

6.0 Sull’s Strategic execution framework and external validity in the public sector.
The elements of Sull’s strategy execution model are defined and summarized below:

- **Strategy:** A firm’s strategy describes how it will create capture, and sustain economic value by raising customers’ willingness to pay and/or cutting costs. A clear strategy creates the framework for performance commitments.

- **Shared context:** measures how well key leaders understand the strategy, interdependencies across units, and performance against strategic objectives.

- **Distributed leaders:** occupy key positions throughout the organization and represent the central nodes in the network of performance commitments. Most distributed leaders will be middle managers running business units, functions, or regions, but this group may also include technical experts or thought leaders critical to executing strategy.

- **Commitment processes:** are the formal systems to manage performance commitments up and down the hierarchy, across units, and with key business partners.

- **Resource allocation:** refers to the formal and informal processes to allocate the cash, people, and managerial attention required to deliver on performance commitments.

- **Corporate culture:** To support execution, a corporate culture should recognize and reward employees who deliver on their performance commitments and exert peer pressure on those who fail to do what they promised.

- **Top leaders:** are responsible for ensuring that all the organization supports effective execution. They must commit to a credible strategy, ensure it is understood by distributed leaders, make difficult choices on resource allocation, and build the corporate culture.
This review of the African Development Bank’s strategy development and execution approach indicates that Sull’s “Executing Strategy in Volatile Markets Framework” can also be extended to large complex organizations in the public sector. However, one key addition to this model is the significant role of political influences on multilateral development bank’s resource allocation, commitment process and value creation as highlighted in modified framework below.

Figure 2: Adapted Executing Strategy in Volatile Markets Framework
Conclusion

Compared to other international organizations of this size, the African Development Bank has gone through the most number of significant crises than others over the last decade. Despite the major shocks that impacted many Regional member countries as well as threatened the bank’s operations, the bank evolved into a more resilient organization and emerged in 2014 with the strongest financial and operational performance in the last eight years.

The bank has successfully established, tested and modified their strategies through active engagements with key stakeholders at all levels both within and outside the organization. Organizational changes including the establishment of new departments and decentralization were also made to structure the bank around newly established priorities. In-country teams and regional offices were also put in place to foster closer relationships with governments and clients, as well as to foster newly established private public partnerships.

To drive organizational and cultural change, Kaberuka recommends the 50/50 rule – based on the “titanic iceberg” analogy. He suggests that leaders through existing reports and meetings with employees can easily observe 50% of the challenges, while the crucial 50% that is not readily apparent can be observed by management verification actions such as physical visits to work site locations to get first hand insights.

Crisis Management can be proactively handled by ensuring business continuity and remedial action plans are put in place and tested often for effectiveness of implementation. However, there are other aspects of sudden shocks to a business that are difficult to anticipate and in such situations, maintaining organizational agility and flexibility often go a long way in helping to mitigate effects of such crisis. Strengthening an organization structure ahead of such events could also position the organization to successfully manage such situations and emerge strongly.
Appendix

Exhibit 1 – Poverty, 1981-2005

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Sub-Saharan Africa</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of population</td>
<td>50.8</td>
<td>55.0</td>
<td>53.4</td>
<td>54.9</td>
<td>54.8</td>
<td>57.5</td>
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<tr>
<td>Millions</td>
<td>202.1</td>
<td>238.5</td>
<td>252.9</td>
<td>283.7</td>
<td>305.6</td>
<td>347.6</td>
<td>370.1</td>
<td>373.2</td>
<td>384.2</td>
</tr>
<tr>
<td><strong>Developing countries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of population</td>
<td>52.2</td>
<td>47.1</td>
<td>41.8</td>
<td>41.7</td>
<td>38.9</td>
<td>34.7</td>
<td>33.7</td>
<td>31.0</td>
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<tr>
<td>Millions</td>
<td>1 913.3</td>
<td>1 827.1</td>
<td>1 718.2</td>
<td>1 817.5</td>
<td>1 785.1</td>
<td>1 672.0</td>
<td>1 695.4</td>
<td>1 627.1</td>
<td>1 399.6</td>
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</table>

