



BADEA

Arab Bank
for Economic
Development
in Africa



**DEVELOPMENT
EFFECTIVENESS
REPORT
2022-2023**



TOGA- THER FOR AFRICA

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ABBREVIATIONS

ADFD	Abu Dhabi Fund for Development
ACG	Arab Coordination Group
AFESD	Arab Fund for Economic and Social Development
AfCFTA	African Continental Free Trade Area
APSA	African Peace and Security Architecture
AMF	Arab Monetary Fund
BADEA	Arab Bank for Economic Development in Africa
BADER	BADEA Annual Development Effectiveness Report
BCs	Beneficiary Countries
CAADP	Comprehensive Africa Agriculture Development Program
CD	Capacity Development
IMF	International Monetary Fund
IsDB	Islamic Development Bank
JCR	Japan Credit Rating Agency
KFAED	Kuwait Fund for Arab Economic Development
LAS	League of Arab States
LDCs	Least Developed Countries
MDBs	Multilateral Development Banks
OFID	OPEC Fund for International Development
PIDA	Programme for Infrastructure Development in Africa
QFFD	Qatar Fund for Development
SFD	Saudi Fund for Development
SMEs	Small and Medium Enterprises
SSA	Sub-Saharan African
STYIP	Second Ten-Year Implementation Plan 2024-2033



BADEA AT A GLANCE



Establishment

The Arab Bank for Economic Development in Africa (BADEA) was established pursuant to the resolution of the 6th Arab Summit Conference at Algiers (28th November 1973). The Bank began operations in March 1975.



Institutional Identity

BADEA is a financial institution owned by eighteen Arab countries members of the League of Arab States (LAS) which signed its Establishing Agreement on 18th February 1974. The Bank is an independent International Institution enjoying full international legal status and complete autonomy in administrative and financial matters. It is governed by the provisions of its Establishing Agreement and the principles of international law.



Mandate

The Bank was created for the purpose of strengthening economic, financial and technical cooperation between the Arab and African regions and for the embodiment of Arab-African solidarity on foundations of equality and friendship. To achieve this end, the Bank was given a mandate to:

- Participate in financing economic development in African countries.
- Stimulate the contribution of Arab capital to African development.
- Help provide the technical assistance required for the development of Africa.





Vision:

“To be the lead platform for Arab-Africa Economic Cooperation for Development”.



Mission:

“To promote Arab-Africa’s Economic Cooperation through financial assistance, investment and technical support”.



Values:

BADEA recognizes that the value system binds the organizational behavior and is reflected in strengthening its relationship with its clients and partners. BADEA value system is **AFRICA: Ambition, Fairness, Responsiveness, Integrity, Cooperation, Accountability.**

The Four Focus Areas of BADEA Strategy 2030



Infrastructure Investment for Inclusivity, Industrialization and Innovation.



Agriculture Value Chain Development for Empowerment.



Boosting Trade and Private Sector Development for Growth and Job Creation.



SMEs and Entrepreneurship Development.

Capacity Development intervention is framed as a cross-cutting enabler for the focus areas interventions.



The Four Focus Areas of BADEA Strategy 2030



ARAB - AFRICA COOPERATION FOR SHARED PROSPERITY



Capacity Development

Infrastructure Investment

Agriculture Value Chain Development

Sme & Entrepreneurship Development

Trade & Private Sector Development



Strategic Initiative

4th Industrial Revolution

Knowledge

Technology






Innovation

Overall Financial Transfer to African Countries (1975 - 2023)

Type of Operation	Number of Operations	Amount of Financing
<p>Public Sector Development Projects</p>	751	7,275 million USD
<p>Private Sector Operations</p>	57	1,249 million USD
<p>Trade Operations</p>	63	3,340 million USD
<p>Capacity Development Operations</p>	939	260 million USD
Total	1,810	12,124 million USD


















Financial Transfer by Strategy Focus (1975 – 2023)

Strategy Focus Area	Number of Operations	Financial Transfer	%
 Infrastructure Investment for Inclusivity, Industrialization and Innovation	450	5,000 million USD	41%
 Agriculture Value Chain Development for Empowerment	263	1,900 million USD	15%
 Boosting Trade and Private Sector Development for Growth and Job Creation	120	4,589 million USD	39%
 SMEs and Entrepreneurship Development	38	375 million USD	3%
 Capacity Development	939	260 million USD	2%
Total	1,810	12,124 million USD	100%



Overall Results Achieved

Result Achieved	Unit	Amount
 Roads Built	Km	20,000
 International Airports Built or Upgraded	No.	16
 Domestic Airports Built or Upgraded	No.	24
 Railways Built	Km	700
 Ports Built or Upgraded	No.	7
 Electricity Transmission Lines	Km	15,000
 Agricultural Land Developed	Ha	30,000
 Irrigation Canals Built	No.	1,000
 Boreholes	No.	7,000
 Small & Medium Dams Built	No.	150
 Hospitals Built or Upgraded and Equipped	No.	30
 Health Centers Built and Equipped	No.	100
 Medical Beds Provided	No.	4,500
 Primary and Secondary Schools Built and equipped	No.	125
 Higher Education Institutions Built and equipped	No.	30



BADEA Results Based Scorecard



DEVELOPMENT CONTEX



CLIENT RESULT

ARAB - AFRICA COOPERATION

- Partnership Volume & Mix
- Partnership Coverage & Solutions

Invest Infrastructure

- ▶ Key core Sub-Sector Indicators
- ▶ Solution Value Added
- ▶ Country Results

Agro Value Chain

- ▶ Key core Sub-Sector Indicators
- ▶ Solution Value Added
- ▶ Country Results

Trade & Private Sector

- ▶ No of Institutions
- ▶ Diversity of Products (innovation)
- ▶ No of Jobs

SMEs & Entrepreneurship

- ▶ No of Companies (Scale up)
- ▶ No of Jobs

Capacity Development:

- ▶ Diversity - Complexity of Solutions and Institutions
- ▶ Country Results: Economic Impact



INSTITUTIONAL PERFORMANCE

Development Value

- ▶ Client Satisfaction
- ▶ Development Value Added

Operational Delivery

- ▶ Partnership including SS
- ▶ Disbursement & Supervision
- ▶ Products & Services

Financial Sustainability

- ▶ Revenue Mix
- ▶ Net Income
- ▶ Project Cost

Talent Development

- ▶ Staff Satisfaction
- ▶ Staff Mix
- ▶ Process Efficiencies

BADEA Ratings



This year marked the Bank receiving a top AAA credit rating from the Japan Credit Rating Agency (JCR) as well as an upgrade of its outlook from “Stable” to “Positive” by S&P Global Ratings and affirmation of its Moody’s and S&P rating of Aa2 and AA respectively.



MESSAGE FROM THE PRESIDENT



Despite the challenging context, I remain optimistic about Africa's ability to recover and grow. I call upon Africa's partners worldwide to join efforts and finance Africa's development. I am confident that together we can keep Africa on the right course for sustainable growth and development



Africa faces an extraordinary set of challenges. These challenges have been multiplied due to several global developments, such as COVID-19 pandemic, the ongoing crisis in eastern Europe, the cost-of-living crisis, and the tightening of financial conditions which have weighed on global economic activity in 2022-2023, resulting in less rapid economic growth, high inflation, fiscal deficits, food shortages, and energy supply interruptions. All these developments have further deteriorated the already troubled economies of BADEA's beneficiary countries, causing additional pressure on their limited resources.

BADEA was established in 1974 by the Arab countries as a multilateral development bank to strengthen economic, financial, and technical cooperation between the Arab and African regions for a shared prosperity. In response to the evolution of the African economies, national and regional priorities, BADEA elaborated its 2030 strategy, fully aligned with sustainable development goals, Agenda 2063 and the 10-Year Action Plan of the African Union. BADEA also increased its financial capabilities and capacities to finance Africa's development effectively. The authorized capital was increased to US\$20 billion. BADEA was recently granted a top AAA Rating from the Japan Credit Rating Agency as well as an upgrade of its outlook from «Stable» to «Positive» by S&P Global Ratings and affirmation of its Moody's and S&P ratings of Aa2 and AA respectively.

In line with its 10-year Strategy and 5-year Plan, BADEA has pressed ahead with investments in high priorities areas. Given Africa's new challenges, we are left with just seven years to achieve the sustainable development goals that would need more ambitious plans for mobilising resources for Africa's development. Despite the challenging context, I remain optimistic about Africa's return to recovery and growth. I call upon Africa's partners worldwide to join efforts together to finance Africa's development. I am confident that together we can keep Africa on the right course for sustainable growth and development.

The Annual Development Effectiveness Report of BADEA for 2022-2023 aims to inform our stakeholders, including governments, development partners, private sector, and development practitioners, about the development effectiveness of the BADEA's interventions. It highlights in an integrated manner the impact, outcomes, and developmental results of the Bank's interventions in its Beneficiary Countries. The report provides an insight into the results achieved on the ground and the Bank's standing in the international development landscape.

H.E. Dr. Sidi Ould Tah
**President of the Arab Bank for
Economic Development in Africa
(BADEA)**



EXECUTIVE SUMMARY

A. Objective and Context of BADER:

The first edition of the Arab Bank for Economic Development in Africa (BADEA) Annual Development Effectiveness Report (BADER) is the flagship report of the Bank and an informative assessment of its impact and effectiveness in advancing sustainable development in Sub-Saharan Africa and promoting Arab Africa cooperation. BADER comprehensively evaluates the Bank's progress in achieving its vision to support economic and social development across Sub-Saharan Africa, identifies areas for improvement, and highlights its performance in achieving the pillars of its strategy.

The BADER report is crucial in assessing BADEA's impact and effectiveness, identifying emerging trends and challenges, showcasing achievements and lessons learned, and facilitating communication and stakeholder engagement. Through this report, the Bank aims to transparently present its progress, challenges, and plans while raising awareness, fostering stakeholder support, and building strong partnerships with governments, development agencies, civil society organizations, and other stakeholders. The Objectives of BADER include:

- Assessment of BADEA's Progress.
- Analysis of Emerging Trends in the Face of Evolving Challenges.
- Showcasing Achievements and Challenges.
- Communication and Stakeholder Support.

Founded in 1974, BADEA has established itself as a reputable partner in Arab–Africa cooperation. The Bank has significantly supported sub-Saharan Africa's development with extensive professional networks, insightful knowledge of the region, unique products, and innovative collaborations. Recognizing the evolving landscape and challenges, it has embarked on a far-reaching reform of its development programs and organizational structure through its new long-term strategy, BADEA 2030.

To realize its vision of becoming the lead platform for Arab-Africa economic cooperation, BADEA focuses on four specific areas: infrastructure, agriculture value chain, trade, and private sector, and small and medium-sized enterprises (SMEs) and entrepreneurship. With these building blocks and pillars, coupled with the identified strategic initiatives outlined in the new strategy, the Bank aims to differentiate itself and attract value-added partnerships that will contribute to sustainable development in the region's Beneficiary Countries.

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Recognizing the evolving landscape and challenges, it has embarked on a far-reaching reform of its development programs and organizational structure through its new long-term strategy, BADEA 2030.



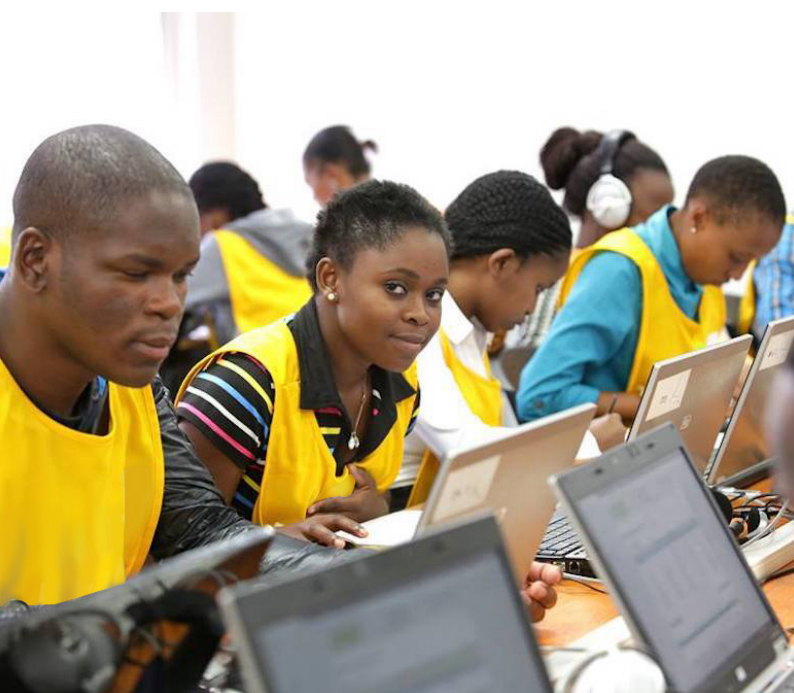
B. Development Progress in BADEA Beneficiary Countries:

According to IMF (2023), BCs' economy has been making steady efforts to regain the losses from the deep recession of 1.7 per cent in 2020 due to the abrupt interruption of the COVID-19 pandemic. The region's Economic activity bounced back in 2021, lifting GDP growth to 4.7 per cent. Global repercussions of conflict in Ukraine, persistent food insecurity, surging inflation and adverse weather conditions in the region have been weighing down the performance momentum, with the GDP growth estimated at 3.5 per cent, down from 3.9 per cent in 2022. Other factors contributing to the underperformance include security issues in the oil sector in Nigeria and power shortages in South Africa, the region's two largest countries. However, with a growth rate of 3.5 per cent in 2023, BCs remain the second fastest growing region in the world after developing Asia (5.1 per cent).

The region presents optimistic economic prospects. However, to further promote strong economic growth, BCs needs to ensure macroeconomic stability and address the significant persistent challenges such as structural transformation, infrastructure deficit, low agricultural productivity and leverage opportunities presented by the abundant natural resources and renewable energy, youth workforce, entrepreneurship, regional integration, technological advancements, etc. Diversifying and transforming the economies in the

region by strengthening the productive capacity of the private sector to transform raw materials locally with a solid linkage for domestic economies will drastically reduce the dependence of BCs on exports of unprocessed goods and increase imports of processed goods.

