

# Annual Report 2017



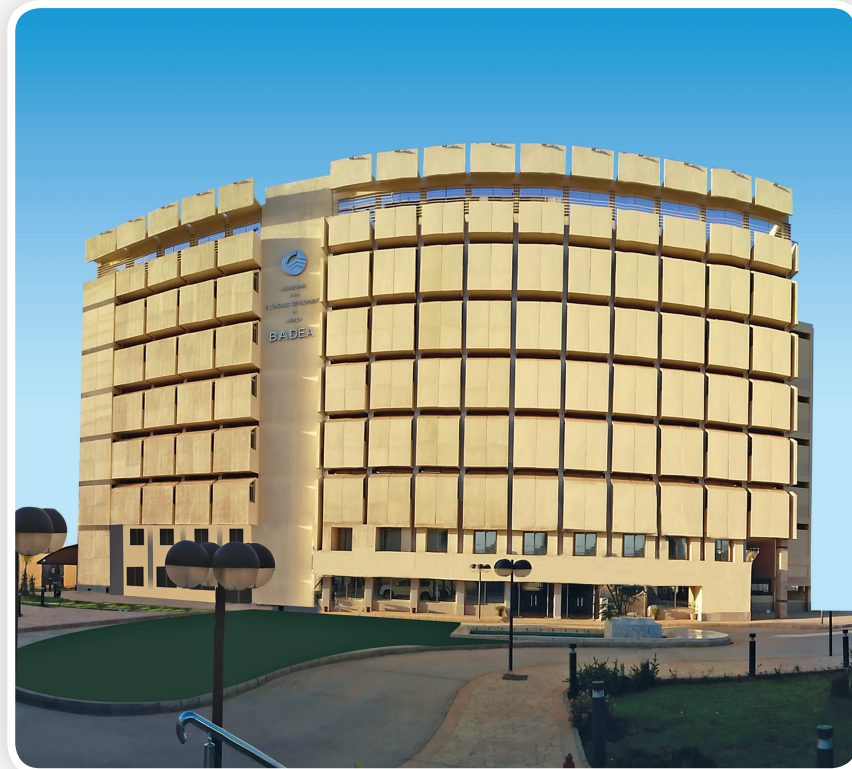
**ARAB BANK**  
**FOR ECONOMIC**  
**DEVELOPMENT IN AFRICA**



# Annual Report 2017

**ARAB BANK FOR ECONOMIC  
DEVELOPMENT IN AFRICA**





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Photos included in this Report are examples of operations (projects and technical assistance) that BADEA financed or co-financed.



## Basic Information

The Arab Bank for Economic Development in Africa (BADEA) was established pursuant to the Resolution of the Sixth Arab Summit Conference held in Algiers in November 1973 and commenced its operations in March 1975. Its headquarters is in Khartoum, the capital of the Republic of the Sudan.

### Definition

BADEA is an independent international financial institution owned by eighteen (18) Arab countries, members of the League of Arab States (LAS), who signed its Establishing Agreement on 18 February 1974. BADEA enjoys full international legal status and autonomy in administrative and financial matters. It is governed by the provisions of its Establishing Agreement and the principles of the International Law.

BADEA aims at strengthening economic (financial and technical) cooperation between Arab and African countries and the embodiment of Arab-African solidarity based on equality and friendship. To achieve these objectives, BADEA was mandated to execute the following functions:

- Contribute to financing the economic development of African countries.
- Encourage the participation of Arab capital in African development.
- Contribute to the provision of the necessary technical assistance for development in Africa.

## Financial Activity

The projects financed by BADEA are priorities of the beneficiary countries. In some cases, they are of a regional character, benefiting several countries at the same time.

BADEA's contribution to financing of any project can reach up to 60% of its total cost, provided that the loan amount does not exceed 20 million dollars\*, while the contribution can reach up to 90% of the total cost of any project, in case this total cost does not exceed 15 million dollars. It can grant more than one loan to a country in one year, provided that the total amount of such loans does not exceed 20 million dollars. BADEA also provides technical assistance in a form of non-refundable grants, and finances Arab exports to African Countries.

## Board of Governors

The Board of Governors is the highest authority of BADEA. It consists of a Governor and a deputy Governor from each member state. The Governors are usually the Ministers of Finance of the member states. The Board of Governors is entrusted with all the authorities of BADEA. It has the authority to delegate all or some of its powers to the Board of Directors, except those expressly stated in the Establishing Agreement, including: increasing the capital, appointing the Director General of BADEA, approval of financial statements, allocation of the net income and interpretation and amendment of the Establishing Agreement. The Board holds one annual meeting in ordinary session.

## Board of Directors

The Board of Directors is composed of eleven members and enjoys all the necessary powers for managing BADEA, except those that are the prerogatives of the Board of Governors. The powers of the Board of Directors include:

- Setting BADEA's general policies and follow-up their implementation, in line with the Establishing Agreement and the directives of the Board of Governors.
- Setting the rules and regulations and taking the necessary measures for the management of BADEA, on the bases of economy in running expenses.
- Adopting the five-year plans and approving the loans and grants provided by BADEA.

- Making decisions concerning borrowing and issuing of bonds.
- Preparing for the meetings of the Board of Governors.
- Establishing agencies, branches and offices for BADEA as may be necessitated operationally.

The nine largest contributors in BADEA's capital are permanent members of the Board of Directors; countries fulfilling these criteria at present are: the State of the United Arab Emirates, the People's Democratic Republic of Algeria, the Kingdom of Saudi Arabia, the Republic of Iraq, the Sultanate of Oman, the State of Qatar, the State of Kuwait, the State of Libya and the Kingdom of Morocco. The rest of the members, according to the weight of their vote in the Board of Governors, take part in selecting the two non-permanent members of the Board of Directors. Currently these are: the Republic of Tunisia and the Arab Republic of Egypt.

Membership in the Board of Directors is four-year renewable term. The Board elects among its members, a Chairman for a two-year renewable term. It meets once every four months or whenever necessary.

## Board of Directors' Committees

The Board of Directors has two committees as follows:

**1/ Investment Committee:** It supervises the management of BADEA's investments and consists of the Chairman of the Board of Directors, the Director General and two members selected by the Board of Directors among its members, for two years.

**2/ Audit Committee:** It supervises the review of BADEA's internal works and consists of three members selected by the Board of Directors among its members, for two years.

## Director General

The Board of Governors appoints the Director General of BADEA, from non-members of the Board of Directors, for a three-year term renewable twice. The Director General is the chief executive officer of BADEA and responsible for the management of its business, under the supervision of the Board of Directors, in accordance with BADEA's rules and regulations and in line with the directives of the Board of Governors and the Board of Directors. He is the legal representative of BADEA.

\* In this report Dollar means US Dollar (\$)



Meeting of the Board of Governors No. (42) - Rabat - April 2017

# The Board of Governors

**H.E. Mr. Omar Malhas**

Minister of Finance  
Hashemite Kingdom of Jordan

**H.E. Mr. Derweesh Ben Ismaeil Ben Ali Al-Baloshi**

Minister Responsible for Financial Affairs  
Sultanate of Oman

**H.E. Mr. Ebaid Hameed Al- Tayer**

Minister of State for Finance  
United Arab Emirates

**H.E. Dr. Nabeel Kassis\***

Chairman of the Board of the Palestine  
Capital Market Authority - State of Palestine

**H.E. Sheikh Ahmed Ben Mohamed Al-Khalifa**

Minister of Finance  
Kingdom of Bahrain

**H.E. Mr. Ali Shareef Al-Emadi**

Minister of Finance  
State of Qatar

**H.E. Mr. Zied Ladhari\***

Minister of Development, Investment and  
International Cooperation - Republic of Tunisia

**H.E. Mr. Anas Khaled Al-Saleh**

Deputy Prime Minister / Minister of Finance  
State of Kuwait

**H.E. Mr. Abderrahmane RAOUYA\***

Minister of Finance  
People's Democratic Republic of Algeria

**H.E. Mr. Ali Hassan Khalil**

Minister of Finance  
Republic of Lebanon

**H.E. Mr. Mohamed Ben Abdulla Ben Abdul-Aziz Al-Jadaan**

Minister of Finance  
Kingdom of Saudi Arabia

**H.E. Mr. Osama Saad Hammad Salih**

Minister of Finance  
State of Libya

**H.E. Dr. Mohamed Osman Sulaiman Al Rikabi\***

Minister of Finance and Economic Planning  
Republic of the Sudan

**H.E. Dr. Sahar Nassr**

Minister of Investment and International Cooperation  
Arab Republic of Egypt

Arab Republic of Syria\*\*

**H.E. Mr. Mohamed Boussaid**

Minister of Economy and Finance  
Kingdom of Morocco

**H.E. Dr. Haider Al-Abadi\***

Prime Minister / Acting Minister of Finance  
Republic of Iraq

**H.E. Mr. Mokhtar Ould Diay**

Minister of Economy and Finance  
Islamic Republic of Mauritania

(\*) Representation in the Board of Governors has been modified during 2017, the Republic of Tunisia used to be represented by H. E. Mohamed El-Fadel Abdulkafi until September 2017, the People's Democratic Republic of Algeria by H. E. Mr. Haji Baba Ammy until June 2017, the Republic of the Sudan by H. E. Mr. Badr Eldeen Mahmoud Abbas until May 2017, the Republic of Iraq by H. E. Dr. Hoshyar Zebari until March 2017 then by H. E. Dr. Abdul Razzaq Al-Issa until May 2017 and the State of Palestine by H. E. Dr. Jawad Naji Hirz Allah until March 2017.

(\*\*) 2011 was the last year when a representative from the Arab Republic of Syria attended the Meetings of the Board of Governors.





Meeting of the Board of Directors - Khartoum - September 2017



## The Board of Directors

### Chairman

**H.E. Eng. Yousef Ben Ibrahim Al- Bassam**

Kingdom of Saudi Arabia

### Members

**H. E. Mr. Musabeh Mohamed Alsuwaidi**  
United Arab Emirates

**H.E. Mr. Ahmed Saleh Bumater Al - Mohanadi**  
State of Qatar

**H. E. Ms. Lamia Ben Mime\***  
Republic of Tunisia

**H.E. Mr. Marwan Abdullah Yusuf Thunayan Al-Ghanem**  
State of Kuwait

**H.E. Mr. Miloud Botaba**  
People's Democratic Republic of Algeria

**H.E. Mr. Jumaa Bashir Bu Khadra**  
State of Libya

**H.E. Dr. Huda Hadi Selman**  
Republic of Iraq

**H.E. Dr. Mona Mohamed Ahmed Wahba**  
Arab Republic of Egypt

**H.E. Dr. Abdul Aziz Ben Mohamed Ben Zahir Al Hinai**  
Sultanate of Oman

**H.E. Mr. Elhassan Eddez**  
Kingdom of Morocco

### Director General

**H.E. Dr. Sidi Ould TAH**

Islamic Republic of Mauritania

(\*) Representation in the Board of Directors has been modified during 2017, the Republic of Tunisia used to be represented by H. E. Mr. Samir Ben Ibrahim Lazaar until January 2017, then by H. E. Mr. Munir Al-Ramadani until October 2017.



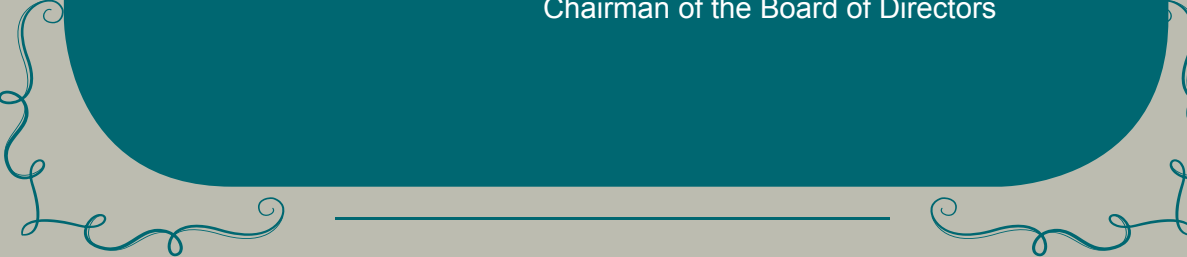
**Hon. the Chairman of the Board of Governors**  
Arab Bank for Economic Development in Africa (BADEA)

**Hon. Chairman,**

Pursuant to Articles 25/6, 34/2 and 35 of the Establishing Agreement of the Arab Bank for Economic Development in Africa (BADEA), I have the honour to submit to the esteemed Board of Governors, on behalf of the Board of Directors, the Annual Report of the Arab Bank for Economic Development in Africa for the year 2017. The Report contains a review of the most important activities of BADEA and a detailed description of the new development operations in the African countries that benefited from its financing during the year. The Report also contains the audited accounts of the year 2017.

*Please accept the assurance of my highest consideration*

**Yousef Ben Ibrahim Al-Bassam**  
Chairman of the Board of Directors



## The Most Important Performance Indicators of BADEA (2016 – 2017)

Particulars	2016	2017
<b>Total Commitments (\$ Million)</b>	<b>506</b>	<b>529.6</b>
Public Sector Project Loans (\$ Million)	210	220
Private Sector Project Loans (\$ Million)	86	100
Arab Export operations Loans (\$ Million)	200	200
Technical Assistance Grants (\$ Million)	10	9.6
<b>Total Number of Operations</b>	<b>75</b>	<b>71</b>
Number of Public Sector Projects	16	16
Number of Private Sector and Foreign Trade Operations	18	15
Number of Technical Assistance Operations	41	40
• Feasibility Studies	9	3
• Institutional Support	32	37
Average of Grant Element for Project Loans (%)	48.8	41.5
Total Cost of Projects Cofinanced by BADEA (\$ Million)	723.4	569.9
BADEA's Contribution to HIPC Initiative (\$ Million)	2.3	-
Net Assets (\$ Million)	4,427.7	4,788.2
Total Income (\$ Million)	151.4	294.7
Net Income (\$ Million)	123.6	271.7



## Overview of International Economic Development

### 1/ Growth of the World Economy

The annual growth rate of the world economy accelerated during 2017 to 3.7%, surpassing the recorded annual growth rate during the last five years by 0.3 points, according to the IMF Report on World Economy Outlook of January 2018. These preliminary results reflect increase in local demand in the developed economies and in China, and improvement of performance in the large emerging economies, as well as growth in the industrial sector which benefited from recovery of investments and expansion in international trade exchanges.

The annual growth rate of the American economy increased in 2017 to reach 2.3%, due to the conducive financial conditions and the support of institutions and consumers, in addition to the expectations related to tax reforms adopted at the end of the year. This reform is expected to strengthen the prospects of economic growth.

The annual growth rate of the economy of the Euro zone also increased in 2017 to reach 2.4%, the highest rate witnessed by the zone since 2007. This is attributed to the acceleration in growth of exports in circumstances characterized by recovery of international trade exchanges, and the continued growth in local demand buoyed by conducive financial conditions. But the factors related to the weakness in productivity and ageing of populations, in addition to the increase in the volume of public and private debt in some European countries, constrained the prospects of economic growth in the medium term.

In the United Kingdom, the annual economic growth rate continued to slow down for the third consecutive year to reach 1.7%. This slowdown is attributed to the slowdown in the growth of private consumption, because of the increase in prices of imports related to the fall in the exchange rate of the Sterling Pound. A state of uncertainty prevails on economic prospects in the medium term, due to the future economic relations with the European Union which will result from the current negotiations with the EU regarding the exit of UK from the Union.

Regarding other developed economies, the rate of economic growth in Japan accelerated, because of growth in demand and the adopted policy of tax reforms. The growth rate also accelerated in Norway and Canada, because of the relative increase in prices of oil and gas and the adoption of tax incentive and financial policies, while economic growth slowed down in Australia, due to the storms that hit different parts of the country and precipitated to slowdown in investments in real estate and exports of minerals. The economies of South Korea, Hong Kong, Taiwan and Singapore registered a remarkable growth, due to the expansion in international trade exchanges and the relative increase in Chinese demand in goods imported from these countries.

In China, the rate of economic growth increased slightly to reach 6.8%, because of the monetary policies and reforms which aim at raising production. In India, the rate of economic growth slowed down as a result of the impact of the Government initiative to withdraw the bills with the highest denominations from public circulation, in addition to the transitional costs related to the entry into force of the new tax on goods and services. The economies of the largest Asian economies - excluding Singapore, (Indonesia, Thailand, Philippines, Malaysia and Vietnam), experienced a remarkable growth resulting from growth in external demand from China and Europe. In Latin America, economy emerged from the phase of contraction of 2016 to register a growth rate estimated to be 1.3%.

Equally, economic growth rate in the Association of Independent States increased to 2.2% which is the highest rate achieved in the region since 2013. This is attributed to the relative increase in oil prices and the accelerated increase in oil production in Kazakhstan, together with the monetary policies adopted in Russia. Economic growth rate increased in East European countries and Turkey to reach 5.2%, attributed mainly to the increase in growth rate in Turkey, because of the exports recovery and adoption of expansionist taxation policy, and increase in economic growth rate in Poland.

In Sub-Saharan African countries, despite the increase in economic growth rate to 2.7%, it is still the lowest rate registered by these countries in this century, if we exclude 2016 when the rate fell to 1.4%. The increase is attributed to the increase in oil production in Nigeria, the relative abatement in drought in East and Southern African countries, and the relative improvement in the external economic environment of Africa, in addition to the acceleration in the rate of Government spending. The difficult circumstances facing Nigeria and South Africa negatively affect the economic prospects in the region. In the Middle East and North Africa, growth rate slowed down to 2.5%, due to the slowdown of growth in Iran and the decrease in oil production in OPEC countries, after the organization's decision to cut production came into effect.

## 2/ Inflation, Employment and Unemployment

### a) Inflation

IMF statistics indicate a rise in inflation rates in developed economies to 1.7% in 2017 compared to 0.8% in 2016, because of the continuation of recovery of demand and rise in prices of primary commodities. The emerging and developing economies, except for Venezuela and Argentina, witnessed, however, stable inflation rates in the range of 4.2%. In the United States of America, the inflation rate of consumer goods rose from 1.3% in 2016 to 2.1% in 2017, slightly surpassing the rate targeted by the Central Bank (FRB). The inflation rate in the Euro zone also rose from 0.2% in 2016 to 1.5% in 2017, attributed to rise in energy prices and the continuation of recovery in demand, but it will continue to be lower than the level expected by the European Central Bank, estimated at about 2%. In the United Kingdom, the rate of inflation rose quickly from 0.7% in 2016 to 2.6% in 2017, because of the fall in the value of the Sterling Pound. In Japan, the inflation rate rose to 0.4% in 2017 after being negative in 2016. This is attributed to the increase in energy prices and the increase in the economic growth rate.

In China, the inflation rate fell slightly from 2% in 2016 to 1.8% in 2017, because of the fall in prices of food materials. But in Brazil and Russia, the inflation rate fell rather fast, because of the shrinking of the gap between the actual and potential production levels after the emergence of the two countries from the phase of contraction in 2017 and the improvement in local currency exchange rates, leading to a decrease in prices of imports. In Mexico, the rate of inflation rose to 5.9%, due to the liberalization of the price of domestic energy and the fall in the exchange rate of the local currency. In Argentine, however, the inflation rate fell to a stable level of 26.8%, due to the gradual disappearance of the effects related to the decrease in the value of the local currency, a rise in prices in which the Government directly intervenes in 2016, as well as to the strict monetary policy adopted by the Central Bank. In Turkey, the rate of inflation registered the highest level since 2003, to reach 10.8% after the fall in the value of the Lira.



As far as Sub-Saharan African countries are concerned, the rate of inflation fell slightly from 11.3% in 2016 to 11% in 2017, where the rate fell in South Africa due to the continued economic slowdown and amelioration of draught, and the limited growth in wages, while inflation rates remained in two digits in Nigeria and Angola, reflecting the depth of the effects resulted from the deterioration in the exchange rate of the two local currencies, in addition to the increase in prices of electricity and fuel.

### **b) Employment and Unemployment**

The world unemployment rate rose in 2017 to 5.6% and the number of unemployed totaled around 192 million, of which 43% are females. The rate of employment reached 58.5% of the population over 15 years of age, while this rate did not exceed 45.8% among women.

In developed economies, the unemployment rate registered the lowest level since 2007 to a stable rate of 5.7%. The Euro zone registered an unemployment rate that did not exceed 9.2% which is the lowest rate since 2008. The Group of Seven major industrialized countries registered an unemployment rate that did not exceed 5%, the lowest rate for the Group since the first oil shock of 1973, while the unemployment rate in the rest of developed economies fell to its lowest rate since 2008 to a stable rate of 4.2%.

In emerging and developing economies, the rate of unemployment fell to 11.7% in North African countries, 3.8% in Central American countries, 5.5% in East European countries and 6.6% in Central Asian countries, while the rate rose in Latin American countries to reach 8.2%, 8.5% in Arab countries, 10.2% in West Asian countries, 3.3% in South East Asian countries, 4.1% in South Asian countries, and 3.3% in ASEAN countries. In Sub-Saharan African countries, the unemployment rate reached 5.3% in West African countries, 5.3% in Central African countries, 6.4% in East African countries and 27.1% in Southern African countries.

### **3/ International Trade**

The growth of the volume of world trade increased in 2017 to reach 4.2%, the highest rate achieved since 2011. The significant growth in Asian exports and the growth in imports in North America played an important role in the achievement of this rate, reflecting the relative recovery in international demand.

The exports of developed economies increased by about 3.7% where the exports of the countries of the Euro zone increased by about 4.3% and those of the countries of the G-7 by 3.7%. Meanwhile the exports of the rest of the developing countries increased only by 2.9%. The exports of emerging and developing economies increased by 4.8%, the highest rate achieved since 2011, where the exports of the Association of Independent States increased by 5.7% after three consecutive years of negative growth, achieving the highest rate of growth since 2010. Likewise, the exports of the emerging and developing Asian countries rose by 5.6%, achieving the highest rate of growth since 2013. The exports of the large five economies in the ASEAN Group (excluding Singapore) increased by 7%, the highest growth rate since 2010 and those of East European countries and Turkey by 8.5%, also the highest rate since 2010. The exports of Latin American countries increased by 4.5%, while those of Middle Eastern and North African countries fell by 0.5%, the first such regression in the region since 2009. In Sub-Saharan African countries, exports grew by about 4.1%.

The imports of developed economies grew by 4%, where the imports of the Euro zone countries increased by 4.3%, those of the G-7 by 3.7%, while imports of the rest of developed economies grew by 3.6%, the highest rate of growth achieved since 2013. The imports of emerging and developing

economies grew by 4.4%, the highest rate achieved since 2013. Imports of the Association of Independent States grew by 4.8% after three consecutive years of negative growth, achieving thus the highest rate of growth since 2012. Equally, the imports of the emerging and developing Asian countries grew by 6.1%, the highest rate since 2013, while the imports of the five large ASEAN economies (excluding Singapore) grew by 6.7%, the highest rate achieved since 2012. Imports of East European countries and Turkey grew by 6.7% and those of Latin American countries by 3.3% after two years of negative growth, thus achieving the highest rate of growth since 2013. Imports of Middle Eastern and North African countries fell by about 1%, the sharpest fall in the region since 2009, while in Sub-Saharan African countries imports grew only by 1.7%.

#### 4/ External Debt and Highly Indebted Poor Countries

##### a) External Debt

The volume of external debt of the Sub-Saharan African countries totaled, according to World Bank figures, about 454 billion dollars in 2016, with an increase of 7.4% compared to 2015, the highest annual increase achieved since 2013, thus the average rate of external debt to GDP was 32%.

As to the structure of external debt, 83% of the total debt stock was in the form of long-term loans and 13% in the form of short-term loans. The recorded increase in long-term loans constituted 95% of the total recorded increase in external debt, while loans provided by the IMF continued to slide to the lowest level since 2008. The soft loans represented about 32.6% of the total external debt stock, while the percentage of loans provided by multilateral financing institutions stabilized at 19.2%. The volume of savings represented 30.8% of the total amount of external debt. The percentage of external debt in United States Dollars grew to 60.5%, while the percentage of external debt in Euros decreased to about 6.4%.

Arrears in 2016 stood at 28.9 billion dollars, an increase of 1.7% over 2015. As to their structure, 25% of arrears are related to loans from private sources, while 75% are related to loans from public sources. Disbursements from these loans were estimated to be 57.4 billion dollars in 2016, an increase of 1.7% of the recorded disbursements in 2015. As to their structure, 98% of disbursements are related to long term loans, while only 2% are related to short term loans.

Debt servicing amounted to 38.3 billion dollars in 2016 with an increase of 37% compared to servicing in 2015. The debt servicing constituted 11.6% of exports. As to their structure, 68% related to repayment of capital, while 32% related to repayment of interests.

The average of interest rate decreased on new loans obtained in 2016 to about 1.8% and the average of loan duration also decreased to about 16.9 years, while the average of grace period decreased to 4.2 years, and the average of grant element decreased to 46.7%. As to new loans from public sources, the average of interest rate fell to 1.2%, the average of loan duration to 18.7 years, the average of grace period to 3.9 years, and the average of grant element to 51.3%. On the other hand, the volume of foreign investment flows decreased by 16% in 2016 to reach 27.1 billion dollars, the lowest level since 2013, and the volume of portfolios investment decreased by 89% to reach one billion dollars, the lowest level since 2008.

##### b) Highly Indebted Poor Countries

The number of countries benefiting from debt relief initiative for Highly Indebted Poor Countries (HIPC) is 36 countries, including 29 African countries eligible to BADEA's assistance. All these countries reached the Completion Point within the Initiative, and the number of countries eligible





to benefit from the initiative, but did not reach the Completion Point, is three, including one African country eligible to BADEA's assistance (Eritrea). The total resources devoted to debt relief in the context of the Initiative amounted to 76.9 billion dollars, of which 64.7 billion dollars for the African countries eligible to BADEA's assistance. BADEA's total contribution to debt relief up to 2017 amounted to 258.8 million dollars, benefiting all the African countries eligible for its assistance and which benefited for the initiative.

