

Multilateral Development and Finance Institutions and their Contribution to Africa

Introduction

Multilateral development and finance institutions (MDFIs) play a pivotal role in financing Africa's development. These institutions – including the World Bank, African Development Bank (AfDB), European Investment Bank (EIB), International Monetary Fund (IMF), Islamic Development Bank (IsDB) and the Asian Infrastructure Investment Bank (AIIB) – mobilize concessional and market-rate capital, provide policy advice and technical assistance, and catalyse private investment. Recent events such as the COVID-19 pandemic, climate shocks and rising debt burdens have heightened Africa's financing needs and prompted these institutions to adapt their operations. This paper provides a data-driven analysis of how MDFIs have contributed to Africa, focusing on the magnitude of financing, regional and sectoral distribution, and how these contributions compare across institutions. Currency conversions are approximate ($UA \approx 1.34$ USD, $SDR \approx 1.3$ USD and $EUR \approx 1.1$ USD) and values are rounded for clarity.

Methodology

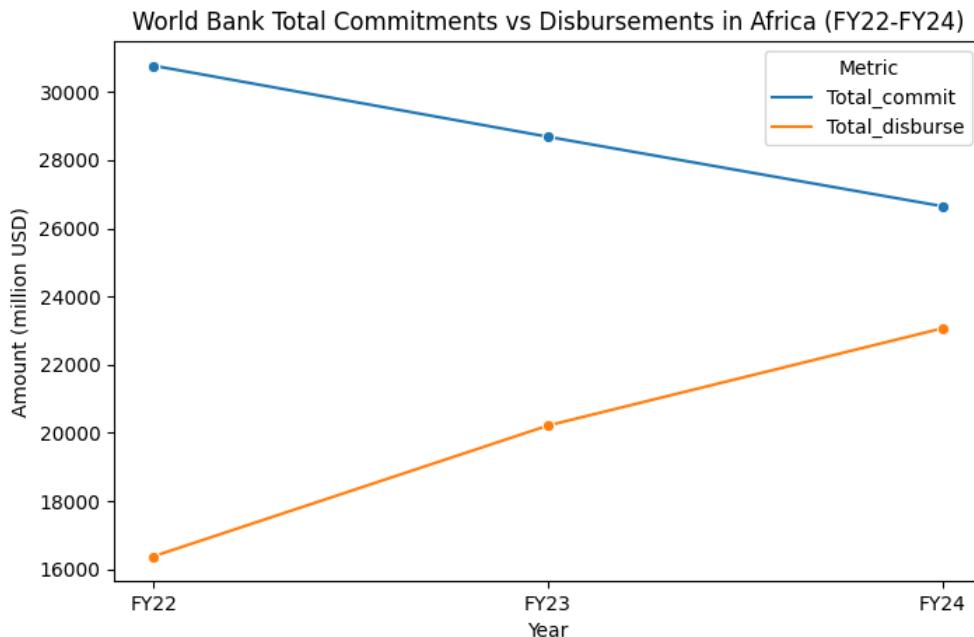
The analysis draws on publicly available annual reports, results dashboards and news articles. Data for the World Bank were taken from its FY22–FY24 regional results tables for Eastern & Southern and Western & Central Africa, which provide International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) commitments and disbursements. AfDB figures come from the Bank's 2023 Annual Report and show total approvals and disbursements by funding window. EIB operations in sub-Saharan Africa were sourced from its 2023 impact report. IMF data reflect approved financing for African countries in its 2024 financial year and top recipients in 2023. IsDB net approvals and the share directed to sub-Saharan Africa come from its 2023 annual report, while 2024 sector allocations were drawn from a development-aid summary. AIIB contributions were derived from a news article noting its plan to invest \$1 billion in African projects and that Africa accounts for roughly 4 % of the bank's total disbursements. All charts were produced using the Python libraries pandas, matplotlib and seaborn.

World Bank: still Africa's largest financier

Regional commitments and disbursements

The World Bank remains the single largest provider of development finance to Africa. In fiscal year 2024 (FY24) the Bank approved \$11 billion for 66 operations in Western & Central Africa and \$15.6 billion for 96 operations in Eastern & Southern Africa. These numbers

consist of IBRD loans and IDA credits and grants. Figure 1 summarises total commitments and disbursements for Africa by fiscal year (FY22–FY24) after aggregating both regions.