BCs have been experiencing inconsistent economic growth, swinging phases of growth, stagnation, decline or even drastic falls that lack creating enough decent jobs for the high rate of



“

To promote strong economic growth, BCs needs to ensure macroeconomic stability and address the significant persistent challenges such as structural transformation, infrastructure deficit, low agricultural productivity and leverage opportunities presented by the abundant natural resources and renewable energy, youth workforce, entrepreneurship.





young population, reducing extreme poverty and inequality. Growth is produced in small enclaves that do not benefit the whole economy and the population. The region is home to 33 least developed countries (LDCs) out of the 46 in the world. BCs are confronting severe structural impediments to sustainable development as they are highly vulnerable to economic and environmental shocks and have a low level of human capacity. To address these challenges, the region has initiated several initiatives, such as the flagship projects of Agenda 2063, to accelerate Africa's economic growth and development.

At halfway to the completion of the SDGs in 2030 and the end of the first ten-year action plan for the implementation of Agenda 2063, BCs are still lagging in accomplishing most of the SDGs and their corresponding Agenda 2063 Goals, except SDG 12, which has been achieved and SDG 13 which is on track or remains achievable. The average SDG progress score across all BCs is 53.0 per cent in 2023, leaving a gap of 47.0 per cent. This is lower than the level of 2022 (53.6 per cent), 2020 (53.82 per cent), which was slightly higher than the 2019 average (52.9 per cent) (SDG tracker, 2023 and UN Progress towards the SDGs, 2023) This shows that there have been regressions in some of SDGs as no progress was made over the previous years. In 2021, the regional aggregate score of Agenda 2063 was 51 per cent against the 2021 targets. This overall

performance was relatively better than it did in 2019 (2nd Continental report on the implementation of Agenda 2063, 2022).

BADEA committed itself to contributing to the achievement of SDGs and Agenda 2063 in the region. The review of all operations approved and completed in 2022- 2023 revealed that BADEA's operations contributed to 14 SDGs. All public sector operations/grants approved contributed to at least one SDG, with a majority (53 per cent) contributing to two or more. On average, each project contributes to two SDGs. Private sector and trade finance transactions contributed to at least two SDGs as a majority (83 per cent), with a maximum contribution of 6 SDGs.

The top three SDGs which BADEA operations mainly supported are: SDG 17 (Strengthen the means of implementation and revitalise the global partnership for sustainable development) (59.3 per cent of operations contributing); SDG 8 (Decent work and Economic growth) (33.9 per cent) and followed by SDG 9 (Industry, innovation, and infrastructure) (20.3 per cent). This illustrates BADEA's strong support for economic growth and development through its strategic focus areas: infrastructure development, Industrialization & Innovation, industrial agricultural value chains and rural development, and work in partnership for sustainable development.

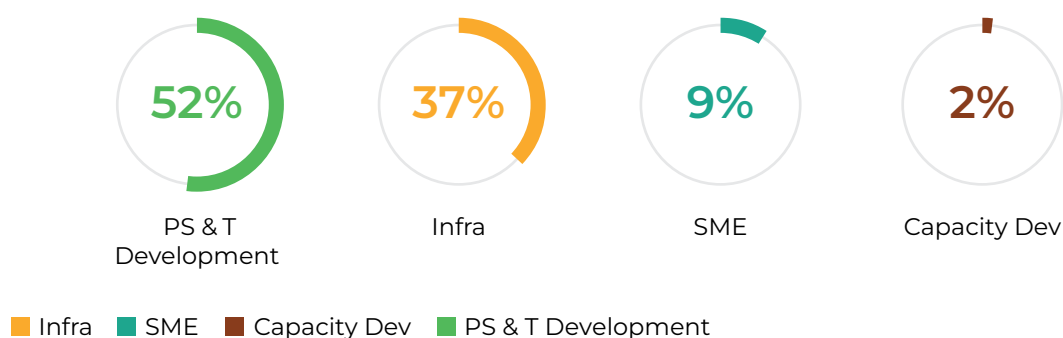


C. Development Results Planned and Achieved of BADEA's Operations:

In 2022, 36 public sector, private sector and trade operations amounting to USD 1,810 million were approved. In the field of capacity-building support, which overlaps with all strategic pillars, the Bank has financed 36 operations with a total of USD 11.4 million.

Figure (i): Bank's Financing in 2022

Distribution of Bank's financing in 2022 according to the strategic pillars



During 2022, the implementation of 9 public sector, private sector and trade development projects was completed for a total financing amounting to USD 311.5 million. Also, 28 capacity building operations were completed for USD 5 million, including three feasibility studies, and institutional support operations.

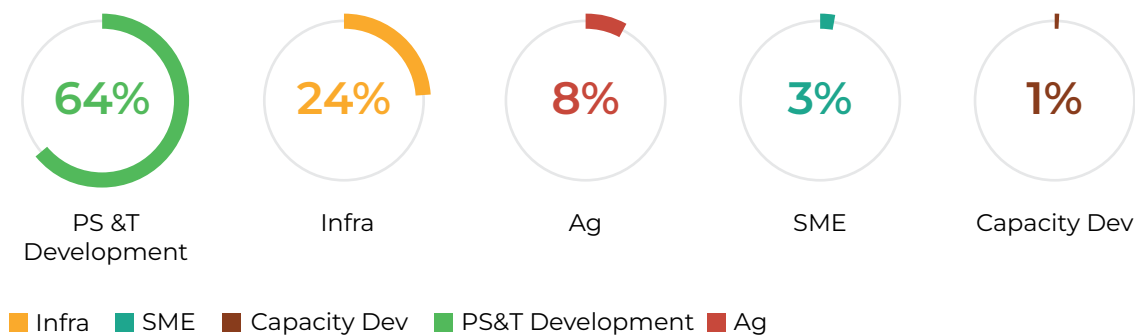
In 2023, 23 public sector, private sector and trade operations valued at USD 1,395.8 million were

approved. Within the area of capacity building support, the Bank financed 29 operations with a total sum of USD 8.09 million.

As for project implementation, 19 public sector, private sector and trade operations worth USD 403 million and providing benefits to 7 African countries were completed. Additionally, two capacity building operations, totaling USD 0.19 million, were successfully finalized.

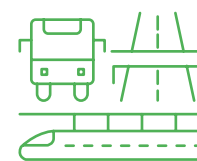
Figure (ii): Bank's Financing in 2023

Distribution of Bank's financing in 2023 according to the strategic pillars






Achieved results in 2022 & 2023 for the different strategic focus areas.

Achieved Results in Infrastructure











Roads

Result Indicator	Achieved Results
 Road Constructed (km)	542
 Reduction in Vehicle Operating Cost (%)	45
 Population Benefitting (Number)	3,000,000







Water

Result Indicator	Achieved Results
 Boreholes Drilled (Number)	3
 Clean Water Produced (m ³ /day)	5,100
 Water Transport Pipeline (km)	123
 Distribution Network (km)	420
 Household Connections (Number)	17,600
 Public Water Points (Number)	195
 Increase in Consumption of Clean Water (Liter/day)	40
 Population Benefitting (Number)	414,000










Health

Result Indicator	Achieved Results
 Buildings Constructed (m2)	19,320
 Buildings Rehabilitated (m2)	10,060
 Added Beds (Number)	332
 Population Benefitting (Annual Patients)	2,555,000



Education

Result Indicator	Achieved Results
 Buildings Constructed (m ²)	48,915
 Students Benefitting (Number)	8,560
 Housing Accommodation for Students (Number)	440
 Construction of Training Spaces (Farms), Parking Spaces and Utilities (m ²)	56,920
 Job Creation (Direct & In-Direct)	2,800

Achieved Results in Infrastructure

SDGs:










Agenda 2063:



Achieved Results in the Agriculture Value Chain



Result Indicator	Achieved Results
 Area Irrigated (Hectares)	7,500
 Irrigation Network Developed (km)	140
 Water Reservoirs Built (m3)	590,000
 Rural Access Roads Built (km)	261
 Strategic Goods Imported (Value in USD Million)	100
 Strategic Goods Exported (Tons)	38,000
 Households Benefitted from Agriculture Services and Investments (Number)	32,000

Achieved Results in Infrastructure

SDGs:








Agenda 2063:



Achieved Results in SME Development and Entrepreneurship



Result Indicator	Achieved Results
 Population Accessing Microfinance (Number)	30,000
 Percentage of Women in Accessing Microfinance (%)	60
 Number of SMEs Created	250
 Number of Job Opportunities Created	1,000
 Number of MFIs Trained	13

Achieved Results in SME Development

SDGs:



Agenda 2063:





Impact of Private Sector Financing on the Target Communities



Renewable Energy




(Financing Building Renewable Energy Stations)

Result Indicator	Impact
 Solar Renewable Energy Production Capacity	92 MWP
 Households Benefitted (Number)	158,333






Health services

(During and Post COVID-19)

Result Indicator	Impact
The borrower contributed to the WAEMU region by providing the following:	
 Mobilizing Medical Staff (Number)	857
 Procuring and Installing Testing Labs (Number)	13
 Providing Resources to Rapid Response Teams (Number)	186



Education




Result Indicator	Impact
 Classrooms Constructed (Number)	2,597
 Administrative Buildings Constructed (Number)	1,874
 Students Benefitted (Number)	172,058





Agriculture

(via financing inputs, machinery, fertilizers, and insurance packages to crop producers)

Result Indicator	Impact
 Cotton Producers Benefitted (Number)	30,000
 Palm Producers Benefitted (Number)	10,000
 Rice Producers Benefitted (Number)	600,000



Infrastructure

(via financing projects that allow access to clean water)

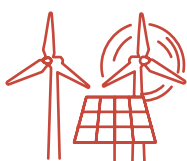
Result Indicator	Impact
 Beneficiaries	1.5 million individual

Achieved Results in Private Sector and Trade Operations

SDGs:



Agenda 2063:



Solar renewable energy production capacity: **92 MWp**

Number of households benefitted: **158,333**



The borrower contributed to the WAEMU region by providing the following: mobilizing **857** Health Personnel, procuring and installing **13** testing labs, and providing resources to **186** rapid response teams.



Classrooms constructed **2597**

Administrative buildings constructed **1874**

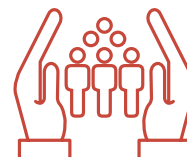
Number of Students benefitted: **172,058**



Cotton producers benefitted **30,000**

Palm producers benefitted **10,000**

Rice producers benefitted **600,000**



Number of Beneficiaries **1.5 million** individual





D. Organizational Effectiveness

In compliance with the Bank's strategic directives, the management sought to adopt some tasks and organizational improvements to enhance the management of the Bank's operations so that excellent and rapid development results can be achieved. At the operational level, the following changes have been adopted so as to assist in promoting the development effectiveness of the Bank's operations:

- Preparation of Country Strategy Partnerships.
- Creation of Follow-up and Coordination Divisions.
- Preparation of project completion reports.
- Preparation of post-evaluation reports.

Effective risk management is fundamental to the Bank for achieving its development mandate while maintaining financial sustainability, which is realised through adequate and transparent understanding of existing and emerging risks to ensure a holistic cross-risk perspective. In 2022 and 2023, the Bank continued to work according to a robust system for managing these risks, which includes strict observance of all policies, limits and thresholds within the Risk Management Framework.

Acting with integrity and transparency is at the core of the Bank's work culture, which affects

the effectiveness and success of its development activities. Accordingly, the Bank stresses on its employees and project beneficiaries the need to adhere to and maintain the highest standards of integrity. The Head of the Compliance and Integrity Unit under the President's Office identifies, assesses, advises, monitors, and reports the risks of non-compliance to the Bank related to regulatory or administrative sanctions, financial losses, or damage to reputation as a result of non-compliance with regulations, standards of conduct or sound professional practices.

Significant efforts have been made to develop a plan for adopting modern infrastructure and platforms for the Bank, and the ITC department has already started its implementation of BADEA's digital transformation (DT) program in partnership with some technology leaders (such as SAP, ECM, & Microsoft). The main objective is to revamp BADEA's



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Significant efforts have been made to develop a plan for adopting modern infrastructure and platforms for the Bank, and the ICT department has already started its implementation of BADEA's digital transformation (DT) program in partnership with some technology leaders (such as SAP, ECM, & Microsoft).





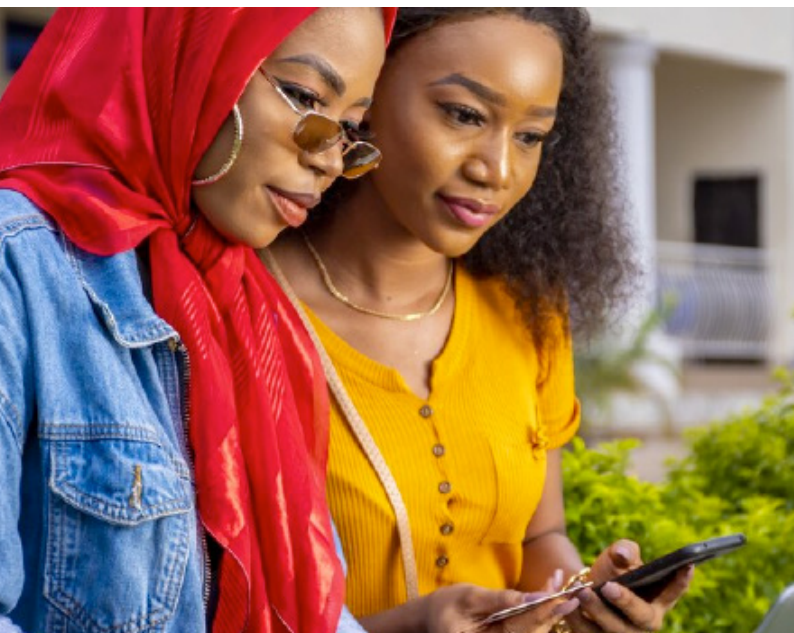
core IT systems and the program will position the Bank to benefit from rapid digital changes, driving greater integration and connectedness of IT systems and data towards a “Digital Workplace”. In addition, the exceptional circumstances imposed by the COVID-19 pandemic revealed the need to adapt to working remotely. In this context, the Bank provides many services that facilitate the efficient automation of vital processes, enabling employees to perform their tasks at any time and from anywhere smoothly, resulting in a tangible cultural change that paves the way for the digital transformation phase and a more efficient and effective path towards the achievement of our development objectives.