## 5/ World Economic Outlook for 2018

The IMF Report on the World Economic Outlook indicates that world economic growth will rise to reach 3.9% in 2018. It is expected that the growth rate will be stable in developed economies at 2.3%, while the rate is expected to reach 4.9% in emerging and developing economies. This percentage hides, however, significant disparities between those countries, as it is expected that Asian emerging economies would continue their brisk pace of growth, while many other countries, particularly in Latin America, Sub-Saharan Africa and Middle East would experience relatively weak growth rates.

In the United States, economic growth rate is projected to reach 2.7%, due to the prevailing conducive financial conditions and the supportive confidence of institutions and consumers. In the Euro zone, the economic growth rate is expected to slightly slow down to reach 2.2%, while it is expected to reach 1.5% in the United Kingdom.

In Japan, on the other hand, the economic growth rate is projected to reach 1.2%, due to the programmed termination of the tax relief policy, the slowing down of the growth of private consumption and the decrease in external demand. In China, it is expected that the economic growth rate will slow down to reach 6.6%, despite the expected continuation of the expansionist economic policies, particularly those related to public investments. In Latin America, the growth rate is expected to accelerate to reach 1.9%, though this rate hides disparities between the countries of the region. The rate may stabilize in Mexico at around 2.3%, while it may accelerate in Brazil to reach 1.9% despite the weak investments and the persistence of uncertainties regarding the political outlook of the country. Equally, it is expected that the rate of growth in Argentina would remain at 2.5%, because of the continued improvement in local demand and the easing of the adopted austerity policies, while in Chile, the rate is expected to accelerate to reach 2.5%, due to the confidence of institutions and consumers, rise in copper prices, in addition to the impacts of expansionist monetary policies adopted. In the Association of Independent States, the growth rate is projected to continue at 2.2%, while in Poland it is expected to slow down to 3.3%.

As far as Sub-Saharan African countries are concerned, the rate of economic growth is projected to increase to 3.3%, because of the persistence of economic recovery in the oil importing countries, where growth rate is projected to reach 4.4%. In Southern Africa, it is projected that the growth rate registers a slight increase to reach 0.9%, due to the increase in export prices of primary commodities and improvement in agricultural production. In the Middle East and North Africa, economic growth rate is expected to increase to 3.6%, due to the growth in local demand in oil-importing countries and increase in oil production in oil-exporting countries. The rate could reach 1.6% in the Kingdom of Saudi Arabia, 5.6% in Pakistan and 4.5% in Egypt.

## **PART ONE**

### **Financial Activity**

#### **Introduction**

BADEA continued in 2017 the implementation of its Seventh Five-Year Plan (2015 – 2019), the Plan that has paid great attention to financing of private sector and Arab exports to African countries, where an amount of 450 million dollars was allocated for the private sector during the period of the Plan, and an amount ranges from 150 million dollars to 250 million dollars (revolving amount) , to be allocated annually for Arab exports.

Allocations for public sector projects, approved by the Plan, were increased to reach 1100 million dollars and those for technical assistance to reach 50 million dollars, distributed equally over the five years (10 million dollars annually).

Regarding the sectoral distribution of public sector projects approved in 2017, funding covered infrastructure and environment in the fields of: transport, drinking water supply, electricity, sanitation and environment protection. These fields have their direct impacts on improving the living and health conditions of the population.

Funding also covered agriculture and rural development sector which plays a key role in bridging the food gap and combating poverty in the beneficiary countries, in addition to its role in promoting woman's participation in the economic activities. They also covered social sector in areas of education, vocational training and health, thus supporting development of human capacities and stimulation of economic growth rates in medium and long terms.

Regarding the lending terms, BADEA continued in 2017 to extend its loans in concessionary terms, in recognition of the nature of the funded projects and the economic realities of the borrowing countries, mostly in the low-income group.

BADEA also continued to coordinate with the development financing institutions, especially the Arab ones, regarding the co-financing of the major projects.

#### **Total Commitments in 2017**

Total commitments in 2017 amounted to about 529.6 million dollars (table II), the equivalent of 99.9% of the approved allocations for the year, of which 220 million dollars for public sector to finance 16 development projects, 100 million dollars for private sector, provided in the form of credit loans to 8 African banks, 200 million dollars to finance Arab exports to African countries through lines of credit provided to 7 financial institutions, in addition to about 9.6 million dollars to finance 40 technical assistance operations.

Commitments of 2017 surpassed those of 2016 by an increase of 4.7%. Allocations for Arab exports were the same of 2016, while public and private sectors' allocations increased by 4.8% and 16.3% respectively.

#### **Public Sector Loan Commitments and their Sectoral Distribution in 2017**

In 2017, the sectoral distribution of public sector loan commitments have been essentially based on the principles of the Seventh Five-Year Plan (2015 – 2019) and the priorities expressed by the Governments of the beneficiary countries.



Commitments covered infrastructure and environment, agriculture and rural development and social sectors, as follows:

- Infrastructure and environment sector received the largest share of the total commitments, amounting to 122.5 million dollars or about 55.7%. This included 8 projects, of which 4 road projects, 2 water projects, one (1) sanitation project and one (1) power generation project.
- Agriculture and rural development sector received 53.5 million dollars or about 24.3% of the total, included 4 projects, of which 2 rural agricultural development projects and 2 drinking water supply projects to some regions.
- As for the social sector, allocations amounted to 44 million dollars or about 20% of the total, included 4 projects, of which one (1) health project and 3 education and vocational training projects.

**Table I**  
**Sectoral Distribution of Public Sector Loans for the Years 2016 & 2017**

Sector	Number of Projects		Amount (\$ Million)		Percentage (%)	
	2016	2017	2016	2017	2016	2017
Infrastructure and environment	7	8	98.5	122.5	46.9	55.7
Agriculture and rural development	4	4	59.0	53.5	28.1	24.3
Social	5	4	52.5	44.0	25.0	20.0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>210</b>	<b>220</b>	<b>100</b>	<b>100</b>

### Lending Terms

BADEA continued during 2017 to provide its loans in concessionary terms, taking into consideration the economic realities of the borrowing countries, mostly are in the low-income group. These concessional terms enabled these countries to obtain loans with a grant element, in line with their circumstances and the orientations of the international institutions in this regard.

The weighted-average of the interest rate charged on BADEA's loans was 1.5% in 2017 as opposed to 1.1% in 2016, while the weighted average of the repayment period was 28.2 years in 2017, compared to 30.3 years in 2016. The weighted average of the grace period was 8.5 years in 2017, a slight decrease from the average of 9.8 years registered in 2016 (Table III).

The grant element average (which reflects the collection of the effect of the loan period, the grace period and the interest rate on the loan) was 41.5% in 2017 calculated on a discount rate of 5%, compared to an average of 48.8% registered in 2016%. This decrease is attributed to allocating a third of 2017 funding to middle-income countries.

**Table II**  
**Commitments Approved During 2017**

**1\Loans**

**(1) Public Sector Loans**

Beneficiary	Project Name	Date of Approval	Loan Amount (\$ Million)	Interest Rate (%)	Loan Duration (Years)	Grace Period (Years)	Grant Element (%)
<b>Low-income Countries</b>							
Ethiopia	Upgrading of Shambo - Agemsa Road	08 March, 2017	20	1	30	10	49.38
Burundi	Construction of Road No. 16 «Bururi - Getiga» / Phase I: «Bururi – Gakuba»	08 March, 2017	15	1	30	10	49.38
Central Africa	Upgrading of the Second Road «International Airport M'Poko - Central Bangui»	08 March, 2017	13	1	30	10	49.38
Niger	Supply of Drinking Water to Some Semi-Urban Centers	08 March, 2017	10	1	30	10	49.38
Guinea	Rehabilitation of «Kissidougou - Gueckédou - Kondembadou» Road / Phase III: «Gueckedou - Kondembadou»	05 July, 2017	16	1	30	10	49.38
Guinea Bissau	Construction of the Power Generation Station in the capital Bissau	05 July, 2017	11	1	30	10	49.38
Senegal	Sanitation in Saint Louis Island	05 July, 2017	13.50	2	27	7	33.73
Burkina Faso	Construction and Equipment of the Faculty of Science, Technology and Research and University Hostels in Kuoduoguo University	27 September, 2017	12.05	1	30	10	49.38
chad	Supply of Drinking Water to Abéché City.	13 December, 2017	15	1	30	10	49.38
<b>Middle-income Countries</b>							
Angola	Rehabilitation and Expansion of Benfica Multidisciplinary Technical Institute in Luanda	08 March, 2017	9.45	3	27	7	22.61
Angola	Construction and Equipment of the Multidisciplinary Technical Institute in Sanza Ponbo City	08 March, 2017	10.50	3	27	7	22.61
Cameroon	Construction and Equipment of «Mbalmayo» Regional Hospital	08 March, 2017	12	2	27	7	33.73
Cote d'Ivoire	Rehabilitation of Cocody Bay in Abidjan City	08 March, 2017	20	1	30	10	49.38
Lesotho	Water Supply in Greater Maseru	05 July, 2017	14	2	20	5	27.47
Cape Verde	Rehabilitation and Preparation of São João Baptista Water Basin in Santiago Island	27 September, 2017	13.50	2	26	6	32.43
Swaziland	Irrigation of Small Holdings in the Lower Usutu River -Phase II	27 September, 2017	15	2	25	5	31.07
<b>Total</b>			<b>220</b>				
<b>(2) Private Sector Loans</b>							
Cotton Development Company in the Republic of Cameroon		08 March, 2017	10				
National Agricultural Credit Fund of Senegal (CNCAS)		08 March, 2017	10				
Malian Solidarity Bank (BMS)		05 July, 2017	15				
A Banking Institution in the Republic of Kenya		27 September, 2017	15				
Development Bank of Mali (BDM)		27 September, 2017	10				
Access Bank Ghana (Plc)		13 December, 2017	10				
A Regional Development Financing Institution		13 December, 2017	15				
Tamweel Africa Holding (TAH)		13 December, 2017	15				
<b>Total</b>			<b>100</b>				
<b>(3) Arab Exports to African Countries Loans</b>							
"CORIS Bank International" in Burkina Faso		08 March, 2017	25				
Sahel-Sahara Bank for Investment and Trade		05 July, 2017	15				
Development Bank of Mali (BDM)		27 September, 2017	20				
Misr Banque		27 September, 2017	50				
Access Bank Ghana (Plc)		13 December, 2017	20				
A Banking Institution in the Republic of Mauritius		13 December, 2017	50				
Development Bank of the Central African States (BDEAC)		13 December, 2017	20				
<b>Total</b>			<b>200</b>				
<b>Total Amount of Public and Private Sectors and Arab Exports Loans</b>			<b>520</b>				



## 2\Technical Assistance Operations (continued to table II)

Beneficiary	Technical Assistance	Date of Approval	Amount (\$ Thousand)
Chad	Feasibility study for « Dourbali -Tchawai» Road Project	08 March, 2017	450
Regional	Diagnostic study of the agricultural, livestock and fisheries potentials in the Sahel Group (G5)	27 September, 2017	260
Niger	An Arab expert to support the Arabic Language Learning Program	08 March, 2017	320
Burkina Faso	An Arab expert to support the Employment Opportunities Fund	05 July, 2017	320
Cape Verde	An Arab expert to support the Ministry of Finance	05 July, 2017	240
Madagascar	An Arab expert to Support the Ministry of Finance and Budget	05 July, 2017	320
Cameroon	An Arab expert to support the Ministry of Economy, Planning and Regional Development	13 December, 2017	320
Regional	Training program on using GIS to follow-up projects implementation in English-speaking African countries	05 July, 2017	180
Regional	Training program in the field of food security in areas affected by salinity	05 July, 2017	400
Regional	Training session on laboratory diagnosis of transboundary viral animal diseases	27 September, 2017	140
Regional	Training program for struggling projects Implementation Units in English-speaking African countries	13 December, 2017	200
Regional	Training session to enhance the African women role in industrialization	05 July, 2017	120
Regional	Training program on the empowerment of women in the economic policies	27 September, 2017	180
Regional	Support for women activities in sewing and embroidery (Phase III)	08 March, 2017	150
Cote d'Ivoire	Support for income-generating projects for women	05 July, 2017	300
Regional	Support for women entrepreneurs in six African countries	05 July, 2017	410
Regional	Enhancing woman capacities in the agricultural sector	27 September, 2017	280
Regional	Support a forum on the Agricultural Investment Opportunities in Africa	08 March, 2017	25
Regional	Support the Forum of Enhancing Food Security in Africa and Smallholders Access to Markets.	05 July, 2017	100
Regional	Support the Arab-African Economic Forum	05 July, 2017	250
Regional	Support the Forum of Promotion of Arab Exports to Africa	05 July, 2017	200
Regional	Support the organization of Africa Innovation Forum	05 July, 2017	170
Regional	Support the Global Investment Forum for Entrepreneurs	27 September, 2017	280
Regional	Support the Forum of Arab Exporters and African Importers	13 December, 2017	350
Cote d'Ivoire	Support for the Drinking Water Quality Control Laboratory (Phase II)	08 March, 2017	300
Sierra Leone	Support for the Bank of Innovation and Partnership	05 July, 2017	150
Guinea- Bissau	Institutional support for the public social facilities in Biombo Region	05 July, 2017	500
Cameroon	Institutional support for the Ministry of Water and Energy	27 September, 2017	150
Cote d'Ivoire	Institutional support for the Ministry of Planning and Development	27 September, 2017	280
Regional	Support for the Development Bank of the Central African States (BDEAC)	13 December, 2017	350
Chad	Organizing a Round Table for financiers	05 July, 2017	350
Guinea	Organizing a Round Table for financiers	05 July, 2017	350
Niger	Organizing a Round Table for financiers	27 September, 2017	350
Sierra Leone	Urgent assistance to address the floods disaster	27 September, 2017	300
Regional	Contribution to financing the «Alliance Against Blindness Program» - (Phase II)	27 September, 2017	300
<b>Operations Approved by the Director General</b>			
Guinea - Bissau	A consultant to overcome the difficulties in cooperation with the Republic of Guinea-Bissau	March, 2017	10
Gabon	A consultant to overcome the difficulties in cooperation with the Republic of Gabon	June, 2017	15
Zimbabwe	A consultant to overcome the difficulties in cooperation with the Republic of Zimbabwe	June, 2017	15
Ethiopia	Organizing a forum on the access of smallholders to markets	September, 2017	15
Regional	Feasibility study for developing ECOWAS Centre	December, 2017	15
<b>Total Amount of Technical Assistance</b>			<b>9.555*</b>

(1) Including 140000 dollars to extend the services of an Arab expert in Madagascar.

**Table III**  
**Evolution of Financial Activity of BADEA's Operations (1975 – 2017)**  
**(Loans & Grants / \$ Million)**

Year	Total Annual Commitments	Net Annual Commitments <sup>(1)</sup>	Interest Rate (%) <sup>*</sup>	Repayment Period Rate (years) <sup>*</sup>	Grace Period Rate (years) <sup>*</sup>	Grant Element Rate % <sup>(2)*</sup>
1975	85.500	68.033	3.70	23.60	5.20	44.68
1976	62.000	56.823	2.90	22.80	5.00	49.78
1977	66.290	64.226	5.00	16.10	4.40	29.91
1978	72.870	48.601	3.70	18.10	5.20	40.84
1979	49.070	41.916	4.30	17.20	4.40	35.20
1980	71.950	48.066	5.60	15.90	3.80	25.44
1981	76.026	41.284	5.90	14.40	4.20	23.01
1982	90.000	48.180	6.00	16.00	4.70	23.84
1983	83.933	62.120	6.50	15.00	4.20	19.72
1984	87.960	43.178	6.60	14.20	3.70	18.24
1985	73.790	35.785	5.90	15.90	4.30	24.05
1986	58.605	36.937	4.20	16.50	4.20	35.02
1987	71.423	28.604	4.60	16.20	4.70	32.84
1988	66.720	49.151	4.30	17.00	4.30	34.90
1989	72.000	53.618	4.20	18.00	5.20	37.61
1990	73.682	32.565	3.90	18.40	4.30	39.16
1991	74.235	34.613	3.90	17.80	3.80	37.43
1992	73.726	54.157	3.40	17.93	4.20	40.97
1993	74.654	42.332	3.40	17.50	4.20	40.97
1994	74.307	55.998	3.40	18.00	4.10	42.00
1995	79.930	73.000	3.15	18.17	4.42	43.45
1996	89.938	78.467	3.26	18.50	4.34	42.61
1997	99.830	76.536	3.05	17.80	4.36	43.75
1998	109.940	69.535	3.10	18.10	4.38	42.70
1999	119.520	95.700	3.05	18.20	4.77	43.70
2000	123.950	113.834	2.29	25.95	5.62	58.15
2001	129.200	101.292	2.03	26.23	5.65	58.80
2002	134.390	132.150	1.43	27.25	7.21	65.40
2003	139.990	120.027	1.70	27.45	6.73	36.40
2004	144.970	135.838	1.36	27.67	7.62	42.72
2005	159.939	140.185	1.15	29.08	8.56	45.11
2006	169.945	153.394	1.31	28.78	9.20	54.94
2007	179.600	174.998	1.28	28.66	9.22	57.94
2008	190.000	178.845	1.50	27.40	8.46	50.48
2009	200.000	186.927	1.33	29.06	9.12	46.58
2010	200.000	198.200	1.11	29.14	9.69	49.52
2011	200.000	199.118	1.08	29.60	9.59	43.18
2012	200.000	187.307	1.17	29.38	9.44	36.26
2013	200.000	187.626	1.21	29.89	9.33	48.04
2014	200.000	199.541	1.11	29.47	9.70	50.74
2015	260.000	259.798	1.12	29.85	9.48	48.76
2016	306.000	305.871	1.05	30.31	9.76	48.81
<b>2017</b>	<b>329.555</b>	<b>329.234</b>	<b>1.49</b>	<b>28.16</b>	<b>8.47</b>	<b>41.45</b>

(1) Cancellations have been deducted from the total commitments of the year when the Board of Directors had given its approval.

(2) A loan is considered concessionary if the grant element is 25% or more.

\* Interest rate, repayment period, grace period and grant element were calculated as weighted averages by the value of the loan of each project, regarding the projects of the public sector.

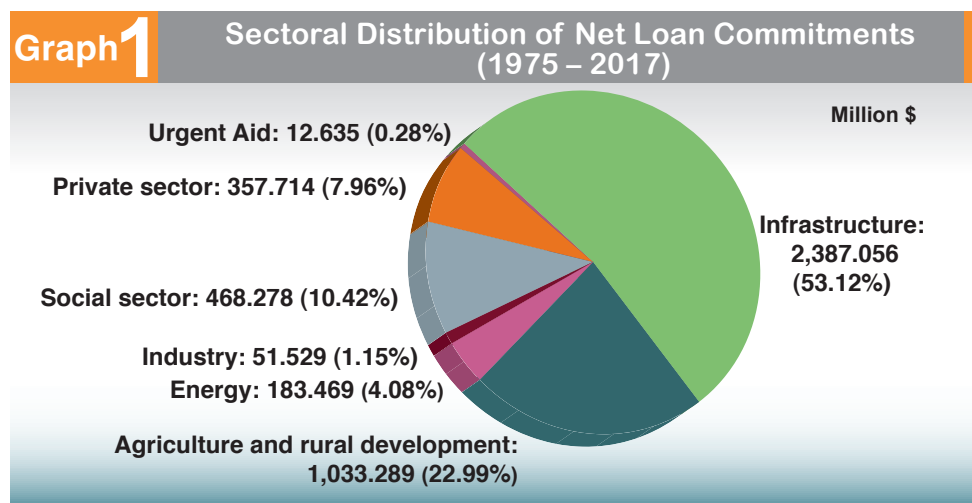


## Loan Commitments and their Sectoral Distribution during 1975 - 2017

Total cumulative commitments made by BADEA during the period 1975 - 2017 stood at 5,425.438 million dollars; of which 5,145.170 million dollars were allocated to finance 647 development projects.

Net project loan commitments amounted to 4,493.97 million dollars, of which the infrastructure and environment sector received 2,387.056 million dollars (about 53.12% of the total), the agriculture and rural development sector received 1,033.289 million dollars (about 22.99%), the energy sector received 183.469 million dollars (about 4.08%), the industry sector received 51.529 million dollars (about 1.15%), the social sector received 468.278 million dollars (about 10.42%), the private sector received 357.714 million dollars (about 7.96%), and the Urgent Aid Program received 12.635 million dollars (about 0.28%).

As for the Special Arab Aid Fund for Africa (SAAFA)<sup>(1)</sup> loans totaling 59, they were approved at a total amount of 214.244 million dollars, to support the balances of payments of some African countries. Thus, the total net commitments including SAAFA loans and project loans amounted to 4,708.214 million dollars, by the end of 2017.



### The Private Sector

BADEA contributes to financing the private sector through loans of credit provided to banks and national and regional development financing institutions in the recipient countries, to re-lend them to finance private sector subprojects. Parallel to this, BADEA provides loans to Governments that are directly re-lent to the private sector. Moreover, it funds components that can support this sector within the projects it co-finances.

During the period 1975 - 2014, 45 loans were approved to the private sector channeled through Governments, with net commitments of about 116.931 million dollars, benefiting many small enterprises in industry, agriculture and rural development, transport and microfinance sectors. Several feasibility studies have been funded and resulted in bankable private sector projects. The sector also benefited from training courses, forums and exhibitions, as well as foreign trade operations.

(1) The Special Arab Aid Fund for Africa (SAAFA) was established in November 1973 and started operations in November 1974, to provide loans to African countries to help the overcome of difficulties in obtaining foreign financing and to support their balances of payments. It was administrated by the League of Arab States up to 1976 when BADEA took over the management of its operations. In 1977 its resources were merged into BADEA's capital and its basic operations of non-project lending came to an end.

To strengthen and support the role of the private sector through provision of additional financial resources, BADEA's Board of Governors approved the "Private Sector Financing Program", pursuant to Resolution No. (6) of 2014. Allocations for the Program amounted to 450 million dollars, to be distributed over the years of the Seventh Five-year Plan, as follows:

Year	2015	2016	2017	2018	2019
<b>Allocations (\$ Million)</b>	50	100	100	100	100

In 2017 - the third year of the Plan - credit loans of 100 million dollars were approved to 8 financial institutions, compared to credit loans of 86 million dollars in 2016 approved, equally, to 8 financial institutions.

Credit loans of 2017 benefited 5 local commercial development banks and financial institutions in Senegal, Kenya, Mali (2) and Ghana by 60 million dollars, 2 regional development financing institutions by 30 million dollars, and a government institution of a commercial nature in the Republic of Cameroon by 10 million dollars.

During this year, 9 credit loan agreements were signed, totaling 76 million dollars, 6 of them were approved in 2016, while the others approved in 2017. 6 of these agreements has been declared effective and the respective borrowing financial institutions have begun withdrawal from the proceeds of their funds.

The year 2018 is expected to witness signature of more agreements and an increasing pace of withdrawals of loans agreed upon during the years 2015, 2016 and 2017, hence contributing to provision of financial resources to the African private sector and achieving the intended development impact of the Program, of supporting African economies through the development of their infrastructure and encouraging investments that contribute to increase production, income and employment.

### Financing Arab Exports to African Countries

The vital role of trade exchange between Arab and African countries in their development, has solicited the attention of BADEA to this sector. Trade has an effective role in the development process by facilitating movement of goods and services, providing inputs for production, supplying local and international markets, in addition to facilitating the circulation of finished products.

In line with its efforts to encourage trade between these regions, BADEA contributed by 10 million dollars in the capital of the African Export and Import Bank (AFREXIMBANK). It also adopted a program of 100 million dollars (revolving) to finance Arab exports to African countries, of which 75 million dollars were managed by the Islamic Development Bank Group in accordance with an agreement signed in 1998, renewed with the International Islamic Trade Finance Corporation in 2008 and expired by the end of 2014. As for the remaining 25 million dollars, it was decided to provide them as lines of credit to Arab banks, in order to finance Arab exports to African countries.

By the end of 2014, total approvals amounted to 399.5 million dollars, of which 187 million dollars were withdrawn to finance operations benefiting the countries of: Tanzania, Guinea, Mauritius, Zimbabwe, Seychelles, Zambia, Côte d'Ivoire, Kenya, Senegal and Gambia. It is worth-mentioning that some of these countries benefited from more than one operation.

Since the beginning of 2015, and in accordance with the Resolution of the Board of Governors No. (6) of 2014 (mentioned above), the «Foreign Trade Finance Program» has been approved and revolving annual amounts were allocated as follows:

Year	2015	2016	2017	2018	2019
<b>Allocations (\$ Million)</b>	150	200	200	225	250





In 2017, 7 lines of credit totaling 200 million dollars were approved, including 3 lines of credit of 90 million dollars to 3 local banks and development financing institutions in Egypt, Mali and Ghana, 2 lines of credit of 75 million dollars to 2 private banks with regional spread in Burkina Faso and Mauritius, and 2 lines of credit of 35 million dollars to 2 regional development financing institutions.

Although in 2017 BADEA allocated the same amount as in 2016, this year's financing witnessed an expansion in the type of recipient institutions, as new local banks having a regional spread entered the financing program.

### Regional Operations

Projects and technical assistance operations of regional character have been given emphasis by BADEA, for their positive impacts on more than one African country and sometimes on neighboring Arab countries, paving the way for networking, integration and cooperation between these countries.