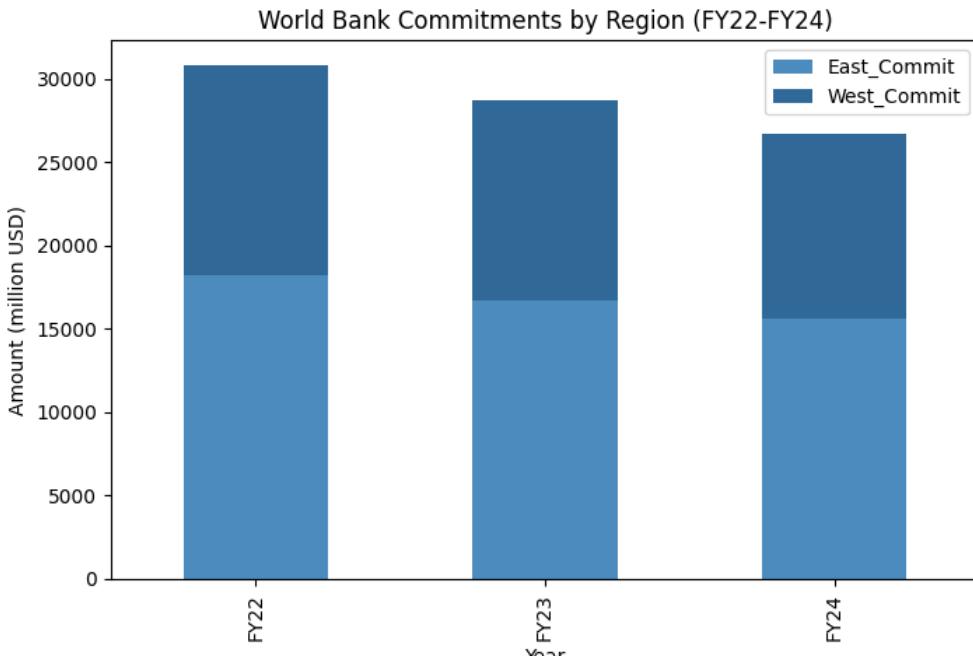
World Bank commitments vs disbursements across Africa

Figure 1. Aggregate World Bank commitments and disbursements for Africa. FY24 commitments were roughly \$26.6 billion and disbursements \$23.1 billion.

The data reveal three notable patterns. First, commitments declined from about \$30.8 billion in FY22 to \$26.6 billion in FY24, reflecting tighter fiscal space and a pivot towards quality and climate-resilient investments. Second, disbursements increased steadily from \$16.4 billion to \$23.1 billion, indicating improved project implementation. Third, the gap between commitments and disbursements narrowed, suggesting that the Bank is converting a higher share of approvals into actual spending.

Regional distribution

The Bank divides Africa into Eastern & Southern (E&S) and Western & Central (W&C) regions. Figure 2 breaks down commitments by region. In each year, E&S received the larger share: commitments declined from \$18.2 billion in FY22 to \$15.6 billion in FY24, while W&C fell from \$12.6 billion to \$11 billion. This distribution largely mirrors population and income differences between the regions.



World Bank commitments by region

Figure 2. World Bank commitments to Eastern & Southern vs Western & Central Africa.