**Source:** Chen and Ravallion, 2008 (tables 4, 5, 7 and 8).
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<tr>
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<td>2.1</td>
<td>1.4</td>
<td>1.2</td>
<td>1.7</td>
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<td>6.1</td>
<td>7.1</td>
<td>8.0</td>
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<td>-2.0</td>
<td>5.8</td>
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<td>Latin America and the Caribbean</td>
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<td>3.1</td>
<td>-0.8</td>
<td>1.5</td>
<td>2.3</td>
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<td>0.3</td>
<td>3.2</td>
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<td>-1.0</td>
<td>-0.5</td>
<td>2.4</td>
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</table>

GDP per capita in constant 2000 US dollars

<table>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>World</strong></td>
<td>2806</td>
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<td>4177</td>
<td>4780</td>
<td>5585</td>
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<td>East Asia and the Pacific</td>
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<td>358</td>
<td>696</td>
<td>1299</td>
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<td>Europe and Central Asia</td>
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<td></td>
<td>2296</td>
<td>1847</td>
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<tr>
<td>Latin America and the Caribbean</td>
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<td>3099</td>
<td>3446</td>
<td>3643</td>
<td>4197</td>
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<td>Middle East and North Africa</td>
<td>923</td>
<td>1295</td>
<td>1372</td>
<td>1464</td>
<td>1687</td>
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<tr>
<td>South Asia</td>
<td>201</td>
<td>224</td>
<td>274</td>
<td>373</td>
<td>545</td>
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<tr>
<td>Sub-Saharan Africa</td>
<td>475</td>
<td>577</td>
<td>552</td>
<td>504</td>
<td>553</td>
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</tbody>
</table>

**Source:** Schwank, O., Sundaram, J., & Arnim, R. (2011)
Exhibit 3: The 20 Largest Countries by Voting Powers at the AfDB

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Voting Powers (% of Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>World</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>European Union</td>
<td>18.756</td>
</tr>
<tr>
<td>1</td>
<td>Nigeria</td>
<td>9.281</td>
</tr>
<tr>
<td>2</td>
<td>United States</td>
<td>6.563</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>5.494</td>
</tr>
<tr>
<td>4</td>
<td>Egypt</td>
<td>5.379</td>
</tr>
<tr>
<td>5</td>
<td>South Africa</td>
<td>4.871</td>
</tr>
<tr>
<td>6</td>
<td>Algeria</td>
<td>4.209</td>
</tr>
<tr>
<td>7</td>
<td>Germany</td>
<td>4.127</td>
</tr>
<tr>
<td>8</td>
<td>Canada</td>
<td>3.802</td>
</tr>
<tr>
<td>9</td>
<td>France</td>
<td>3.760</td>
</tr>
<tr>
<td>10</td>
<td>Cote d’Ivoire</td>
<td>3.687</td>
</tr>
<tr>
<td>11</td>
<td>Libya</td>
<td>3.683</td>
</tr>
<tr>
<td>12</td>
<td>Morocco</td>
<td>3.498</td>
</tr>
<tr>
<td>13</td>
<td>Italy</td>
<td>2.428</td>
</tr>
<tr>
<td>14</td>
<td>Ghana</td>
<td>2.137</td>
</tr>
<tr>
<td>15</td>
<td>Zimbabwe</td>
<td>2.052</td>
</tr>
<tr>
<td>16</td>
<td>United Kingdom</td>
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<tr>
<td>17</td>
<td>Ethiopia</td>
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<td>18</td>
<td>Sweden</td>
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<tr>
<td>19</td>
<td>Switzerland</td>
<td>1.474</td>
</tr>
<tr>
<td>20</td>
<td>Kenya</td>
<td>1.430</td>
</tr>
</tbody>
</table>

Exhibit 4: African Development Bank Organizational Overview

Source: African Development Bank Website
Exhibit 5: 2005 AfDB Organizational Chart Overview

Source: African Development Bank
Exhibit 6: 2015 AfDB Organizational Chart Overview

Source: African Development Bank
The AfDB’s 10-year Strategy is built around two objectives, supported by five operational priorities in which the Bank has unmatched advantage, expertise, access and trust.