### Technical Assistance Operations and their Sectoral Distribution in 2017

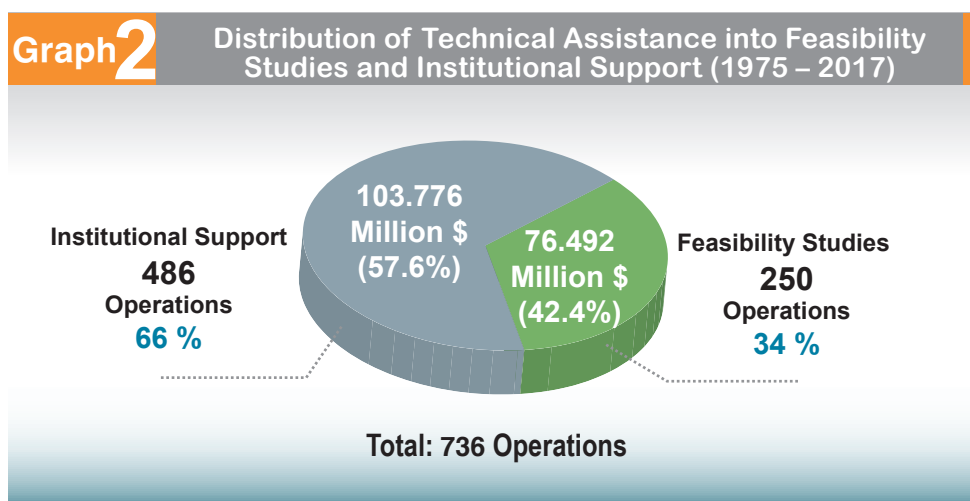
BADEA continued to provide technical assistance to African countries through two mechanisms: financing technical and economic feasibility studies for development projects and providing institutional support. The later includes: organizing training courses, provision of the services of Arab experts, provision of equipment and financing forums and meetings for the economic actors in Africa and the Arab World. Beneficiaries of this assistance are the governmental departments and agencies, and the African regional organizations.

In 2017, 40 technical assistance operations were financed, at total cost of about 9.6 million dollars (equivalent to 96% of the approved allocation for the year), including 5 operations of 70 thousand dollars, within the powers of the Director General.

Sectoral distribution of these operations continued to reflect the priorities of the beneficiary countries. Accordingly, 1.700 million dollars were allocated to infrastructure and environment sector, 1.205 million dollars to agriculture and rural development sector, 4.080 million dollars to financial sector, 2.280 million dollars to social sector and 290 thousand dollars to industry sector.

### Technical Assistance Operations and their Sectoral Distribution (1975 – 2017)

During the period 1975 - 2017, technical assistance commitments stood at 180.268 million dollars to finance 736 operations. Most of Sub-Saharan African countries benefited from these operations, along with 6 regional groups and 17 regional institutions. Allocations for feasibility studies amounted to 76.492 million dollars (i.e. 42.4% of the total), while allocations for institutional support amounted to 103.776 million dollars (i.e. 57.6%) (Table IV).



**Table IV**  
Evolution of Technical Assistance Operations 1975 – 2017

Date	Feasibility studies		Institutional support		Total	
	Number	Amount (\$ Million)	Number	Amount (\$ Million)	Number	Amount (\$ Million)
1975 - 2004	155	42.622	169	35.627	324	78.249
2005	7	2.000	21	3.989	28	5.989
2006	8	2.740	16	3.485	24	6.225
2007	8	2.910	23	3.590	31	6.500
2008	8	2.770	23	3.980	31	6.750
2009	9	3.605	18	3.395	27	7.000
2010	9	3.285	21	4.715	30	8.000
2011	7	2.330	24	5.670	31	8.000
2012	8	2.460	24	5.540	32	8.000
2013	4	1.560	29	6.440	33	8.000
2014	6	2.550	23	5.450	29	8.000
2015	9	3.785	26	6.215	35	10.000
2016	9	3.150	32	6.850	41	10.000
2017	3	0.725	37	8.830	40	9.555
<b>Total</b>	<b>250</b>	<b>76.492</b>	<b>486</b>	<b>103.776</b>	<b>736</b>	<b>180.268</b>
<b>Percentage %</b>	<b>34</b>	<b>42.4</b>	<b>66</b>	<b>57.6</b>	<b>100</b>	<b>100</b>

During the mentioned period, infrastructure and environment sector received the largest share of the allocations by 66.248 million dollars (36.8%), followed by agriculture and rural development sector by 61.126 million dollars (33.9%). The financial departments in beneficiary countries received 41.499 million dollars (23%), the industry sector 5.798 million dollars (3.2%) and the energy sector 5.597 million dollars (3.1%) (Table V).

**Table V**  
Distribution of Technical Assistance Operations by Sector  
1975 - 2017 (\$ Million)

Sector / Technical Assistance	Infrastructure		Agriculture		Industry		Energy		Finance		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Feasibility Studies</b>	38.479	50.3	29.167	38.1	2.328	3.0	4.525	6.0	1.993	2.6	76.492	100.0
<b>Institutional Support:</b>												
<b>Experts</b>	10.181	35.3	7.778	26.9	0.560	1.9	0.235	0.8	10.109	35.0	28.863	100.0
<b>Training</b>	3.625	11.1	15.8	48.2	2.105	6.4	0.280	0.9	10.950	33.4	32.760	100.0
<b>Other Operations</b>	13.963	33.1	8.381	19.9	0.805	1.9	0.557	1.3	18.447	43.8	42.153	100.0
<b>Sub-Total</b>	27.769	26.8	31.959	30.8	3.470	3.3	1.072	1.0	39.506	38.1	103.776	100.0
<b>Grand Total</b>	66.248	36.8	61.126	33.9	5.798	3.2	5.597	3.1	41.499	23.0	180.268	100.0



## Feasibility Studies

BADEA accords importance to preparation of feasibility studies and restricts them to Arab, African and Arab-African consulting firms and institutions. Studies in infrastructure and environment, and agriculture and rural development sectors received the biggest share of feasibility studies' budget (76.492 million dollars) during the period 1975 - 2017, by 50.3% and 38.1% respectively, whereas energy, industry and finance sectors received 6%, 3% and 2.6% respectively.

## Institutional Support

Allocations for institutional support of 103.776 million dollars, during the period 1975 - 2017, covered the following fields:

### Provision of Services of Arab Experts

Provision of services of Arab experts in various fields to support the African countries has been playing a key role in transmitting knowledge and expertise and contributing to training of local cadres.

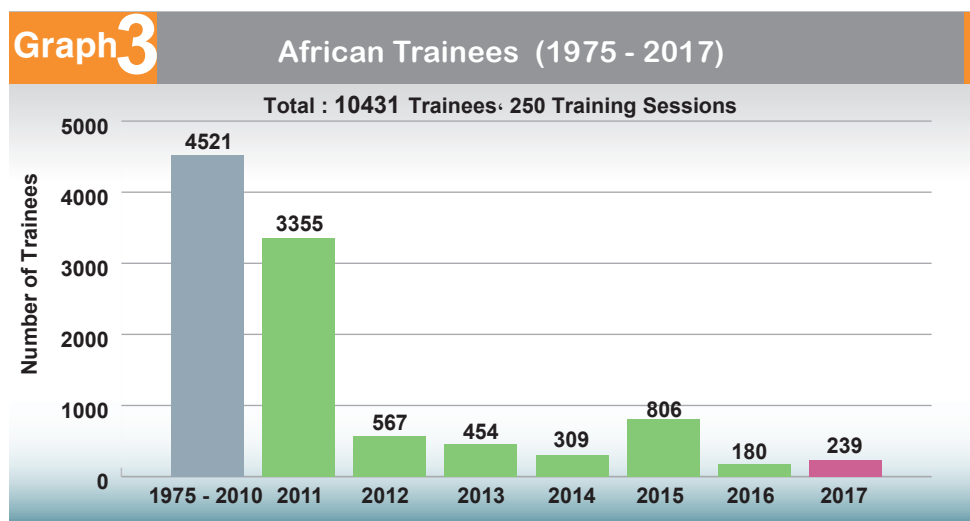
Total number of experts whom their services approved during the period 1991 – 2017 is 140 experts, at a total cost of 28.863 million dollars.

### Training and Capacity Building

Training sessions financed by BADEA witnessed increasing in number and diversification to meet the rising needs for human resources development and capacity building in private and public sectors, and to assist the African countries in implementing their social and economic development programs. 250 sessions, at a total cost of 32.760 million dollars were financed by BADEA, benefiting 10431 African trainees, of which 239 trainees in 2017. BADEA cooperates with Arab and African training institutions to execute these sessions, which helps in strengthening relations between Arabs and Africans and exchanging of experiences.

### Other Operations

Institutional support also included contribution to the financing of the seven Arab-African trade fairs held so far, in cooperation with the secretariats of the League of Arab States and the African Union.



They also included provision of office and medical equipment to different African institutions, financing forums and conferences in various areas of development and investment, as well as supporting many programs and initiatives that improve the lives of African citizens in general and help in the economic empowerment of African woman. Total cost of this type of support amounted to 42.153 million dollars.

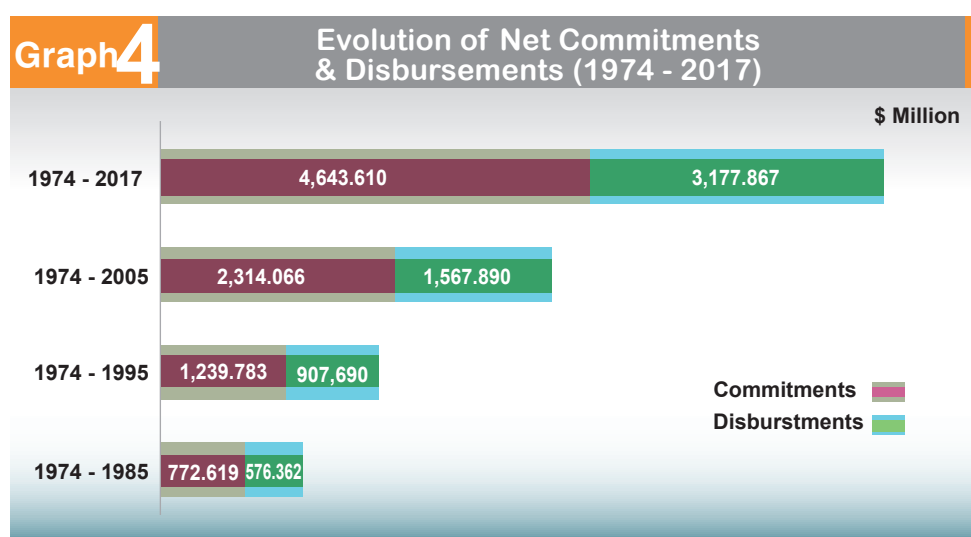
### Evolution of Commitments and Disbursement from Loans and Grants 1975 - 2017

During the period 1975 - 2017 total commitments of public and private sectors' loans, and technical assistance grants amounted to about 5,425.438 million dollars, of which 5,245.170 million dollars for loans and 180.268 million dollars for grants. Net commitments stood at 4,643.610 million dollars, of which 4,493.970 million dollars for loans and 149.640 million dollars for grants, excluding the 59 loans granted by SAAFA totalling 214.244 million dollars.

The difference between the total gross and net commitments is 781.828 million dollars, representing cancellations, some of which were the unutilized balances of loans and grants of completed operations.

By the end of 2017, total cumulative disbursement amounted to 3,177.867 million dollars, of which 3,059.683 million dollars for loans and 118.184 million dollars for grants, compared to 3,029.063 million dollars by the end of 2016, of which 2,916.333 million dollars for loans and 112.730 million dollars for grants, including disbursement out of SAAFA. The ratio of cumulative disbursement to cumulative commitments of both BADEA and SAAFA, net of cancellations, stood at 65% by the end of 2017 (Table VI).

It is worth noting that the volume of disbursement from loans, during the last 10 years (2008 – 2017) exceeded the volume of repayment of principal loan instalments by 783.043 million dollars. The disbursement amounted to 1,294.623 million dollars, whereas the repayment amounted to 511.580 million dollars, and this is attributed to the improvement of loans and grants management and follow-up, and the increase in number of operations during the same period. Regarding the disbursement and repayment in 2017, they amounted to 143.350 million dollars and 55.745 million dollars respectively.





**Table VI**  
**Evolution of Commitments and**  
**Disbursements (1974 - 2017) (\$ Million)**

Year	Annual Financing	Annual Net Commitments	SAAFA Annual Commitments	Cumulative Net of Commitments & SAAFA	Total Cumulative of Disbursements	Disbursements as Percentage of Commitments (%)
1974	—	—	79.850	79.850	79.850	100
1975	85.500	68.033	64.650	212.533	144.500	68
1976	62.000	56.823	56.500	325.856	203.097	62
1977	66.290	64.226	13.244	403.326	223.959	56
1978	72.870	48.601	—	451.927	279.635	62
1979	49.070	41.916	—	493.843	331.591	67
1980	71.950	48.066	—	541.909	379.446	70
1981	76.026	41.284	—	583.193	416.428	71
1982	90.000	48.180	—	631.373	453.240	71
1983	83.933	62.120	—	693.493	492.894	71
1984	87.960	43.178	—	736.671	534.798	73
1985	73.790	35.785	—	772.456	576.362	75
1986	58.605	36.937	—	809.393	625.576	77
1987	71.423	28.604	—	837.997	660.747	79
1988	66.720	49.151	—	887.148	685.596	77
1989	72.000	53.618	—	940.766	709.227	75
1990	73.682	32.565	—	973.331	732.516	75
1991	74.235	34.613	—	1,007.944	775.346	77
1992	73.726	54.157	—	1,062.101	810.739	76
1993	74.654	42.332	—	1,104.433	833.536	75
1994	74.307	55.998	—	1,160.431	868.811	75
1995	79.930	73.000	—	1,233.431	907.690	74
1996	89.938	78.467	—	1,311.898	950.177	72
1997	99.830	76.536	—	1,388.434	992.886	72
1998	109.940	69.535	—	1,457.969	1,042.612	72
1999	119.520	95.700	—	1,553.669	1,113.937	72
2000	123.950	113.834	—	1,667.503	1,170.766	70
2001	129.200	101.292	—	1,768.795	1,238.822	70
2002	134.390	132.150	—	1,900.945	1,309.097	69
2003	139.990	120.027	—	2,020.972	1,386.819	69
2004	144.970	135.838	—	2,156.810	1,477.208	68
2005	159.939	140.185	—	2,296.995	1,567.890	68
2006	169.945	153.394	—	2,450.389	1,677.291	68
2007	179.600	174.998	—	2,625.387	1,825.125	70
2008	190.000	178.845	—	2,804.232	1,965.984	70
2009	200.000	186.927	—	2,991.159	2,098.924	70
2010	200.000	198.200	—	3,189.359	2,223.603	70
2011	200.000	199.118	—	3,388.477	2,360.060	70
2012	200.000	187.307	—	3,575.784	2,483.329	69
2013	200.000	187.626	—	3,763.410	2,619.092	70
2014	200.000	199.541	—	3,962.951	2,753.610	69
2015	260.000	259.798	—	4,222.749	2,899.371	69
2016	306.000	305.871	—	4,528.620	3,029.063	67
2017	329.555	329.234	—	4,857.854	3,177.867	65
<b>Total</b>	<b>5,425.438<sup>(1)</sup></b>	<b>4,643.610<sup>(2)</sup></b>	<b>214.244</b>	<b>4,857.854</b>	<b>3,177.867</b>	

(1) This sum is the total cumulative of BADEA's commitments before cancellations, of which 5,245.170 million dollars for public and private sectors' loans and 180.268 million dollars for grants.

(2) This sum is the total cumulative of BADEA's net commitments, of which 4,493.97 million dollars for public and private sectors' loans and 149.640 million dollars for grants.

## Projects and Technical Assistance Operations Completed in 2017

During 2017, 23 development projects were completed in infrastructure and environment sector (transport, potable water supply and Sanitation), agriculture and rural development sector (agriculture, rural water, rural development and rural electrification) and social sector (education). These operations totaled 176.6 million dollars and benefited 15 African countries. Also, during the year, 26 technical assistance operations were completed, including feasibility studies and institutional support operations.

## Signature of Agreements

During the year 2017, 30 loan agreements were signed with 13 African countries and 13 Arab and regional banks and institutions. Total amount of loans extended by virtue of these agreements stood at 471.5 million dollars. Equally during the year, 28 agreements have been declared effective with 18 African countries and 7 regional institutions, at a total cost of 373.6 million dollars.

## Contribution towards Debt Relief

BADEA contributes to relieve the burden of its loans on the African beneficiary countries, thereby helping them to meet their obligations; even before the World Bank and the International Monetary Fund launched their Heavily Indebted Poor Countries Initiative (HIPC).

BADEA follows the method of rescheduling the repayment of its debts several times, with the countries that face financial difficulties, in addition to its participation along with the international financial institutions in applying HIPC terms since 1997.

BADEA provides its assistance to each African country eligible for benefiting from the Initiative, and reached the Completion Point.

Up to the end of 2017, Total assistances provided by BADEA in this regard, amounted to 258.848 million dollars, to benefit 29 African countries, as follows:

Country	Amount (\$ Million)	Country	Amount (\$ Million)
Uganda	7.200	Malawi	4.216
Mozambique	11.300	Sierra Leone	9.766
Benin	2.600	Sao Tome & Principe	7.011
Mali	4.041	Burundi	15.808
Senegal	5.100	The Gambia	0.817
Burkina Faso	16.300	Central Africa Republic	8.726
Niger	19.600	Congo	5.180
Ethiopia	6.000	Guinea Bissau	7.185
Tanzania	14.742	Democratic Congo	17.906
Rwanda	24.312	Liberia	17.270
Ghana	8.342	Togo	0.308
Madagascar	1.506	Cote d'Ivoire	1.771
Zambia	11.847	Guinea	10.360
Cameroon	1.904	Comoros	15.446
Chad	2.284		
<b>Total Cost</b>		<b>258.848 million dollars</b>	



## BADEA's Financing and Poverty Reduction

One of the main objectives of BADEA's interventions in all sectors is to contribute to poverty reduction, so priority is given to development operations that lead directly or indirectly to achieve this goal. As poverty effects are concentrated in the rural and agricultural sectors in most parts of the African Continent, BADEA focuses on financing projects that help in creating appropriate climate for investment in these sectors, increasing productivity and protecting environment, such as rural roads, rural electrification, drinking water, health and education projects, which, in turn, contribute to creation of job opportunities, thus enabling the poor segments of the society to increase their income. Loans are provided to finance poverty reduction projects on concessional terms, taking into account the flexibility of funding their components in local currency.

### Co-financing

BADEA participated in 2017 with some Arab financing institutions and OFID to funding of 10 projects, out of the 16 projects approved during the year. Its contribution represented about 30.8% in relation to the total cost of these projects amounting to 486.76 million dollars, while the contribution of the Arab Funds (Saudi Fund for Development and Kuwait Fund for Arab Economic Development) and OFID represented about 41.1%, bringing their total contribution to about 71.9%. Contribution of non-Arab financing institutions (African Development Bank and European Development Bank) represented about 17.8%, and that of the Governments of beneficiary countries represented about 10.3%.

As for the remaining 6 projects totalling 83.10 million dollars, BADEA co-financed them with the Governments of the beneficiary countries by 69.95 million dollars, representing 84.18% of their total cost.

**Table VII**  
**Co-financing During 2016 & 2017**

Co financiers	2016		2017	
	\$ Million	%	\$ Million	%
BADEA	180.00	26.2	150.05	30.8
Other Arab Funds, Islamic Development Bank and OFID	443.62	64.6	200.23	41.1
Non-Arab Financing Institutions	-	-	86.44	17.8
Governments of Beneficiary Countries	63.21	9.2	50.04	10.3
<b>Total</b>	<b>686.83</b>	<b>100.00</b>	<b>486.76</b>	<b>100.00</b>

Total cost of projects co-financed by BADEA with all institutions, during the period 1975 – 2017, amounted to 20,412.147 million dollars (Table VIII). BADEA's contribution represented about 17.71%, while contribution of other Arab Funds, the Islamic Development Bank and OFID jointly stood at 30.98%, bringing their total contribution to about 48.69%.

Other sources of financing, which include: The World Bank Group, the African Development Bank Group and the regional financial institutions in Africa, the Industrialised Countries Governments and the European Union, jointly, contributed about 28.95%, while contribution of the Governments of beneficiary countries stood at 22.36%.

**Table VIII**  
**Co-financing During 1975 - 2017**

	Financing	Percentage
	\$ Million	%
<b>Total cost of projects</b>	<b>20,412.147</b>	<b>100</b>
<b>Institutions:</b>		
1/ BADEA	3,615.230	17.71
2/ Other Arab Funds, Islamic Development Bank & OFID	6,322.735	30.98
3/ World Bank Group	1,584.090	7.76
4/ African Development Bank Group & Regional Financial Institutions in Africa	1,888.320	9.25
5/ European Union	771.960	3.78
6/ Industrialised Countries	1,666.080	8.16
7/ Beneficiary Countries	4,563.732	22.36





## Countries benefiting from public sector projects during 2017



## PART TWO

### Detailed Description of the Approved Operations in 2017

During 2017, BADEA approved the financing of 16 public sector development projects, 8 private sector operations, 7 Arab export operations and 40 technical assistance operations, to the benefit of some African countries eligible for its assistance. Following is a detailed description of these operations, ordered according to the date of approval by BADEA's Board of Directors:

#### 1\ Public Sector projects

##### Upgrading of Shambo – Agemsa Road

##### Sector: Infrastructure and Environment

##### Federal Democratic Republic of Ethiopia

Project Cost ( \$ Million )	Loan Amount (\$ Million )	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
65.50	20	8 /3/ 2017	30 years	20 years	10 years	1%

#### Project Objectives

The project falls within the Road Sector Development Program (Fifth Phase 2015 – 2020) which aims at the improvement, expansion and rehabilitation of the road network, after the deterioration the network experienced rendering it an obstacle to the implementation of the development programs of the country. The project aims at facilitating the transport of goods and passengers inside the project area, and between it and the network of highways connecting it to Addis Ababa, the capital, as well as improving the effectiveness and safety of the traffic, through upgrading the current gravel road, decreasing travel time and cost of operating vehicles, facilitate transport of agricultural inputs and products, ensure access of population to centers of social services and contributing to poverty alleviation.

#### Project Description

The project is situated in the central-western region of the country in the administrative zone “Horo Guduro”, at about 300 kilometers to the west of Addis Ababa. The components include upgrading the road to an asphalt one for a length of 95 kilometers, a width of 7 meters and two shoulders of 1.5 meters each, and correcting the horizontal and vertical planes in some of its parts. The components also include consultancy services, lands acquisition and organizing a workshop to launch implementation and raise awareness about donors' procedures.

#### Project Financing

The funding is provided by BADEA: 20 million dollars (representing about 30.53% of the total cost); OFID: 30 million dollars (about 45.80%), and the Government: 15.5 million dollars (about 23.67%).



## Upgrading of the Second Road “International Airport M’Poko – Central Bangui”

**Sector: Infrastructure and Environment**  
**Central Africa Republic**

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
15	13	8 / 3 / 2017	30 years	20 years	10 years	1%

### Project Objectives

The project falls within the sectoral programs priorities in the Central Africa Republic, aiming at reconstruction and development of infrastructure, including roads, bridges and rain water drainage facilities, and improvement of population living conditions. The project aims at establishing a direct link between the various residential zones of Bangui, ending the isolation of popular neighborhoods and easing pressure on main roads, leading to facilitating and streamlining traffic, lowering the running costs of vehicles and transport, and improving the rain water drainage system.

### Project Description

The project is situated in the capital Bangui, with components comprising preparation and asphaltting the second main road that starts at the roundabout of “Bonga Bonga” stadium to the airport, passing through the Fifth Residential Circle, with a total length of 6 kilometers, and a total width of 16.5 meters. Components also include consultancy services, support to the Project Implementation Unit, lands acquisition, change of drinking water, electricity and telephone networks, and organizing a workshop to launch implementation and raise awareness about donors’ procedures.

### Project Financing

The funding is provided by BADEA: 13 million dollars (representing about 86.67% of the total cost), and the Government: 2 million dollars (about 13.33%).



**Rehabilitation and Expansion of Benfica  
Multidisciplinary Technical Institute in Luanda**

**Sector: Social (Education)**

**Republic of Angola**

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
12.60	9.45	8 / 3 / 2017	27 years	20 years	7 years	3%

**Project objectives**

The project aims at enabling the Technical Institute “Benfica” to regain its student admission capacity after being affected by the recent difficult circumstances experienced by the country, empowering youths to finish their training in the fields of marine navigation and environment, preparing them to use modern technologies, and integrating them in professional life.

The project also aims at responding to the urgent needs of the productive institutions to qualified technicians in certain areas, contributing to development and modernization of production, and achieving the objectives of the educational, technical and vocational training strategy and its appropriateness to the requirements of the economic and social conditions in Angola and Africa.

**Project Description**

The Multidisciplinary Institute “Benfica” situated inside the capital Luanda and specializes in training technicians and enhancing their capacities in the fields of marine navigation, marine fishing and marine-related industries.

The components of the project include: rehabilitating the old buildings and the application workshops, construction of new buildings out of reinforced concrete and other new building materials for class rooms, hospital administration, technical units, residences and a restaurant, in addition to the external works, providing services through the various networks (electricity, water, sanitation, lighting, telephone and internet), allocating parking areas, and building and paving internal roads.

The components also include provision of educational and office equipment, consultancy services and provision of institutional support to the Project Implementation Unit.

**Project Financing**

The project is funded by BADEA: 9.45 million dollars (representing 75% of the total cost), and the Government: 3.15 million dollars (25%).



## Construction and Equipment of the Multidisciplinary Technical Institute in Sanza Ponbo City

### Sector: Social (Education)

#### Republic of Angola

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
14	10.5	8 /3/ / 2017	27 years	20 years	7 years	3%

### Project Objectives

The project aims at training technicians and strengthening the capacities of the staff in the fields of animal and agricultural production, and in construction, managing and accountancy, with a view to responding to the urgent needs of qualified technicians and enabling the productive institutions to recruit specialized technical staff, that contribute to the development and modernization of production.

The project will contribute to achieve the objectives of the educational, technical and vocational training strategy and its adaption to the changing economic and social conditions in Angola and Africa.

### Project Description

The Multidisciplinary Technical Institute is situated in Sanza Ponbo city, Uige District in Northern Angola on the borders with the Democratic Republic of Congo and specializing in animal and agricultural production, civil structures, management and accountancy, to train the middle ranking technicians. The Institute is servicing 700 students.