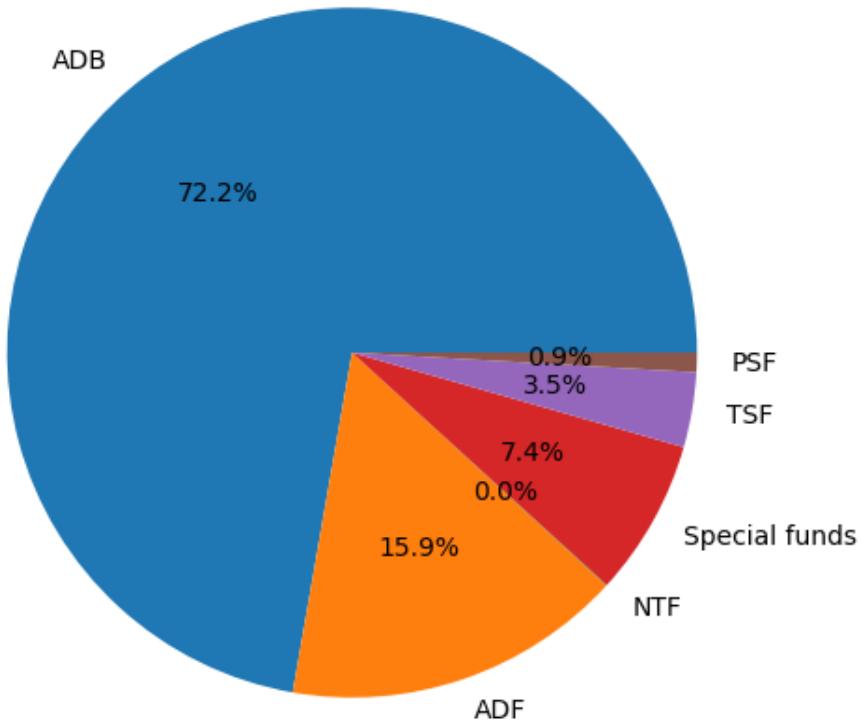
Implications

The World Bank's operations in Africa span sectors ranging from education and health to infrastructure and climate resilience. The high share of IDA financing (concessional and grant elements) underscores the continent's low income and debt-distressed status. The Bank reports that in Western & Central Africa about half of FY24 commitments targeted fragile, conflict-affected and violence-affected countries, reflecting a shift towards more challenging contexts. In Eastern & Southern Africa, disbursement growth signals improved implementation capacity and alignment with national development plans.

African Development Bank: 2023 approvals surge

The AfDB's approvals accelerated in 2023, reaching UA 8.03 billion ($\approx \$10.8$ billion), 30 % higher than 2022. Figure 3 shows the breakdown of these approvals by funding window. The African Development Bank window (sovereign and non-sovereign operations) accounted for 72 % of approvals; the African Development Fund (ADF), which provides concessional finance, represented 16 %; and smaller windows such as the Nigeria Trust Fund, Special Funds and Transition Support Facility made up the remainder. The AfDB emphasised private-sector credit enhancement facilities and green finance through its special funds and TSF lines.

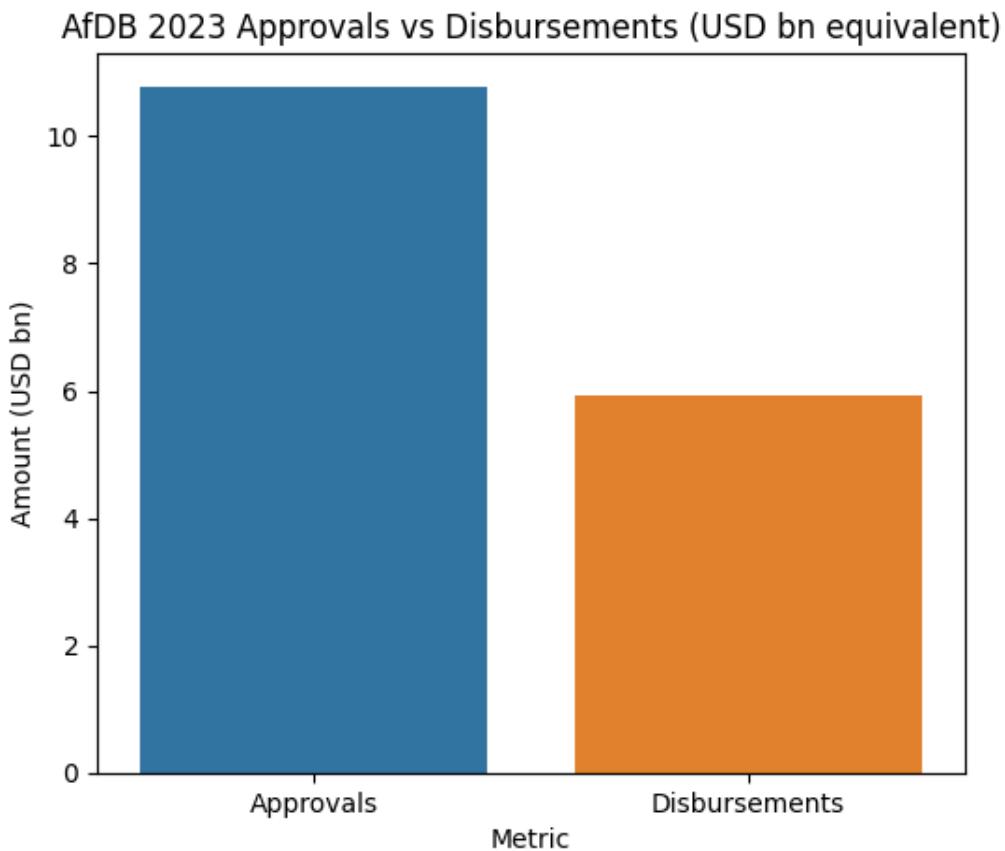
AfDB 2023 Approvals by Window (USD bn equivalent)



AfDB approvals by window

Figure 3. 2023 AfDB approvals by window (USD equivalent). The ADB window dominates approvals, highlighting the Bank's growing non-concessional portfolio.