The organizational structure is one of the pillars of implementing the ten-year strategy 2030. Accordingly, the Bank reviewed the organizational structure, jobs, and their nature to comply with the requirements of implementing the strategy and providing the necessary expertise to keep pace with the increase in the Bank’s financing activity at the level of the strategic pillars. To this end, BADEA is restructuring some of its core business departments to shift from the regionally focused operational units to a more strategic pillar based

approach while still maintaining the attention necessary to serve the regional distribution it had before. As such, the operations of the public sector will be shifting from divisions based on the geographic regions which BADEA serves, namely Eastern and Southern Africa and Western and Central Africa, to divisions based on BADEA’s strategic pillars with smaller business units within each division dedicated to the regions as mentioned above.

BADEA understands that its ability to continue to deliver on its mandate is predicated on the insurance of its business continuity, which relies on strong leadership and an engaged workforce, among other factors. Commencing in 2022, BADEA initiated a comprehensive initiative to prepare its junior managers to assume leadership roles in the future. This program, consisting of two phases and supplemented by ongoing coaching sessions, was designed to facilitate uninterrupted learning. Additionally, BADEA extended high level communication training to its department heads and advisors, equipping them with the skills necessary to support their teams and promote effective communication.





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The journey from financing the operation to achieving results is critical, and BADEA has made strong inroads to ensure that the right level of focus is paid towards development effectiveness. As a result, the Bank has contributed to substantial developmental impact.

This year marked the Bank receiving a top AAA credit rating from the Japan Credit Rating Agency (JCR) as well as an upgrade of its outlook from “Stable” to “Positive” by S&P Global Ratings and affirmation of its Moody’s and S&P rating of Aa2 and AA respectively. The strong ratings are underpinned by BADEA’s strengthening policy role and expanded funding footprint for high-impact priority projects in Africa in line with our renewed focus to be a development impact multiplier and maximise the effectiveness of our development interventions. The ratings also recognise BADEA’s

recent increase in direct funding (approvals and disbursements), marking a new phase in the Bank’s development lending footprint expansion. Given the considerable headroom afforded by the Bank’s firm financial profile – with conservative margins, and the unwavering historic support of its shareholders and other stakeholders – it is expected that the Bank will maintain this momentum in lending growth, unlocking more landmark projects, initiatives and impacting more target populations.

E. Conclusion and Way Forward:

The journey from financing the operation to achieving results is critical, and BADEA has made strong inroads to ensure that the right level of focus is paid towards development effectiveness. As a result, the Bank has contributed to substantial developmental impact, as reflected in the results achieved by the Bank that have been captured in the previous chapters comprehensively.

Africa is a continent that holds immense opportunities. It has plenty of natural resources and untapped potential in many sectors. Countries in the region have made considerable progress in development, but the job is still ongoing. Despite some exemplary achievements made by several countries in Africa, there are undeniably significant challenges facing the continent. These

range from sustainable and inclusive growth, non-diversification of the economies, excessive dependence on the extractive industry, poverty and hunger with urban poverty; as well as underdeveloped education and health services, unemployment; poor and inadequate road infrastructure; insufficient and unreliable expensive energy and climate change.



Although African countries have experienced good economic growth, this has not necessarily translated into creating decent jobs. The development is mainly driven by the extractive industries with little trickle-down effect. BADEA would continue to pay special attention to making growth endeavors inclusive and sustainable as well as to increase access to affordable finance for viable projects by the SMEs and contribute to constraining the economic growth challenges in Africa. To consolidate the gains made in achieving the SDGs, BADEA would try to align its programs and activities to the social sectors as well as to make the food security and climate change mitigation mechanisms as part of its strategic agenda. In this regard BADEA is fully aware that the task of handling global food security challenges. The global food security challenges require augmented efforts from development and humanitarian partners. Food and value chain industry development calls for greater involvement of partners including private sector investors and the use of technology to accelerate global food security, poverty, and hunger eradication.

BADEA, through its various programs, would continue its efforts towards promotion of private sectors in its beneficiary countries. If the private

sector has access to appropriate financial resources for its commercial and manufacturing activities, it can create jobs and revenues for large number of people and reduce the pressure on the limited resources of the Governments and thus become an effective engine of sustainable and inclusive economic growth and development. BADEA would continue to extend its short and medium-term credit lines to support the private sector.

BADEA would continue to support the African countries in their development efforts through capacity building, and financial support. In this regard BADEA is willing to explore opportunities of cooperation and collaboration with all stakeholders including sister institutions and all other development partners to support the region to overcome the challenges of sustained and more inclusive growth in Africa.

BADEA is willing and keen to join hands with all partners to create synergy and improve the utilization of the financial resources for tackling the high levels of poverty and unemployment that African countries are facing and lay a foundation for a better future.



CHAPTER 01

OBJECTIVE AND CONTEXT OF BADEA ANNUAL DEVELOPMENT EFFECTIVENESS REPORT (BADER)

1.1 Introduction:

The first edition of the Arab Bank for Economic Development in Africa (BADEA) Annual Development Effectiveness Report (BADER) is the flagship report of the Bank and an informative assessment of its impact and effectiveness in advancing sustainable development in Sub-Saharan Africa and promoting Arab Africa cooperation. BADER comprehensively evaluates the Bank's progress in achieving its vision to support economic and social development across Sub-Saharan Africa, identifies areas for improvement, and highlights its performance in achieving the pillars of its strategy.





BADEA2030, designed to adapt to the 21st century while building upon the Bank's existing infrastructure and network, aims to develop new tools and competencies in response to changing market conditions.

Founded in 1974, BADEA has established itself as a reputable partner in Arab–Africa cooperation. With extensive professional networks, insightful knowledge of the region, unique products, and innovative collaborations, the Bank has significantly supported sub-Saharan Africa's development. In recognition of the evolving landscape and challenges, it has embarked on a far-reaching reform of its development programs and organizational structure through its new long-term strategy, BADEA 2030.

As BADEA positions itself as a niche international development finance organization ready to tackle future challenges, it aims to be a leading Arab-Africa institution in the eyes of its shareholders, development partners, clients, and target markets in African countries. By bridging the Arab and African economies and utilizing innovation to achieve prosperity, the Bank aims to be a flexible, effective, and reliable development partner in conducting its operations and delivering its services to maximize its performance to ensure impactful results in beneficiary countries.

BADEA's strategic framework, developed in 2020, has been driven by various factors, including the changing scale and scope of Arab-Africa cooperation, the United Nation's 2030 Sustainable Development Goals (SDGs), and the African Union's Agenda 2063 initiatives, ongoing multilateral development bank reforms, shifts in the government aid landscape, the constantly evolving development landscape emanating

from global development challenges such as pandemics, financial crisis and transnational security threats and the opportunities such as the youth bulge, digitization and changing geopolitics. These factors reflect the increasing need for sustainable development in Africa, as evidenced by the inconsistent economic growth which doesn't create enough jobs for the growing labour force, scarcity of domestic resources, poverty and inequality, lack of adequate infrastructure, low agricultural productivity, food insecurity, climate change, etc.

BADEA recognizes that addressing the complex challenges and opportunities of regional and global economic forces requires a different mindset, toolkit, and approach. BADEA2030, designed to adapt to the 21st century while building upon the Bank's existing infrastructure and network, aims to develop new tools and competencies in response to changing market conditions.

To realize its vision of becoming the lead platform for Arab-Africa economic cooperation, BADEA focuses on four specific areas: infrastructure, agriculture value chain, trade, and private sector, and small and medium-sized enterprises (SMEs) and entrepreneurship. With these building blocks and pillars, coupled with the identified strategic initiatives outlined in the new strategy, the Bank aims to differentiate itself and attract value-added partnerships that will contribute to sustainable development in the region.



Moreover, BADEA 2030 emphasizes the importance of a results-based approach. Introducing a scorecard enables the Bank to assess its management, operations, and delivery of products and services based on selective development goals relevant to its key stakeholders. This assessment ensures accountability and enables the Bank to report on its operational and organizational efficiencies and effectiveness.

Besides, the Bank offers various products and services, including loans to public and private entities, financing trade, infrastructure, agriculture, rural development, and social sectors, and grants for capacity development.

Over the years, BADEA's annual commitments have steadily increased, reaching a cumulative amount of 12,803 million USD in 2023, of which

about 7,275 million dollars for financing 743 development projects, 4,589 million dollars was for financing 120 private sector and trade operations, and 260 million dollars to fund 939 capacity development operations. In addition, the Bank leverages investing from other Arab development institutions to further multiply its impact.

The BADER is crucial in assessing BADEA's impact and effectiveness, identifying emerging trends and challenges, showcasing achievements and lessons learned, and facilitating communication and stakeholder engagement. Through this report, the Bank aims to transparently present its progress, challenges, and plans while raising awareness, fostering stakeholder support, and building strong partnerships with governments, development agencies, civil society organizations, and other stakeholders.

Cumulative Commitment in 2023 12,124 million USD



7,275 million USD

for financing 743 development projects



4,589 million USD

for financing 120 private sector and trade operations



260 million USD

to fund 939 capacity development operations



1.2 Objectives of BADER

Assessment of BADEA's Progress

The BADER is a valuable tool for BADEA's management to assess the progress in implementing the organization's 10-Year Strategy and 5-Year Plan. Against the backdrop of challenging times faced by the Sub-Saharan African (SSA) region in 2022 and 2023, the report evaluates BADEA's effectiveness in supporting sustainable development efforts and advancing socio-economic transformation in African countries. It provides an in-depth analysis of BADEA's projects, programs, and initiatives, measuring their impact and contribution to the region's development goals.

Analysis of Emerging Trends In the Face of Evolving Challenges

The BADER analyzes emerging trends in BADEA's performance indicators. This analysis enables the identification of critical areas that require attention and improvement. By assessing these trends, the Bank can respond proactively to address emerging challenges, adapt its strategies, and enhance its development effectiveness. The report serves as a compass, guiding the Bank towards optimal resource allocation and implementing innovative approaches.

Showcasing Achievements and Challenges

The BADER serves as a platform to showcase BADEA's achievements and successes in supporting development efforts in SSA during the challenging period of 2022-2023. It highlights the positive impact of the Bank's projects, programs, and initiatives while acknowledging the challenges encountered. By providing transparency, the report enables stakeholders to understand the realities of development work and demonstrates BADEA's commitment to addressing challenges by effectively deploying its resources.



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Communication and Stakeholder Support

The BADER plays a critical role as a management instrument and a communication tool, ensuring effective engagement with its stakeholders. Given the challenging times facing the SSA region, fostering stakeholder support and collaboration

becomes even more essential. The report provides a clear and comprehensive account of BADEA's progress, challenges, and plans. By clearly communicating its development effectiveness, the Bank can raise awareness, garner support, and build strong partnerships with governments, development agencies, civil society organizations, and other stakeholders.

1.3 Changes in the Internal Context of BADEA

Within BADEA, significant changes have taken place, reflecting the evolving internal context of the organization. These changes include:

1. BADEA Rating: BADEA has reached a significant milestone by receiving a double rating from respected international credit rating agencies. On October 4, 2022, S&P Global Ratings assigned BADEA an 'AA' long-term and 'A-1+' short-term issuer credit rating. Meanwhile, on February 18, 2022, Moody's Investors Service assigned BADEA an Aa2 foreign currency long-term issuer rating with a positive outlook.

BADEA's Aa2 rating is supported by several critical factors, including a strong capital position,

low leverage, a high level of liquid resources, and consistent member support from its shareholders. While the Bank's loan portfolio may have a relatively weak credit quality, its prudent liquidity management and policies have helped maintain its financial stability. The Bank plans to access international capital markets in the future but currently has no debt.

Moody's positive outlook suggests that BADEA's asset performance may improve, which could support a higher rating. This achievement reflects the Bank's effective risk management



practices, prudent management, and financial stability. The Bank has successfully increased its capital, providing a solid foundation for future expansion, and increased financial capacity.

Furthermore, on August 17, 2023, the Bank was rated AAA with a stable outlook by the Japan Credit Rating Agency (JCR). This rating was based on the solid BADEA support from its shareholders, the leading role it plays in coordinating Arab countries' support for Africa, the preferred creditor status it enjoys, its sound financial structure and ample liquidity.

2. Growth and Expansion: BADEA has experienced notable growth in recent years. The Bank has expanded its range of products and services, catering to the diverse needs of its beneficiary countries in Sub-Saharan Africa. The Bank has financed various sectors through loans and grants, including trade, infrastructure, agriculture, rural development, and social sectors. The annual commitments have steadily increased, reaching an estimated USD 1,404 million in 2023, with cumulative commitments approaching USD 12,803 million. Moreover, the Private Sector

and Trade Finance department added new offerings to include trade finance products for governments alongside the private sector to assist in importing strategic commodities.

3. Enhanced Partnerships: BADEA has strengthened its partnerships with other Arab development institutions and international organizations. By collaborating with these entities, the Bank has leveraged additional financing and expertise, facilitating a more significant development impact in Africa. The Bank's ability to crowd financing from various sources has enhanced its capacity to support development projects and initiatives. For each dollar invested in operation, it has mobilized 4 dollars from its development partners, more notably the Arab Coordination Group, which brings together various regional development institutions, including Arab Monetary Fund (AMF), the Arab Fund for Economic and Social Development (AFESD), the Islamic Development Bank (IsDB), the OPEC Fund for International Development (OFID), the Saudi Fund for Development (SFD), the Kuwait Fund for Arab Economic Development (KFAED), the Abu Dhabi Fund for Development (ADFD), the





BADEA pillars:
 Infrastructure
 Investment for Inclusivity,
 Industrialization &
 Innovation, Agriculture
 Value Chain Development
 for Empowerment,
 Boosting Trade and Private
 Sector Development
 for Growth and Job
 Creation, and SME
 and Entrepreneurship
 Development.

Qatar Fund For Development (QFFD) among others. These institutions work together to promote economic and social development, poverty reduction, and sustainable growth in African countries.