The components of the project comprise constructing and equipping the Institute buildings and the application workshops in an area of 8010 square meters, in addition to public facilities, provision of educational and office equipment, consultancy services, support the capacities of staff in the Ministry of Education in the field of animal and agricultural production, and providing institutional support to the Project Implementation Unit, together with auditing the annual accounts.

### Project Financing

BADEA contributes 10.50 million dollars (representing 75% of the total cost), while the Government contributes 3.50 million dollars (25%).

**Construction of Road No. 16 “Bururi – Getiga”  
Phase 1: “Bururi – Gakuba”**

**Sector: Infrastructure and Environment**

**Republic of Burundi**

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
48.60	15	8 / 3/ 2017	30 years	20 years	10 years	1%

**Project Objectives**

The project falls within the Government policy aiming at developing the transport sector and supporting the road network, particularly the regional and international axis that ease the isolation of the Republic of Burundi which is a landlocked country.

The project aims at contributing to the improvement of the asphalt road network, facilitating the transport of goods and passengers and reducing the cost of their transport, supporting trade exchanges with neighboring countries and helping the integration of their economies and contributing to the economic and social development and poverty alleviation in the region.

**Project Description**

The project is situated in the upper plateaus of the central part of the country and traverses Bururi and Getiga Districts.

It comprises the rehabilitation and construction of an asphalt road with a length of about 35 kilometers and a width of 7 meters, and a double-carriage with a width of 3.5 meters each, in addition to two shoulders each with a width of 1.5 meters outside the residential areas, and 2.5 meters inside them.

The project also comprises consultancy services, support to the Project Implementation Unit, in addition to organizing a workshop to launch implementation and raise awareness about donors' procedures.

**Project Financing**

The project is funded by BADEA: 15 million dollars (representing about 30.86% of the total cost), Saudi Fund for Development: 15 million dollars (about 30.86%), OFID: 15 million dollars (about 30.86%), and the Government: 3.6 million dollars (about 7.42%).



## Construction and Equipment of Mbalmayo Regional Hospital

### Sector: Social (Health)

#### Republic of Cameroon

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
38.80	12	8 / 3 / 2017	27 years	20 years	7 years	2%

### Project Objectives

The project falls within the framework of the priorities of the Investment Program in Health Sector adopted by the Government for the period 2016 – 2027, in order to achieve the Millennium Development Goals (MDGs) in the Republic of Cameroon.

It aims at contributing to cover disabilities, treatment of burns, responding to the demand from neighboring countries (Gabon, Congo and Chad), providing excellent healthcare to all citizens of the capital Yaoundé and its surroundings, and contributing to poverty alleviation.

### Project Description

The project is located in Njalan village in Mbalmayo city, 50 kilometers south of the capital Yaoundé.

It comprises the construction of the hospital (200 beds), including different medical divisions, hospital administration, technical departments, accommodation, a restaurant and a morgue, in a total area of 14,017.44 square meters, in addition to landscaping, connecting various networks, preparing parking areas and a helicopter landing pad and paving internal roads and connecting road to the National Highway (2) with a total length of 50 meters.

It also comprises building an enclosure wall of 1200 meters, equipped by permanent surveillance cameras, constructing and equipping an incinerator for medical waste, constructing a ground reservoir for drinking water at a capacity of 100 cubic meters, construction and equipping of treatment plant for waste water, digging a well, and building an outer reservoir with a 50-cubic meters capacity for irrigation.

The project, moreover, comprises medical and non-medical equipment and furniture, means to operate the hospital, in addition to consultancy services, support to the Project Implementation Unit, auditing accounts, training of medical staff, provision of drugs and small equipment and lands acquisition.

### Project Financing

Funding is provided by BADEA: 12 million dollars (representing about 30.93% of the total cost), Saudi Fund for Development: 12 million dollars (about 30.93%), Kuwaiti Fund for Arab Economic Development: 11 million dollars (about 28.35%), and the Government: 3.8 million dollars (about 9.79%).

## Rehabilitation of Cocody Bay in Abidjan City

### Sector: Infrastructure and Environment

#### Republic of Cote D'Ivoire

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
33.50	20	8 / 3 / 2017	30 years	20 years	10 years	1%

### Project Objectives

The project aims at protecting Cocody Bay and combatting pollution resulting from environmental imbalances related to sanitation networks and seasonal floods, improving thereby the overall environment of the site.

It will provide social, touristic and commercial facilities around the Bay, to receive investments in various fields. This would create income-generating economic activities and new employment opportunities. The project will also have a positive impact on improving the health of the local population and the return of fishermen to the area to improve their productivity.

### Project Description

The project extends from Abidjan city-center to Grand-Bassam city, located 40 kilometers to the east of the capital. Cocody Bay is the natural extension of Ebrie Lagoon in central Abidjan, which extends from its west to Grand-Bassam. Several rivers flow into this lake, the most important of which is Comoe River.

The project was divided into several phases and BADEA contributes to the financing of Phase III which is the reopening of the mouth of Comoe River to the sea at Grand-Bassam city, facilitating the flow of sea water into Ebrie Lagoon, and thereby renewing its water naturally.

The components comprise the civil engineering works to construct two protecting walls for the mouth against sea waves, works to protect the sides from erosion and cleaning them of trees, undertake sand removal from the mouth and reusing them to protect the sites threatened by erosion, and strengthening Assini bridge.

The components also include consultancy services, support to the Project Implementation Unit, organizing a workshop to train Ivorian staff and educate them in the procedures of BADEA, followed in implementing projects and disbursement from loans.

### Project Financing

The project is funded by BADEA: 20 million dollars (representing about 59.7% of the total cost), OFID: 11 million dollars (about 32.8%) and the Government: 2.5 million dollars (about 7.5%).





## Supply of Drinking Water to Some Semi-Urban Centers

### Sector: Agriculture and Rural Development

#### Republic of Niger

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
11.50	10	8 / 3 / 2017	30 years	20 years	10 years	1%

### Project Objectives

The project aims at providing potable water to nine semi-urban centers in Tillabe'ri, Dosso and Tahoua regions, reduction of the excessive prevalence of water-related diseases, leading to lessening of the toil of fetching water, particularly for women, and the improvement of the health condition of the population.

The project contributes to the improvement of the quality of drinking water and increasing its production by about 5200 cubic meters/day enough to meet the needs of the population in the project area till 2030, improvement of connection with drinking water supply networks from 10% currently to 15% immediately after completion of the project implementation, to 30% by early 2030, provision of potable water through public water distribution points for 140000 persons, as well as improving the water consumption rate from 25 to 46 liters/day/person.

### Project Description

The project covers 9 semi-urban centers with a total population of 125000 persons, that is expected to rise to 210000 persons by 2030.

It comprises rehabilitation and expansion of drinking water supply systems of these centers, through digging and equipping 13 wells producing 5200 cubic meters/day, construction and equipping of 14 elevated tanks of 100 to 400 meters capacity, rehabilitation and expansion of PVC water supply and distribution networks, at a total length of about 92 kilometers and radii varying from 75 to 110 millimeters and procurement and installation of 1020 household connections, in addition to 64 public water distribution points.

The project also comprises consultancy services, support to the Project Coordination and Implementation Units, audit of the annual accounts, support the capacities through organizing awareness raising campaigns, in addition to organizing a workshop to launch implementation and raise awareness about donors' procedures.

### Project Financing

The project is funded by BADEA: 10 million dollars (representing about 86.96% of the total cost), and the Government: 1.5 million dollars (about 13.04%).

## Sanitation in Saint Louis Island

### Sector: Infrastructure and Environment

#### Republic of Senegal

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
15	13.5	5 / 7 /2017	27 years	20 years	7 years	2%

#### Project Objectives

The project falls within the framework of the Indicative Plan for Sanitation in Saint Louis Island for early 2025. It aims at developing the sanitation services in the neighborhoods of the Island, improvement of health conditions of the population through reduction of the risks and epidemics related to stagnant sanitation water, protection of the environment and activation of other development sectors, to improve - in general - the living conditions and reduce poverty.

#### Project Description

The project is located in Saint Louis Island in the north-western part of the country, at about 260 kilometers from the capital Dakar, where the sanitation network has deteriorated due to old age, leading to pollution of ground water and drinking water, in addition to several other social, environmental and health problems.

The components of the project comprise civil engineering and other related works to rehabilitate and expand the current sanitation network, through procuring and laying 15 kilometers of PVC pipes and their accessories, building a new waste water treatment station with a capacity of 6000 cubic meters/day, construction of 1240 household connections, rehabilitation of 140000-square meters of pavements and internal roads which will be affected by the construction of the network and rehabilitation of other networks (electricity, drinking water supply and communications).

The components include, furthermore, support to the Project Coordination and Implementation Units, provide consultancy services and extension services, organizing a workshop to launch implementation and raise awareness about donors' procedures, and auditing the annual accounts of the project.

#### Project Financing

Funding of the project is provided by BADEA: 13.5 million dollars (representing 90% of the total cost), and the Government: 1.5 million dollars (10%).



## Rehabilitation of Kissidougou - Gueckédou – Kondembadou Road Phase III: Gueckédou – Kondembadou

### Sector: Infrastructure and Environment

#### Republic of Guinea

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
44.08	16	5 / 7 / 2017	30 years	20 years	10 years	1%

### Project Objectives

The project falls within the Government’s Emergency Plan to rehabilitate the national highways, correct the shortage in private investments in the sector, and support the road networks, particularly the regional and international axis.

The project aims at contributing to development of networks of asphalt roads, facilitating the transport of goods and passengers to the area and reducing their transport cost, ensure uninterrupted, all-weather all-year traffic, intensify trade exchanges with neighboring countries (Liberia, Sierra Leone and Cote D’Ivoire) helping thus in the integration of their economies, and contribute to the economic and social development of the project region.

### Project Description

The Kissidougou – Kondembadou Road is situated in the south east of Guinea in the forest-covered equatorial region, about 800 kilometers from the capital Conakry, and traverses 31 villages and settlements.

The Third Phase of the project (Gueckédou - Kondembadou), which BADEA contributes to its funding, involves the rehabilitation of the current road of 35 kilometers long with a width of 7.40 meters, a double-carriage with a width of 3.70 meters each and two shoulders of 1.50 meters each outside the residential areas and 2.40 meters inside them, in addition to preparing 10 kilometers of internal roads in Gueckédou and Kondembadou towns, opening 20 kilometers of rural roads that connect the project with the surrounding rural settlements, and providing a mobile to check axel-weight and cargo.

The project also comprises consultancy services, lands acquisition, support to the Project Implementation Unit and auditing of accounts, in addition to organizing a workshop to launch implementation and raise awareness about donors’ procedures.

### Project Financing

The project is funded by BADEA: 16 million dollars (representing about 36.30% of the total cost), the Kuwaiti Fund for Arab Economic Development: 26.08 million dollars (about 59.16%), and the Government: 2 million dollars (about 4.54%).

## Construction of the Power Generation Station in the Capital Bissau

### Sector: Infrastructure and Environment

#### Republic of Guinea Bissau

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
22.25	11	5 / 7 / 2017	30 years	20 years	10 years	1%

### Project Objectives

The project aims at finding an urgent solution to the energy problem in the country and ensuring its availability in a sustainable way and at a reasonable cost to consumers, through replacing the only power station in the country which is owned by a private foreign company.

The project will enable the Electricity Company to build capacity to generate power, through owning the assets of a power generating station, training the staff in operating and maintaining power generation stations, reducing the price of electricity, improving the revenues of the company and helping the Government in achieving its objectives related to increasing access to the service in Bissau to 80% by 2030.

### Project Description

The project is situated in Beri Station for Power Generation in Bissau. Its components include civil engineering works that involve concrete foundations for generators, transformers, fuel tanks and control room, in addition to procuring and installing of 14 diesel generating units of 1.6 megawatt each with their accessories, the mechanical and electrical fittings to link the station with the electric grid, provision of spare parts and maintenance equipment, and training of technical staff on the operation.

The components also include consultancy services, supporting the Project Implementation Unit and auditing of accounts.

### Project Financing

The project is funded by BADEA: 11 million dollars (representing about 49.44% of the total cost), Saudi Fund for Development: 10.75 million dollars (about 48.31%), and the Government: 0.50 million dollars (about 2.25%).





## Water Supply in Greater Maseru

### Sector: Infrastructure and Environment

#### Kingdom of Lesotho

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
30	14	5 / 7 / 2017	20 years	15 years	5 years	2%

### Project Objectives

The project aims at achieving economic and social development and the Millennium Development Goals in the country, through providing drinking water supply services to the capital Maseru, to meet the shortage in the supply and be able to respond to the needs of the population till 2042, combat diseases resulting from shortage and pollution of water and alleviate poverty.

### Project Description

The project is situated in the southern, south western and north-eastern parts of the capital Maseru, where there is no water supply network for a population of 76 thousand, projected to grow to 106 thousand by 2042, who need to have their needs and requirements in water ensured in a sustainable, safe and healthy way.

The project comprises construction of underground water tanks with a capacity of 150 to 2000 cubic meters, construction of pumping stations, building distribution networks at a total length of 286 kilometers and pipe-radius of 25 to 500 millimeters, procurement and installation of 4000 household connections, building a transmission line of about 25 kilometers long and a radius of 400 millimeters, in addition to procurement and installation of a telemetric system to control and observe the ground and elevated water tanks.

The project also comprises consultancy services, auditing accounts, providing support to the implementing body, in addition to organizing a workshop to launch implementation and raise awareness about donors' procedures.

### Project Financing

The project is funded by BADEA: 14 million dollars (representing about 46.67% of the total cost), OFID: 14 million dollars (about 46.67%), and the Government: 2 million dollars (6.66%)

## Construction and equipment of the Faculty of Science, Technology and Research and University Hostels in Kuoduoguo University

### Sector: Social (Education)

#### Burkina Faso

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
32.40	12.05	27 / 9 / 2017	30 years	20 years	10 years	1%

### Project Objectives

The project falls within the Government strategy to develop higher education in the country and aims at expanding Kuoduoguo University by constructing and equipping the Science, Technology and Research Faculty, which was established in 2014 to teach mathematics, physics, chemistry, information systems and geosciences, in addition to constructing student dorms to facilitate access to classes.

The project also aims at addressing the shortage in specialized scientific cadres in technical fields and human capacity development, to contribute in achieving sustainable economic development and alleviating poverty.

### Project Description

Kuoduoguo city is situated between the political capital Ouagadougou and the economic capital Bobo Dioulasso, and the project is located on a plot of land owned by Kuoduoguo University.

The components of the project comprise civil engineering works necessary to construct the Science, Technology and Research Faculty and student dorms in a total area of 28770 square meters, including erecting a three-floors building containing lecture halls, laboratories, applied work halls and offices for researchers, in addition to a 350 -seat auditorium, a library and an information center.

The project also includes constructing three students' dorms, administration building, a restaurant, a recreational club with spaces for sports, and building water tanks, this in addition to all infrastructure works to supply the site with utility networks and an outer enclosure wall to protect the university campus.

It equally comprises consultancy services, provision of the necessary furniture, equipment and fittings, support to the Project Implementation Unit, auditing accounts, as well as organizing a workshop to launch implementation and raise awareness about donors' procedures.

### Project Financing

The project is funded by BADEA: 12.05 million dollars (representing about 37.19% of the total cost), OFID: 16.80 million dollars (about 51.85%), and the Government: 3.55 million dollars (about 10.96%)



## Rehabilitation and Preparation of São João Baptista Water Basin in Santiago Island

### Sector: Agriculture and Rural Development

#### Republic of Cape Verde

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
15	13.5	27 / 9 / 2017	26 years	20 years	6 years	2%

### Project Objectives

The project aims at contributing to the achievement of food security in the project area through constructing water facilities to fill and store irrigation water and expanding the agricultural irrigated areas, achievement of sustainable development of natural resources through building structures to prevent soil erosion and replenishing the underground water, adapting the agricultural activities to climate changes through awareness raising campaigns and training the beneficiaries on the modern techniques in agriculture.

The project also aims at alleviating poverty and improving the living conditions of the population, through development of income-generating agricultural production and ending their isolation.

### Project Description

This project falls within the framework of the integrated Plan to develop the water Basin “Sao Joao Baptista”, and comprises facilities to fill water reservoirs that include: construction of 15 rock and concrete barriers to catch surface water, rehabilitation of 3 existing barriers, digging of 19 borewells and equipping them with pumps and solar energy panels, construction of 19 dams for irrigation of a 100 cubic meters capacity each (a dam for each well), procurement and laying of irrigation pipes from the reservoirs to the agricultural holdings, rehabilitation of a barrier for groundwater and 20 reservoirs for irrigation, and building 25 kilometers of rural roads from rocks.

It also comprises protection structures from floods including: construction of 24 rock and concrete water barriers and rehabilitation of the existing 86 rock barriers, and protection structures of soil including: building protective barriers reinforced with plants in 110 hectares of the sub-reservoir and rehabilitation of the existing soil protection facilities at 51 hectares in two sub-reservoirs. The project includes, furthermore, consultancy services, support to the Project Implementation Unit and auditing the accounts.

### Project Financing

The project is funded by BADEA: 13.5 million dollars (representing 90% of the total cost), and the Government: 1.5 million dollars (10%)

**Irrigation of Small Holdings in  
Lower Usutu River – Phase II**

**Sector: Agriculture and Rural Development<sup>1</sup>**

**Kingdom of Swaziland**

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
129.626	15	27 / 9 / 2017	25 years	20 years	5 years	2%

**Project Objectives**

The project aims at enhancing food security to the population of the lower Usutu River basin, through increasing the production of various crops, contributing to creation of additional employment opportunities and increasing the rate of women participation in economic activities, as a result of converting the subsistence farming into commercial farming to produce cash crops such as sugar cane, through provision of sustainable irrigation water.

The project also contributes to improving and developing the livestock sub-sector and achieving the Sustainable Development Goals in general.

**Project Description**

The project constitutes the Second Phase of “Irrigation of Small Holdings in Lower Usutu River Project”, which BADEA contributed to the financing of its First Phase to irrigate 6500 hectares that was achieved in 2009.

The project mainly comprises of civil engineering and electro-mechanical works to extend the syphon lines and Matata Canal, extend the distribution sub-networks, field works, consultancy services and supervision and management of the project.

BADEA contributes to financing the component related to field works that includes removal of weeds and grasses, cleaning, leveling and preparing agricultural fields at 5300 hectares, and procurement, installation and operation of spray and drip irrigation systems for 42 field irrigation systems.

**Project Financing**

The project is funded by BADEA: 15 million dollars (representing about 11.57% of the total cost), Kuwaiti Fund for Arab Economic Development: 13.6 million dollars (about 10.50%), African Development Bank: 56.44 million dollars (about 43.54%), European Development Bank: 30 million dollars (about 23.14%), and the Government: 14.586 million dollars (about 11.25%)’





## Supply of Drinking Water to Abéché City

### Sector: Agriculture and Rural Development

#### Republic of Chad

Project Cost (\$ Million)	Loan Amount (\$ Million)	Date of Approval	Loan Duration	Repayment Period	Grace Period	Annual Interest Rate
42	15	13/12/2017	30 years	20 years	10 years	1%

### Project Objectives

In general, the project aims at contributing to improvement of health and living conditions of the population of Abéché and alleviating their poverty, through improving the water supply services in line with the Sustainable Development Goals of the United Nations by 2030, and in the framework of the country's Vision 2030 "The Country We Want to See", and the National Development Program (2017 – 2021), and the National Program for Water and Sanitation (2020 – 2030).

The project aims, in particular, to provide the population needs of drinking water and increase and enhance access from the current 47% to 100% by 2030, improvement of the effectiveness of the current network, expansion of the distribution system to cover all parts of the city, and improvement of the performance of drinking water supply services, through supporting and developing the capacities of the Chadian Water Company.

### Project Description

The components of the project include increasing the production of drinking water to Abéché city, through rehabilitation of the existing wells, the power generation station, the pumping station, the administration residences, the elevated tanks and the ruptures in the distribution network and the household connections.

The components also include digging and equipping borewells and constructing protection structures for them against floods and pollution, procuring and installing lines to connect the new wells and a pumping line to the town, building a pumping station in Bithea area, procuring and installing remote-control systems for the wells and the pumping line, construction of elevated tanks, procuring and installing pipes to distribute water, and construction household connections and water distribution points to the villages along the pumping line.

The project includes, furthermore, supporting the Chadian Water Company in Abéché and the Project Coordination and Implementation Units, auditing the accounts, consultancy services and lands acquisition.

### Project Financing

The project is funded by BADEA: 15 million dollars (representing about 35.7% of the total cost), the Saudi Fund for Development: 25 million dollars (about 59.5%), and the Government: 2 million dollars (about 4.8%)

## 2/ Private Sector and Foreign Trade Operations

### **Loan of Credit for the National Agricultural Credit Fund of Senegal (CNCAS)**

**Sector: Private**  
**Republic of Senegal**

#### **Objectives**

The loan of credit aims at contributing to the development of the private sector in the Republic of Senegal, through enhancing the financing capacities of the Fund, in order to facilitate access of private sector institutions to sources of finance. The loan participates in funding and developing private sector projects and investments and provide working capital to many of its activities, and thus strengthening the productive capacities, creating employment opportunities and lowering unemployment, improving living conditions of the population and growth of national income.

#### **Financing**

The loan of credit provided to the National Agricultural Credit Fund of Senegal amounted to 10 million dollars.

**Date of Approval:** 08 March 2017

### **Loan of Credit to Finance Investments of the Cotton Development Company**

**Sector: Private**  
**Republic of Cameroon**

#### **Objectives**

The loan of credit aims at contribution to the financing of rehabilitation and increase of productivity of the Oil Factory of the Cameroon Cotton Development Company. The loan will participate in increasing the productive capacity of the Factory from 120 thousand tons to 210 thousand tons and improve returns, provide high quality and affordably priced vegetable oil (cotton seeds and soya) to consumers, installing a factory waste water purification station to conserve water resources, support cotton farmers in North Cameroon estimated to be 240 thousand, in order to boost production and improve living conditions.

#### **Financing**

The loan of credit provided to the Cotton Development Company in Cameroon amounted to 10 million dollars.

**Date of Approval:** 08 March 2017



## **Line of Credit for “CORIS BANK INTERNATIONAL”**

### **Sector: Foreign Trade**

#### **Burkina Faso**

#### **Objectives**

The line of credit aims at expanding the financing of Arab exports to the countries of the West Africa Economic and Monetary Union (UEMOA) in general, and Burkina Faso in particular, through provision of the necessary financial resources via the Bank to import Arab goods and ensure the regular supply to all sectors of the economy. The loan contributes to enabling importers to supply the basic goods necessary for production and consumption from some Arab countries such as Algeria, Morocco and Tunisia and create supply chains between them and Burkina Faso, in order to strengthen economic ties and improve living conditions of the population.

#### **Financing**

The line of credit provided to CORIS Bank International amounted to 25 million dollars.

**Date of Approval:** 08 March 2017

## **Loan of Credit for the Malian Solidarity Bank (BMS)**

### **Sector: Private**

#### **Republic of Mali**

#### **Objectives**

The loan of credit contributes to provision of financial resources needed by Malian Solidarity Bank to fund, in its turn, the small and medium-sized private sector institutions and other categories that face difficulties in accessing financial resources, in order to assist them in implementing small income-generating projects and strengthening the productive base, providing employment opportunities to the population to escape from the poverty cycle and improve their living conditions. This would have, in general, a positive impact on growth of national income and achievement of sustainable development.

#### **Financing**

The loan of credit provided to the Malian Solidarity Bank amounted to 15 million dollars.

**Date of Approval:** 05 July 2017

## **Line of Credit for Sahel-Sahara Bank for Investment and Trade**

### **Sector: Foreign Trade**

#### **Regional**

#### **Objectives**

This line of credit aims at expanding the financing of Arab exports to the countries of the Economic Community of West African States (ECOWAS) and the countries of the Central African Economic and Monetary Community (CEMAC), through provision of suitable funding for importing Arab goods to supply all sectors of the economy. The line of credit is provided to Sahel-Sahara Bank for Investment and Trade which, in turn, provides resources to its branches in 12 African countries and participates in enabling importers to provide the basic goods necessary for production and consumption from Arab countries such as Morocco, Algeria, Tunisia and some of Gulf countries, contributing thus in achievement of economic growth.

#### **Financing**

The line of credit provided to the Sahel-Sahara Bank for Investment and Trade amounted to 15 million dollars.

**Date of Approval:** 05 July 2017

## **Loan of Credit for a Banking Institution**

**Sector: Private**

**Republic of Kenya**

### **Objectives**

The loan of credit aims at providing financial resources to a banking institution in the Republic of Kenya to finance private sector small and medium-sized projects in all economic sectors through re-financing the beneficiaries in the country, in order to assist in the achievement of the goals of the Institution related to the implementation of the Development Strategy of the country. The loan of credit will support the private sector, provide the working capital for many of its activities and encourage mobilizing additional resources.

### **Financing**

The loan of credit provided to the concerned Banking Institution amounted to 15 million dollars.

**Date of Approval:** 27 September 2017

## **Loan of Credit for the Development Bank of Mali (BDM)**

**Sector: private**

**Republic of Mali**

### **Objectives**

The loan of credit contributes to financing the projects and investments of the private sector in the Republic of Mali and providing working capital to many of its activities, together with mobilizing new financial resources. The loan is provided to the Development Bank of Mali which, in turn, plays its role in financing small and medium-sized projects, from its resources, in all economic sectors.

### **Financing**

The loan of credit provided to the Development Bank of Mali amounted to 10 million dollars.

**Date of Approval:** 27 September 2017

## **Line of Credit for the Development Bank of Mali (BDM)**

**Sector: Foreign Trade**

**Republic of Mali**

### **Objectives**

The line of credit aims at expansion in financing of Arab exports to the countries of the West Africa Economic and Monetary Union (UEMOA) in general, and the Republic of Mali, in particular, through providing the appropriate financing via the Bank for import operations of Arab goods, in order to ensure the regular supply to all sectors. The line of credit contributes to enabling importers to provide the needs of the cotton sector in necessary chemical materials from neighboring Arab countries, such as Morocco and Tunisia, hence creating supply chains between these countries and Mali, leading to strengthening and intensification of economic relations.