Disbursements also rose sharply – from UA 3.52 billion in 2022 to UA 4.43 billion ($\approx \$5.9$ billion) in 2023. Figure 4 compares approvals and disbursements. While disbursements still trail approvals, the gap narrowed as the Bank strengthened project execution and prioritised high-impact operations. Increased disbursements signal that approved resources are translating into tangible infrastructure, social and climate interventions.



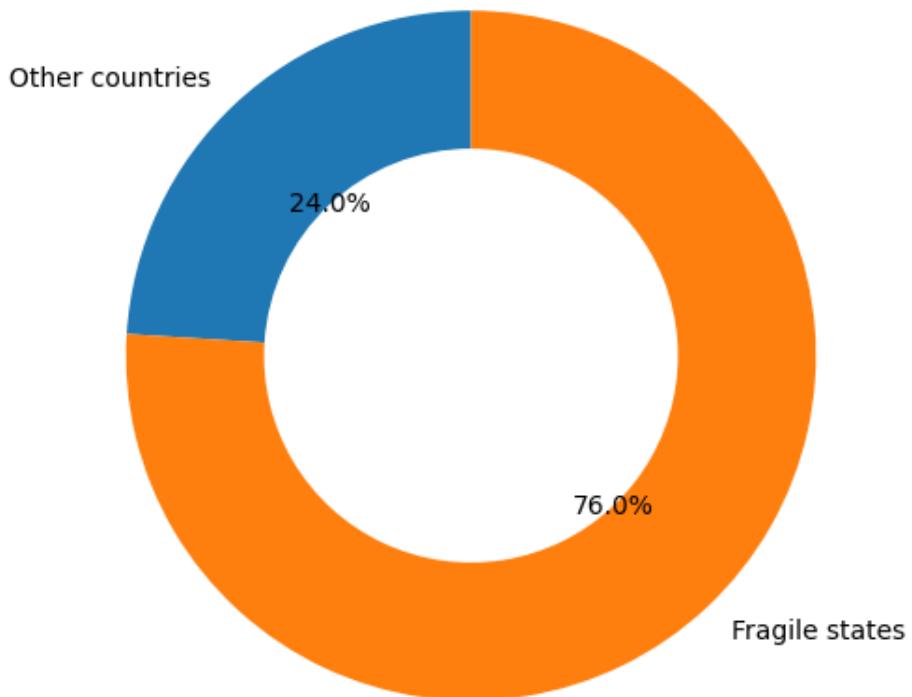
AfDB approvals vs disbursements

Figure 4. AfDB 2023 approvals and disbursements (USD equivalent). Disbursements rose by 26 % year-on-year.

European Investment Bank: targeted investment in fragile contexts

EIB Global plays a complementary role by providing long-term financing and technical assistance to private and public projects. In 2023 the Bank signed €2.57 billion worth of operations in sub-Saharan Africa, of which about 76 % targeted less-developed countries and fragile or conflict-affected states. Figure 5 illustrates how this financing was split between projects in fragile states and the rest. After conversion, around \$2.8 billion was signed, with roughly \$2.1 billion going to fragile contexts. Major initiatives included green energy in Benin and Djibouti, water and health investments in Rwanda and Ghana, and digital infrastructure under the EU's Global Gateway initiative.