**Two objectives**

**Inclusive growth:** The first and overarching objective is to achieve growth that is more inclusive, leading not just to equality of treatment and opportunity but also to deep reductions in poverty and a correspondingly large increase in jobs.

**Green growth:** The second objective is to ensure that inclusive growth is sustainable, by helping Africa gradually transition to “green growth” that will protect livelihoods, improve water, energy and food security, promote the sustainable use of natural resources and spur innovation, job creation and economic development.

**Five operational priorities**

**Infrastructure development:** Africa still has massive infrastructure needs. It invests only 4% of its GDP in infrastructure, compared with 14% in China. Bridging the infrastructure gap could increase GDP growth by an estimated 2 percentage points a year.

**Regional economic integration:** Integration is essential for Africa to realize its full growth potential, to participate in the global economy and to share the benefits of an increasingly connected global marketplace.

**Private sector development:** The dynamics of wealth and job creation in Africa—and a number of the tasks of government—are increasingly driven by private rather than public funds. Working both directly and indirectly with governments, the Bank will continue to be an increasingly active partner and facilitator for private investment in Africa.

**Governance and accountability:** Responding to demands in Africa for better governance and basic services, the Bank will assist institutions that support inclusion and promote accountability—for example, by strengthening the capacities of parliamentarians, the media and civil society organizations.

**Skills and technology:** Unemployment across Africa is unacceptably high, especially among young people. To increase the supply of skilled workers, the Bank will step up its support for technical and vocational training linked to specific needs in the labor market.
## Exhibit 8: Timeline of major crises impacting the African Development Bank

<table>
<thead>
<tr>
<th>Date</th>
<th>Key Highlights / Impact on AfDB</th>
</tr>
</thead>
</table>
| 2002    | **Ivorian Civil War 1 begins**  
  • Ethnic clashes related to elections in Ivory Coast result in huge civil unrest  
  • Board of Governors approve AfDB headquarters (HQ) temporary relocation to Tunis as a result of deadly clashes |
| 2003    | **HQ Relocation to Tunis**  
  AfDB relocates headquarters from Abidjan, Ivory Coast to Tunis |
|         | **Ethiopian Crisis**  
  • Election went sour and people got killed  
  • Biggest recipient of ADF funding |
| 2007    | **Ivorian Civil War 1 ends**  
  Ivorian Civil War 1 comes to an end |
| 2008    | **Financial Crisis**  
  • Impacted key drivers of growth in Africa including prices and demand for primary commodities as well as capital flows, particularly FDI  
  • Financial solidity of bank as well as many regional member countries threatened ability to fulfill lending requirements  
  • Bank maintained it’s AAA rating despite the challenges |
| 2008    | **Africa Food Crisis**  
  • Lack of food in parts of Africa caused by drastic increase in food prices leading to inability of the poor to buy food.  
  • Some of the noted causal factors include impact of climate change, lack of sustainable agricultural development, drought, poverty and natural disasters  
  • Countries affected include Ethiopia, Cameroon, Rwanda, Burkina Faso, Liberia, Mali, Ivory Coast, Burundi, Central African Republic and Senegal  
  • Bank provided ~USD $ 2.27 billion to support development of agricultural infrastructure and stabilize food prices domestically and regionally |
| 2010    | **Arab Spring / Tunisian Revolution**  
  • Protests in Arabian nations against oppressive rule beginning Dec 2010 in Tunisia that forced out rulers  
  • Tunisia’s President Zine El Abidine of more than 23 years ousted  
  • Bank’s place of refuge also faces crisis as civil unrest impacts operations |
| 2011    | **HQ Relocation to Abidjan approved**  
  • Board of Governors approve relocation of HQ from Tunis back to Abidjan |
| 2011    | **Ivorian Civil War 2**  
  • Second Ivorian civil war breaks out, threatening bank’s planned relocation. |
| 2013 to date | **Ebola Epidemic**  
  • 11,007 deaths as of May 8, 2015  
  • Laboratory confirmed cases for countries with widespread transmission  
  • Liberia – 3,151; Sierra Leone – 8,597; Guinea – 2,387  
  • Severely impacted countries all neighboring to Ivory Coast thus threatened planned relocation of 5,000 AfDB personnel and their families back to Abidjan  
  • Relocation was successful and no one was impacted |