### **Financing**

The line of credit provided to the Development Bank of Mali amounted to 20 million dollars.

**Date of Approval:** 27 September 2017



## **Line of Credit for Misr Banque**

### **Sector: Foreign Trade**

**Arab Republic of Egypt**

#### **Objectives**

The line of credit contributes to providing financial resources to Misr Banque to enable it to finance export operations of Egyptian goods (of Arab origin) to Sub-Saharan African countries, in the context of BADEA's Program to finance trade between Arab and African regions which, in turn, would support cooperation and integration between them.

The line of credit would enable the African importers to regularly supply the African market with some basic goods and commodities, such as fertilizers, drugs, food stuffs and electrical equipment, in addition to the processed petroleum products in priority sectors such as health, agriculture, food security and energy.

#### **Financing**

The line of credit provided to Misr Banque amounted to 50 million dollars.

**Date of Approval:** 27 September 2017

## **Loan of Credit for the Access Bank Ghana (Plc)**

### **Sector: Private**

**Republic of Ghana**

#### **Objectives**

The loan of credit aims at contributing to the development of the private sector in the Republic of Ghana, through upgrading of the financing capacities of Access Bank, thus facilitating access of private sector institutions to sources of finance. The loan contributes to the development of income-generating projects and strengthening of the productive base. This would create employment opportunities, lower unemployment, achieve food security and improve the national income.

#### **Financing**

The loan of credit provided to the Access Bank Ghana (Plc) amounted to 10 million dollars.

**Date of Approval:** 13 December 2017

## **Loan of Credit for a Regional Development Financing Institution**

### **Sector: Private**

**Regional**

#### **Objectives**

The loan of credit aims at contributing to private sector development in the countries of the Southern African Development Community (SADC), through upgrading the financing capacities of a development financing institution of the Group, in order to facilitate access of private sector institutions to sources of finance. The loan contributes to finance the projects and investments of the private sector and provide working capital to its activities. This would promote production, create employment opportunities, improve living conditions of the population of the area and alleviate their poverty.

#### **Financing**

The loan of credit provided to the concerned Regional Development Financing Institution amounted to 15 million dollars.

**Date of Approval:** 13 December 2017

## **Loan of Credit for Tamweel Africa Holding (TAH)**

### **Sector: Private**

#### **Regional**

#### **Objectives**

The loan of credit aims at supporting the private sector development in the Republics of Senegal, Guinea and Niger, through upgrading the financing capacities of the Tamweel Africa Holding, in order to facilitate access of private sector institutions in those countries to sources of finance. The loan contributes to development of income-generating projects and strengthening of the productive base, in such a way as to reflect positively on achieving food security, creating employment opportunities, improving living conditions of the population and growth of the national income.

#### **Financing**

The loan of credit provided to the Tamweel Africa Holding (TAH) amounted to 15 million dollars.

**Date of Approval:** 13 December 2017

## **Line of Credit for the Access Bank Ghana (Plc)**

### **Sector: Foreign Trade**

#### **Republic of Ghana**

#### **Objectives**

The line of credit aims at financing import operations of goods of Arab origin to the Republic of Ghana, in the context of BADEA's Program to finance trade between Arab and African regions and support integration and cooperation between them. The line of credit contributes to enabling importers in Ghana to regularly supply the local market with basic goods and commodities such as fertilizers, drugs, household goods and processed petroleum products in priority sectors such as health, agriculture, food security and energy.

#### **Financing**

The line of credit provided to the Access Bank Ghana (Plc) amounted to 20 million dollars.

**Date of Approval:** 13 December 2017

## **Line of Credit for a Banking Institution**

### **Sector: Foreign Trade**

#### **Republic of Mauritius**

#### **Objectives**

The line of credit aims at financing the procurement of Arab goods and products to the Republic of Mauritius and other African countries eligible for the borrowing bank's operations, through re-loaning its resources to beneficiaries in those countries. The line of credit also aims at encouraging and strengthening trade exchanges between Arab and African countries and assist in introducing Arab products to African markets, in order to help the growth of Arab exports to Sub-Saharan Africa.

#### **Financing**

The line of credit provided to the concerned Banking Institution in the Republic of Mauritius amounted to 50 million dollars

**Date of Approval:** 13 December 2017



## **Line of Credit for Development Bank of the Central African States (BDEAC)**

### **Sector: Foreign trade**

#### **Regional**

#### **Objectives**

The line of credit aims at financing the import operations of Arab-origin goods to the countries of the Central African Economic and Monetary Community (CEMAC), in cooperation with the Development Bank of the Central African States (BDEAC), to serve economic integration between Arab and African regions, contribute to poverty alleviation and improve the living conditions of the population of the Community. The line of credit is going to help importers in Chad, Central Africa, Cameroon, Equatorial Guinea, Gabon and Congo to provide the African markets with some basic goods on a regular basis, such as fertilizers, drugs, food stuffs, petroleum products and electrical equipment.

#### **Financing**

The line of credit provided to BDEAC amounted to 20 million dollars.

**Date of Approval:** 13 December 2017

### **3/ Technical Assistance Operations**

#### **Feasibility Study for Dourbali –Tchawai Road Project**

##### **Republic of Chad**

#### **Objective of the Technical assistance**

The objective is to finance the preparation of the technical and economic feasibility study for the road project, which aims at upgrading the level of the national road network, facilitate the movement of transporting goods and passengers, and ending the isolation of the project area. The elements of the study include investigating the geographic, social and economic aspects of the project area, studying the current condition of the proposed road, estimating the volume of the current and expected traffic, analyzing the soil, estimating the size and type of water drainage facilities, collecting information on the materials needed for construction, preparing the preliminary designs and estimating the cost of the project, its economic returns and environmental impact.

**BADEA's Funding:** 450 Thousand dollars

**Date of Approval:** 08 March 2017

#### **Support for the Drinking Water Quality Control Laboratory (Phase II)**

##### **Republic of Cote D'Ivoire**

#### **Objective of the Technical assistance**

The objective is to support the Drinking Water Quality Control Laboratory in Cote d'Ivoire, to enable it to analyze and monitor water quality effectively and ensure adherence to World Health Organization standards, in addition to enhancing the capacities of the laboratory staff. The support includes provision of laboratory equipment and materials including chemical analysis equipment of the organic and non-organic ingredients of the water and samples preparation. It also includes renewal of the contract of an Arab expert for one year, to draw up a program on studying the water type and another on training on methods of analysis of its components, in addition to develop the manual for applications related to analysis techniques, and developing the efficiency of the national staff in the good practices, according to the international standards.

**BADEA's Funding:** 300 Thousand dollars

**Date of Approval:** 08 March 2017

## **An Arab Expert to Support the Arabic Language Learning Program**

**Republic of Niger**

### **Objective of the Technical assistance**

The objective is to provide the services of an Arab expert for a period of two years, in the field of teaching Arabic language for non-speakers, to contribute to the revival of the work of the ISESCO Centre in the Republic of Niger. The TORs of the expert include reviewing the programs of the "Training Centre for Adult Education Staff", preparing the academic plans necessary to develop the different programs of the Centre, proposing new educational programs, reviewing school curricula, training the Centre's teachers to upgrade their academic and professional efficiency, evaluating the Centre's performance and presenting proposals for its development, contributing to preparation of publications and researches related to adult education and supervising the cultural and academic activities.

**BADEA's Funding:** 320 Thousand dollars

**Date of Approval:** 08 March 2017

## **Support for Women Activities in Sewing and Embroidery (Phase III)**

**Regional**

### **Objective of the Technical assistance**

The objective is to finance a training program to enhance the capacities of women's associations and women working in the field of modern sewing and embroidery techniques, to enable them to market their products in rural markets or outside villages, leading to improvement of their living conditions. The training program is benefiting 80 women from Guinea, Gabon, Uganda and Chad. ISESCO is implementing the program, in cooperation with the concerned bodies in recipient countries and women organizations and associations active in the field of combatting poverty. Bearing in mind that the sewing and embroidery machines and accessories are going to be donated to the all participating women.

**BADEA's Funding:** 150 Thousand dollars

**Date of Approval:** 08 March 2017

## **Support a Forum on the Agricultural Investment Opportunities in Africa**

**Regional**

### **Objective of the Technical assistance**

The objective is to finance a forum on investment opportunities in agriculture in Africa under the theme "Leaps in Agricultural Investment in Africa and the Role of the Arab Investor", to be held on the margin of the Third Arab Conference on Agricultural Investment, organized by the Arab Authority for Investment and Agricultural Development in Khartoum. The Forum aims at presenting the rich agricultural potentialities of Africa, in addition to presenting the available investment opportunities and the possible strategic partnerships, through building commercial ties and relationships between private sector firms, in the field of agriculture in Arab and African countries.

**BADEA's Funding:** 25 Thousand dollars

**Date of Approval:** 08 March 2017





## **An Arab Expert to Support the Employment Opportunities Fund**

### **Burkina Faso**

#### **Objective of the Technical assistance**

The objective is to finance the services of an Arab economic expert for a period of two years, in the field of microfinance, to support the Employment Opportunities Fund in Burkina Faso. The assistance aims at upgrading the level of the technical capacities of the staff of the Fund in preparation, implementation and follow-up of projects and assisting in drawing up plans to develop the comprehensive financing sector. The TORs of the expert include identifying the available financial services and studying the special needs of the intervenors, mobilizing additional funding sources to develop the microfinancing and support its institutions, contributing to setting the appropriate standards and criteria for the monitoring and evaluation of the financing operations and preparing periodic reports to follow-up and evaluate credit loans projects, in addition to devising a training program to enhance the capacities of the beneficiaries of microfinance in managing their projects.

**BADEA's Funding:** 320 Thousand dollars

**Date of Approval:** 05 July 2017

## **Organizing a Round Table for Financiers**

### **Republic of Chad**

#### **Objective of the Technical assistance**

This technical assistance is devoted to organize a round table for financiers in the Republic of Chad (to be, at the same time, a promotional platform for investments there), to introduce the Development Plan 2017 – 2021, which contains a list of priority projects in the country, and to underline the importance of mobilizing the necessary resources for their implementation, present the investment program to the financiers and engage them in a dialogue on the policies necessary to catalyze the rate of growth.

**BADEA's Funding:** 350 Thousand dollars

**Date of Approval:** 05 July 2017

## **An Arab Expert to Support the Ministry of Finance**

### **Republic of Cape Verde**

#### **Objective of the Technical assistance**

The objective is to support the National Department of Planning in the Ministry of Finance, through the renewal of the services of an Arab expert in engineering, specialized in project management, for two more years. The TORs of the expert include assisting in drawing up future plans to develop and implement projects in the sectors of rural development and infrastructure, selecting effective and priority projects, contributing to evaluation of projects supported by financiers, monitoring of activities related to the management of projects financed by BADEA and other Arab institutions in the country, and advising on development plans proposed by the ministries in charge of rural development and infrastructure.

**BADEA's Funding:** 240 Thousand dollars

**Date of Approval:** 05 July 2017

## Support for the Bank of Innovation and Partnership

Republic of Sierra Leone

### Objective of the Technical assistance

The objective is to upgrade the effectiveness of human resources working for the Bank of Innovation and Partnership and develop the scopes of operation, to meet the increase in the number of clients. This includes benefitting of all staff, at various levels, from training sessions in the fields of marketing, financial analysis, clients' relations management, microfinancing, risk management, human resources management and products development, in addition to study visits to one of AGFUND banks for practical training. It also includes procurement, installing and developing of information management systems, and procurement of financial experts' services to develop new products in line with the 2030 Sustainable Development Plan. AGFUND Unit for Microfinance is entrusted with advisory services and training.

**BADEA's Funding:** 150 Thousand dollars

**Date of Approval:** 05 July 2017

## Organizing a Round Table for Financiers

Republic of Guinea

### Objective of the Technical assistance

The technical assistance is devoted to organizing a round table for financiers in the Republic of Guinea (to be, at the same time, a promotional platform for investments there), to brief them on the Development Plan for the period 2016 – 2020, which aims at achieving a structural change in the economy and increase its annual growth rate to about 7%, improving the living conditions and welfare of the population, and placing the country on the road to sustainable development. The round table will highlight the importance of mobilizing the necessary resources for implementing the projects included in the Plan, present the investment program to the financiers and deepening dialogue on policies necessary to accelerate the rate of growth.

**BADEA's Funding:** 350 Thousand dollars

**Date of Approval:** 05 July 2017

## Institutional Support for the Public Social Facilities in Biombo Region

Republic of Guinea -Bissau

### Objective of the Technical assistance

The objective is to supply electric power to the public social facilities in Biombo region in Guinea-Bissau, with a view to improve the living conditions of the population, develop the educational and health facilities and upgrading their performance to respond to the needs of the population, in addition to improve the security situation in the area. The assistance involves procurement of equipment and materials of solar energy systems and their accessories for some hospitals, health centers and schools, in addition to provision of medical equipment and furniture and lighting some main roads.

**BADEA's Funding:** 500 Thousand dollars

**Date of Approval:** 05 July 2017



## **Support for Income-Generating Projects for Women**

**Republic of Cote D'Ivoire**

### **Objective of the Technical assistance**

This assistance falls within the context of BADEA's efforts aiming at developing the capacities of the African women to achieve their economic empowerment. It aims at strengthening the capacities of rural women in Cote D'Ivoire and supporting their participation in income-generating activities. The assistance includes financing the organization of a training program for a group of rural women in Danane region in west Cote D'Ivoire in the fields of poultry techniques, production and transformation of palm oil and the agricultural techniques, and a training in Dabou area in southern Cote D'Ivoire in the fields of vocational training and production in sewing and hair styling. The assistance targets 112 participants and is supervised and implemented by the Arab Woman Center for Training and Research.

**BADEA's Funding:** 300 Thousand dollars

**Date of Approval:** 05 July 2017

## **An Arab Expert to Support the Ministry of Finance and Budget**

**Republic of Madagascar**

### **Objective of the Technical assistance**

The objective is to make available the services of an Arab economic expert in microfinance for a period of two years, to support the National Coordinator of Comprehensive Financing in the Ministry of Finance and Budget in Madagascar, through upgrading the technical capacities of the staff in the field of projects preparation and implementation and setting programs to develop the sector of comprehensive financing. The TORs of the expert include identifying the available financial services and studying the special needs of intervenors, mobilizing additional sources of finance to develop microfinance and support its institutions, participating in setting the appropriate standards for monitoring and evaluating the financing operations, preparing periodic reports on follow up and evaluation of credit loan projects and designing a training program to enhance the capacities of the beneficiaries in microfinancing, enabling them to manage their projects.

**BADEA's Funding:** 320 Thousand dollars

**Date of Approval:** 05 July 2017

## **Support for Women Entrepreneurs in Six African countries**

**Regional**

### **Objective of the Technical assistance**

The objective is to finance a program to support women entrepreneurs in six African countries (Congo, Chad, Liberia, Mali, Malawi and Rwanda). The program aims at strengthening the economic role of the African women, through developing their capacities in the good management of their institutions, improving the business environment to enhance female entrepreneurship, and improving the coordination and follow up mechanisms of women's institutions in Africa. The program includes evaluating the needs in women entrepreneurship, technical training in preparing business plans, managing financial and taxation reports and legal affairs, supporting women entrepreneurs' networks in the six countries, and organizing regional forums to promote dialogue and exchange success stories. The program is supervised by the African Capacity Building Firm (ACBF).

**BADEA's Funding:** 410 Thousand dollars

**Date of Approval:** 05 July 2017

## **Support the Forum of Enhancing Food Security in Africa and Smallholders' Access to Markets**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to participate in holding the Forum of Enhancing Food Security in Africa under the theme (Ending Hunger and Malnutrition in Africa), through promoting access of owners of small holdings to local, regional and international markets. The Forum aims at finding solutions to ending hunger and malnutrition in the African countries, by improving the livelihoods of farmers owning small holdings and supporting their access to markets, informing them on the existing programs to support small farmers in Africa, and shedding light on experiences of international organizations specialized in this field. The Forum is held in the Federal Republic of Ethiopia, under the supervision of the Food Security Committee of FAO.

**BADEA's Funding:** 100 Thousand dollars

**Date of Approval:** 05 July 2017

## **Support the Arab-African Economic Forum**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to participate in financing the Arab-African Economic Forum, in the context of BADEA's efforts to strengthen Arab African relations. The themes of the Forum include Arab-African Partnership, the economic aspects of the Declaration of the Fourth Arab-African Summit held in Malabu and its implementation mechanisms, the status of intra-trade between the two regions and developing of infrastructure, transport means and logistics to support it, the available investment opportunities in the sectors of agriculture, industry, energy and services, and a review of successful investment models. The Forum is organized in the Hashemite Kingdom of Jordan and is hosted by the Jordanian Chamber of Commerce.

**BADEA's Funding:** 250 Thousand dollars

**Date of Approval:** 05 July 2017

## **Support the Forum of Promotion of Arab Exports to Africa**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to strengthen the leading role of businessmen in Arab and African regions in the service of the economy and the society and to expand the scope of Arab-African cooperation and assist it in achieving its goals, through participating in financing the Forum of Promotion of Arab Exports to Africa, which coincides with the fourth session of the International African Business Forum. The Forum, which is organized by BADEA in the United Arab Emirates, aims at facilitating the exchange of views on the best ways, to strengthen cooperation between Arab and African businessmen and women in the import and export sectors.

**BADEA's Funding:** 200 Thousand dollars

**Date of Approval:** 05 July 2017



## **Support the Organization of Africa Innovation Forum**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to finance the Africa Innovation Forum which aims at studying the innovation challenges confronting African institutions in various fields. The Forum discusses the identification of steps to be taken by African Governments to improve the innovation environment, how to balance between devising new approaches to create value and the prevailing economic models, harmonizing between the needs of investors and contributors at the short term and the requirements of investment in the field of innovation at the long term, how to translate in practice the innovation process outcome and convert the financial goals from an obstacle to supporter for innovative initiatives. The Forum is supervised by the Economist Group in Nairobi - Republic of Kenya, and sponsored by BADEA.

**BADEA's Funding:** 170 Thousand dollars

**Date of Approval:** 05 July 2017

## **Training Program on Using GIS to Follow-up Projects Implementation in English-Speaking African Countries**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to develop monitoring, follow up and analysis capacities of 15 professionals from English-speaking African countries, who are concerned with the follow-up of BADEA's projects, through a high quality training program that enables BADEA to follow-up its projects in areas remote from capitals. The program comprises two phases, the first includes implementing a training session in the field of strengthening the skills of monitoring by using the Geographical Information System (GIS) and its tools, while the second includes the application of online project monitoring to enable remote-monitoring of five of BADEA's projects, that could be increased in the future. The project is implemented by the United Nations Institute for Training and Research (UNITAR).

**BADEA's Funding:** 180 Thousand dollars

**Date of Approval:** 05 July 2017

## **Training Program in the Field of Food Security in Areas Affected by Salinity**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to finance a training program of two sessions, to develop the capacities of 45 agricultural technicians from English- and French-speaking African countries, in the field of enhancing food security in saline regions. The training covers the constraints and solutions of food security in Africa in the context of climate change, soil and the development of salinity and its amelioration, the best methods to use non-traditional water sources, alternative crops in deteriorating soils, practice of integrated agriculture to increase crops production, and land, water and crop management. The International Center for Bio Saline Agriculture executes a session in the Republic of Ghana and another in the Republic of Benin.

**BADEA's Funding:** 400 Thousand dollars

**Date of Approval:** 05 July 2017

## **Training Session to Enhance the African Woman Role in Industrialization**

### **Objective of the Technical assistance**

The technical assistance falls within BADEA's efforts aiming at the economic empowerment of African women, in order to improve their incomes and combatting poverty. The resources are devoted to finance a training session benefitting 25 female participants from English-speaking African countries, in the field of enhancing the role of the African woman in industrialization. The session covers several themes the most important of which are: empowerment and equality of woman for a sustainable and comprehensive industrial development, the role of woman and productivity, methodology of projects and industrial development, training and skills necessary for the empowerment of woman, strengthening of entrepreneurial skills and utilization of African challenges and experiences. UNIDO implements the training in Manama, Kingdom of Bahrain

**BADEA's Funding:** 120 Thousand dollars

**Date of Approval:** 05 July 2017

## **Urgent Assistance to Address the Floods Disaster**

### **Republic of Sierra Leone**

### **Objective of the Technical assistance**

This technical assistance aims at helping the Republic of Sierra Leone to overcome and recover from the disaster of floods that hit the country in August 2017, and led to landslides that destroyed the infrastructure, thousands of homes, and the harvest, and precipitated a human tragedy in which almost one thousand people lost their lives, and rendered thousands more homeless. The technical assistance comprises meeting the cost of social protection measures, water and sanitation, environment and solid waste disposal.

**BADEA's Funding:** 300 Thousand dollars

**Date of Approval:** 27 September 2017

## **Institutional Support for the Ministry of Water and Energy**

### **Republic of Cameroon**

### **Objective of the Technical assistance**

The assistance aims at contributing to achieving the Sustainable Development Goals (SDGs) related to provision of water and sanitation, to enhance the protection of health of the population, by ensuring control of drinking water and waste water, and enriching the available information on the quality of water resources. The technical assistance includes support to the Quality Control Division in the Ministry of Water and Energy, through the provision of the necessary technical equipment and materials for the Water Analysis Unit recently established, and procurement of a 4-wheel drive vehicle for the team entrusted with samples collection.

**BADEA's Funding:** 150 Thousand dollars

**Date of Approval:** 27 September 2017



## **Institutional Support for the Ministry of Planning and Development**

**Republic of Cote D'Ivoire**

### **Objective of the Technical assistance**

To support the Ministry of Planning and Development in Cote D'Ivoire, through providing the services of an Arab expert for one year, in the fields of planning, programming, coordinating and project follow-up. The TORs of the expert include support the Ministry in improving the implementation of BADEA's and other Arab financing institutions' operations in the country, assist in selecting priority projects that contribute to poverty alleviation, evaluate the overall implementation rate of projects financed by Arab development financing institutions, analyze the adopted strategies in the context of projects financing and implementation, and identify the procedures, format and resources of project financing.

**BADEA's Funding:** 280 Thousand dollars

**Date of Approval:** 27 September 2017

## **Organizing a Round Table for Financiers**

**Republic of Niger**

### **Objective of the Technical assistance**

The objective is to organize a round table to appraise the financiers of the Economic and Social Development Plan (2017 – 2021), adopted by the Republic of Niger to accelerate development and alleviate poverty, mobilize the necessary resources for the projects of the Plan and deepen dialogue on policies necessary for encouraging the pace of growth. BADEA finances the preparation of a promotional material and publications that reflect the economic and investment capacities of the country, in addition to recruiting an expert to participate in the preparation of holding the round table, in addition to provision of logistical support.

**BADEA's Funding:** 350 Thousand dollars

**Date of Approval:** 27 September 2017

## **Contribution to Financing “the Alliance Against Blindness Program” (Phase II)**

**Regional**

### **Objective of the Technical assistance**

This assistance falls within the context of the attention paid by BADEA to the health of Africans, and hence to alleviation of poverty. It aims at contribution to financing of “the Alliance Against Blindness Program” launched in 2009, according to an initiative by the Islamic Development Bank to address eyesight loss resulting from cataracts. BADEA's contribution includes financing eye operations campaigns, training of physicians and technicians in the field of eye diseases and provision of medical equipment and materials in nine African countries namely: Burkina Faso, Chad, Cote D'Ivoire, Guinea, Guinea-Bissau, Mali, Mozambique, Niger and Togo.

**BADEA's Funding:** 300 Thousand dollars

**Date of Approval:** 27 September 2017

## **Training Program on the Empowerment of Woman in the Economic Policies**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to finance a training program on the empowerment of woman in the field of economic policies. The themes of the program include strengthening the concept of woman in designing, implementing and evaluating economic policies, providing participants with the necessary knowledge to streamline the concept of gender, empowerment of woman in dialogue and planning in the field of national development policies and international negotiations, identification of constraints facing the process of woman empowerment in Africa and proposing the best ways to overcome them, and providing the opportunities to exchange experiences between the participants from different national economic structures. The training is implemented by the Economic Development and Planning Institute in Dakar – Senegal, for the benefit of 25 African women.

**BADEA's Funding:** 180 Thousand dollars

**Date of Approval:** 27 September 2017

## **Enhancing Woman Capacities in the Agricultural Sector**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to achieve the Sustainable Development Goals in the field of upgrading women's capacities in the agricultural sector, in order to improve their living conditions and enhancing the food security of their families. The assistance is benefitting the Republics of Liberia, Rwanda and Malawi and covering awareness raising activities for women farmers in the three countries, that include organizing a forum for awareness of woman empowerment supporting program, organizing a training session on leadership and entrepreneurship together with providing funding to a number of women farming associations active in those countries, and knowledge production including drafting and publishing booklets on the program of supporting woman empowerment in the agricultural field.

**BADEA's Funding:** 280 Thousand dollars

**Date of Approval:** 27 September 2017

## **Support the Global Investment Forum for Entrepreneurs**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to contribute to the financing of the Global Investment Forum for Entrepreneurs, organized by UNIDO in Manama, Kingdom of Bahrain, for 1000 entrepreneurs from around the world and 80 entrepreneurs from Africa. The most important objectives of the Forum are to present the best international practices and experiences, facilitating commercial partnerships and investments and developing them to implement local projects, expansion of labor-intensive sectors, presenting recommendations to governments and financial institutions, and creating productive and sustainable job opportunities.

**BADEA's Funding:** 280 Thousand dollars

**Date of Approval:** 27 September 2017





## **Diagnostic Study of the Agricultural, Livestock and Fisheries Potentials in the Sahel Group (G5)**

**Regional**

### **Objective of the Technical assistance**

The objective is to finance the preparation of a study to identify the agricultural, animal and fisheries potentials in the countries of the Sahel Group and to prepare an integrated project covering the three sectors, in order to contribute in achieving food security for the region's population in the framework of achieving a regional economic integration. The Arab organization for Agricultural Development, in coordination with the General Secretariat of the Sahel Group, selects the experts who will be entrusted with preparing the study, in accordance with BADEA's procedures, and is equally responsible of the technical, administrative and financial supervision.