EIB Sub-Saharan Africa Financing 2023: share to fragile states

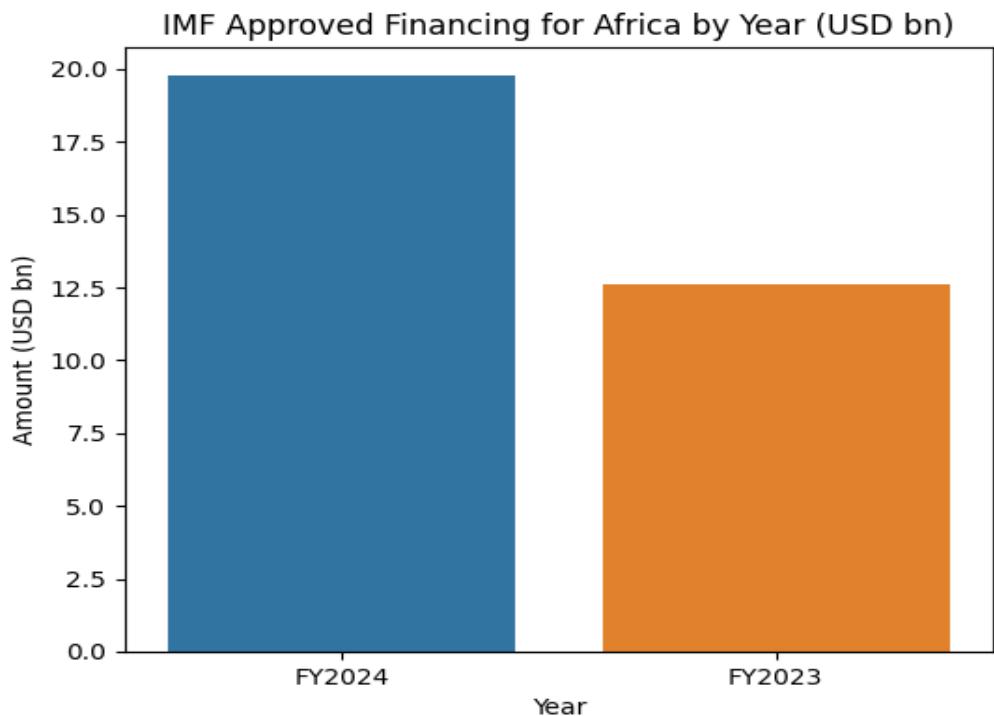


EIB share of fragile-state operations

Figure 5. Sub-Saharan Africa financing signed by the EIB in 2023. More than three-quarters targeted fragile or conflict-affected states.

International Monetary Fund: crisis financing and top recipients

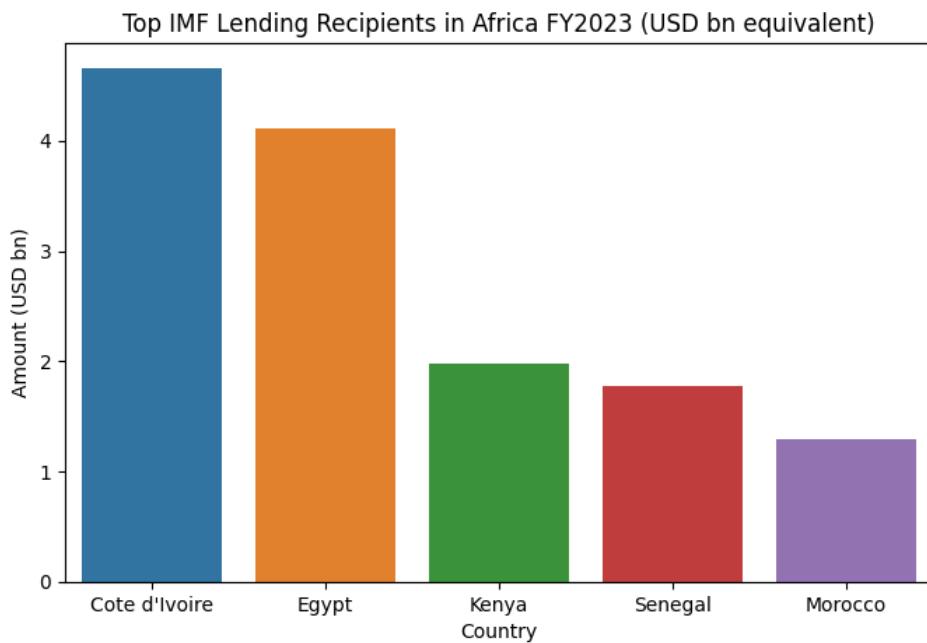
The IMF provides balance-of-payments support and policy advice rather than project finance. During the 2024 financial year (May 2023 to April 2024) the Fund approved more than 15.2 billion Special Drawing Rights (SDRs) for African countries, equivalent to over \$20 billion. In the previous year (FY23) Africa received approximately 3.6 billion SDRs in sub-Saharan Africa, plus 3.7 billion for Morocco and 2.4 billion for Egypt. Figure 6 compares these annual totals.



IMF approvals by year

Figure 6. IMF approved financing for Africa. The 2024 surge reflects large Stand-By Arrangements and Extended Credit Facilities for countries facing acute fiscal pressures.