4. Organizational Reform: Recognizing the need to adapt to the changing development landscape, BADEA has embarked on comprehensive business and organizational reform processes to achieve its long-term strategy, BADEA 2030. This strategy aims to position BADEA as a niche international development finance organization capable of addressing the challenges and harnessing opportunities in the regions.

5. Improved Performance Measurement: BADEA has introduced a results-based scorecard and comprehensive monitoring system (Steer Vision) for evaluating its management, operations, and delivery of products and services. This system and scorecard consider selective development goals relevant to its stakeholders, measure the results achieved by the Bank's programs, and assess operational and organizational efficiencies and effectiveness. By adopting

this performance measurement framework, the Bank aims to ensure accountability, transparency, and continuous improvement in its operations.

These changes in the internal context of BADEA reflect the Bank's commitment to adapt, grow, and enhance its effectiveness as a development partner in Africa. With its strengthened financial position, expanded product offerings, and strategic organizational reform, BADEA is well-positioned to meet the evolving needs of its beneficiary countries and contribute to sustainable development in Sub-Saharan Africa.

The report assesses the overall BADEA's responses to poverty, inequality, climate change, food security and its support to MSMEs, women, and youth empowerment. The report is structured around the four BADEA pillars: Infrastructure Investment for Inclusivity, Industrialization & Innovation, Agriculture Value Chain Development for Empowerment, Boosting Trade and Private Sector Development for Growth and Job Creation, and SME and Entrepreneurship Development. Each section highlights the results from the completed projects and grants and the planned results from the new projects and grants approved in 2022 and 2023.



CHAPTER 02

DEVELOPMENT PROGRESS IN BENEFICIARY COUNTRIES (BCs)

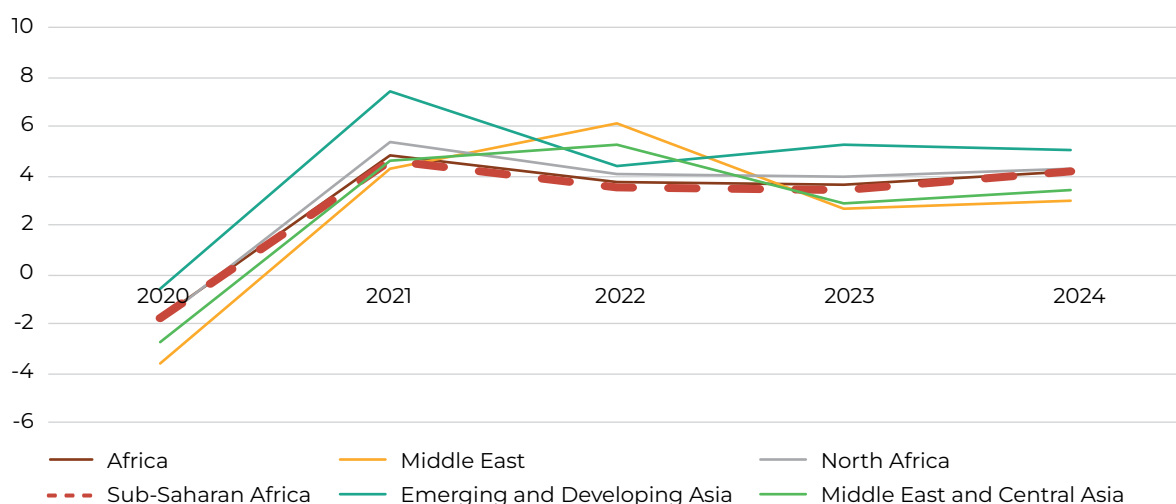
Chapter 2 provides an assessment of the socioeconomic development in Beneficiary Countries (BCs) over the past years in relation to SDGs and Agenda 2063, and the Bank's contribution to this progress through its four focus areas including: Infrastructure, Investment for Inclusivity, Industrialization & Innovation, Agriculture Value Chain Development for Empowerment, Boosting Trade and Private Sector Development for Growth and Job creation; and Small and medium-sized enterprises (SMEs) for economic empowerment. It also presents significant challenges to be addressed urgently and opportunities to be harnessed to achieve sustainable development in the region. This analysis will assist the Bank to better focus its support on BCs with a view to accelerating the achievement of sustainable development in the area.



2.1 Economic Performance and Outlook In BCs

According to IMF (2023), BCs' economy has been making steady efforts to regain the losses from the deep recession of 1.7 per cent in 2020 due to the abrupt interruption of Covid19 pandemic. Economic activity of the region bounced back in 2021, lifting GDP growth to 4.7 per cent. Global repercussions of conflict in Ukraine, persistent food insecurity, surging inflation and adverse weather conditions in the region have been weighing down the performance momentum with the growth of GDP estimated at 3.5 per cent down from 3.9 per cent in 2022. Other factors contributing to the underperformance include security issues in oil sector in Nigeria and power shortages in South Africa the two largest countries of the region. However, with a growth rate of 3.5 per cent in 2023, BCs remain the second fastest growing region in the world after developing Asia (5.1 per cent).

Figure 1: Real GDP Growth (% change)



Source: IMF-WEO July 2023



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In 2024, regional economic prospects remain strong as the global economy is recovering from the conflict in Ukraine, anticipated improvement in exports for the region, lower import costs, declined inflation and drop in oil prices. Growth in BCs is projected to post 4.2 per cent in 2024, driven primarily by the expansion of economic activities in non-oil countries, increased private consumption and investment in new gas, mining and green energy projects.

As for sub-regional trend in 2023, growth varies from one sub-region to another and from country to another. The Eastern and Central Africa sub-regions are the top performers with estimated growth rates at 4.9 per cent and 4.3 per cent respectively, whereas Southern Africa (1.4 per cent) is the least performing sub-region. Growth is expected to accelerate slightly in West Africa, estimated at 3.8 per cent and decelerated in North Africa to 4.3 per cent. The economy is estimated to grow at a rate of 2.7 per cent in the Middle East and 3.5 per cent in Central Asia.

At national level, countries with highest growth rates in 2023 include Senegal (8.3%), Democratic Republic of the Congo (DRC) (6.3%), Cote d'Ivoire (6.2%), Rwanda (6.2%) Ethiopia (6.1%) and Niger (6.1%), while countries with lowest growth rates include

Ghana (1.6%), South Africa (0.1%) and Equatorial Guinea, which is expected to decline significantly (-1.8%). Senegal is expected to outperform in 2024 at a double-digit rate at 13 per cent driven by hydrocarbon production and long-term growth prospects. Growth for wealthy oil exporters is estimated to increase from 3.1 per cent in 2022 to 3.2 per cent in 2023, however below regional average. Growth is projected to fall to 3.0 per cent in 2024 mainly because of the projected decline in crude oil prices and production deceleration.

Inflation rate has reached double-digit in many countries resulting in exacerbated food insecurity and eroded purchasing power of poor households and vulnerable people since 2020. High level of inflation across the region is driven by commodity prices including energy prices, swings in the exchange rate, supply chain disruptions, conflicts, drought and climate change. Regional inflation average is estimated to decline from 17.7 per cent in 2022 to 15.7 per cent in 2023 and is projected at 11.8 per cent in 2024 with anti-inflation monetary policy and prudence fiscal policy efforts in many countries. In 2022, inflation was higher than in any other region of the world except the Middle East and North Africa, where the rate was pushed up by spiraling inflation in Iran and Lebanon. In 2023, inflation rates are estimated at 45.4 per cent in Ghana, 31.4 per cent in



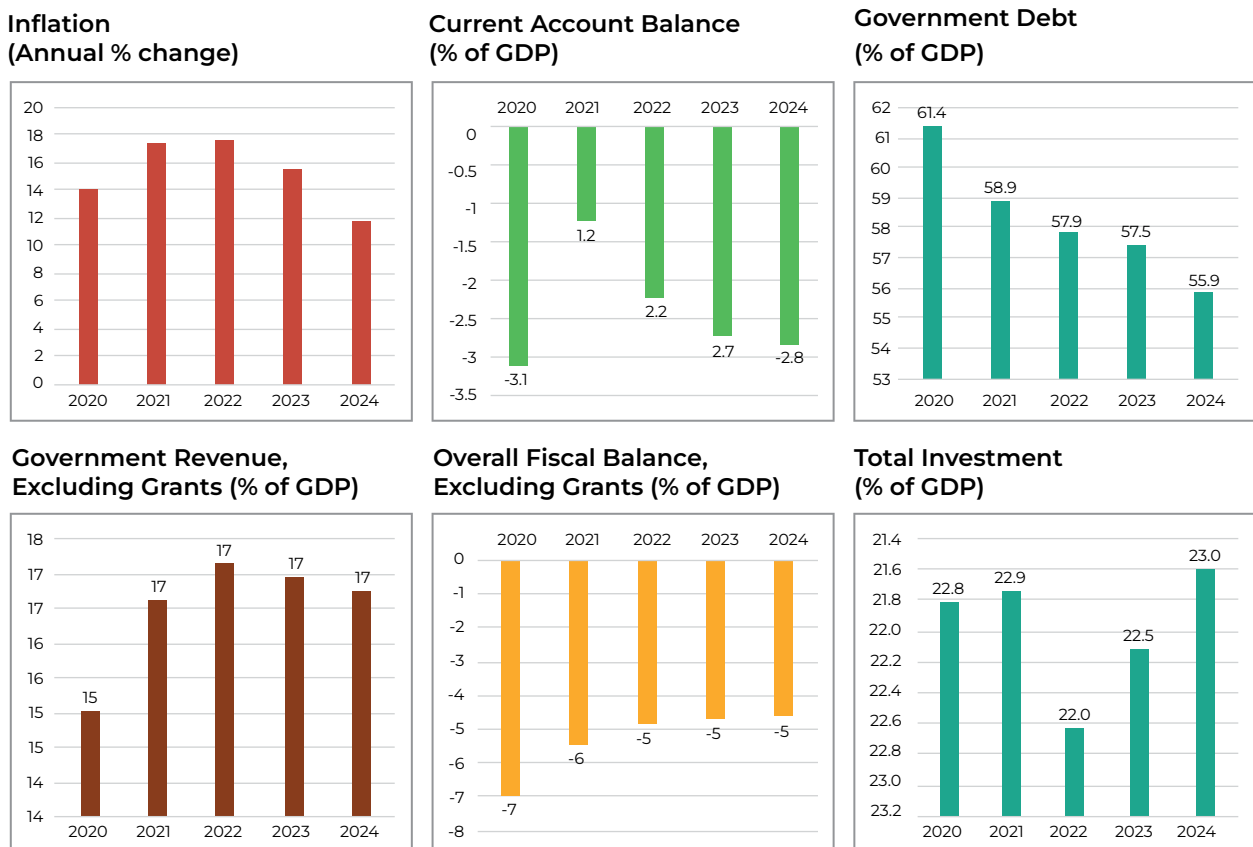
Ethiopia, 27.8 per cent in South Sudan and 24.7 per cent in Malawi, to cite a few.

The current account deficit in BCs is estimated at 2.7 per cent in 2023 due to trade deficit and is expected to further decrease to 2.8 per cent in 2024. The region is also facing severe financial constraints with lower fiscal revenues as compared to the other areas, the rising interest rate, the decline of development aid, fall of investment from partners which have prompted many countries to turn to more expensive markets.

Public debt has reached unprecedented levels driven by currency depreciations and expanding fiscal deficits at around 5 per cent in 2023. The region is more prone to external shocks due to borrowing in foreign currencies. Debt to GDP ratio was about 57.9 per cent in 2022 and 57.5 per cent in 2023 and estimated to decline to 55.9 per cent in 2024. In 2022, eight BCs out of nine countries

globally were in debt distress and thirteen were at a high risk of debt distress (out of twenty-seven globally)¹. The region depends heavily on private creditors now, which makes credit expensive and debt restructuring more complicated. According to UN Global Crisis Response Group (2023), Africa carries much less debt than developed ones, but pay much more for it (Africa - 11.6 per cent, Latin America, and the Caribbean - 7.7 per cent), Asia and Oceania - 6.5 per cent, USA -3.1 per cent and Germany - 1.5 per cent). Many BCs use more public revenues for interest payments instead of investing in social sectors and infrastructure development. It is therefore imperative that BCs strengthen domestic resource mobilization, better management of fiscal risks, proactive debt management, containing inflation and adjust exchange rate. Furthermore, building strong governance structures, enhancing transparency, combating corruption, fighting against illicit financial flows and strengthening institutional

Figure 2: Key macroeconomic indicators



Source: IMF, 2023

1. Slowing debt accumulation, growing risks: Unveiling the complexities of Sub-Saharan Africa's debt burdens (worldbank.org)





Enhancing agricultural productivity, ensuring food security, and promoting sustainable farming practices are essential for poverty reduction, rural development, and economic diversification. Building world class infrastructure to improve connectivity within the sub-regions by road, sea, air, rail and continental power pools will promote regional integration and foster economic growth.

capacity are fundamental for mobilizing more domestic resources to reduce debt burden of the countries and fostering a conducive business environment to attract investments to finance developmental needs.

The region presents optimistic economic prospects. However, to further promote economic solid growth BCs need to ensure macroeconomic stability, and address the significant persistent challenges such as structural transformation, infrastructure deficit, low agricultural productivity and leverage opportunities presented by the abundant natural resources and renewable energy, youth workforce, entrepreneurship, regional integration, technological advancements, etc. Diversifying and transforming the economies in the region by strengthening the productive capacity of private sector to transform raw materials locally with a solid linkage for domestic economies will reduce drastically the dependence of BCs on exports of unprocessed goods and increase imports of processed goods. Agriculture remains a significant sector in SSA economies, employing a large portion of the population. Enhancing agricultural productivity, ensuring food security, and promoting sustainable farming practices are

essential for poverty reduction, rural development, and economic diversification. Building world class infrastructure to improve connectivity within the sub-regions by road, sea, air, rail and continental power pools will promote regional integration and foster economic growth. The region has a youthful and growing population that presents an opportunity for harnessing demographic dividends. Supporting entrepreneurship, job creation, and skills development can unlock the potential of the youth and contribute to economic growth and innovation. Sustainable management of the enormous natural resources and investments in renewable energy can drive economic growth, promote energy access, and mitigate the impacts of climate change. Rapid technological advancements, including digitalization and mobile connectivity, offer opportunities for leapfrogging traditional development pathways. Embracing digital technologies can enhance service access, promote e-commerce, and improve governance and service delivery. All these are critical actions for Africa to double its economic growth rates from the current level to sustain minimum rate of 7-10 per cent for the next 40 years to achieve Agenda 2063's goals of inclusive growth and sustainable development in Africa.