**BADEA's Funding:** 260 Thousand dollars

**Date of Approval:** 27 September 2017

## **Training Session on Laboratory Diagnosis of Transboundary Viral Animal Diseases**

**Regional**

### **Objective of the Technical assistance**

The objective is to finance a training session in the field of laboratory diagnosis of transboundary viral animal diseases. The session aims at building capacities and developing skills of some African veterinary professionals in the field of diagnosing, early detection and response to these diseases, to be able to assist effectively in the protection of the animal resources sector against such diseases, addressing their risks, controlling and preventing their propagation. The session benefits 20 trainees from English-speaking African countries and is implemented by the Arab Organization for Agricultural Development in Khartoum, Republic of the Sudan.

**BADEA's Funding:** 140 Thousand dollars

**Date of Approval:** 27 September 2017

## **An Arab Expert to Support the Ministry of Economy, Planning and Regional Development**

**Republic of Cameroon**

### **Objective of the Technical assistance**

The objective is to provide the services of an Arab expert for 2 years, in the field of managing development projects. The TORs of the expert include assistance in designing future plans to develop and implement projects in development sectors, contribution in identifying and evaluating the effective and priority projects together with awarding their contracts and follow-up their implementation, follow up of projects financed by BADEA and other Arab institutions in Cameroon, follow up of loans and foreign assistances, training of staff on how to monitor development projects and preparing periodic and final loan reports.

**BADEA's Funding:** 320 Thousand dollars

**Date of Approval:** 13 December 2017

## **Support the Forum of Arab Exporters and African Importers**

### **Reginal**

#### **Objective of the Technical assistance**

The objective is to finance the Forum in the context of BADEA's efforts to strengthen the leading role played by businessmen in Arab and African regions in the service of the development, and to expand the Arab-African cooperation fields. The themes of the Forum include the status of trade exchange between the two regions and its role in cementing the relationship between them, financing of foreign trade, the role of the financing institutions in supporting investment and trade between Arab and African countries, and the successful experiences in the field of joint projects related to import and export sectors. The Economy and Business Group organizes the Forum in Addis Ababa, Federal Democratic Republic of Ethiopia.

**BADEA's Funding:** 350 Thousand dollars

**Date of Approval:** 13 December 2017

## **Training Program for Struggling Projects Implementation Units in English-Speaking African Countries**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to finance a training program to enhance the quality of the implementation of the projects financed by BADEA, through developing the capacities of 44 of the staff of the Struggling Projects Implementation Units in English-speaking African countries. The program includes themes dealing with how to manage development projects with their financial, technical and legal aspects, and explaining the procedures of procurement of goods and services to make the staff well versed in the rules followed, in order to apply them on the projects they supervise. The Business Faculty in the University of Cape Town, in the Republic of South Africa implements the training program.

**BADEA's Funding:** 200 Thousand dollars

**Date of Approval:** 13 December 2017

## **Support for the Development Bank of the Central African States (BDEAC)**

### **Regional**

#### **Objective of the Technical assistance**

The objective is to support the Development Bank of the Central African States (BDEAC), by making available the services of two Arab experts in the field of accountancy and finance, to keep abreast of the accounting systems of the Bank with the international standards for preparing the financial statements and reports.

**BADEA Funding:** 350 Thousand dollars

**Date of Approval:** 13 December 2017



## **A Consultant to Overcome the Difficulties in Cooperation with the Republic of Guinea-Bissau**

**Republic of Guinea-Bissau**

### **Objective of the Technical assistance**

The objective is to make available the services of a consultant to accelerate the cooperation between BADEA and the Republic of Guinea-Bissau. The TORs of the consultant include studying the current and future cooperation and how to enhance it with the concerned staff, discussing the Government's priorities of development operations and review the available studies in that regard, and deliberate on how to repay the arrears on the country.

**BADEA's Funding:** 10 Thousand dollars

**Date of Approval by the Director General:** March 2017

## **A Consultant to Overcome the Difficulties in Cooperation with the Republic of Gabon**

**Republic of Gabon**

### **Objective of the Technical assistance**

The objective is to provide the services of a consultant to accelerate the cooperation between BADEA and the Republic of Gabon. The TORs of the consultant include identifying the best ways to revive the current cooperation between the concerned parties, follow up of the on-going operations and proposing solutions for the difficulties they face, identifying the features of the future cooperation in private and public sectors, technical assistance and foreign trade, in addition to settling outstanding arrears on the country.

**BADEA's Funding:** 15 Thousand dollars

**Date of Approval by the Director General:** June 2017

## **A Consultant to Overcome the Difficulties in Cooperation with the Republic of Zimbabwe**

**Republic of Zimbabwe**

### **Objective of the Technical assistance**

The objective is to make available the services of a consultant to accelerate the cooperation between BADEA and the Republic of Zimbabwe. The TORs of the consultant include identifying the best ways to revive the current cooperation between the concerned parties, follow up of the on-going operations and finding solutions to the difficulties they face, identifying the features of the future cooperation in private and public sectors, technical assistance and foreign trade, in addition to settling outstanding arrears on the country.

**BADEA's Funding:** 15 Thousand dollars

**Date of Approval by the Director General:** June 2017

## Organizing a Forum on the Access of Smallholders to Markets

Federal Democratic Republic of Ethiopia

### Objective of the Technical assistance

Small farmers play an important role in achieving food security at the global level, but they face serious difficulties in accessing markets, in such a way that negatively affects the sustainability of their activities. The technical assistance aims at financing a conference on combatting hunger and malnutrition in Africa, through enhancing the access of small farmers in Ethiopia to markets. The conference aims at presenting the programs and projects that support the small farmers and exchanging of experiences among the participants. The International Food Security Committee supervises the organization of the conference in Addis Ababa - Ethiopia.

**BADEA's Funding:** 15 Thousand dollars

**Date of Approval by the Director General:** September 2017

## Feasibility Study for Developing ECOWAS Centre

Regional

### Objective of the Technical assistance

The objective is to contribute to upgrading the capacities of individuals and institutions in the Economic Community of West African States (ECOWAS), to respond to the region development needs. The assistance is provided through financing a study of converting the ECOWAS Center into a regional center of excellence, for training and capacity building. The study includes identifying what the center provides currently, the additional needs to convert it into a regional center, proposing of a structural and operational system, in addition to a training program based on short themes.

**BADEA's Funding:** 15 Thousand dollars

**Date of Approval by the Director General:** December 2017





## PART THREE

### Financial Resources

#### Financial Position as of 31/12/2017

Total net assets of BADEA at the end of 2017, amounted to 4,788.2 million dollars compared to 4,427.7 million dollars at the end of 2016. The increase of 360.5 million dollars represents the net income of the year 2017 amounting to 271.7 million dollars, plus installments paid by some member countries in BADEA's capital increase amounting to 101.2 million dollars, in accordance with the Resolution No (4) of the Board of Governors in its Thirty Eight Meeting (Dubai: April, 2013), less the grant amounting to 12.4 million dollars which has been allocated in accordance with the Resolution No (2) of the Board of Governors in its Forty-Two Meeting (Rabat: April, 2017).

#### Capital

The balance of the capital as at 31/12/2017 amounted to 3,898.9 million dollars, compared to 3,797.7 million dollars at 31/12/2016, an increase of 101.2 million dollars being installments paid by some member countries in BADEA's capital increase, in accordance with the Resolution No (4) of the Board of Governors of the year 2013, which stipulated the increase of BADEA's capital by 1400 million dollars - corresponding to 50% of BADEA's capital amounting - at that time - to 2800 million dollars, effective from January 2014, out of which 700 million dollars to be transferred from the General Reserve and the remaining 700 million dollars as a cash increase from member countries, to be paid in five equal installments, with first payment due in April, 2014.

#### General Reserve

The balance of the general reserve at the end of 2017 stood at 617.5 million dollars, compared to 506.3 million dollars at the end of 2016, an increase of 111.2 million dollars which represents the net income for the year 2016 amounting to 123.6 million dollars less the grant allocated by the Board of Governors amounting to 12.4 million dollars.

#### Special Reserve

The balance of the special reserve at the end of 2017 amounted to 2.5 million dollars, compared to 1.8 million dollars at the end of 2016, an increase of 0.7 million dollars.

#### Revenues

BADEA's total revenues during the year 2017 amounted to 294.7 million dollars, compared to 151.4 million dollars during the year 2016, an increase of 143.3 million dollars.

It is worth noting that BADEA's liquid resources are invested in short term bank deposits and fixed income and equity portfolios, in accordance with a conservative investment policy, guidelines and specific rules which take into consideration the liquidity requirements, the diversification of investment instruments with the preservation of capital and achievement of highest possible returns. The most

positive results of this policy is to maintain BADEA's assets and to achieve a revenue in the aggregate exceeds what BADEA can realize if the investments were exclusively limited to either short term deposits or fixed income portfolios or equity portfolios, as a decline in revenue resulting from one of the investment instruments is offset by increased revenue in the other investment instruments.

The details of revenues for 2017 and 2016 are as follows

	2017	2016	Difference
	(\$ Million)	(\$ Million)	(\$ Million)
Investment Income	273.2	132.6	140.6
Interest on Loans	19.2	18.0	1.2
Trade Finance Income	1.5	0.4	1.1
Others	0.8	0.4	0.4
<b>Total</b>	<b>294.7</b>	<b>151.4</b>	<b>143.3</b>

It is noted from the above figures that investment revenues in the year 2017 increased by 140.6 million dollars, as compared to the year 2016, while interest on loans increased by 1.2 million dollars and revenues from trade finance by 1.1 million dollars.

The objective reasons for the increase of investments income during 2017 can be illustrated through the analysis of its components as contained in the table below, which indicates that the increase is attributed to the increase of equity portfolios by 144.3 million dollars and of the revenue from time deposits and call accounts by 1.2 million dollars.

	2017	2016	Difference
	(\$ Million)	(\$ Million)	(\$ Million)
Revenue from Time Deposits and Call Accounts	1.5	0.3	1.2
Revenue from Fixed Income Portfolios	42.6	46.1	(3.5)
Revenue from Equity Portfolios	227.1	82.8	144.3
Revenue from Sukuk	1.6	3.0	(1.4)
Revenue from Securities Lending	0.4	0.4	-
<b>Total</b>	<b>273.2</b>	<b>132.6</b>	<b>140.6</b>

The increase in investment portfolios' revenue was due mainly to the improvement of the global equity markets performance during 2017, as compared to 2016.



The details of investment portfolios' revenue during 2017 as compared to 2016 are as follows:

Portfolio Investment Revenues	2017	2016	Difference
	(\$ Million)	(\$ Million)	(\$ Million)
<b>Fixed Income:</b>			
Interest on Bonds	30.9	37.9	(7.0)
Interest on Time Deposits and Call Accounts	-	0.1	(0.1)
Trading Income	10.7	14.6	(3.9)
Currency differences and derivatives evaluation	5.0	(2.4)	7.4
Portfolio Management and Custody fees	(4.0)	(4.1)	0.1
<b>Total</b>	<b>42.6</b>	<b>46.1</b>	<b>(3.5)</b>
<b>Equities:</b>			
Dividends	28.6	27.4	1.2
Interest on Call Accounts	0.1	-	0.1
Trading Income	189.1	57.6	131.5
Currency differences and derivatives evaluation	11.9	(0.1)	12.0
Portfolio Management and Custody fees	(2.6)	(2.1)	(0.5)
<b>Total</b>	<b>227.1</b>	<b>82.8</b>	<b>144.3</b>
<b>Sukuk:</b>			
Sukuk Profit Margin	3.2	1.3	1.9
Currency differences and derivatives evaluation	(1.7)	1.7	(3.4)
<b>Total</b>	<b>1.5</b>	<b>3.0</b>	<b>(1.5)</b>
Securities Lending	0.4	0.4	-
<b>Total</b>	<b>271.6</b>	<b>132.3</b>	<b>139.3</b>

## Expenses

Total expenses during the year 2017 amounted to 22.4 million dollars, compared to 26.1 million dollars during 2016. Expenses included 16.9 million dollars as administrative expenditures and 5.5 million dollars as grants of technical assistance, compared to 17.7 million dollars and 8.4 million dollars during 2016, respectively.

## Net Income

Net income for the year 2017 amounted to 271.7 million dollars, compared to 123.6 million dollars for the year 2016, thereby increasing by 148.1 million dollars and by 119.8%, due mainly to the increase in the market value of the equity portfolios as a result of improvement of the performance of the global financial markets during 2017, compared to 2016.

## Financial Commitments

BADEA's total financial commitments in favor of beneficiary countries during 2017 amounted to 329.555 million dollars, of which 220 million dollars for public sector, 100 million dollars for private sector and 9.555 million dollars for technical assistance, compared to total commitments of 306 million dollars during 2016, of which 210 million dollars for public sector, 86 million dollars for private sector and 10 million dollars for technical assistance. The total cumulative net commitments at the

end of 2017 amounted to 4,857.8 million dollars, of which 4,708.2 million for loans and 149.6 million dollars for technical assistance, compared to 4,549.3 million dollars at end of 2016, of which 4,408.5 million dollars for loans, and 140.8 million dollars for technical assistance.

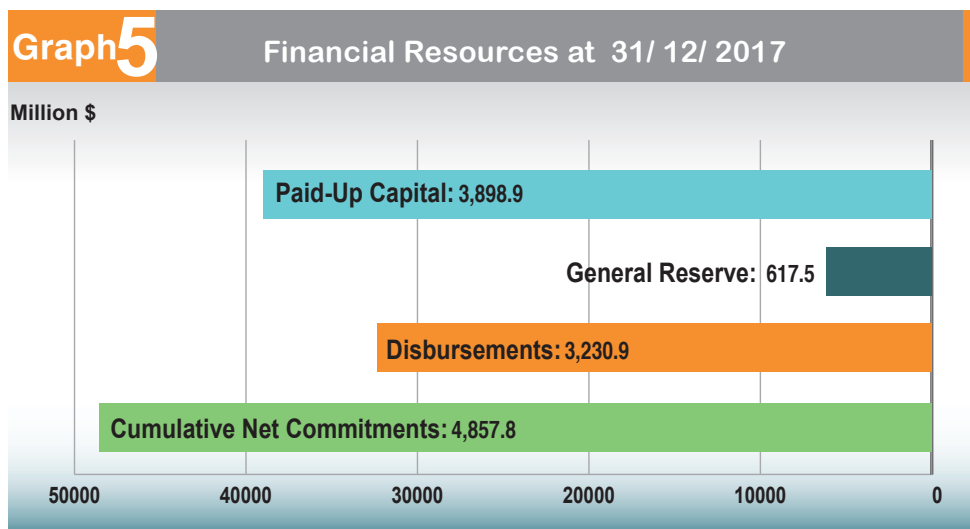
Total cumulative commitments to finance Arab exports by the end of 2017 amounted to 550 million dollars, compared to 350 million dollars by the end of 2016.

The liquidity ratio (i.e. the ratio of liquid assets to disbursable commitments including financing of Arab exports) at the end of 2017 stood at about 196.2%, compared to 197.5% at the end of 2016. This means that BADEA's liquid assets represent approximately double the amount of disbursable commitments, which reflects BADEA's sound financial position and its ability to meet its financial obligations.

### Disbursement and Repayment

Disbursement from project loans during the year 2017 amounted to 143.4 million dollars, compared to 121.3 million dollars during 2016, an increase of 22.1 million dollars or 18.2%. Disbursement from technical assistance grants during 2017 amounted to 5.4 million dollars, compared to 8.4 million dollars during 2016, a decrease of 3.0 million dollars or 35.7%, while disbursement from Arab export loans in 2017 amounted to 33.0 million dollars.

Total cumulative of loans disbursement at the end of 2017 amounted to 3,059.7 million dollars, compared to 2,916.3 million dollars at the end of 2016. With the addition of Arab export financing loans and technical assistance grants, the total cumulative disbursement at the end of 2017 amounted to 3,230.9 million dollars<sup>(1)</sup>, compared to 3,049.1 million dollars<sup>(2)</sup> at the end of 2016. Thus, the percentage of cumulative disbursement to cumulative net commitments at the end of 2017 is about 65%, compared to 67% at the end of 2016, and after adding Arab export financing, the percentage is about 60% in 2017, compared to 62% in 2016.



(1) Includes grant withdrawals deducted from income, totalling 118.2 million dollars at the end of 2017 and 112.7 million dollars at the end of 2016.

(2) Includes grant withdrawal deducted from income, totalling 112.7 million dollars at the end of 2016.





Regarding the repayment, the total loan installments paid during 2017 amounted to 55.7 million dollars, against 47.8 million dollars during 2016, an increase of 7.9 million dollars, whereas, the income from interests and fees during 2017 amounted to 19.2 million dollars, compared to 18.0 million dollars during 2016, an increase of 1.2 million dollars. The total amount of interests and charges received during 2017 amounted to 20.1 million dollars, compared to 16.9 million dollars during 2016, an increase of 3.2 million dollars. Total repayment from Arab export principle loans amounted to 17.4 million dollars, and the total amount of interests and fees received from Arab export loans amounted to 1.2 million dollars.

Total repayment of loans, including interests and fees amounted to 94.4 million dollars during the year 2017, compared to 65.1 million dollars during 2016, an increase of 29.3 million dollars. Thus, the cumulative repayment of principal loans at the end 2017 amounted to 1,478.1 million dollars compared to 1,404.9 million dollars at the end of 2016; whereas, total cumulative of interests and administrative fees collected by BADEA amounted to 569.8 million dollars at the end of 2017, compared to 548.4 million dollars at the end of 2016.

## Conclusion

It is clear from the foregoing, that BADEA continued its policy of maintaining a sound financial position, through which its net assets at the end of 2017 compared to 2016 increased by an amount of 360.5 million dollars, as a result of the increase of its various revenues, and the receipt of installments in the capital increase from some member countries, while continuing to control the administrative spending, in accordance with the policy of rationalizing expenditure followed by BADEA, without prejudice to fulfilling its objectives and programs.

It is worth noting that the net revenue has increased from 123.6 million dollars in 2016 to 271.7 million dollars in 2017, due to the increase in the market value of securities portfolios, as a result of the improvement of performance of the global equity markets during 2017.

**ARAB BANK FOR ECONOMIC DEVELOPMENT  
IN AFRICA**

**FINANCIAL STATEMENTS at 31 DECEMBER 2017  
With AUDITOR'S REPORT**





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## **INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN AND THE MEMBERS OF THE BOARD OF GOVERNORS OF ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Arab Bank for Economic Development in Africa (the "Bank"), which comprise the statement of financial position as at 31 December 2017, and the statement of income and expenditure, statement of changes in members' countries equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with the basis of preparation explained in Note 2 to the accompanying financial statements.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of preparation explained in Note 2 to the accompanying financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.



**INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN AND THE MEMBERS OF THE BOARD OF GOVERNORS OF ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (continued)**

**Report on the Audit of the Financial Statements (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WALEED A. AL OSAIMI  
LICENSE NO. 68-A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

6 March 2018  
Kuwait



## STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

(Expressed in thousands of United States Dollars)

	Notes	2017	2016
<b>ASSETS</b>			
Cash in hand and at banks	17	1,237	1,406
Investments	4	3,151,727	2,896,795
Contribution in AFREXIM Bank	5	4,000	4,000
Contribution in AIECGC	6	25,950	24,220
Trade finance	7	35,583	20,000
Accrued interest on trade finance	8	471	167
Loan balances	9	1,599,046	1,511,441
Net accrued interest on loans	10	13,539	14,429
Other assets	11	2,845	2,600
Net fixed assets	12	15,356	15,672
<b>Total</b>		<b>4,849,754</b>	<b>4,490,730</b>
<b>liabilities</b>			
Other liabilities		50,805	50,846
Provision for end of service benefits	13	8,223	10,324
		59,028	61,170
Special reserve provision	3(c), 9(c)	2,451	1,794
<b>Total</b>		<b>61,479</b>	<b>62,964</b>
<b>Net assets</b>		<b>4,788,275</b>	<b>4,427,766</b>
<b>MEMBERS' COUNTRIES EQUITY</b>			
Subscribed and paid up capital	14	3,898,972	3,797,761
General reserve	15	617,644	506,391
Net income for the year		271,659	123,614
<b>Total members' countries equity</b>		<b>4,788,275</b>	<b>4,427,766</b>

The attached notes 1 to 23 form an integral part of these financial statements

**STATEMENT OF INCOME AND EXPENDITURE**

For the year ended 31 December 2017

(Expressed in thousands of United States Dollars)

	Notes	2017	2016
<b>INCOME</b>			
Net income from investments	16	273,150	132,599
Income from loans		19,244	18,016
Income from trade finance		1,509	402
Others		779	377
<b>Total Income</b>		<b>294,682</b>	151,394
<b>EXPENDITURE</b>			
Board of Governors		256	217
Board of Directors		1,231	1,276
Salaries and employee benefits		11,394	12,192
Travel and services		2,333	2,386
Utilities		830	973
Depreciation	12	770	522
		<b>16,814</b>	17,566
Other expenditure		98	145
Grants disbursed to beneficiary countries		5,454	8,442
<b>Total expenditure</b>		<b>22,366</b>	26,153
<b>Net income before special reserve provision</b>		<b>272,316</b>	125,241
Charge of special reserve provision	9(c)	(657)	(1,627)
<b>Net income for the year</b>		<b>271,659</b>	123,614



## STATEMENT OF CHANGES IN MEMBERS' COUNTRIES EQUITY

For the year ended 31 December 2017

(Expressed in thousands of United States Dollars)

	Notes	Subscribed and paid-up capital	General reserve	Net income for the year	Total
Balance as at 31 December 2015		3,696,018	492,548	15,381	4,203,947
Paid by member countries	14	101,743	-	-	101,743
Transfer to general reserve	15	-	15,381	(15,381)	-
Appropriations		-	(1,538)	-	(1,538)
Net income for 2016		-	-	123,614	123,614
Balance as at 31 December 2016		3,797,761	506,391	123,614	4,427,766
Paid by member countries	14	101,211	-	-	101,211
Transfer to general reserve	15	-	123,614	(123,614)	-
Appropriations		-	(12,361)	-	(12,361)
Net income for 2017		-	-	271,659	271,659
<b>Balance as at 31 December 2017</b>		<b>3,898,972</b>	<b>617,644</b>	<b>271,659</b>	<b>4,788,275</b>

**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2017

(Expressed in thousands of United States Dollars)

	Notes	2017	2016
<b>Cash flows from operating activities:</b>			
Net income for the year		271,659	123,614
Adjustments to reconcile net income with net cash used in operating activities:			
Depreciation	12	770	522
Special reserve provision	9(c)	657	1,627
Unrealised gains from investments fair value valuation	16	(139,462)	(44,518)
Net change in operating assets:			
Investments		(31,967)	(64,921)
Trade finance		(15,583)	(20,000)
Accrued interest on trade finance		(304)	(167)
Net movement in loans		(87,605)	(73,440)
Net accrued interest on loans		890	(869)
Net other assets		(245)	15,346
Net change in operating liabilities:			
Other liabilities, net of appropriation		(12,402)	(7,160)
Net provision for end of service benefits		(2,101)	1,796
Net cash used in operating activities		(15,693)	(68,170)
<b>Cash flows from investing activities:</b>			
Contribution in AIECGC		(1,730)	(1,730)
Net purchase of fixed assets	12	(454)	(15,224)
Net cash used in investing activities		(2,184)	(16,954)
<b>Cash flows from financing activities:</b>			
Paid for capital increase by member countries	14	101,211	101,743
Net cash from financing activities		101,211	101,743
Net increase in cash and cash equivalents		83,334	16,619
Cash and cash equivalents as at the beginning of the year		156,729	140,110
Cash and cash equivalents as at the end of the year	17	240,063	156,729





## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2017

### 1/ ESTABLISHMENT AND OBJECTIVES

Arab Bank for Economic Development in Africa (“BADEA”) was established in accordance with the resolution of the Sixth Arab Summit Conference held on 28 November 1973 following the recommendations of the Economic Council of the League of Arab States. BADEA was established with a capital of USD 231 million and was subsequently increased in accordance with resolutions issued by the Board of Governors until it reached USD 3,899 million as at 31 December 2017 (2016: USD 3,798 million).

BADEA is an independent international financial institution domiciled in Khartoum, Sudan. It has international legal status, enjoys full legal personality and full autonomy in administrative and financial areas. BADEA is governed by the articles of its Establishment Agreement (the “Establishment Agreement”) and by the principles of International Law. BADEA is located at the following address:

**Arab Bank for Economic Development in Africa (BADEA)**  
**P. O. Box 2640**  
**Khartoum 11111**  
**Republic of Sudan**

BADEA aims at consolidating economic, financial and technical cooperation between African countries and the Arab world. In order to achieve its objectives, BADEA undertakes the following functions:

1. Participation in the financing of economic development in Africa.
2. Encouragement the participation of Arab capital in African development.
3. Contribution in providing the technical assistance necessary for development in Africa.

### 2/ BASIS OF PREPARATION

#### (a) Statement of compliance

The accompanied financial statements have been prepared in accordance with the Establishment Agreement, as well as the internal regulations of BADEA.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments held for trading and all financial derivatives’ contracts that are measured at fair value.

#### (c) Functional and presentation currency

The currency used in BADEA’s operation and preparation of the financial statements is the United States Dollar (“USD”). The financial statements are expressed in USD and are rounded off to the nearest thousands.

**(d) Use of estimates**

The preparation of financial statements approved by the Bank requires the use of estimates and assumptions that may affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, in addition to the amounts of income and expenditure for the year then ended. Such estimates are continually reviewed, based on past experience and other factors.

The significant items in which these estimates are used comprise the following:

**i. Special reserve provision**

BADEA's method for determining the special reserve provision is described in the "loans and special reserve provision" (Note 3 (c)) "Loans and Special Reserve Provision" and further explained under credit risk (Note 20(b)).