**Source:** African Development Bank and others
### Milestones for the African Development Bank Group

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>Côte d'Ivoire</td>
<td>The African Development Bank begins operations with a capital base of USD250 million, 33 African member countries and 10 staff members.</td>
</tr>
<tr>
<td>1972</td>
<td>Algeria</td>
<td>The Bank and 13 non-regional countries establish the African Development Fund. This concessional window for low-income countries mobilized USD327 million for the first cycle.</td>
</tr>
<tr>
<td>1982</td>
<td>Zambia</td>
<td>Capital is opened to non-regional member countries. The Bank's authorized capital increases to about USD3.4 billion in 1983 and to USD22.3 billion in 1987, following the 200% Fourth General Capital Increase.</td>
</tr>
<tr>
<td>2003</td>
<td>Tunisia</td>
<td>The Bank temporarily relocates operations from Abidjan to Tunis.</td>
</tr>
<tr>
<td>2010</td>
<td>Côte d'Ivoire</td>
<td>The Sixth General Capital Increase triples the Bank's authorized capital, which now stands at USD101.4 billion, with 77 member countries (53 African and 24 non-African) and 1,900 staff.</td>
</tr>
<tr>
<td>2010</td>
<td>Tunisia</td>
<td>The 12th three-year replenishment of the African Development Fund mobilizes USD9.5 billion, the highest in the fund's history. Extended for 10 years in 2008, the Nigeria Trust Fund's resources stand at USD241.3 million in 2010.</td>
</tr>
<tr>
<td>2012</td>
<td>Tanzania</td>
<td>South Sudan joins the Bank, becoming its 54th regional member country.</td>
</tr>
</tbody>
</table>

**Source:** African Development Bank: 10-year strategy (2012 – 2023)
Exhibit 10: Biography of Dr. Donald Kaberuka, President of AfDB (2005 – 2015)

Dr. Donald Kaberuka is currently serving his second five-year term as President of the African Development Bank Group (AfDB). He was first elected in 2005, becoming the seventh president of the Bank Group since its establishment in 1963.

He was re-elected in May 2010 at the AfDB’s headquarters in Abidjan, Côte d’Ivoire, for a second five-year term. He took the oath for his second term in September of that year in Tunis, the Bank’s current temporary relocation city. The Bank moved temporarily from Abidjan in 2003 due to the security situation there.

Before joining the African Development Bank, Mr. Kaberuka, 61, had a distinguished career in banking, international trade and development and government service, a national of Rwanda, he was the country’s Minister of Finance and Economic Planning between 1997 and 2005. During this period, he oversaw Rwanda’s successful economic reconstruction after the end of the civil war there.

He initiated and implemented major economic reforms and introduced new systems of structural, monetary and fiscal governance, laying special emphasis on the independence of Rwanda’s central bank. These reforms led to the widely recognized revival of Rwanda’s economy, and to the sustained economic growth that enabled Rwanda to obtain debt cancellation under the Heavily Indebted Poor Countries initiative in April 2005.

During his service at the AfDB, Mr. Kaberuka has presided over a major redirection in its strategy for development and poverty reduction in Africa. To that end, the AfDB has placed increased emphasis on the private sector, and on the importance of major infrastructure developments in areas such as road, railways, power plants and communications, especially in their role in promoting regional integration in Africa.

During Mr. Kaberuka’s period of office, the AfDB has become Africa’s premier financial institution. In 2009, in response to the global financial crisis, the African Development Bank Group made record approvals of loans and grants totaling more than USD 12.6 billion.