2.2. Progress Towards SDGs and Agenda 2063 in BCs

BCs have been experiencing inconsistent economic growth, swinging phases of growth, stagnation, decline or even drastic falls that lack creating enough decent jobs for the high rate of young population, reducing extreme poverty and inequality. Growth is produced in small enclaves that does not benefit the whole economy and the population. The region is home to 33 least developed countries (LDCs) out of the 46 in the world. BCs are confronting severe structural impediments to sustainable development as they are highly vulnerable to economic and environmental shocks and have a low level of human capacity. To address these challenges the region has initiated several initiatives such as the flagship projects of Agenda 2063 to accelerate Africa's economic growth and development. The fifteen flagship projects include among others: the Integrated High Speed Train Network that aims to connect all African capitals; the Programme for Infrastructure Development in Africa (PIDA) to promote the development of regional and continental infrastructure in transport, energy and ICT to foster regional integration and economic development; the Comprehensive Africa Agriculture Development Program (CAADP) to promote agricultural development, food security, economic growth and prosperity for all in Africa; the African Continental Free Trade Area (AfCFTA) to create a single market for goods and services in Africa, promoting intra-African trade, economic integration, and industrialization. The AfCFTA seeks to drive economic growth and enhance competitiveness by removing trade barriers and harmonizing trade policies; etc.

Since the adoption of SDGs and the African Union's Agenda 2063, "the Africa We Want", Africa's development blueprint to transform Africa into a prosperous, integrated, peaceful continent, significant efforts have been put in place at all levels to achieve the development goals. African governments have made efforts to integrate the

SDGs and Agenda 2063 into national strategies and development plans and prioritized specific targets and indicators. Stakeholders including Multilateral Development Banks (MDBs) are working together to accelerate and scale up effective partnership to support the two agendas in BCs.





However, serious headwinds are holding countries back from achieving these transformative agendas including the Covid19 pandemic which disrupted people's lives, damaged economies, and reversed the development gains that most countries had hardly achieved. The conflict in Ukraine has also negatively affected SDGs and Agenda 2063, contributing to the decrease in agricultural productivity, manufacturing output, employment, economy-wide productivity and the increase of poverty, food insecurity, and hunger. These crises have diverted policy attention and priorities away from Agenda 2063 and SDGs toward short-term issues that slow the implementation of concrete actions to achieve the two agendas.

At the halfway to the completion of the SDGs in 2030 and the end of the first ten-year action plan for the implementation of Agenda 2063, BCs are still lagging in accomplishing most of the SDGs and their corresponding Agenda 2063 Goals, except SDG 12 which has been achieved and SDG 13 which is on track or remains achievable. The average SDG progress score across all BCs is 53.0 per cent in 2023, leaving a gap of 47.0 per cent. This is lower than the level of 2022 (53.6 per cent), 2020 (53.82 per cent), which was slightly higher than the

2019 average (52.9 per cent) (SDG tracker, 2023 and UN Progress towards the SDGs, 2023). This shows that there have been regressions in some of SDGs as no progress was made over the previous years. In 2021, the regional aggregate score of Agenda 2063 was 51 per cent against the 2021 targets. This overall performance was relatively better than it did in 2019 (2nd Continental report on the implementation of Agenda 2063, 2022).

The overall assessment shows that only SDGs 12 (Responsible Consumption and Production) and SDG 13 (Climate Action) score satisfactory, which means the region achieved a commendable performance and is on track to achieve the goal by 2030. Eight out of seventeen SDGs namely SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 11 (Sustainable Cities and Communities), SDG 16 (Peace, Justice, and Strong Institutions) and SDG 17 (Partnerships for the Goals) scored between 40 to 60 per cent. SDG 8 (Decent Work and Economic Growth), SDG 14 (Life Below Water) and SDG 15 (Life on Land) are satisfactory while SDG 1 (No Poverty), SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation, and



Infrastructure) and SDG 10 (Reduced Inequality) face severe challenges. The performance of this category of SDGs is very unsatisfactory and implies that the significant development indicators on poverty, inequality, affordable and clean energy, and industry, innovation, and infrastructure are all either stranded or deteriorated. Progress toward the 17 SDGs varies across the region. Twelve countries are outperforming with a score above 60 per cent among them Cabo Verde (68.8%) and Mauritius (68%) are the top performers. Whereas, South Sudan (38.7%), CAR (40.4%) and Chad (45.3%) should double efforts.

Regarding Agenda 2063, some commendable progress has been made from 2019 to 2021 on Goal 2 (Well-educated citizens and skills revolution underpinned by science, technology, and innovation) from 25 per cent to 44 per cent; Goal

3 (Healthy and well-nourished citizens) from 43 per cent to 77 per cent; Goal 6 (Blue/ocean economy for accelerated economic growth) from 17 per cent to 39 per cent; Goal 8 (A United Africa (Federal or Confederate)) from 12 per cent to 98 per cent; Goal 11 (Democratic values, practices, universal principles of human rights, justice and the rule of law entrenched) from 26 per cent to 42 per cent; Goal 13 (Peace, security and stability is preserved) from 24 per cent to 72 per cent; Goal 16 (African cultural renaissance is pre-eminent) from 14 per cent to 45 per cent; and Goal 20 (Africa takes full responsibility for financing her development) from 17 per cent to 55 per cent. Slow progress has been made on Goal 4 (Transformed economies); Goal 12 (Capable institutions and transformative leadership in place) from 5 per cent to 32 per cent; Goal 14 (A stable and peaceful Africa) from 44 per cent to 57 per cent; and Goal 19 (Africa as a major partner in global affairs

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Investing in human capital is vital for sustainable development. SSA countries face challenges in education, healthcare, and skills development, requiring significant investments in quality education, healthcare systems, and vocational training to unlock the potential of their growing populations is vital in achieving inclusive socioeconomic development in the region.



and peaceful co-existence) from 48 per cent to 64 per cent. However, there are some regressions on Goal 1 (A high standard of living, quality of life and well-being for all citizens regressed) from 56 per cent to 31 per cent; Goal 15 (A fully functional and operational African Peace and Security Architecture (APSA)) from 80 per cent to 60 per cent); and Goal 18 (Engaged and empowered youth and children) from 38 per cent to 33 per cent.

Investing in human capital is vital for sustainable development. SSA countries face challenges in education, healthcare, and skills development, requiring significant investments in quality education, healthcare systems, and vocational training to unlock the potential of their growing populations is vital in achieving inclusive socioeconomic development in the region.

2.3. BADEA Contributions to SDGs and Agenda 2063 in BCs

BADEA committed itself to contributing to the achievement of SDGs and Agenda 2063. The section reviews all operations completed in 2022 to assess delivery on this commitment. The review found that all BADEA’s operations contributed to 14 SDGs (illustrated Figure 5 below). All public sector operations/grants approved contributed to at least one SDG, with a majority (53 per cent) contributing to two or more (Figure 3). On average, each project contributes to two SDGs. Private sector and trade finance transactions contributed to at least two SDGs as a majority (83 per cent) with a maximum contribution of 6 SDGs (Figure 4).

Figure 3: Number of SDGs supported per operation

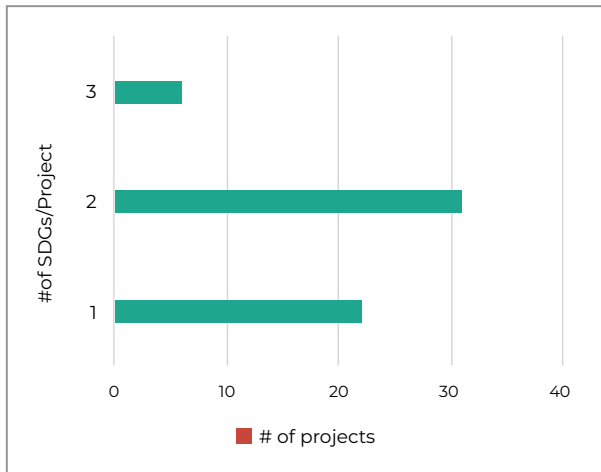
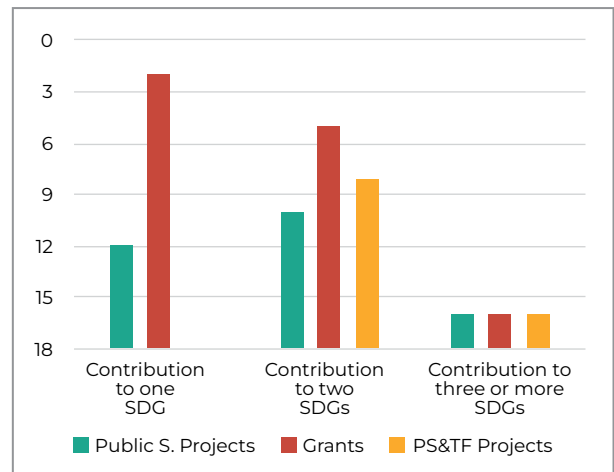


Figure 4: Number of SDGs supported per type of operation



The top three SDGs which BADEA operations mainly supported are: SDG 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development) (59.3 per cent of operations contributing); SDG 8 (Decent work and Economic growth) (33.9 per cent) and followed by SDG 9 (Industry, innovation, and infrastructure) (20.3 per cent). This illustrates BADEA’s strong support for economic growth and development through its strategic focus areas

infrastructure development, Industrialization and innovation, industrial agricultural value chains and rural development, and work in partnership for sustainable development. It is also worth noting that the variety of SDGs and Agenda 2063 Goals that BADEA operations contribute to reflects its diversified and wide-ranging nature. SDG 4 (Quality Education), SDG 1 (No Poverty) and SDG 10 (Reduce inequalities constitute critical areas of interventions for the Bank).



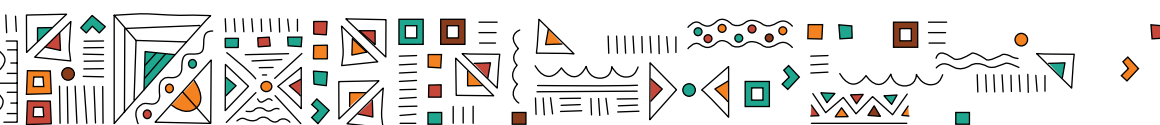
Figure 5: Number of operations contributing to each SDG



This chapter highlights the development progress made by the region with the support of development partners including BADEA. However, at the current pace, BCs are unlikely to achieve their development goals. Solutions require unprecedented collaborative efforts as none of these objectives are beyond the region's reach. It is in this regard that African leaders called for a more equitable and prosperous world during the 78th session of the UN General Assembly (UNGA 78) and are discussing currently concrete actions to accelerate the implementation of Agenda 2063 by developing the Second Ten Year Implementation Plan (STYIP) 2024-2033. Through STYIP, Africa's ambitions for the next ten years are Seven Moonshots (catalytic interventions), inspired by the 7 Aspirations of Agenda 2063. The Seven Moonshots are expected to be delivered within strategic objectives that are framed around the 20 goals of Agenda 2063. The Seven Moonshots include:

Moonshot 1: Every African Union Member State attains at least middle-income status [Aspiration 1]; Moonshot 2: Africa is more Integrated and Connected [Aspiration 2]; Moonshot 3: Public Institutions are more Responsive [Aspiration 3]; Moonshot 4: Africa Resolves Conflicts Amicably [Aspiration 4]; Moonshot 5: African Values are Explicit and Promoted [Aspiration 5]; Moonshot 6: African Citizens are more Empowered and more Productive [Aspiration 6]; and Moonshot 7: Africa is a strong and an influential global player [Aspiration 7].

To contribute more effectively to the implementation of STYIP 2024-2033 as well as accelerating SDGs to spearhead the transformation of the region, BADEA should strengthen its cooperation with BCs and mobilize additional resources towards their developmental needs.



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To contribute more effectively to the implementation of STYIP 2024-2033 as well as accelerating SDGs to spearhead the transformation of the region, BADEA should strengthen its cooperation with BCs and mobilize additional resources towards their developmental needs.



CHAPTER 03

DEVELOPMENT RESULTS PLANNED AND ACHIEVED OF BADEA'S OPERATIONS

3.1 Introduction

In an era marked by evolving global challenges and the pursuit of sustainable development, the effectiveness of multilateral development banks (MDBs) has come under increasing scrutiny. BADEA's primary focus has always been to assess and enhance the impact of development projects and programs. This chapter, highlights the planned and achieved Development Results of the operations conducted by the Bank during the years 2022 and 2023.





In 2022, 16 public sector operations amounting to **USD644 million** were approved under the “infrastructure investment” pillar. Moreover, 20 projects totalling **USD1,106 million** were approved under the “Private Sector Development and Trade” pillar and 2 projects with **60 million** dollars under the “SME & Entrepreneurship development” pillar.

BADEA has consistently strived to align its efforts with the overarching objectives of its Strategy BADEA 2030, the SDGs and the pan-African aspirations encapsulated in the Africa 2063 Agenda. At the heart of BADEA’s commitment lies a dedication to promoting sustainable economic growth, fostering regional integration, and reducing poverty across the African continent all within an approach of consolidating Arab – Africa Cooperation. The tracking of development effectiveness in both planned and completed operations has been a fundamental part of this commitment, as it allows BADEA to adapt and refine its strategies to serve the needs of its beneficiary countries better.

The Bank tracks the development effectiveness of its projects at three main stages: at approval, during implementation, and at completion. This part of the report measures the development results, which are defined as project outputs and immediate outcomes. This chapter is organized along the four strategic pillars and one cross-cutting thematic area of BADEA Strategy 2030. The planned critical results described in this

chapter are captured from 21 projects and 63 capacity building operations approved during 2022 and 2023, whereas the achieved results are extracted from 16 projects and 30 capacity building operations completed during 2022 and 2023. The chapter highlights key achievements from projects and capacity development operations among the Bank’s financed projects.