**ii. Fair value of untraded financial instruments**

The financial instruments untraded in active markets and their fair value can't be reliably measured are carried at cost less any impairment provision.

**3/ SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Settlement date**

All regular purchase and sale transactions of financial assets are recognized on the settlement date. Those are purchase and sale transactions of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

**(b) Financial assets**

BADEA's financial assets include the following:

**1- Fixed income securities and equity investments**

All investments in fixed income securities and equity are classified as investments held for trading; and are initially recognized at the fair value of the consideration given.

Such investments are revaluated at fair value that is the quoted market prices at the date of the statement of financial position. Changes in the fair value are recognized in the statement of income and expenditure.

**2- Securities – Sukuk**

Financial assets include securities – sukuk, which are acquired to be held for indefinite period of time, and can be sold in response to needs for liquidity or in response to changes in the market conditions. Sukuk are stated at cost less provision for impairment, if any.

**3- Available-for-sale investments**

Financial assets whose fair value cannot be reliably measured are classified as available-for-sale investments and are carried at cost less provision of impairment, if any. Contributions in African Export & Import Bank ("AFREXIM Bank") and Arab Investment & Export Credit Guarantee Corporation ("AIECGC") are classified as investments available for sale.



#### **4- Loan balances**

Financial assets of fixed or determined payments that are not traded in active market are classified as loans presented at amounts disbursed after deduction of repaid amounts.

##### **(c) Loans and special reserve provision**

All loans granted by BADEA are recognized as assets when disbursed in cash, and are recorded at that value of amounts disbursed. Interest on loans overdue for 180 days is excluded from the Bank's income.

The special reserve is calculated in accordance with the Board of Governors' Resolution No.1 for 1989 for covering overdue loans; as a deduction from the annually recognized income (such provision is named as "Special reserve provision" for presentation purposes of the financial statements). The annually amount allocated for that provision should be equal to the sum of (a) half of the unpaid installments of principal loans overdue at the end of the financial year, and for a period of more than one year and less than two years; and (b) all installments of principal of loans overdue at the end of the financial year and for two years or more.

BADEA believes that the separate presentation of the loans and special reserve in the statement of financial position is complying with the nature of its operations.

Loans under renegotiated repayment arrangements, or installment rescheduling as well as loans under the Initiative of Highly Indebted Poor Countries (HIPC). Under the new arrangements, such loans are classified as performing loans, and treated as new loans.

##### **(d) Impairment of financial assets**

An assessment is made at each date of statement of financial position to determine whether there is objective evidence that a financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount and any impairment loss for changes in its carrying amount is determined for that asset.

##### **(e) Revenue recognition**

Revenue from interest on bank deposits, fixed income securities, sukuk and loans is recognized on an accrual basis.

##### **(f) Dividend**

Dividend income is recognized when it is declared.

##### **(g) Grants**

Cost of study, preparation, and technical assistance of the projects are classified as grants and charged to expenditure when disbursed.

##### **(h) Fixed assets**

Fixed assets are stated at cost net of accumulated depreciation. The cost of fixed assets is depreciated using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives for the current and comparative year are as follows:

1. Buildings	30 years
2. Fixtures and equipment	5 years
3. Vehicles	5 years

**(i) Provisions**

Provisions are recognized when the Bank has an obligation, legal or constructive, arising from a past event and the costs to settle the obligation are probable.

**(j) Derivative financial instruments and hedging**

Derivative financial instruments, including forward contracts and futures, are initially measured at cost; and are subsequently re-measured at fair value. Fair values are generally determined by reference to quoted market prices, discounted cash flow models and pricing models as appropriate. Any changes in the fair values of derivatives that are held for trading purposes are directly included in the statement of income and expenditure.

**(k) Foreign currency translation**

Transactions denominated in currencies other than United States Dollars are translated into United States Dollars at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at exchange rates prevailing at the date of the statement of financial position. Exchange adjustments are charged or credited to the statement of income and expenditure.

**(l) Employees' end of service benefits**

End of service benefits for the Director General are computed in accordance with Article No. 6 of the Resolution of the Ministerial Committee selected to review the salaries and benefits of the Presidents and Directors General of Arab Financial Institutions. End of service benefits for employees are calculated in accordance with Article No. (131/) of BADEA's Employees Regulations as amended by the Board of Directors' resolutions.

**(m) Cash and cash equivalents**

For the purpose of preparation of the statement of cash flows, cash and cash equivalents comprise cash on hand and with banks; call accounts and time deposits maturing within three months or less from the date of acquisition.



#### 4/ INVESTMENTS

These consist of investments in securities' portfolios managed by portfolio managers and held for trading, sukuk portfolio, term deposits and call accounts as at 31 December as follows:

(USD 000)

	2017	2016
Fixed income securities (Note 20)	1,503,570	1,451,823
Equity securities (listed) (Note 20)	1,256,271	1,208,273
Sukuk securities (Note 20)	98,131	45,441
Fair value of derivative instruments, net (Note 19)	(15,113)	25,124
Accrued interest on deposits and securities	11,961	10,811
	2,854,820	2,741,472
Term deposits and call accounts	296,907	155,323
<b>Investments</b>	<b>3,151,727</b>	<b>2,896,795</b>

Term deposits and call accounts as at 31 December are summarised as follows:

(USD 000)

	Managed by					
	BADEA		Portfolio Managers			
	2017	2016	2017	2016	2017	2016
Term deposits	197,000	80,957	-	-	197,000	80,957
Call accounts	49,195	11,055	50,712	63,311	99,907	74,366
<b>Total</b>	<b>246,195</b>	<b>92,012</b>	<b>50,712</b>	<b>63,311</b>	<b>296,907</b>	<b>155,323</b>

#### **5/ CONTRIBUTION IN AFRICAN EXPORT AND IMPORT BANK (“AFREXIM BANK”)**

In its 19th annual meeting for 1994, the Board of Governors has approved Resolution No. 4 that BADEA would subscribe by USD 10 million, representing approximately 1.3% of the authorised capital of AFREXIM Bank, of which USD 4 million were paid during 1995 (see Note 22(c)).

#### **6/ CONTRIBUTION IN ARAB INVESTMENT & EXPORT CREDIT GUARANTEE CORPORATION (“AIECGC”)**

In accordance with Resolution No. 6 of The Board of Governors in its 27th annual meeting for 2002, it was approved that BADEA subscribes USD 17.300 million, representing approximately 9.2% of the authorised capital of AIECGC. BADEA paid the amount in full. The Board of Governors also approved in its 39th annual meeting in accordance with Resolution No.3 of 2014 to increase the contribution of BADEA in the AIECGC's capital with an amount of USD 8.650 million payable in equal annual installments over five years starting from 2013. Till 2017, BADEA paid full installments; and therefore, BADEA's contribution in the authorised capital of AIECGC as at 31 December 2017 amounted USD 25.950 million (2016: USD 24.220 million).

#### **7/ TRADE FINANCE**

The total trade finance for the purpose of financing Arab exports to African countries amounted to USD 35.583 million as at 31 December 2017 (2016: USD 20 million) represents part of credit facilities granted to AFREXIM Bank of USD 50 million and Uganda Development Bank of USD 10 million.

#### **8/ ACCRUED INTEREST ON TRADE FINANCE**

Accrued interest on trade finance amounted to USD 471 thousand as at 31 December 2017 (2016: USD 167 thousand).



## 9/ LOAN BALANCES AND SPECIAL RESERVE PROVISION

### a) Loan balances

The details of the loan balances as at 31 December are as follows:

(USD 000)

	2017				2016
	Project loans		SAAFA Loans	Total	Total
	Public sector	Private Sector			
Approved loans	4,257,970	236,000	214,244	4,708,214	4,408,450
Less: Unsigned loans	(108,500)	(93,000)	-	(201,500)	(163,000)
Total signed loans	<b>4,149,470</b>	<b>143,000</b>	<b>214,244</b>	<b>4,506,714</b>	4,245,450
Less: ineffective loans	(168,300)	(30,000)	-	(198,300)	(215,400)
Total effective loans	<b>3,981,170</b>	<b>113,000</b>	<b>214,244</b>	<b>4,308,414</b>	4,030,050
Less: Undisbursed loans	(1,174,528)	(74,203)	-	(1,248,731)	(1,113,717)
Total disbursements from loans	<b>2,806,642</b>	<b>38,797</b>	<b>214,244</b>	<b>3,059,683</b>	2,916,333
Less: Loan installments repaid	(1,272,202)	(833)	(187,602)	(1,460,637)	(1,404,892)
<b>Balance outstanding as at 31 December</b>	<b>1,534,440</b>	<b>37,964</b>	<b>26,642</b>	<b>1,599,046</b>	1,511,441

SAAFA (the "Fund") loans represent amounts granted by the Fund to non-Arab African countries prior to the merging of its loans in BADEA's capital in 1977.

The movement of the loan balances during the two years ended 31 December, is as follows:

(USD 000)

	Project loans		SAAFA loans	Total	
	Public Sector	Private Sector		2017	2016
Balance as at 1 January	1,466,496	17,247	27,698	<b>1,511,441</b>	1,438,001
Disbursements during the year	121,800	21,550	-	<b>143,350</b>	121,250
Repayments during the year	(53,856)	(833)	(1,056)	<b>(55,745)</b>	(47,810)
<b>Balance as at 31 December</b>	<b>1,534,440</b>	<b>37,964</b>	<b>26,642</b>	<b>1,599,046</b>	1,511,441

b.) The Board of Directors approved BADEA's participation in the International Monetary Fund (IMF) and World Bank Debt Initiative for Highly Indebted Poor Countries ("HIPC"). The Board of Directors shall address provision of loans individually in light of negotiations with the concerned beneficiary country. BADEA shall participate in such initiative through repayment arrangements of arrears; rescheduling of installments, and/or reduction of interest rates on due installments. Total rescheduled loan under the HIPC arrangements as at 31 December 2017 amounted USD 426.690 million (2016: USD 426.690 million).

**c.) Special reserve provision**

Details of movement in the special reserve provision as at 31 December are as follows:

(USD 000)

	2017	2016
Balance as at 1 January	1,794	167
Charged during the year	1,893	1,627
Reversal during the year	(1,236)	-
<b>Balance as at 31 December</b>	<b>2,451</b>	<b>1,794</b>

**10/ NET ACCRUED INTEREST ON LOANS**

Net accrued interest on loans as at 31 December is detailed as follows:

(USD 000)

	2017			2016
	Public sector	Private sector	Total	Total
Accrued interest on loans	74,931	536	75,467	77,039
Less: Excluded interest	(61,928)	-	(61,928)	(62,610)
<b>Net accrued interest on loans</b>	<b>13,003</b>	<b>536</b>	<b>13,539</b>	<b>14,429</b>

**11/ OTHER ASSETS**

Net other assets as at 31 December are summarized as follows:

(USD 000)

	2017	2016
Unrecovered VAT on project	1,646	1,517
Others	1,199	1,083
<b>Net other assets</b>	<b>2,845</b>	<b>2,600</b>





## 12/ NET FIXED ASSETS

The movement of fixed assets as at 31 December are as follows:

	(USD 000)			
	Buildings	Furniture & equipment	Vehicles	Total
<b>Cost</b>				
As at 1 January 2017	22,642	2,039	289	24,970
Additions during the year	231	149	74	454
<b>As at 31 December 2017</b>	<b>22,873</b>	<b>2,188</b>	<b>363</b>	<b>25,424</b>
<b>Accumulated depreciation</b>				
As at 1 January 2017	7,844	1,265	189	9,298
Charge for the year	506	233	31	770
<b>As at 31 December 2017</b>	<b>8,350</b>	<b>1,498</b>	<b>220</b>	<b>10,068</b>
<b>Net book value</b>				
<b>As at 31 December 2017</b>	<b>14,523</b>	<b>690</b>	<b>143</b>	<b>15,356</b>
As at 31 December 2016	14,798	774	100	15,672

The lease of land on which the building is constructed was renewed for a 30-year period starting as of 1 January 2017.

## 13/ PROVISION FOR END OF SERVICE BENEFITS

The balance of end of service benefits is invested in a separate bank interest bearing term deposit account managed by BADEA.

#### 14/ SUBSCRIBED AND PAID-UP CAPITAL

The contribution of each member country in BADEA's capital as at 31 December is presented as follows:

	(USD 000)	
	2017	2016
<b>Country</b>		
Hashemite Kingdom of Jordan	8,277	7,991
State of United Arab Emirates	428,095	428,095
Kingdom of Bahrain	8,277	7,991
Republic of Tunisia	34,335	33,214
People's Democratic Republic of Algeria	165,530	159,822
Kingdom of Saudi Arabia	993,181	958,933
Republic of Sudan	8,277	7,991
Arab Republic of Syria	4,757	4,757
Republic of Iraq	579,356	559,378
Sultanate of Oman	49,652	46,231
State of Palestine	7,991	7,991
State of Qatar	331,060	319,645
State of Kuwait	606,944	586,015
Republic of Lebanon	27,588	26,637
State of Libya	570,794	570,794
Arab Republic of Egypt	8,277	7,991
Kingdom of Morocco	60,694	58,602
Islamic Republic of Mauritania	5,887	5,683
<b>Total</b>	<b>3,898,972</b>	<b>3,797,761</b>

On 2 April 2013, the Board of Governors of BADEA issued their resolution no. 4 of 2013 to increase BADEA's capital by USD 1,400 million – equivalent to 50% of the capital amounting to USD 2,800 million, effective at January 2014, out of which USD 700 million to be transferred from the general reserve. The remaining amount of USD 700 million shall be paid in cash by Member Countries in 5 equal annual installments starting on April 2014. As at 31 December 2017, the paid up capital amounted to USD 3,898.972 million (2016: USD 3,797.761 million), increased by USD 101.211 million compared to the end of December 2016. This was paid by certain Member Countries against their share in the capital increase.



## 15/ GENERAL RESERVE

In accordance with Article 36 of the Establishment Agreement, and based on recommendation of the Board of Directors; the Board of Governors shall annually determine the portion of net income that should be transferred to the general reserve, to the shareholders' capital, or any other transfers in line with the objectives of BADEA. In application to Resolution No. 1 (2) of 2017 of the Board of Governors dated 18th April 2017, an amount of USD 123.614 million (2016: USD 15.381 million) was transferred to General reserve.

## 16/ NET INCOME FROM INVESTMENTS

Net income from securities' portfolio for the two years ended 31 December comprises the following:

	(USD 000)	
	2017	2016
Interest from fixed income securities	31,292	38,288
Dividends from equity securities	28,579	27,352
Margin profit on sukuk	3,227	1,259
Currency exchange differences and derivatives valuation	15,257	(800)
Net trading income	199,745	72,199
Management fees- portfolio managers and custodians	(6,654)	(6,176)
Income from term deposits and call accounts	1,704	477
Net income from investments	273,150	132,599

Net trading income for the year ended at 31 December 2017 includes unrealised gain of approximately USD 139.5 million (2016: approximately USD 44.5 million), resulting from evaluating investment at the current value at the year-end; as follows:

	(USD 000)	
	2017	2016
Unrealised gain on valuation of equity securities	130,774	56,924
Unrealised gain (loss) on valuation of fixed income securities	8,688	(12,406)
	139,462	44,518

Interest income from term deposits and call accounts for the two years ended 31 December, is as follows:

(USD 000)

	Managed by				Total	
	BADEA		Portfolio Managers			
	2017	2016	2017	2016	2017	2016
Term deposits	1,400	278	3	128	1,403	406
Call accounts	146	55	155	16	301	71
<b>Total</b>	<b>1,546</b>	<b>333</b>	<b>158</b>	<b>144</b>	<b>1,704</b>	<b>477</b>

### 17/ CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents as at 31 December are composed of the following:

(USD 000)

	2017	2016
Cash on hand and with banks	1,237	1,406
Term deposits and call accounts (maturing within 3 months of contract date)	238,826	155,323
	<b>240,063</b>	<b>156,729</b>

### 18/ FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a current transaction between knowledgeable and willing parties in an arm length transaction conducted with other parties. Then, differences between the carrying value and fair value is generated.

The fair values of financial instruments in the statement of financial position, except for loans, trade financing operations, contribution to AIECGC and AFREXIM Bank, are not significantly different from the carrying values included in the financial statements. BADEA does not currently sell its loans nor does believe that there is a comparable market for these products. Accordingly, it is impractical to determine reliable fair value of these loans.



## 19/ DERIVATIVES

BADEA's investment guidelines in securities' portfolios allows utilisation of forward and future derivative instruments. Forward and future contracts are contractual agreements to buy or sell certain currency, commodity or financial instrument against specified price at certain date in the future. Forward contracts are customised contracts and traded in the over-the-counter market. While future contracts are traded in standardized amounts on regulated markets. Changes in the value of future contracts are paid on a daily basis.

The table below summarizes the positive and negative fair values of derivative financial instruments, and analysis of the nominal amounts for the remaining maturity term. The nominal amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of the related future cash flows. Thus, such nominal values don't reflect BADEA's exposure to credit risk, that is generally limited to the positive fair value of the derivatives, nor to market risk.

(USD 000)

	Positive fair value	Negative fair value	Total nominal amount	Nominal amounts by term to maturity			
				Within 3 months	3-12 months	1-5 years	Over 5 years
<b>2017</b>							
Forward contracts	3,678	18,791	1,882,602	1,824,674	2,757	41,816	13,355
Futures contracts	-	-	43,721	43,721	-	-	-
	<b>3,678</b>	<b>18,791</b>	<b>1,926,323</b>	<b>1,868,395</b>	<b>2,757</b>	<b>41,816</b>	<b>13,355</b>
<b>2016</b>							
Forward contracts	29,533	4,409	2,006,089	1,942,508	2,845	35,278	25,458
Future contracts	-	-	42,919	42,919	-	-	-
	29,533	4,409	2,049,008	1,985,427	2,845	35,278	25,458

## 20/ RISK MANAGEMENT

The investment policy adopted by BADEA as developed by its Board of Directors, considers BADEA a specialized development institution, whose investment objective is to preserve capital and increase resources without exposing of its assets to significant risks. Therefore, the nature of BADEA necessitates the adoption of a conservative investment policy that mitigates investment risk, in the same manner as adopted by similar development financial institutions. Therefore, BADEA's investment policy based on a combination of investment in short-term bank deposits, sukuk and securities portfolios, and changing the proportions of resources employed in each of deposits, sukuk and portfolios in the light of the prevailing and expected developments in the financial markets.

**a) Custodial risk**

BADEA has entrusted the task of safekeeping of its investment portfolio components to a major custodian bank. The custodian safeguards the components of the portfolio, maintains separate accounts for each sub-portfolio, and settles the investment transactions entered into by the portfolio managers.

**b) Credit risk**

Credit risk is defined as the inability of a counter-party to pay amounts in full when due.

1. In respect of deposits and investment portfolio held for trading and available for sale; credit risk is managed by establishing certain limits for credit and investment guidelines by the Board based on the credit ratings; financial adequacy of the counter-party, the country or the currency. BADEA's management and the Investment Committee, established by the Board of Governors, monitor such limits and guidelines regularly.

The details of concentration of BADEA investments in fixed income securities and sukuk as at 31 December are as follows:

1.1 According to the sector distribution:

(USD 000)

	2017		2016	
	Amount	%	Amount	%
Governments	1,095,728	68%	914,101	61%
Corporate	283,626	18%	363,887	24%
Government authorities	160,494	10%	139,193	9%
International institutions	61,853	4%	80,083	6%
<b>Total</b>	<b>1,601,701</b>	<b>100%</b>	<b>1,497,264</b>	<b>100%</b>

1.2 According to the geographical distribution:

(USD 000)

	2017		2016	
	Amount	%	Amount	%
United States and Canada	867,791	54%	780,684	52%
Europe	357,374	22%	447,658	30%
Japan	111,392	7%	91,333	6%
South East Asia	73,826	5%	64,379	4%
Other	191,318	12%	113,210	8%
<b>Total</b>	<b>1,601,701</b>	<b>100%</b>	<b>1,497,264</b>	<b>100%</b>



### 1.3 According to the credit rating in accordance with Standard and Poor's Agency rating:

(USD 000)

	2017		2016	
	Amount	%	Amount	%
AAA	327,448	21%	431,952	29%
AA	946,585	59%	698,879	47%
A	129,278	8%	170,099	11%
BBB	134,059	8%	143,160	10%
Other	64,331	4%	53,174	3%
Total	1,601,701	100%	1,497,264	100%

2. BADEA's lending program aims at supporting development programs in non-Arab African countries. Loan approvals are subject to a study by BADEA. The borrowing program of BADEA includes provision of loans to or guaranteed by governments. The outstanding loans are considered as sovereign debts. BADEA monitors regular payments of loan installments by the borrowing country, and new loans are suspended for countries that fall in arrears. Periodic reports are also developed on the repayment position of all loans. The borrowing program includes also financing the private sector, and Arab exports to African non-Arab countries.

The following table illustrates details of BADEA's loans extended to countries as at 31 December 2017:

(USD 000)

Country	No. of loans	Total approved loans*	Unsigned loan amount	Ineffective loans	Undisbursed balances	Balance 2017	% of total outstanding loans	Balance 2016
Angola	7	19,950	19,950	-	-	-	-	-
Benin	29	80,035	-	-	23,622	56,413	3.61	55,056
Botswana	16	23,780	-	-	7,704	16,076	1.03	17,191
Burundi	14	69,299	-	15,000	26,693	27,606	1.77	23,687
Burkina Faso	35	167,643	12,050	19,000	46,656	89,937	5.76	86,094
Central Africa	9	39,205	13,000	-	20,954	5,251	0.34	6,302
Republic of Chad	21	124,917	15,000	-	54,876	55,041	3.53	54,578
Cameroon	17	105,723	12,000	-	51,987	41,736	2.67	38,668
Congo Brazzaville	7	34,710	-	-	20,915	13,795	0.88	13,540
Democratic Republic of Congo	9	61,779	-	-	30,442	31,337	2.01	28,509
Comoros	4	17,807	-	-	-	17,807	1.14	17,807
Cape Verde	20	77,316	13,500	-	21,067	42,749	2.74	40,839
Equatorial Guinea	5	306	-	-	-	306	0.02	673
Eritrea	4	20,619	-	-	3,366	17,253	1.11	17,753
Ethiopia	21	172,807	-	-	82,896	89,911	5.76	79,884
Gabon	2	10,000	-	-	8,348	1,652	0.11	1,653
Ghana	23	71,728	8,000	-	15,061	48,667	3.12	50,854
Gambia	21	68,279	-	-	22,771	45,508	2.92	42,611
Guinea Bissau	5	16,828	-	11,000	-	5,828	0.37	6,483
Guinea	28	124,984	-	16,000	49,387	59,597	3.82	58,979
Ivory Coast	17	131,454	-	20,000	59,860	51,594	3.31	48,894
Kenya	20	106,312	-	-	71,500	34,812	2.23	32,814

Liberia	6	31,531	-	-	17,619	<b>13,912</b>	0.89	11,316
Lesotho	17	67,702	-	14,000	16,415	<b>37,287</b>	2.39	36,766
Madagascar	22	62,534	-	-	20,911	<b>41,623</b>	2.67	43,785
Malawi	11	74,644	-	-	30,378	<b>44,266</b>	2.84	39,046
Mauritius	13	12,323	-	-	10,654	<b>1,669</b>	0.11	914
Mali	32	104,470	-	-	32,456	<b>72,014</b>	4.61	73,838
Mozambique	34	152,922	-	-	58,429	<b>94,493</b>	6.05	94,186
Namibia	5	16,044	-	-	6,700	<b>9,344</b>	0.60	9,942
Nigeria	1	8,000	-	-	2,118	<b>5,882</b>	0.38	5,720
Niger	22	92,925	-	10,000	40,950	<b>41,975</b>	2.69	41,885
Rwanda	20	93,730	-	-	44,882	<b>48,848</b>	3.13	46,598
Senegal	44	171,899	-	13,500	46,133	<b>112,266</b>	7.19	101,290
Seychelles	12	36,549	-	-	22,457	<b>14,092</b>	0.90	14,633
Sierra Leone	13	61,142	-	-	13,087	<b>48,055</b>	3.08	46,903
Sao Tome and Principe	9	26,719	-	7,800	8,015	<b>10,904</b>	0.70	9,372
Swaziland	9	56,804	15,000	10,000	7,780	<b>24,024</b>	1.54	23,064
Tanzania	22	142,354	-	10,500	64,916	<b>66,938</b>	4.26	61,906
Togo	10	54,872	-	-	36,748	<b>18,124</b>	1.16	16,068
Uganda	17	95,311	-	11,500	38,954	<b>44,857</b>	2.87	40,495
Zambia	13	65,206	-	10,000	30,430	<b>24,776</b>	1.59	21,473
Zimbabwe	9	19,516	-	-	6,391	13,125	0.84	13,125
Other	6	19,732	-	-	-	19,732	1.26	19,000
<b>Total public sector</b>	<b>681</b>	<b>3,012,410</b>	<b>108,500</b>	<b>168,300</b>	<b>1,174,528</b>	<b>1,561,082</b>	<b>100</b>	<b>1,494,194</b>
West African Development Bank (BOAD)	1	15,000	-	-w	15,000	-	-	-
Eco Bank Group	1	10,000	10,000	-	-	-	-	-
East African Development Bank (EABD)	1	12,000	-	-	3	11,997	31.60	2,247
Africa Finance Corporation (AFC)	1	13,000	13,000	-	-	-	-	-
Development Bank of Rwanda (BRD)	1	14,167	-	-	-	14,167	37.32	15,000
The Bank of Central African States (BDEAC)	1	15,000	-	15,000	-	-	-	-
The Eastern and Southern African Trade and Development Bank (PTA)	1	15,000	-	-	15,000	-	-	-
SONIBANK	1	5,000	5,000	-	-	-	-	-
Tanzania Investment Bank (TIB)	1	10,000	-	-	7,500	2,500	6.59	-
Uganda Development Bank Limited (UDBL)	1	6,000	-	-	4,200	1,800	4.74	-
Investment and Development Bank (BIDC CEDEAO)	1	15,000	-	-	15,000	-	-	-
Liberian Bank for Development and Investment (LBDI)	1	5,000	-	5,000	-	-	-	-
National Fund for Credit Agriculture Senegal (CNCAS)	1	10,000	-	-	7,000	3,000	7.90	-
Mali Solidarity Bank (BMS)	1	15,000	-	-	10,500	4,500	11.85	-
Development Bank of Mali (BDM)	1	10,000	-	10,000	-	-	-	-
Cotton Development Company Cameroon (SODECOTON)	1	10,000	10,000	-	-	-	-	-
Home Finance Company (HFC)	1	15,000	15,000	-	-	-	-	-
Norsad Finance Limited Institution (NORSAD)	1	15,000	15,000	-	-	-	-	-
Access Bank Ghana	1	10,000	10,000	-	-	-	-	-
Tamweel Africa Holding	1	15,000	15,000	-	-	-	-	-
<b>Total private sector</b>	<b>20</b>	<b>235,167</b>	<b>93,000</b>	<b>30,000</b>	<b>74,203</b>	<b>37,964</b>	<b>100</b>	<b>17,247</b>
<b>Total public and private sectors</b>	<b>701</b>	<b>3,247,577</b>	<b>201,500</b>	<b>198,300</b>	<b>1,248,731</b>	<b>1,599,046</b>	<b>100</b>	<b>1,511,441</b>





BADEA monitors the repayments of its due loans from the borrowing countries and assesses the position of recoverability in accordance with Board of Governors Resolution No.1 for the year 1989. The following schedule illustrates commitment of countries in repayment of dues as at 31 December 2017:

(USD 000)

Description	Number of countries	Project loans	SAFAA loans	Total	Special reserve
<b>(a) Performing Countries with regular repayments*</b>					
Without arrears	18	827,153	3,135	830,288	-
Arrears less than one year	7	326,104	-	326,104	-
<b>Sub-total</b>	<b>25</b>	<b>1,153,257</b>	<b>3,135</b>	<b>1,156,392</b>	<b>-</b>
<b>(b) Countries with arrangements for settlement of arrears with regular repayments</b>					
Without arrears	10	256,355	8,360	264,715	-
Arrears for one year and less	3	110,804	4,680	115,484	-
<b>Sub-total</b>	<b>13</b>	<b>367,159</b>	<b>13,040</b>	<b>380,199</b>	<b>-</b>
<b>(c) Countries with arrangements for settlement of arrears but not performing</b>					
Arrears for more than one year and less than two years	1	13,795	-	13,795	135
Arrears for two years and more	2	20,465	10,467	30,932	1,823
<b>Sub-total</b>	<b>3</b>	<b>34,260</b>	<b>10,467</b>	<b>44,727</b>	<b>1,958</b>
<b>(d) Countries with no arrangements for settlement of arrears and not performing</b>					
Arrears for two years and more	2	17,728	-	17,728	493
<b>Sub-total</b>	<b>2</b>	<b>17,728</b>	<b>-</b>	<b>17,728</b>	<b>493</b>
<b>Grand total 2017</b>	<b>43</b>	<b>1,572,404</b>	<b>26,642</b>	<b>1,599,046</b>	<b>2,451</b>

\*includes an amount of USD 37.964 million relating to loans granted to private sector as at 31 December 2017 (2016: USD 17.247).