IMF lending is often concentrated among a handful of countries. Côte d'Ivoire received the largest volume in FY23 (3.58 billion SDRs), followed by Egypt (3.16 billion), Kenya (1.52 billion), Senegal (1.37 billion) and Morocco (1 billion). Converting to USD, the top recipient list is presented in Figure 7. The concentration of financing underscores both these countries' reform commitments and their significant balance-of-payments needs.

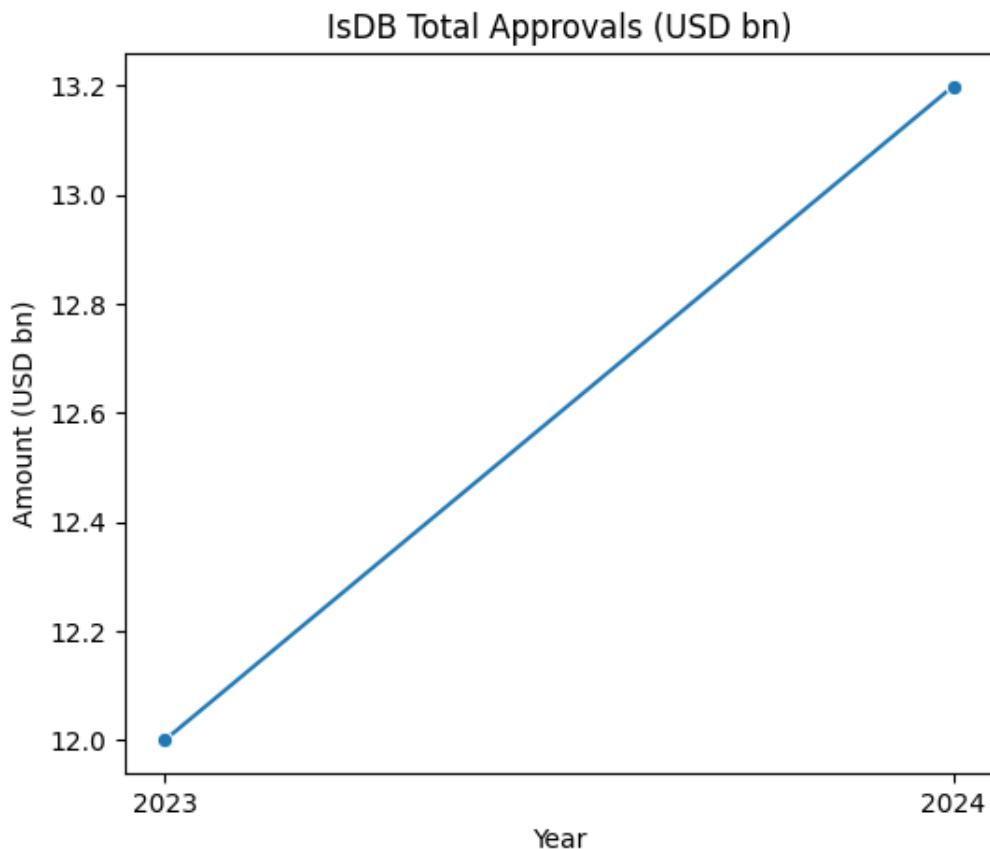


Top IMF recipients FY23

Figure 7. Top IMF lending recipients in Africa FY23 (USD equivalent). Côte d'Ivoire and Egypt were the largest beneficiaries.