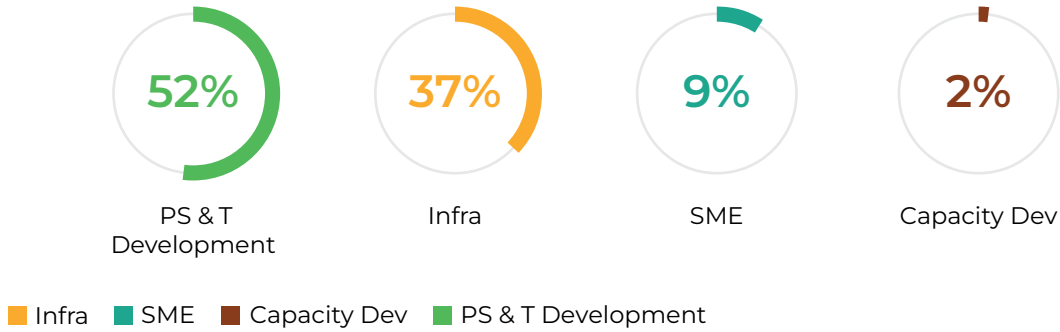
Summary of Approved & Completed operations in 2022:

In 2022, 16 public sector operations amounting to USD644 million were approved under the “infrastructure investment” pillar. Moreover, 20 projects totalling USD1,106 million were approved under the “Private Sector Development and Trade” pillar and 2 projects with 60 million dollars under the “SME & Entrepreneurship development” pillar. The Bank also financed the agricultural value chain development pillar through multisectoral projects. In the field of capacity building support, which overlaps with all strategic pillars, the Bank has financed 36 operations with a total of USD11.4 million.



Figure 6: Bank's Financing in 2022

Distribution of Bank's financing in 2022 according to the strategic pillars



During 2022, the implementation of 5 public sector development projects was completed within the pillar of Investment in infrastructure, and one operation within the pillar of Promoting Entrepreneurship and Small and Micro Enterprises, to which the Bank contributed USD51.5 million and benefitted 6 African countries. Also, 28 capacity building operations were completed for USD5 million, including 3 feasibility studies (USD1 million) and 25 institutional support operations (USD4 million). In addition, 3 Private sector and Trade operations were completed totalling USD 260 million of financing.

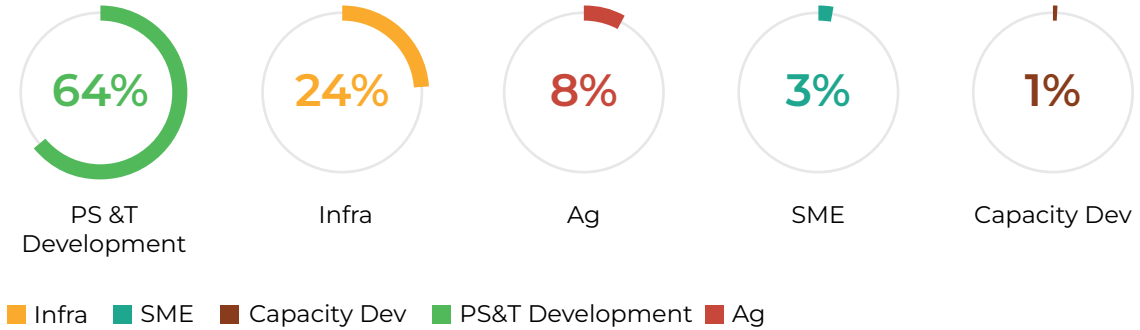
Summary of Approved & Completed operations in 2023:

Until September 2023, a total of 6 public sector projects valued at USD 184.3 million were approved in the pillar of "Infrastructure Investment." Additionally, the Bank endorsed 12 projects, with a combined funding of USD 1,052 million, under the "Private Sector Development and Trade" category. Furthermore, one project, costing USD 25 million, was given the green light in the "SME & Entrepreneurship development" domain. In comparison, the agricultural value chain development pillar was supported through 2



Figure 7: Bank's Financing in 2023

Distribution of Bank's financing in 2023 according to the strategic pillars



multisectoral projects totalling USD 64.5 million. Within the area of capacity building support, a critical element across all strategic pillars, the Bank financed a total of 27 operations with a total sum of USD 7.5 million.

As for project implementation, 8 public sector development projects in infrastructure investment, and 2 in agricultural value chains, collectively amounting to USD 105 million and providing benefits to 7 African countries. Additionally, 2 capacity building projects, totalling USD 0.19 million, were successfully completed. Adding to these accomplishments, 9 Private sector and Trade projects were executed, amounting to over USD 298 million in financing.

In the following sections, we will explore the public sector operations and private sector operations

separately, showcasing BADEA's contributions to these critical areas of development. We will meticulously assess the outcomes of these operations, evaluating the extent to which they have contributed to the sustainable development of the African continent. Through establishing robust partnerships, we will also elucidate how BADEA has managed to harness its collaborators' collective expertise, resources, and knowledge, resulting in more efficient and impactful development initiatives.

In doing so, BADEA not only advances the sustainable development goals of its beneficiary countries but also sets a compelling example for the broader international community, reinforcing the significance of the Busan Principles in achieving meaningful and lasting development outcomes.



BADEA not only advances the sustainable development goals of its beneficiary countries but also sets a compelling example for the broader international community.



3.2 Infrastructure Investment for Inclusivity, Industrialization and Innovation

SDGs:



Agenda 2063:



BADEA 2030 considers infrastructure investment to be one of its four areas of focus. In addition to financing infrastructure programs, the Bank will also act as the platform to facilitate Arab-Africa infrastructure investments to connect Africa and Africans with the world seamlessly. The Subsectors to target within this area of focus include social infrastructure (education and health), Transport (road, rail, ports, airports), Energy (generation, transmission, and distribution), Industry (focused on creating industrial parks), Urban development, Information and communication technology and the digital economy.



Approved Projects:

In 2022, the Bank approved 8 projects in infrastructure investment for inclusiveness, industrialization and innovation with a total financing of USD 244.4 million, in the Sub-Saharan region. These projects, when completed, are expected to yield promising results for the communities. Table 6 below provides more details.

In 2023, the Bank approved 8 projects in infrastructure investment for inclusiveness, industrialization and innovation with a total financing of USD 249.3 million, in the Sub-Saharan region. These projects, when completed, are expected to yield promising results for the communities. Table 7 below provides more details.



Completed Projects:

In 2022, the Bank has completed 5 Projects in infrastructure investment for inclusiveness, industrialization and innovation with a total

financing of USD 46.5 million, that have resulted in improvements in the lives and livelihood of the resident's population in the projects locations. Table 8 below provides summary of the results of these projects:

in 2023, the Bank has completed 8 Projects in infrastructure investment for inclusiveness, industrialization and innovation with a total financing of USD 82.2 million, that have resulted in improvements in the lives and livelihood of the resident's population in the projects locations. Table 9 below provides summary of the results of these projects:



Bank approved **8 projects** in infrastructure investment for inclusiveness, industrialization and innovation with a total financing of **USD 244.4 million**, in the Sub-Saharan region.





Achieved Results:

Table 1: Achieved Results in Infrastructure



Roads

Result Indicator	Achieved Results
Road Constructed (km)	542
Reduction in Vehicle Operating Cost (%)	45
Population Benefitting (number)	3,000,000



Water

Result Indicator	Achieved Results
Number of boreholes drilled (number)	3
Clean Water Produced (m ³ /day)	5,100
Water Transport Pipeline (km)	123
Distribution Network (km)	420
Household Connections (number)	17,600
Public Water Points (number)	195
Increase in Consumption of Clean water (liter/day)	40
Population Benefitting (number)	414,000



Health

Result Indicator	Achieved Results
Buildings Constructed (m ²)	19,320
Buildings Rehabilitated (m ²)	10,060
Added Beds (number)	332
Population Benefitting (Annual Patients)	2,555,000



Education

Result Indicator	Achieved Results
Buildings Constructed (m ²)	48,915
No. Of Students Benefitting	8,560
Housing Accommodation for Students	440
Construction of Training Spaces (farms), Parking Spaces and Utilities (m ²)	56,920
Job Creation (Direct & In-Direct)	2,800



Highlights:





Project

Arlit – Assamaka – Algeria border Regional Road Project (2022)

Country



Republic of Niger

Result Indicator	Achieved Results
 Road Constructed (km)	223
 Maintenance Cost Drop (%)	40
 Reduction in Vehicle Operating Cost (%)	60
 Users (number)	600,000



This section of the road of about 223 km constitutes the last section of unpaved road connecting North Africa with East Africa. The road is expected to improve trade flow between Maghreb Countries and Niger, Mali, Chad and Nigeria. The road also helps these enclaved countries that do not have direct access to seaports have adequate road transport systems connecting them to the ports of Algeria. This project has reduced travel time from Arlit to the Algerian border from about 24 hours before the project to about 4 hours.

This very important project was co-financed with the African Development Bank, the Kuwait Fund for Arab Economic Development, the Islamic Development Bank, the Saudi Fund for Development, the Abu Dhabi Fund for Development and the Government of Niger.



Project

Nyagatare - Bymba - Base Road Project (2023)





Country



Republic of Rwanda

Result Indicator

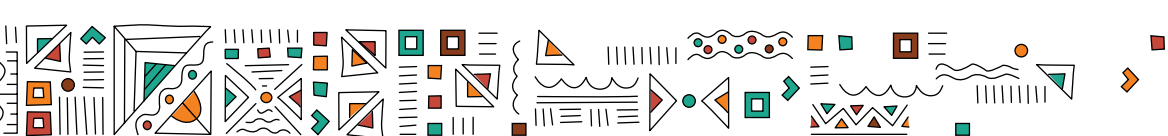
Achieved Results

	Roads Constructed (Km)	124.8
	Maintenance Cost Drop (%)	30
	Reduction in Vehicle Operating Cost (%)	40
	Population served (Number)	1,200,000



In 2015 BADEA approved a loan to support the construction of the Nyagatare - Bymba - Base Road Project. The importance of the Nyagatari-Rokumo-Basi road is that it represents an essential link in the north-south corridor “Kigali-Uganda”. The project, thus, forms an essential link for regional transport corridor connecting eastern Democratic Republic of Congo and the port of Mombasa in the Republic of Kenya to the north-south axis in East Africa, where the distance travelled by vehicles directly from Nyagtari to Base through the province of Pyomba will be reduced by about 200 km instead of passing through the capital Kigali.

The project was co-financed with the OPEC Fund for International Development, the Kuwait Fund for Arab Economic Development, the Saudi Fund for Development, the Abu Dhabi Fund for Development and the Government of Rwanda.



Project

Country










Water Supply Project for 5 Towns (2022)



Republic of Guinea

Result Indicator

Achieved Results

	Number of boreholes drilled (number)	3
	Clean Water Produced (m ³ /day)	3,800
	Water Transport Pipeline (km)	11.7
	Distribution Network (Km)	90
	Reservoir Capacity (m ³)	1,300
	Household Connections (number)	3,100
	Public Water Points (number)	155
	Increase in Consumption of Clean water (li-ter/day)	40
	Population Benefitting (number)	94,000



The project helped provide drinking water to five cities in the regions of “Central Guinea” in the northwest and “Forest Guinea” in the southeast. It contributed to mitigating the spread of water-related diseases, and alleviating the suffering of the population, especially women, in fetching water. The project also contributed to encouraging economic activities, which helps raise income and reduce rural exodus.

The project was co-financed between BADEA, the OPEC Fund for international Development, and the Government of Guinea.



Project

Rehabilitation of Water Supply Systems in “Mara” Region










Country



Republic of Tanzania

Result Indicator

Achieved Results

	Water Intake Capacity (m ³ /day)	35,000
	Treatment Plant Capacity (m ³ /day)	17,500
	Transmission Pipeline (Km)	48
	Reservoir Capacity (m ³)	2,400
	Distribution Network (Km)	140
	New Household Connections (Number)	2,000
	Public Water Points (Number)	40
	Cattle Troughs (Number)	8
	New Beneficiaries (Number)	164,000



Low Lift Pump station and Sludge Drying Beds



500m³ Kong Hill Tank – Installation of Guard Rails



Cattle Trough construction – Tiring'ati Bunda

The project's primary goal is to support the Government's plans and programs for expanding and improving safe drinking water services. This involves increasing the current percentage of the population with access to clean water supply. This will alleviate the burden of obtaining safe drinking water, improve the health conditions of the area's residents, stimulate other development sectors, and ultimately lead to an improvement in the population's living conditions and a reduction in poverty.

The project was financed with a total budget of around USD 30.69 million, with contributions from BADEA, the Saudi Fund for Development and the Government.



Project

Primary Health Care Support Project

Country



Republic of Sierra Leone

Result Indicator

Achieved Results



Health Centers Built (Number)

8



Buildings Constructed (m2)

5,200



Reduction in Maternity Mortality (per 100,000)

From 857 to 600



Reduction in Under 5 Mortality (per 1000)

From 140 to 95



Population Benefitting (Number)

315,000



Representatives from the Ministry of health, the PIU, the Consultants, the Contractor and community stakeholders on Madina site during the handing-over of the health facility.



The completed site in Lokomasama.



The completed site in PortLoko.

The project is part of the government's program designed to enhance the healthcare sector and contribute to the poverty reduction strategy. Its primary aim is to support and improve healthcare for citizens, particularly pregnant women, and children under the age of five, to reduce mortality rates in these two groups. Additionally, it seeks to lower the incidence of malaria, which tops the list of diseases claiming the lives of citizens, especially the groups above who are more susceptible to contracting this disease.

The project was financed with a total budget of around USD6.29 million, with contributions from BADEA and the Government.