Donald Kaberuka was educated at universities in Tanzania and Scotland. He holds a PhD in Economics from Glasgow University.
<table>
<thead>
<tr>
<th>Goal #</th>
<th>Targets (From the Millennium Declaration)</th>
<th>Status</th>
<th>Best performing countries, selected targets and indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 1</td>
<td>Eradicate extreme poverty and hunger</td>
<td>Off track</td>
<td>- Target 1A: Egypt, Gabon, Guinea, Morocco, Tunisia</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Target 1B: Burkina Faso, Ethiopia, Togo, Zimbabwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Target 1C: Algeria, Benin, Egypt, Ghana, Guinea Bissau, Mali, South Africa, Tunisia</td>
</tr>
<tr>
<td>Goal 2</td>
<td>Achieve universal primary education</td>
<td>On track</td>
<td>- Indicator 2.1: Algeria, Egypt, Rwanda, São Tomé and Príncipe</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Indicator 2.2: Ghana, Morocco, Tanzania, Zambia</td>
</tr>
<tr>
<td>Goal 3</td>
<td>Promote gender equality and empower women</td>
<td>On track</td>
<td>- Indicator 3.1: The Gambia, Ghana, Mauritius, Rwanda, São Tomé and Príncipe</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Indicator 3.2: Botswana, Ethiopia, South Africa</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Indicator 3.3: Angola, Mozambique, Rwanda, Seychelles, South Africa</td>
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<tr>
<td>Goal 4</td>
<td>Reduce child mortality</td>
<td>Off track</td>
<td>- Indicators 4.1 and 4.2: Egypt, Liberia, Libya, Malawi, Rwanda, Seychelles, Tunísia</td>
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<td>Goal 5</td>
<td>Improve maternal health</td>
<td>Off track</td>
<td>- Target 5A: Equatorial Guinea, Egypt, Eritrea, Libya, Mauritius, Rwanda, São Tomé and Príncipe, Tunísia</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Target 5B: Egypt, Ghana, Guinea Bissau, Rwanda, South Africa, Swaziland</td>
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<tr>
<td>Goal 6</td>
<td>Combat HIV/AIDS, malaria and other diseases</td>
<td>On track</td>
<td>- Target 6A: Côte d’Ivoire, Namibia, South Africa, Zimbabwe</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Target 6B: Botswana, Comoros, Namibia, Rwanda</td>
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<td></td>
<td></td>
<td></td>
<td>- Target 6C: Algeria, Cape Verde, Egypt, Libya Mauritius, São Tomé and Príncipe, Sudan, Tunísia</td>
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<tr>
<td>Goal 7</td>
<td>Ensure environmental sustainability</td>
<td>Off-track</td>
<td>- Target 7A: Egypt, Gabon, Morocco, Nigeria</td>
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<td></td>
<td>- Target 7C: Algeria, Botswana, Burkina Faso, Comoros, Egypt, Ethiopia, Libya, Mali, Mauritius, Namibia, Swaziland</td>
</tr>
<tr>
<td>Goal 8</td>
<td>Global partnership for development</td>
<td>Off-track</td>
<td>- Target 8F: Kenya, Libya, Rwanda, Seychelles, Sudan, Uganda, Zambia</td>
</tr>
</tbody>
</table>

**Source:** African Development Bank: Africa's Recent MDG Performance.
## Exhibit 12: Impact of Financial Crisis on Selected Financial Markets