Islamic Development Bank: increasing approvals and climate focus

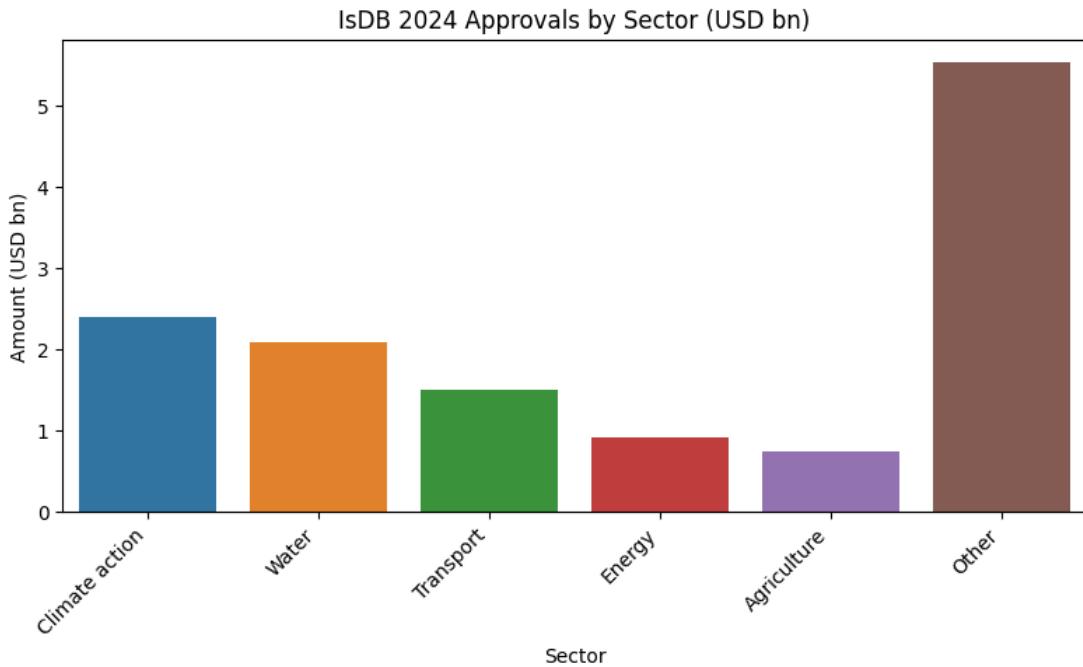
In 2023 the IsDB Group approved nearly US\$12 billion of net financing, up 15.3 % from 2022. The Bank's sub-Saharan Africa share fell to 26.3 % from 31.2 % in 2022, implying roughly \$3.15 billion for the region in 2023. The group's net approvals comprised IsDB's ordinary capital resources (US\$4.3 billion), the International Islamic Trade Finance Corporation (US\$6.9 billion) and private-sector arm (US\$0.53 billion). Figure 8 plots total approvals in 2023 and 2024.



IsDB approvals trend

Figure 8. IsDB total approvals (USD bn). Approvals increased from \$12 bn in 2023 to an estimated \$13.2 bn in 2024, reflecting growth across sovereign and trade financing windows.

For 2024 the Bank reportedly approved \$13.2 billion, allocating \$2.4 billion to climate action, \$2.1 billion to water, \$1.5 billion to transport, \$0.924 billion to energy and \$0.745 billion to agriculture. Figure 9 shows this sectoral distribution, highlighting strong emphasis on climate and water. The remaining \$5.6 billion covers other areas such as social development and Islamic finance.

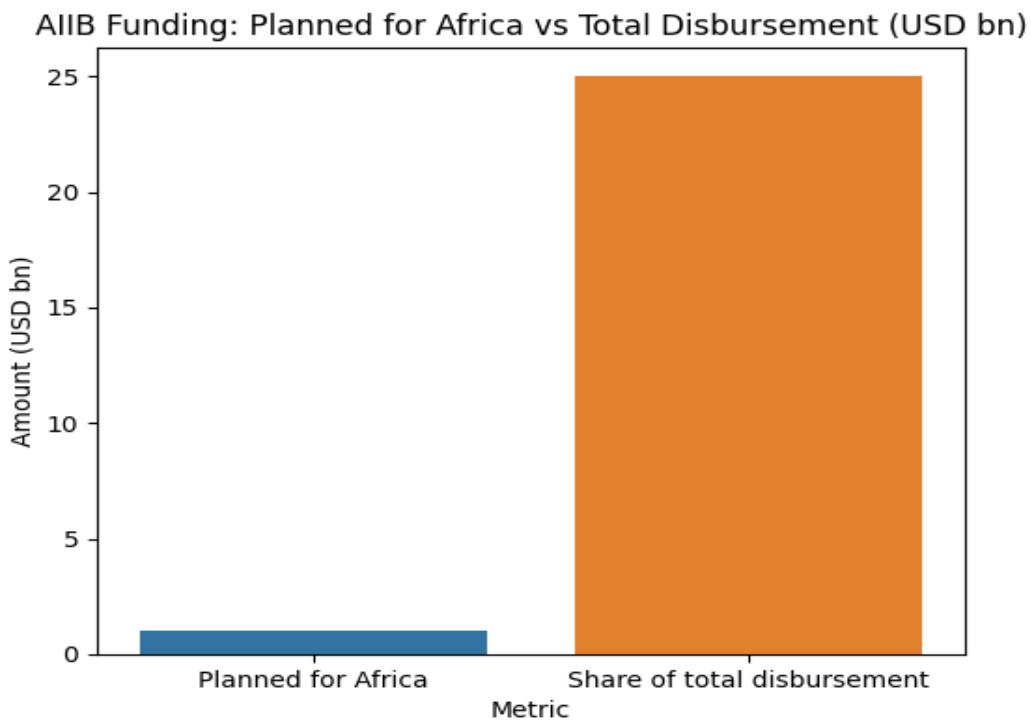


IsDB sector allocations 2024

Figure 9. IsDB 2024 approvals by sector (USD bn). Climate action and water projects account for nearly a third of approvals.