Project

Rehabilitation of “Kayunga & Yumbe” Hospital Project






Country



Republic of Uganda

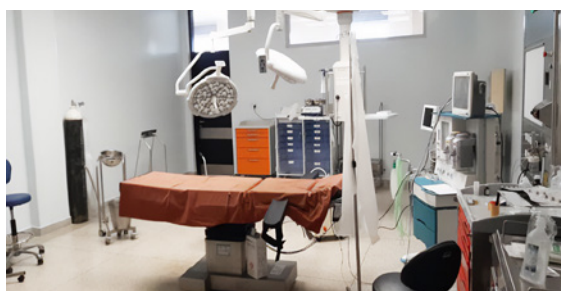
Result Indicator

Achieved Results

 Buildings Constructed (m2)	22,906
 Buildings Rehabilitated (m2)	15,198
 Capacity Increase	40%
 New Beds Capacity (Number)	212
 Catchment Population served by the project	2,400,000



The completed site of the Hospital



The operating theatre.



The emergency unit.

The project aims, in general, to support the Government’s policy of expanding and enhancing medical services and meeting the basic needs to improve the health status of citizens. The project also aims to reduce maternal and child health problems by decreasing child and maternal mortality rates and improving the health awareness of the targeted population through healthcare services.

The project was financed with a total budget of around USD 41 million, with contributions from several sources, including BADEA, the Saudi Fund for Development, the OPEC Fund, and the Government.



Project

Country

Construction of Geology Department and Administration Buildings for Faculty of Science in the University of Eduardo Mondlane



Republic of Mozambique

Result Indicator

Achieved Results



Buildings Constructed (m2)

6,880



No. of Students Benefitting

400



Undergraduate Courses Introduced (Number)

5



Postgraduate Courses Introduced (Number)

2



Jobs Created (Direct & In-Direct)

600



The completed site of the Geology Department' buildings.



The main conference hall.



Part of the laboratory equipment

The project aims to bolster the mining sector with the necessary technical competencies required for its development. This project is part of the government's plan to enhance and expand higher education in the country, which includes the expansion of "Eduardo Mondlane University" by constructing two buildings for the geology department, as well as an administrative building for the College of Sciences.

The project was financed with a total budget of around USD11.11 million, with contributions from BADEA and the Government.



3.3 Agricultural Value Chain Development for Empowerment and Food Security.

SDGs:



Agenda 2063:



Approved Projects:

In 2023, the Bank approved one project (worth USD 50 million) for Agriculture Land Development and Climate Change Adaptation in Benin. This project, when completed, is expected to yield promising results for the communities targeting the development of 1500 hectares of agriculture land and the creation of about 2000 job opportunities. Table 2 below provides more details.



Completed Projects:

In 2022, the Bank has completed two projects (worth USD 250 million) contributing to supporting the economy in the target countries and enhancing



Bank has completed three projects (worth **USD 123 million**), contributing to the development of over **7,500 hectares** of agriculture land and improving the livelihood of more than **2500 families**. These projects have helped in providing extension services, improved irrigation systems and a network of rural access roads.

their growth and stability through providing valuable foreign exchange resources and the import of strategic goods. The projects contributed in enhancing the livelihood and providing job opportunities for more than 38,000 families.

In 2023, the Bank has completed three projects (worth USD 123 million), contributing to the development of over 7,500 hectares of agriculture land and improving the livelihood of more than 2500 families. These projects have helped in providing extension services, improved irrigation systems and a network of rural access roads. More result indicators are given in table 3 below.



**Table 2: Planned Results in Agriculture Value Chain**

Result Indicator	Planned Results
Area irrigated (hectares)	1,500
Irrigation network developed (km)	114
Drainage network developed (km)	65
Crop yield increased (tons/hectare)	3.5 from 1.5 for rice
Crop production increase (tons)	5,250
Fish Production increased (tons)	50
Farm Machinery and Equipment (units)	30
Agricultural storage capacity built or upgraded (tons)	12,000
Market centres established, upgraded or rehabilitated (numbers)	7
Drying platforms 500 m2 each (number)	100
Associations established or actively promoted (numbers)	100 cooperatives
Feeder Roads Constructed (km)	65
Population accessing microfinance (number)	2,500
Number of jobs created	2,000

**Table 3: Achieved Results in Agriculture Value Chain**

Result Indicator	Achieved Results
Area irrigated (hectares)	7,500
Irrigation network developed (km)	140
Water Reservoirs built (m3)	590,000
Rural access roads built (km)	261
Strategic goods imported (value in USD Million)	100
Strategic goods exported (tons)	38,000
Households benefitted from agriculture services and investments (number)	32,000



Highlights:

Project

Country















Agriculture Land Development and Climate Change Adaptation in Benin



Benin

Result Indicator

Achieved Results

 Area irrigated (hectares)	1,500
 Irrigation network developed (km)	114
 Drainage network developed (km)	65
 Crop yield increased (tons/hectare)	3.5 from 1.5 for rice
 Crop production increase (tons)	5,250
 Fish Production increased (tons)	50
 Farm Machinery and Equipment (units)	30
 Agricultural storage capacity built or upgraded (tons)	12,000
 Market centres established, upgraded or rehabilitated (numbers)	7
 Drying platforms 500 m ² each (number)	100
 Associations established or actively promoted (numbers)	100 cooperatives
 Feeder Roads (km)	65
 Population accessing microfinance (number)	2,500
 Number of jobs created	2,000





Needs assessment and stakeholders' consultations during the project appraisal.



The agriculture land development and climate Change adaptation project in the lower Mono River basin is part of the government's agricultural development program that aims to develop a total area of 50,000 hectares, within the framework of a participatory approach that includes all stakeholders, state institutions, non-governmental organizations, the agricultural sector professional organizations, the specialized institutions, the civil society and the private sector. The project aims at developing priority agricultural value chains (rice, maize, vegetables and fish), increase production and productivity as well as improving the farmers' income and raising their standard of living.

The total project cost was estimated at about USD 58.00 million and financed by BADEA and the Government.











Project

Lower Usuthu Smallholder Irrigation Project - “Phase 2”

Country



Swaziland

Result Indicator	Achieved Results
 Area irrigated (hectares)	2,100
 Irrigation network developed (km)	110
 Sugar productivity increased (tons/ hectare)	110
 Banana productivity increased (tons/ hectare)	30
 Maize productivity increased (tons/ hectare)	5
 Percentage of the revenue increase per hectare. (%)	100
 Total direct beneficiaries (Number)	1,134
 Percentage of Women in Direct Beneficiaries (%)	45



The project aims at enhancing the food security for the residents of the lower Usutu River region, by increasing the production of various crops, creating additional job opportunities, and increasing women's participation in agricultural activities through converting the subsistence agriculture to commercial agriculture for the production of cash crops such as sugar. Therefore, the project contributed to improving the livelihood of the population and alleviating poverty in the project zone which is considered among the poorest regions of the Kingdom of Swaziland.

The total cost of the project was about USD 130 million, which was co-financed by BADEA, KFAED, AfDB, EBRD, and the Government.



3.4 SME Development and Entrepreneurship

SDGs:



Agenda 2063:



Approved Projects:

In 2022, the Bank approved one project (worth USD 60 million) for the support of small and medium enterprises and the development of entrepreneurship and agricultural value chains. This project, when completed, is expected to yield promising results for the communities targeting the support to about 1000 SMEs as well as providing technical assistance operations in the fields of infrastructure, climate and health in partnership with the French Development Agency and the German Development Bank. Table 4 and 5 below provides more details.

In 2023, the Bank approved two projects (worth USD 26.5 million) for the support of income generating activities and the development of

small and medium enterprises. The projects, when completed, are expected to help in supporting 100 thousand beneficiaries to have access to appropriate financing to develop their income-generating activities, 60% of them are women. Table 4 below provides more details.



Completed Projects:

In 2022, the Bank has completed one operation of a Line of Microfinance for the support of income-generating activities and the development of small and medium enterprises in Benin. The completed operation helped in supporting about 30000 beneficiaries to have access to finance for their income generating activities and improving the livelihood of the households. Table 5 below provides more details.

Table 4: Planned Results in SME Development and Entrepreneurship

Result Indicator	Planned Results
Population accessing microfinance (number)	100,000
Percentage of Women in accessing microfinance (%)	60
Number of SMEs created	3,000
Number of job opportunities created	10,000
Number of trainees in financial management	50,000

Table 5: Achieved Results in SME Development and Entrepreneurship

Result Indicator	Achieved Results
Population accessing microfinance (number)	30,000
Percentage of Women in accessing microfinance	60%
Number of SMEs created	250
Number of job opportunities created	1,000
Number of MFIs trained	13



Highlights:

Project

The Line of Credit to the National Fund of Microfinance






Country



Benin

Result Indicator

Achieved Results

 Population accessing microfinance (number)	30,000
 Percentage of Women in accessing microfinance (%)	60
 Number of SMEs created	250
 Number of job opportunities created	1,000
 Number of MFIs trained	13



Joy of a Small grocery owner in Tokpa Market in Cotonou after receiving an email message announcing winning 100,000 FCFA de micro-crédit Alafia.



Pisciculture in Athiémè town and arrondissement located in the Mono Department of Benin.



Poultry Business in St Michel Market in Cotonou

The project aimed to support the Government's efforts to reduce poverty and improve the living conditions of the poorest segment, especially women and youth under the age of 30 and people with special needs, by providing small and microloans in the services and agriculture sectors (agribusinesses, livestock development, fishing, handcrafts and other related income-generating activities). That will, indeed, contribute to achieving sustainable economic development directed to the most needy groups.

The extended Line of Credit was USD 5 million.



3.5 Private Sector and Trade Finance

SDGs:



Agenda 2063:



Being a fundamental strategic pillar of “BADEA 2030” strategy, private sector and trade finance windows support both private sector companies and state-owned corporations operating on commercial basis to promote inclusive growth, contribute to the general increase of countries’ GDP by supporting strategic industries, and enhance regional integration through a wide range of funding opportunities ranging from conventional to green, and responsible financing.

The PSTF interventions contribute indirectly to the social and environmental impacts of its clients; as BADEA among other financiers provide the needed support for various stakeholders in carrying out their businesses which allows them to participate positively in its communities in different aspects (infrastructure, education, health, etc)



Approved Transactions:

Figure 8: Number of Approved Transactions

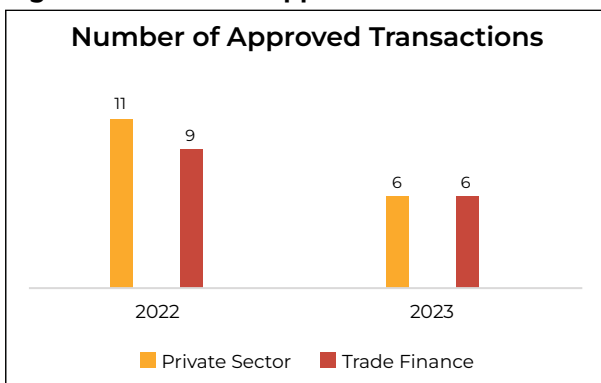
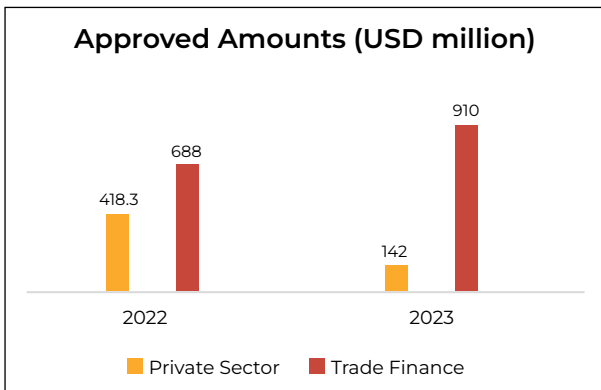


Figure 9: Approved Amounts



Private Sector:

2022:

11 transactions (USD 418.3 million)

- 7 Financial institutions
- 4 infrastructure projects

2023:

6 transactions (USD 142 million)

- 5 Financial institutions
- 1 Infrastructure project



Trade Finance:

2022:

9 transactions (USD 688 million)

- 4 Banks (2 confirmations and 2 on-lending)
- 3 Governments
- 1 Oil Company
- 1 Agricultural company

2023:

6 transactions (USUSD 910 million)

- 7 banks (5 confirmations “4 possible discounting” and 2 on-lending)
- 1 MRPA
- 1 Agricultural company








Highlights:

A Line of Credit in favour of a DFI in the WAEMU region

- A facility availed to a financial institution in West Africa contributed to the communities it serves socially and environmentally in a positive manner; as the borrower entity provided funding that contributed to the following SDGs: (1) No poverty, (2) Zero Hunger, (3) Good health and well-being, (4) Quality Education, (5) Clean Water and Sanitation, (6) Affordable and Clean Energy, (8) Decent Work and Economic Growth, (13) Climate action.
- The below table sheds light on the impact brought by the borrower to its communities benefitting from the support provided by different DFIs including BADEA:

Table 6: Impact of a Private Sector Financing on the Target Communities

Sector	Impact
 Renewable Energy (financing building renewable energy stations)	Solar renewable energy production capacity: 92 MWP Number of households benefitted: 158,333
 Health services (during and post COVID-19)	The borrower contributed to the WAEMU region by providing the following: mobilizing 857, procuring and installing 13 testing labs, providing resources to 186 rapid response teams.
 Education	<ul style="list-style-type: none"> - Classrooms constructed 2597 - Administrative buildings constructed 1874 - Number of Students benefitted 172,058
 Agriculture (via financing inputs, machineries, fertilizers, and insurance packages to crops producers)	<ul style="list-style-type: none"> - Cotton producers benefitted 30,000 - Palm producers benefitted 10,000 - Rice producers benefitted 600,000
 Infrastructure (via financing projects that allow access to clean water)	Number of Beneficiaries 1.5 million individuals



Cocoa Project in West Africa region:

- This is a syndicated facility with other +20 lenders who provided a gross amount of USD1.3 billion in 2022 to support the Cocoa production sector in the targeted country.
- The facility among other financiers' support enabled the borrower to contribute to impressive social and environmental impacts as per the E&S impact report 2022, ranging from reforestation, educational projects, women economic empowerment, sustainable farming techniques.
- The facility contributed to the social and environmental impact as per the E&S impact report 2022.



Curbing Child labour through:



Educational scholarships for children of farmers (29,800 students received scholarships on a yearly basis since 2011/2012)



Building schools for needy communities in the targeted country (14 schools in 14 cocoa districts).



