EXPLANATORY MEMORANDUM TO

THE AFRICAN DEVELOPMENT BANK (SEVENTEENTH REPLENISHMENT OF THE AFRICAN DEVELOPMENT FUND) ORDER 2026

AND

THE AFRICAN DEVELOPMENT FUND (MULTILATERAL DEBT RELIEF INITIATIVE) (AMENDMENT) ORDER 2026

2026 No. [XXXX]

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Foreign, Commonwealth and Development Office and is laid before the House of Commons by Command of His Majesty.

1.2 This memorandum contains information for the Select Committee on Statutory Instruments.

2. Declaration

2.1 Kirsty McNeill MP, Minister of State for International Development, at the Foreign, Commonwealth and Development Office confirms that this Explanatory Memorandum meets the required standard.

2.2 Chris Bold, Deputy Director for International Financial Institutions and Debt at the Foreign, Commonwealth and Development Office confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Megan Mitchel at the Foreign, Commonwealth and Development Office can be contacted by email at the following address with any queries regarding the instrument: fcdo.correspondence@fcdo.gov.uk. Alternatively, the department can be contacted by telephone: 020 7008 5000.

Part One: Explanation, and context, of the Instruments

4. Overview of the Instruments

What does the legislation do?

4.1 This Explanatory Memorandum refers to both the African Development Bank (Seventeenth Replenishment of the African Development Fund) Order 2026 (the '**Replenishment Order**') and the African Development Fund (Multilateral Debt Relief Initiative) (Amendment) Order 2026 (the '**MDRI Order**') (together, the '**Orders'**).

4.2 The Replenishment Order permits His Majesty's Government (the '**Government**') to make further payments of an amount up to and not exceeding £650 million towards the seventeenth replenishment of the African Development Fund (the '**Fund'**). The payments will be pursuant to arrangements that have been made between the Fund and the Government in accordance with Resolution F/BG/2026/04 entitled *"The Seventeenth General Replenishment of the Resources of the African Development*

Fund", adopted by the Fund's Governors on 27 May 2026 (the '**Replenishment Resolution**').

4.3 The MDRI Order increases the United Kingdom's existing Multilateral Debt Relief Initiative ('**MDRI**') commitment ceiling from £451.87 million to £508.07 million, enabling the United Kingdom to continue meeting its existing MDRI obligations associated with successive replenishments of the Fund. The payments will be pursuant to arrangements that have been made between the Fund and the Government in accordance with Resolution No. F/BG/2006/12 of the Board of Governors of the Fund on 18 May 2006 (the '**MDRI Resolution'**).

Where does the legislation extend to, and apply?

4.4 The extent of the Orders (that is, the jurisdiction(s) which the instruments form part of the law of) is the United Kingdom.

4.5 The territorial application of the Orders (that is, where the instruments produce a practical effect) is the United Kingdom.

5. Policy Context

5.1 The African Development Bank Group (the '**AfDB**') is the largest development finance institution focused solely on Africa, providing around £6 billion of finance annually. It is 60 per cent owned by African countries, is based in Africa and is predominantly staffed by African nationals. This strong regional ownership and presence enables the AfDB to address politically sensitive issues and deliver solutions tailored to Africa's development needs. The United Kingdom currently holds a 1.87 per cent shareholding in the AfDB.

5.2 The Fund is the concessional financing arm of the AfDB. The Fund provides grants and highly concessional finance to the 37 poorest and most vulnerable African countries. It aims to reduce poverty and promote sustainable, inclusive growth by supporting investments in infrastructure, human development, climate resilience and private sector development. The Fund also addresses underlying drivers of fragility and irregular migration, including climate change, unemployment and conflict. The Fund's resources are replenished every three years through negotiations between donor countries, which agree the level of contributions and strategic priorities for each replenishment period.

5.3 Many African countries continue to face significant development challenges, including poverty, climate vulnerability, high debt burdens, inequality, conflict and weak infrastructure. These challenges are occurring at a time when bilateral Official Development Assistance to Africa is declining and development financing needs continue to increase.

The Replenishment Order

5.4 Negotiations on the Seventeenth Replenishment of the Fund ('**ADF-17**') concluded in December 2025. During the final replenishment conference in December 2025, donors agreed an overall ADF-17 financing package of up to US$11 billion. The Fund's Governors also adopted the Replenishment Resolution. ADF-17 will support the Fund's operations during the period 2026 to 2028.

5.5 The United Kingdom has pledged up to £650 million to ADF-17, subject to Parliamentary approval. This will position the United Kingdom as the largest contributor to the replenishment and support continued influence over the implementation of ADF-17 and the wider AfDB.

The MDRI Order

5.6 The MDRI was established in 2006 to provide debt relief to eligible heavily indebted poor countries. Under the initiative, donors compensate the Fund for loan repayments forgone as a result of debt relief, preserving the Fund's ability to continue providing concessional finance to low-income countries.