<table>
<thead>
<tr>
<th>Region/Country</th>
<th>Index Name</th>
<th>Index Code</th>
<th>Benchmark 07/31/2008</th>
<th>Value at end of Week 13/02/2009</th>
<th>Losses due to financial crisis (%)</th>
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<td><strong>Africa</strong></td>
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<tr>
<td>Cote d'Ivoire</td>
<td>BRVM Composite Index</td>
<td>BRVM CI</td>
<td>242.54</td>
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<td>-30.18</td>
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<td>Egypt</td>
<td>CASE 30 Index</td>
<td>CASE30</td>
<td>9251.19</td>
<td>3600.79</td>
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<td>Kenya</td>
<td>Kenya Stock Index</td>
<td>KSE</td>
<td>4868.27</td>
<td>2855.87</td>
<td>-41.34</td>
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<td>Mauritius</td>
<td>Mauritius AllShares</td>
<td>SEMDEX</td>
<td>1735.77</td>
<td>1005.69</td>
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<tr>
<td>Morocco</td>
<td>Casa All Share Index</td>
<td>MASI</td>
<td>14134.70</td>
<td>10352.81</td>
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<tr>
<td>Nigeria</td>
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<td>NSE</td>
<td>52916.66</td>
<td>23814.46</td>
<td>-55.00</td>
</tr>
<tr>
<td>South Africa</td>
<td>All Share Index</td>
<td>JALSH</td>
<td>27552.65</td>
<td>20650.38</td>
<td>-25.05</td>
</tr>
<tr>
<td>Tunisia</td>
<td>Tunis se STK</td>
<td>TUNINDEX</td>
<td>3036.87</td>
<td>3049.6</td>
<td>0.42</td>
</tr>
<tr>
<td><strong>Others</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>Dow Jones Industrial Index</td>
<td>DJ Index</td>
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<td>7,850.41</td>
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</tr>
<tr>
<td>France</td>
<td>CAC 40 Index</td>
<td>CAC40</td>
<td>4392.36</td>
<td>2,997.86</td>
<td>-31.75</td>
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<tr>
<td>Japan</td>
<td>Nikkei 225 Index</td>
<td>N225</td>
<td>13376.81</td>
<td>7,779.40</td>
<td>-41.84</td>
</tr>
</tbody>
</table>

*Source: AfDB, Statistics Department, January 2009*

Exhibit 13: List of current AfDB personnel interviewed at Abidjan Headquarters

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donald Kaberuka</td>
<td>President</td>
</tr>
<tr>
<td>Dominic O’Neill</td>
<td>Executive Director, UK / Netherlands</td>
</tr>
<tr>
<td>Cecilia Akintomide</td>
<td>Board Secretary General</td>
</tr>
<tr>
<td>Ebrima Faal</td>
<td>Senior Advisor to First Vice President / Chief Operating Officer</td>
</tr>
<tr>
<td>Tim Turner</td>
<td>Group Chief Risk Officer</td>
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<tr>
<td>Kapil Kapoor</td>
<td>Director for Strategy and Policy</td>
</tr>
<tr>
<td>Aly Abou-Sabaa</td>
<td>Vice President, Sector Operations</td>
</tr>
<tr>
<td>Steve Kayizzi-</td>
<td>Vice President and Acting Chief Economist</td>
</tr>
<tr>
<td>Angela Nalikka</td>
<td>Head, Private Sector Department</td>
</tr>
<tr>
<td>Alex Rugamba</td>
<td>Director Energy, Environment and Climate Change</td>
</tr>
<tr>
<td>D. Danju</td>
<td>Senior Advisor to Executive Director for Nigeria</td>
</tr>
<tr>
<td>Robert Boulleys Bello</td>
<td>Senior Advisor to Executive Director for Burundi/Cameroon/CAR/DRC</td>
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<tr>
<td>Elisha Sulai</td>
<td>Advisor to Executive Director for Nigeria</td>
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<tr>
<td>Ralph Olaye</td>
<td>Manager, Delivery &amp; Performance Management</td>
</tr>
<tr>
<td>Lamin Barrow</td>
<td>Manager, President’s Cabinet</td>
</tr>
<tr>
<td>Stefano Capodagli</td>
<td>Risk Management Department</td>
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<tr>
<td>Ricardo Carvalheira</td>
<td>Treasury Department</td>
</tr>
<tr>
<td>Xinxing Li</td>
<td>President’s Office (Young Professionals Program)</td>
</tr>
<tr>
<td>Houda Oueslati</td>
<td>President’s Office (Young Professionals Program)</td>
</tr>
<tr>
<td>Charlotte Ashamu</td>
<td>President’s Office (Mo Ibrahim Fellow)</td>
</tr>
<tr>
<td>Geraldine Wilson</td>
<td>Private Sector Department</td>
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</tbody>
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Bibliography