The following schedule illustrates regular repayment of dues by countries as at 31 December 2016:

(USD 000)

Description	Number of countries	Project loans	SAFAA loans	Total	Special reserve
<b>(a) Performing Countries with regular repayments*</b>					
Without arrears	13	542,286	-	542,286	-
Arrears less than one year	11	542,279	3,134	545,413	-
<b>Sub-total</b>	<b>24</b>	<b>1,084,565</b>	<b>3,134</b>	<b>1,087,699</b>	<b>-</b>
<b>(b) Countries with arrangements for settlement of arrears with regular repayments</b>					
Without arrears	8	266,756	11,205	277,961	-
Arrears for one year and less	3	63,266	1,529	64,795	-
<b>Sub-total</b>	<b>11</b>	<b>330,022</b>	<b>12,734</b>	<b>342,756</b>	<b>-</b>
<b>(c) Countries with arrangements for settlement of arrears but not performing</b>					
Arrears for one year and less	-	-	-	-	-
Arrears for more than one year and less than two years	4	40,625	11,830	52,455	1,382
Arrears for two years and more	1	9,015	-	9,015	266
<b>Sub-total</b>	<b>5</b>	<b>49,640</b>	<b>11,830</b>	<b>61,470</b>	<b>1,648</b>
<b>(d) Countries with no arrangements for settlement of arrears and not performing</b>					
Arrears for one year and less	-	-	-	-	-
Arrears for more than one year and less than two years	3	19,516	-	19,516	146
<b>Sub-total</b>	<b>3</b>	<b>19,516</b>	<b>-</b>	<b>19,516</b>	<b>146</b>
<b>Grand total 2016</b>	<b>43</b>	<b>1,483,743</b>	<b>27,698</b>	<b>1,511,441</b>	<b>1,794</b>

### c) Equity price risk

Equity price risk is the risk of change in the fair values of listed securities. BADEA sets suitable instructions for investment in securities- equity securities.



The following table illustrates the concentration of BADEA investment in securities – equity securities as at 31 December.

1) According to the sector distribution:

**(USD 000)**

	2017		2016	
	Amount	%	Amount	%
Consumable commodities	256,378	21%	307,112	25%
Energy	84,027	7%	69,166	6%
Financial institutions	265,405	21%	235,144	19%
Healthcare	150,853	12%	177,162	15%
Industrial	152,511	12%	126,467	10%
Information technology	213,235	17%	159,216	13%
Production of raw materials	66,759	5%	58,969	5%
Telecommunication services	39,289	3%	54,834	5%
Public utilities	27,814	2%	20,203	2%
<b>Total</b>	<b>1,256,271</b>	<b>100%</b>	<b>1,208,273</b>	<b>100%</b>

2) According to the geographical distribution:

**(USD 000)**

	2017		2016	
	Amount	%	Amount	%
United States and Canada	736,675	59%	699,491	58%
Europe	348,091	28%	365,265	30%
Japan	118,853	9%	88,306	7%
South East Asia	38,053	3%	46,733	4%
Other	14,599	1%	8,478	1%
<b>Total</b>	<b>1,256,271</b>	<b>100%</b>	<b>1,208,273</b>	<b>100%</b>

#### d) Liquidity risk

Liquidity risk is the risk that BADEA may be unable to meet its funding requirements primarily for loan commitments. BADEA maintains adequate funding to meet such obligations when they become due.

**e) Interest rate risk**

Interest rate risk is the risk that the financial position and cash flows of BADEA may be affected by future fluctuations in interest rates. Favourable fluctuations may lead to increase in the interest income, while unexpected movements may decrease this income.

In respect of deposits, sukuk and fixed income securities, BADEA’s main objective is to ensure safety and liquidity of assets. Subject to these factors, BADEA seeks the highest possible return. Performance is monitored regularly and adjustments are made to the portfolios in the light of market developments.

In respect of loans and foreign trade financing, interest rate is determined independently of market forces by the Board of Directors and at levels consistent with BADEA’s strategic orientation within the framework of its development objective.

**f) Foreign exchange risk**

Foreign exchange risk is defined as the potential fluctuations in the exchange rates and its effects on BADEA’s financial position and cash flows. BADEA has developed certain limits and controls on foreign exchange; as well as their percentage composition, which are monitored regularly by BADEA. BADEA uses the US Dollar in its lending operations and transactions with banks. In respect of the investment portfolios held for trading, transactions of other limited currencies are allowed. Nevertheless, the US Dollar represents the functional currency against which at least 65% of the total portfolio held for trading including derivatives should be maintained.

The following analysis illustrates assets and liabilities by currency as at 31 December:

(USD 000)

	Currencies					% of USD
	USD	Euro	GBP	Others	Total	
<b>2017</b>						
<b>Total assets</b>	<b>3,719,867</b>	<b>413,308</b>	<b>169,940</b>	<b>546,639</b>	<b>4,849,754</b>	<b>%77</b>
<b>Total liabilities</b>	<b>59,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,028</b>	<b>%100</b>
<b>2016</b>						
Total assets	3,365,756	392,157	188,601	544,216	4,490,730	75%
Total liabilities	61,170	-	-	-	61,170	100%

**21/ TAXATION IMMUNITY**

In accordance with Article 40 of its Establishment Agreement, BADEA shall be exempted from all taxes and charges in the member countries. BADEA is also exempted from any restrictions as well as custom duties on importing materials necessary for its operations. This may not be applicable to any dues payable for actual services rendered to the Bank. BADEA is also released and declared from any responsibility related to collection or payment of any tax or duty.



## 22/ FINANCING PLEDGES AND OTHER COMMITMENTS

### a) Loans and grants commitments

All loans and grants are governed by agreements and memorandums of understanding with sovereign beneficiary countries. Total of these commitments does not necessarily reflect prospective financial needs; as many of these commitments are ineffective due to non-signature or revocation of the related agreements or memorandum of understanding; or incomplete endorsement procedures.

Details of these commitments as at 31 December are as follows:

	2017			(USD 000)
	Public Sector	Private Sector	Total	2016
Unsigned loans (Note 20)	108,500	93,000	201,500	163,000
Ineffective loans (Note 20)	168,300	30,000	198,300	215,400
Un-disbursed loans (Note 20)	1,174,528	74,203	1,248,731	1,113,717
Un-disbursed grants	31,456	-	31,456	28,071
<b>Total</b>	<b>1,482,784</b>	<b>197,203</b>	<b>1,679,987</b>	<b>1,520,188</b>

### b) Trade Finance Program

A provision of USD 200 million was allocated to the Arab trade finance program with African non-Arab countries for the year 2017 (2016: USD 200 million) of which total commitments amounted to USD 550 million (2016: USD 350 million), and unsigned agreements amounted to USD 210 million (2016: USD 200 million).

### c) Other commitments

As at 31 December 2017, BADEA is committed to settle the residual amount of BADEA's contribution in AFREXIM's capital with an amount of USD 6.000 million (2016: USD 6.000 million). This amount should be paid on demand of shareholders (Note 5).

## 23/ BOARD OF DIRECTORS APPROVAL

On 28 February 2018, the Board of Directors recommended to issue and present these financial statements to the Board of Governors for final approval.

## General Conclusion for the Report

- 1- BADEA continued, in 2017, its efforts to promote Arab - African cooperation, through contribution to financing development projects in African countries in various sectors, providing technical assistance and encouraging the investment of Arab capital in Africa, as well as supporting trade exchange between the two regions. These activities are currently achieved within the framework of the principles of the Seventh Five-year Plan (2015 -2019) and the priorities of the beneficiary countries.
- 2- BADEA concluded the third year of the Plan, for which an increase of 50% in the capital was approved (equivalent to 1400 million dollars), bringing the current capital to 4200 million dollars, which helps BADEA to further expansion in Africa.
- 3- During 2017, BADEA approved financing of 16 development projects in the public sector at a total cost of 220 million dollars, of which 8 projects in infrastructure and environment sector, 4 projects in agriculture and rural development sector and 4 projects in social sector (health and education).
- 4- Within the framework of “the Private Sector Financing Program”, loans of credit were extended, in 2017, to eight African financial institutions, at a total cost of 100 million dollars, representing, 100% of the approved allocations for the year.
- 5- Regarding financing of Arab exports to African countries, lines of credit were provided to seven Arab and African financial institutions, at a total cost of 200 million dollars, representing, equally, 100% of the approved allocations for the year.
- 6- BADEA provided non-repayable amount of about 9.6 million dollars, during the year, to finance 40 technical assistance operations, including 3 technical and economic feasibility studies and 37 institutional support operations in various fields. The Amount also included the cost of extension of the services of an Arab expert in the Republic of Madagascar.
- 7- During the year, 23 development projects were completed in infrastructure and environment, agriculture and rural development and social sectors, at a total cost of 176.6 million dollars, benefiting 15 African countries. Also 26 technical assistance operations were achieved including feasibility studies and institutional support operations.
- 8- Regarding the financial position, indicators show that BADEA has continued its policy of maintaining a sound financial position, which has resulted in an increase of its net assets to reach 4,788.2 million dollars by the end of 2017, compared to 4,427.7 million dollars by the end of 2016. This is attributed to its various revenues, receipt part of the instalments of BADEA’s capital increase and continuing to control the administrative expenditure.

It is worth mentioning that the net income increased to reach 271.7 million dollars in 2017, compared to 123.6 million dollars in 2016. This increase is due to the good performance of the global financial markets.

# ANNEXES

## **Annex I**

**Evolution of Financing Operations  
(1975 - 2017)**

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## **Annex II**

**Details of Distribution of Net Commitments  
by Beneficiary Countries  
(1975 - 2017)**

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## **Annex III**

**Summary of Annual Sectoral Distribution  
of Net Commitments  
(1975 - 2017)**

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## **Annex IV**

**Details of Sub-Sectoral Distribution  
of Net Commitments  
(1975 - 2017)**

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## **Annex VII**

**Subscription in Capital by Member States  
& Distribution of Votes  
until 2017 / 12 / 31**

## ANNEX I

### Evolution of Financing Operations (1975 - 2017)

(Amounts in \$ million)

Item	75 - 2011	2012	2013	2014	2015	2016	2017	Total
Number of approved project loans	525	21	20	20	18	16	16	636
Number of approved credit loans	28	2	2	2	1	-	-	35
Number of Special Program operations	14	-	-	-	-	-	-	14
Number of private sector operations	-	-	-	-	4	8	8	20
Number of approved technical grants <sup>(1)</sup>	526	32	33	29	35	41	40	736
Number of SAAFA loans	59	-	-	-	-	-	-	59
Number of signed loan agreements	519	24	23	17	25	12	32	652
Number of effective loan agreements	485	15	28	22	30	11	28	619
Technical grants deducted against income <sup>(2)</sup>	79.827	5.509	6.123	6.689	6.140	8.442	5.454	118.184
Technical grants deducted against income by the year of approval	93.838	5.370	4.704	4.355	4.148	3.898	1.871	118.184
Technical assistance and grants commitments	126.713	8.000	8.000	8.000	10.000	10.000	9.555	180.268
Cancelled grants and feasibility studies	26.635	489	374	459	202	129	321	28.609
BADEA's commitments - public sector	3,929.883	200.000	200.000	200.000	210.000	220.000	229.555	5,189.438
BADEA's commitments - private sector	-	-	-	-	50.000	86.000	100.000	236.000
Cancelled commitments <sup>(3)</sup>	755.650	12.693	12.374	459	202	129	321	781.828
BADEA's loans	3,096.206	180.000	180.000	192.000	200.000	210.000	220.000	4,278.206
BADEA's loans including grants and technical assistance	3,174.233	187.307	187.626	199.541	259.798	305.871	329.234	4,643.610
SAFAA loans	214.244	-	-	-	-	-	-	214.244
SAFAA disbursements	214.244	-	-	-	-	-	-	214.244
BADEA's disbursements	2,065.989	117.760	129.640	127.829	139.621	121.250	143.350	2,845.439
<b>Paid-up capital</b>	<b>2,800.000</b>	<b>-</b>	<b>-</b>	<b>775.405</b>	<b>120.613</b>	<b>101.743</b>	<b>101.211</b>	<b>3,898.972</b>

(1) Since the beginning of the Third Five-Year Plan (1995 - 1999) it has been decided that technical assistance funds earmarked for feasibility studies are to be considered as grants, whether the study resulted in viable project or not, while up to 1994, those funds were considered as part of the loan in case BADEA has decided to contribute to the financing of the project.

(2) BADEA's funds include the technical assistance and grants deducted against the revenue.

(3) It is the value of loans and technical assistance cancelled as requested by the beneficiary countries, or remaining balances cancelled from the project's loan or technical assistance grant after the completion of their implementation, and deducted with reference to the year of the final approval.





## ANNEX II

### Details of Distribution of Net Commitments by Beneficiary Countries (1975 – 2017)

(\$ Million)

Country	75 - 2011	2012	2013	2014	2015	2016	2017	Total
Ethiopia	112.276	10.021	9.999	9.983	13.250	15.000	20.001	190.530
Eretria	28.326		14	29				28.369
Central African Republic	20.072	10.350				165	13.000	43.587
Angola	10.146						19.950	30.096
Benin	112.470	14	13	10,282.6	10.000			132.780
Botswana	82.078							82.078
Burkina Faso	169.695	20	12.450	20,512.1	9.400	19.000	12.370	243.447
Burundi	56.141		9.938	542.1	11.600		15.000	93.221
Chad	91.473	10.000	10.000		10.340	19.844	15.503	157.160
Tanzania	112.799	10.000	10.338	11.909		10,797.3		155.843
Togo	37.697	9.013		10.096	9.190			65.996
Gabon	17.556					61	2	17.619
Gambia	78.528	8.999		7.000	10.034			104.561
Cape Verde	80.682	5.000	7.152	49	12.033		13.723	118.639
Rwanda	86.821	5.300	10.333	11.206	15.000			128.660
Zambia	67.679	5.400	189			10.000		83.268
Zimbabwe	50.944			3.000				53.944
Sao Tome & Principe	11.888		14	7.532	8.170			27.604
Senegal	199.864	16.000	10.000	11,155.1	10.297	9,000.0	13.500	269.816
Swaziland	44.440				338	10.000	15.000	69.778
Sierra Leone	59.346	480	8.000				450	68.276
Seychelles	37.441		265	6,505.5	11.000	320		55.532
Ghana	134.369	8.616	8.000					150.985
Guinea	143.606	9.483	7.438	11,662.1	450	20.320	16.130	209.089
Equatorial Guinea	8.667							8.667
Guinea Bissau	10.584	237		62.1	120		11.500	22.503
Cameroon	104.329	181	7.543	11.300	12.000		12.470	147.823
Congo Brazzaville	46.123			10.000				56.123
Democratic Republic of Congo	47.497	8.900		10,062.1				66.459
Cote d'Ivoire	73.077	10.000	14.860	10.111	12.450	12.350	20.844	153.692
Kenya	98.051	10.000	10.000		10.320	11.000		139.371
Liberia	7.051			10.000		12.000		29.051
Lesotho	73.973	4.796	8.301				14.000	101.070
Mali	159.249			400	150	20.000		179.799
Madagascar	96.049			11.015	10.050	500	44	117.658
Malawi	66.793	10.000	10.013	5.5	226			87.038
Mauritius	70.395		14	35.5				70.445
Mozambique	163.693	12.000	10.530	9.900	13.080	10.450		219.653
Namibia	25.147							25.147
Niger	85.298	5.015		81.8	119	20.720	10.670	121.904
Nigeria	8.000							8.000
Uganda	72.084	12.000	7.014	40	15.096	11.500		117.734
Comoros	7.996							7.996
Group of countries (private sector)	10.000		10.000					20.000
Private sector	-				50.000	86.000	100.000	236.000
Regional Organizations	2	112	504	709.5	937	2,945.7	3.206	8,416.2
Grants deducted against income	93.838	5.370	4.704	4.355	4.148	3.898	1.871	118.184
<b>Grand Total</b>	<b>3,174.233</b>	<b>187.307</b>	<b>187.626</b>	<b>199.541</b>	<b>259.798</b>	<b>305.871</b>	<b>329.234</b>	<b>4,643.610</b>

### ANNEX III

#### Summary of Annual Sectoral Distribution of Net Commitments (1975 - 2017)

(\$ Million)

Year	Infrastructure		Agriculture and Rural Development		Industry		Energy		Urgent Aid Program		Social Sector		Private Sector*		Technical Assistance		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1975 - 2011	1,762.360	55.52	764.789	24.09	51.529	1.62	172.469	5.43	12.635	0.40	220.878	6.96	91.514	2.88	98.059	3.09	3,174.233	100.00
2012	76.796	41.00	56.600	30.22		0.00		0.00		0.00	38.400	20.50	8.000	4.27	7.511	4.01	187.307	100.00
2013	89.500	47.70	45.300	24.14		0.00		0.00		0.00	33.000	17.59	12.200	6.50	7.626	4.06	187.626	100.00
2014	110.600	55.43	43.500	21.80		0.00		0.00		0.00	32.900	16.49	5.000	2.51	7.541	3.78	199.541	100.00
2015	112.800	43.42	35.600	13.70		0.00		0.00		0.00	46.600	17.94	55.000	21.17	9.798	3.77	259.798	100.00
2016	108.500	35.47	49.000	16.02		0.00		0.00		0.00	52.500	17.16	86.000	28.12	9.871	3.23	305.871	100.00
2017	126.500	38.42	38.500	11.69		0.00	11.000	3.34		0.00	44.000	13.36	100.000	30.37	9.234	2.80	329.234	100.00
<b>Total</b>	<b>2,387.056</b>	<b>51.41</b>	<b>1,033.289</b>	<b>22.25</b>	<b>51.529</b>	<b>1.11</b>	<b>183.469</b>	<b>3.95</b>	<b>12.635</b>	<b>0.27</b>	<b>468.278</b>	<b>10.08</b>	<b>357.714</b>	<b>7.70</b>	<b>149.640</b>	<b>3.22</b>	<b>4,643.610</b>	<b>100.00</b>

\* Including loans of credit.



## ANNEX IV

### Details of Sub-Sectoral Distribution of Net Commitments (1975 - 2017)

(\$ Million)

Sector	1975 - 2011	2012	2013	2014	2015	2016	2017	Total
<b>Infrastructure Sector</b>								
Roads	1,082.516	57.500	32.000	41.000	60.000	98.500	64.000	1,435.516
Railways	30.796							30.796
River transport	18.245							18.245
Air transport	137.992		10.000	10.000				157.992
Telecommunications	20.928							20.928
Water supply and drainage	307.168	19.296	40.000	39.500	41.800		42.500	490.264
Dams and bridges	103.134		7.500	11.600				122.234
Public services	61.581			8.500	11.000	10.000	20.000	111.081
<b>Sub -Total</b>	<b>1,762.360</b>	<b>76.796</b>	<b>89.500</b>	<b>110.600</b>	<b>112.800</b>	<b>108.500</b>	<b>126.500</b>	<b>2,387.056</b>
<b>Agriculture and Rural Development Sector</b>								
Agriculture and rural development	369.520	56.600	45.300	43.500	35.600	49.000	38.500	638.020
Food production	238.275							238.275
Livestock and poultry	43.221							43.221
Fishing	70.524							70.524
Food industry	23.749							23.749
Forestry development	19.500							19.500
<b>Sub - Total</b>	<b>764.789</b>	<b>56.600</b>	<b>45.300</b>	<b>43.500</b>	<b>35.600</b>	<b>49.000</b>	<b>38.500</b>	<b>1,033.289</b>
<b>Industry Sector</b>								
Building materials	48.407							48.407
Chemical industries	3.122							3.122
<b>Sub -Total</b>	<b>51.529</b>							<b>51.529</b>
Energy Sector: Electricity Production astructures	172.469						11.000	183.469
<b>Social Sector</b>	<b>220.878</b>	<b>38.400</b>	<b>33.000</b>	<b>32.900</b>	<b>46.600</b>	<b>52.500</b>	<b>44.000</b>	<b>468.278</b>
Private Sector	91.514	8.000	12.200	5.000	55.000	86.000	100.000	357.714
Special Programme: Emergency Aid	12.635							12.635
<b>Technical Assistance:</b>								
Countries	4.219	2.029	2.418	2,476.5	4.713	3,027.3	4.157	23,039.8
Organizations	2	112	504	709.5	937	2,945.7	3,206	8,416.2
Grants deducted against revenues	93.838	5.370	4.704	4.355	4.148	3.898	1,871	118.184
<b>Sub - Total</b>	<b>98.059</b>	<b>7.511</b>	<b>7.626</b>	<b>7.541</b>	<b>9.798</b>	<b>9.871</b>	<b>9,234</b>	<b>149.640</b>
<b>Grand Total</b>	<b>3,174.233</b>	<b>187.307</b>	<b>187.626</b>	<b>199.541</b>	<b>259.798</b>	<b>305.871</b>	<b>329,234</b>	<b>4,643.610</b>

**ANNEX V**

**Subscription in Capital by Member States & Distribution of Votes  
until 31/12/2017**

Member States	Shares			Voting Power	
	Total Paid-up Capital (\$ million)	Number of Shares	Percentage	Number of Votes	Percentage
Hashemite Kingdom of Jordan	8,276,508.68	82.77	0.21	282.77	0.66
State of the United Arab Emirates	428,095,277.40	4280.95	10.98	4480.95	10.52
Kingdom of Bahrain	8,276,508.68	82.77	0.21	282.77	0.66
Republic of Tunisia	34,335,661.73	343.36	0.88	543.36	1.28
People's Democratic Republic of Algeria	165,530,173.92	1655.3	4.25	1855.3	4.36
Kingdom of Saudi Arabia	993,181,043.60	9931.81	25.47	10131.81	23.79
Republic of Sudan	8,276,507.83	82.77	0.21	282.77	0.66
Arab Republic of Syria	4,756,614.20	47.57	0.12	247.57	0.58
Republic of Iraq	579,355,608.75	5793.55	14.86	5993.55	14.07
Sultanate of Oman	49,652,265.46	496.52	1.27	696.52	1.64
State of Palestine	7,991,111.83	79.91	0.21	279.91	0.66
State of Qatar	331,060,347.86	3310.6	8.49	3510.6	8.24
State of Kuwait	606,943,971.07	6069.44	15.57	6269.44	14.72
Lebanese Republic	27,588,362.36	275.88	0.71	475.88	1.12
State of Libya	570,793,703.20	5707.94	14.64	5907.94	13.87
Arab Republic of Egypt	8,276,508.68	82.77	0.21	282.77	0.66
Kingdom of Morocco	60,694,397.10	606.94	1.56	806.94	1.9
Islamic Republic of Mauritania	5,887,533.59	58.87	0.15	258.87	0.61
<b>Total</b>	<b>3,898,972,105.94</b>	<b>38989.72</b>	<b>100.00</b>	<b>42589.72</b>	<b>100.00</b>



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