5.7 The MDRI Order authorises the United Kingdom to increase its commitment in respect of the MDRI up to £508.07m. This increase will enable the United Kingdom to continue meeting its MDRI commitments associated with successive replenishments of the Fund.

What was the previous policy, how is this different?

5.8 It has been longstanding Government policy to work through multilateral development banks to deliver the United Kingdom's international development objectives. Multilateral development banks are among the largest sources of development finance globally and play a central role in supporting poverty reduction, sustainable economic growth, climate resilience and development. Contributing to ADF-17 and supporting the Fund's obligations under the MDRI is consistent with these objectives.

5.9 The United Kingdom contributed £650 million to ADF-16 (£450 million core funding and £200 million through the Climate Action Window). Under ADF-17, the United Kingdom will provide up to £650 million wholly as core funding, alongside an additional £56.2 million towards MDRI obligations. This positions the United Kingdom as the Fund's largest donor.

6. Legislative and Legal Context

How has the law changed?

6.1 The effect of the Replenishment Order is to authorise the Government to contribute up to £650 million towards ADF-17.

6.2 The effect of the MDRI Order is to authorise the Government to contribute an increased £56.2 million in respect of the Fund's participation in the MDRI. The MDRI Order therefore raises the United Kingdom's total MDRI commitment ceiling from £451.87 million to £508.07 million.

Why was this approach taken to change the law?

6.3 Contributions to the ADF-17 and MDRI – pursuant to the Replenishment Order and the MDRI Order respectively - are 'relevant payments' within the meaning of section 11(2) of the International Development Act 2002 ('**IDA 2002**'). In accordance with section 11(5), an Order approved by the House of Commons is required for the payment to be made.

7. Consultation

Summary of consultation outcome and methodology

7.1 Not relevant in the context of these Orders.

8. Applicable Guidance

8.1 Not relevant in the context of these Orders

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for these instruments because no significant direct impact on businesses in the UK is foreseen.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 Results from ADF-17 will be monitored through the AfDB Corporate Scorecard and the ADF-17 Results Measurement Framework. These frameworks track development outcomes across a range of sectors and, where relevant, include country-specific indicators and assessments of gender-related impacts.

10.2 The AfDB is expected to undertake an in-depth Mid-Term Review of progress in relation to the ADF replenishment financial, policy and results commitments at the mid-point of the replenishment period. This is expected to identify areas of ADF delivery that have worked well and areas requiring improvement over the remainder of the replenishment.

10.3 AfDB's Independent Development Evaluation function conducts evaluations of the development effectiveness of the AfDB's projects and support for countries, sectors and themes. It also produces an annual Results and Performance of the Bank report looking at development effectiveness across the AfDB's portfolio.

10.4 FCDO will conduct Annual Reviews of its support for the ADF replenishment followed by a Project Completion Review. These reviews will assess performance against FCDO's Logical Framework for its support, drawing on indicators from the African Development Bank Group Corporate Scorecard and policy commitments in the ADF replenishment report that reflect the Theory of Change and Strategic Case for the United Kingdom's intervention.

10.5 The United Kingdom's MDRI obligations are reviewed and updated through the Fund's replenishment process, which takes place approximately every three years. Any future increase in the United Kingdom's MDRI commitment would be subject to the necessary Ministerial and Parliamentary approvals.

10.6 These Orders do not include statutory review clauses because they have no regulatory effect on businesses.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 Section 11 of IDA 2002 provides powers for the Government to make relevant payments to multilateral development banks where it is bound to do so. No obligation arises until the Government deposits the relevant instruments with the Bank, which bind the UK to make the payments foreseen by article 3 of the Replenishment Order and article 2 of the MDRI Order.

11.2 In the case of ADF-17, the United Kingdom will deposit an Instrument of Subscription in respect of its contribution to the Fund.

11.3 In the case of the MDRI, the United Kingdom will deposit an Instrument of Commitment with the Fund in respect of its MDRI obligations.

11.4 This raises a technical issue about the Order-making power in section 11. The power requires the Orders to be approved in draft by the House of Commons, but the Secretary of State, with the approval of the Treasury, may make the Orders only when the Government is bound to make payment by the deposit of the Instrument of Subscription and the Instrument of Commitment.

11.5 The draft Orders are being laid at this time to secure the approval of the House, but the Government will not make (i) the Replenishment Order until the Instrument of Subscription has been deposited with the Fund; and (ii) the MDRI Order until the Instrument of Commitment has been deposited with the Fund.

12. European Convention on Human Rights

12.1 Kirsty McNeill MP, Minister of State for International Development, has made the following statement regarding Human Rights:

"In my view the provisions of the African Development Bank (Seventeenth Replenishment of the African Development Fund) Order 2026 and the African Development Fund (Multilateral Debt Relief Initiative) (Amendment) Order 2026 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 These Orders are not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts"). They do not trigger the statement requirements under the relevant European Union Acts.