Asian Infrastructure Investment Bank: a small but growing presence

The AIIB entered Africa more recently. In May 2024 AIIB President Jin Liqun announced that the bank plans to allocate \$1 billion to African projects focused on connectivity and green energy. This represents only about 4 % of the roughly \$52 billion that the AIIB has disbursed since its establishment. Figure 10 contrasts AIIB's planned financing for Africa with the implied size of its total disbursements. The figure underscores the relative smallness of AIIB's African portfolio and suggests ample room for growth.



AIIB planned vs total disbursement

Figure 10. AIIB funding: planned investment in Africa versus total disbursement. Africa currently accounts for only about 4 % of the bank's lending.

Comparative analysis

Scale of financing across institutions

Table 1 summarises the main MDFIs' 2023–24 approvals or disbursements to Africa. The World Bank remains the largest financier, with commitments of \$26.6 billion in FY24 and disbursements of \$23.1 billion. The AfDB follows with approvals of about \$10.8 billion (UA 8.03 bn) and disbursements of \$5.9 billion. The EIB's 2023 signings (€2.57 bn, ≈\$2.8 bn) appear small in comparison, though its emphasis on fragile states is noteworthy. The IMF provided over \$20 billion in balance-of-payments support in FY24, but this lending is not tied to project execution and has different conditionality. The IsDB approved about \$12–13.2 billion annually, with roughly \$3.2 billion directed to sub-Saharan Africa. Finally, the AIIB has committed to ramp up its African portfolio to \$1 billion, highlighting its nascent role.

Geographic and sectoral focus

Geographically, the World Bank devotes roughly 60–65 % of its African commitments to Eastern & Southern Africa (Figure 2). The AfDB operates across the continent but channels a significant share through non-sovereign ADB operations, often co-financed with the World

Bank. The EIB concentrates on sub-Saharan Africa and prioritises fragile and less-developed countries. The IsDB's share of approvals going to sub-Saharan Africa declined in 2023, while its 2024 programme emphasises climate action, water and transport. The IMF's lending is country-specific and often directed toward nations implementing macroeconomic reforms. AIIB involvement focuses on green energy, transport and water projects in a handful of African members.

Trends and future outlook

Three trends stand out. First, MDFIs are increasingly aligning their portfolios with climate resilience and green growth. The IsDB devoted \$2.4 billion to climate action in 2024 and the EIB channelled much of its financing to water, health and renewable energy projects. Second, there is a gradual shift toward fragile and conflict-affected settings; both the World Bank and EIB report that roughly half or more of their African commitments target such environments. Third, improving disbursement rates is becoming a priority: the World Bank and AfDB have markedly reduced the gap between approvals and disbursements (Figures 1 and 4), signalling attention to project execution and results.

Looking ahead, Africa's financing needs remain immense. The continent's infrastructure gap is estimated at \$700 billion. Achieving the Sustainable Development Goals and addressing climate vulnerabilities will require scaled-up and better-aligned financing from MDFIs, domestic sources and private investors. Emerging institutions like the AIIB and Islamic Development Bank can complement the larger players by offering innovative instruments (such as green bonds) and leveraging their shareholder bases in Asia and the Middle East. Ensuring debt sustainability, strengthening implementation capacity and enhancing the quality of investments will be critical for translating these financial flows into inclusive and resilient development outcomes.

Conclusion

Multilateral development and finance institutions collectively commit tens of billions of dollars annually to African countries. The World Bank remains the dominant financier, but the AfDB, IsDB, EIB and IMF all contribute substantial resources and increasingly specialise in particular sectors or geographies. The AIIB's planned entry signals growing interest from newer institutions. Across the board there is a pivot towards climate-resilient and green investments, a focus on fragile states and efforts to close the gap between commitments and disbursements. Continued coordination among MDFIs and alignment with African priorities will be essential to ensure that these financial flows generate sustainable, inclusive growth on the continent.