13,241 women benefitted from training using GIZ model of farmer business schools. (improve efficiency, profitability and income which will contribute towards elimination of child labour).



The number of benefitted farmers more than 547,925.



Production enhancement program: increasing productivity per hectare from 450 Kg to 600 Kg (33% productivity increase)



Environmental and social sustainability program to train farmers on environmentally sustainable and eco-friendly production practices (25,052 farmers took part in this program) Forest initiative: forest protection and restoration (+20 million trees).



3.6 Capacity Building

SDGs:



Agenda 2063:



Since the commencement of its operations in 1976, the Bank has been offering Grants to the Sub-Saharan African countries through a “Technical Assistance” window which provides direct aid to the beneficiary countries to support operations targeting, in general, project preparation, training and expert services.

In 2021, the Bank moved towards the concept of “Capacity Development” under its Grant window to be in line with the approach adopted by other MDBs. That allowed BADEA to extend its support to empowering individuals, organizations, institutions towards reaching their developmental goals.

Under BADEA 2030, the Capacity Development comes as a cross cutting enabler to the four strategic areas focusing on Infrastructure Investment, Agriculture Value-Chain development, Trade, and Private Sector development, and (SMEs) for Economic Empowerment. This role is primarily fulfilled through the allocation of funds and the facilitation of diverse initiatives aimed at developing both human and organizational capabilities while fostering vital networking opportunities.

Human Capacity Development: In the years 2022 and 2023, BADEA has committed USD 9 million to finance 15 Human Capacity Development operations. These operations encompass a wide spectrum of activities, such as specialized training, skill development programs, and the provision of fundamental necessities through the development of agricultural projects.

Organizational Capacity Development: In the span of 2022 and 2023, BADEA has granted approval for 16 operations for an amount of USD 5.03 million geared towards Organizational Capacity Development through feasibility studies,

expert services, provision of equipment and reverse linkage operations.

Networking and Collaboration: In 2022 and 2023, BADEA has sanctioned 34 operations with a total budget of USD 5.09 million to promote and enhance connections and synergies in the region through workshops, conferences and forums.

In addition to the above-mentioned approvals, the Bank completed in 2022 a total of 73 operations amounting to USD 16.486 million and in 2023 a total of two operations amounting to USD 0.195 million.



In the years 2022 and 2023, BADEA has committed **USD 9 million** to finance **15** Human Capacity Development operations. These operations encompass a wide spectrum of activities, such as specialized training, skill development programs, and the provision of fundamental necessities through the development of agricultural projects.



The following table shows the number of the grants approved and completed during the period 2022-2023 in the three focus areas and for the different types of operations sub-operations:

Table 7: Grants Approved and Completed during the Period 2022-2023

Years	Type of Operation							
	Organizational Capacity Development				Human Capacity Development		Networking and Collaboration	
	Feasibility Studies	Experts	Equipment	Reverse Linkage	Training	Pilot Project	Forum & Event	No. operation
Approved in 2022	2	1	4	1	6	6	16	36
Approved in 2023	2	0	2	1	2	5	18	30
Completed in 2022	0	13	0	2	6	5	33	73
Completed 2023	0	1	0	0	0	0	1	2
Total number of Operations	4	15	6	4	14	16	68	141

The First edition of Angola Investment Forum



The forum is dedicated to advancing investment opportunities in Angola and facilitating the creation of such opportunities with the assistance of international funds. Its specific objectives include:

- Promoting and communicating infrastructure projects and programs.
- Providing a platform for discussions on investment and partnership prospects in vital sectors for the development of agricultural value chains.
- Gathering investment intentions and assisting project promoters in securing financing solutions.

Notably, BADEA has contributed a total of USD115,000 to support this forum. The Angola Investment Forum, which took place at the Epic Sana Hotel from January 23rd to 24th, 2023, focused on channelling investment into Angola through international funds. More than 150 representatives from the private sector, professional organizations, civil society, financial and insurance institutions, technical partners, and public administration actively participated in this significant event.



Support the Leather Footwear Industry Incubators

The operation aimed to development and rehabilitate leather shoes products Incubation Services Centres in selected COMESA member states, namely; Burundi, Eritrea, Kenya, Rwanda, Uganda and Zambia, with a vision to improve the Small and Medium Enterprises (SMEs) accessibility to suitable machinery and equipment; enhanced SME's labour productivity from 4.6 to 8 pairs per day by 2017 through training and promote joint production by SMEs in order to meet minimum order quantities from private and public sectors institutions.



BADEA has contributed a total of **USD 400,000** to this operation.

Establishing E-Learning Platform for Agricultural Colleges



The operation aimed at establishment and enhancement of an e-learning platform for distance learning within the Regional Universities Forum of Capacity Building in Agriculture (RUFORUM), that help universities continue their academic activities during lock down due to COVID-19 Pandemic. The targeted Universities were Makerere University in Uganda and Lilongwe University of Agriculture and Natural Resources-LUANAR in Malawi. After operating the platform, the number of beneficiaries reached 13 academic institutions and universities in Malawi and Uganda. BADEA has contributed a total amount of USD 330,000 to this operation.

Financing the 27th Session of the International Conference on Climate Change in Egypt (07 – 18 November 2022)

Raising the level of climate awareness among 65 representatives of African countries benefitting from BADEA's aid and providing a platform for discussion among African participants to exchange knowledge and experience by enlightening participants on clean energy, sustainable agriculture, improving income-earning opportunities and deforestation, working with rural communities in Africa, and empowering women youth and gender equality in climate action, climate finance, science and innovation, sustainable cities, and sustainable land use to protect nature. BADEA has contributed a total of USD 500,000 to this operation.





Enhancement of Food Security in Salinity-Affected Areas in Botswana, Mozambique, and Liberia

The operation aims to improve food security and reduce poverty and increase agricultural productivity and incomes of poor smallholder farmers, particularly women, in salinity-affected agricultural areas in salt-affected areas in Botswana, Mozambique and Liberia by:

- A. Introducing salt-tolerant crops and best agronomic management practices.
- B. Developing value chains for introduced cropping systems.
- C. Developing the capacity of farmers and extension workers in salinity-resilient and climate smart agriculture in collaboration with National Agricultural Research and Institute and Extension Services (NARES).



BADEA has contributed a total of **USD 500,000** to this operation.




CHAPTER 04

ORGANIZATIONAL EFFECTIVENESS

The background of the page features a series of faint, light-colored geometric patterns. These include various shapes such as squares, triangles, and lines, arranged in a somewhat chaotic but rhythmic fashion. The patterns are most prominent on the right side of the page, behind the main title.

In compliance with the Bank's strategic directives, the management sought to adopt some tasks and organizational improvements aimed at enhancing the management of the Bank's operations so that good and rapid development results can be achieved. The following paragraphs present a summary of the changes and additions adopted at the operational as well as the organizational levels so as to assist in promoting the development effectiveness of the Bank's operations.

In the bottom right corner of the page, there is a stack of several books. The books are rendered in a dark, almost black color, with some texture visible on their covers. They are stacked in a slightly irregular manner, with the top book being the most prominent.



4-1 Operational Effectiveness

Country Strategies (CSs)

Those strategies define the development priorities that will be considered for the beneficiary countries and will impact the level and the quality of financing that will be provided to those countries. This will present a qualitative shift in how the Bank's portfolio is programmed. CSs are ready for 6 countries and under preparation for 12 other countries.

Follow-up and coordination

In the new administrative structure, the two operations departments (the public sector operations department and the private sector and trade finance operations department), a special division for follow-up and coordination has been created within the framework of the Bank's ten-year strategy, striving to achieve the objectives set for operations management. The Follow-up and Coordination division aims to provide the operations departments with information and data to help in achieving the desired development results.

Project completion reports

Project Completion Reports (PCRs) are a valuable self-assessment tool that helps the Bank assess the outcomes of its investments and gather experiences and lessons from completed operations to inform new programming. These Project Completion Reports take a back-ward view on the time it took to implement the project/construction vs initial target, actual cost vs original budget, as well as a technical assessment of the extent to which intended objectives such as jobs creation, traffic easing, etc have been achieved, evaluating sustainability, among many other assessments. In 2022 & 2023, 6 PCRs were prepared.

Post-evaluation

The Bank recognizes that the increasing demand for development effectiveness depends mainly on achieving measurable and tangible development results. In its operational core, the Bank has committed to implementing key initiatives and principles emanating from international development forums, such as the Paris Declaration



Project Completion Reports (PCRs) are a valuable self-assessment tool that helps the Bank assess the outcomes of its investments and gather experiences and lessons from completed operations to inform new programming.





and the Accra Program of Action, to maximize the impact of its development interventions and mobilize all of its resources to focus on desired results. The Bank’s management is also facing intense calls for accountability to shareholders of capital for how resources are used, what results have been achieved, and their effectiveness in achieving progress in economic and human development.

To support this strategic shift towards results-based management or management for results, the Board of Directors approved the revised organizational structure, which includes

establishing a “Post Evaluation Unit for Projects” to improve performance and achieve project development goals. This unit will spearhead the Bank’s ESG agenda and monitoring of development effectiveness of the Bank’s activities as well as post evaluation of projects.

The Post Evaluation Unit has carried out six (6) project evaluations during 2022/23. The overall evaluations outcome of four projects are successful and the remaining two are rated partially successful. The table below depicts the evaluations outcome against each of the evaluation criteria:

Table 8: Post Evaluations Outcome

 Relevance	 Effectiveness	 Efficiency	 Sustainability	 Overall Performance
3 projects rated as Highly Relevant	4 projects rated Effective	2 projects rated Efficient	2 projects rated Unlikely	4 projects evaluated as Successful
3 projects rated Relevant	2 projects Rated Ineffective	4 projects rated Inefficient	4 projects Rated Likely	2 projects as Partially Successful



The following are key lessons from these evaluations.

- Pertinent and comprehensive Project appraisal minimizes issues that lead to change of design, implementation delays and/or cost overrun.
- Quality at entry, by strengthening analytical work, including proper design, effective planning, and detailed cost estimation, avoids implementation delays, change of scope, cost escalation and ensure the successful implementation of a project.
- Having the right skills mix of professionals during Project Appraisal Missions helps to identify the various project risks and suggest mitigation measures.
- Effective and efficient project implementation is ensured through a superior design and structuring of the project along with efficient procurement method to select experienced professional consulting firms and technically and financially capable contracting companies, combined with strong supervision by the executing agency.

- Ensuring the completion of the land acquisition process before the project starts prevents delays and improves the project implementation's overall efficiency.
- The involvement of the districts and communities before and after the implementation of projects ensures local ownership of the infrastructure post-project implementation.

Quality assurance systems and digital transformation

The Bank's 2030 strategy underscores key development priorities of focus in delivering its mandate of promoting economic and social development and fostering cooperation between Africa and the Arab countries. A successful implementation of this strategy requires a thorough consideration of the operating environment both local and global. One aspect of such an environment is the speedy digital transformation that has put the world on a fourth industrial revolution, bringing more opportunities and threats. Hence, addressing such challenges becomes a must not only to survive the threats but



also reap the benefits, and this is equally important for an organization as a whole as well as for its ICT system.

Significant efforts have been made to develop a plan for adopting modern infrastructure and platforms for the Bank, and the ICT department has already started its implementation of BADEA's digital transformation (DT) program in partnership with some technology leaders (such as SAP, ECM, & Microsoft). The main objective is to revamp BADEA's core IT systems and the program will position the Bank to benefit from rapid digital changes, driving greater integration and connectedness of IT systems and data, towards a "Digital Workplace". In addition, the exceptional circumstances imposed by the Covid-19 pandemic revealed the need to adapt to the method of working remotely. In this context, the Bank provides many services that facilitate the efficient automation of vital processes, enabling employees to perform their tasks at any time and from anywhere smoothly, resulting in a tangible cultural change that paves the way for the digital transformation phase and a more efficient and effective path towards achievement of our development objectives.

From this standpoint, the Bank is proceeding with the digital transformation plan, developing its business and services, and adding to its many innovative technical features that will enable employees and stakeholders to conduct transactions quickly, flexibly, and securely. The Bank is also committed to continuously reviewing and evaluating these services to provide an easy and comfortable digital work environment.

Risk Management

Effective risk management is fundamental to the Bank achieving its development mandate while maintaining financial sustainability which is realized through adequate and transparent understanding of existing and emerging risks to ensure a holistic cross-risk perspective.

The risk management process is governed by three main principles which include; i) consistently balancing between risk, return and development impact, ii) being extremely selective in undertaking activities that may lead to a negative impact on the Bank's reputation and iii) sharing responsibility and accountability for risk management across

the Bank as it rests with all levels from the Board of Directors to the relevant directors and experts. Several committees at the board of directors and management level-contribute to risk management (the audit committee, the credit committee, the risk management committee, and the portfolio management committee among others).

In 2022 and 2023, the Bank continued to work according to a robust system for managing these risks, which includes strict observance of all policies, limits and thresholds within the Risk Management Framework.

Bank's Rating

This year marked the Bank receiving a top AAA credit rating from the Japan Credit Rating Agency (JCR) as well as an upgrade of its outlook from "Stable" to "Positive" by S&P Global Ratings and affirmation of its Moody's and S&P rating of Aa2 and AA respectively. The strong ratings are underpinned by BADEA's strengthening policy role and expanded funding footprint for high-impact priority projects in Africa in line with our renewed focus to be a development impact multiplier and maximise the effectiveness of our development interventions. The ratings also recognise BADEA's recent increase in direct funding (approvals and disbursements) marking a new phase in the Bank's development lending footprint expansion. Given the considerable headroom afforded by the Bank's extremely strong financial profile – with conservative margins, and the unwavering historic support of our shareholders and other stakeholders – it is expected that the Bank will maintain this momentum in lending growth, unlocking more landmark projects, initiatives and impacting more lives.

Compliance

Integrity and transparency is at the core of the Bank's work culture, which promote its development activities' effectiveness, and success. Accordingly, the Bank stresses to its employees and beneficiary projects the need to adhere to and maintain the highest standards of integrity. The Head of the Compliance and Integrity Unit under the President's Office identifies, assesses, advises, monitors, and reports the risks of non-compliance to the Bank related to regulatory or administrative sanctions, financial losses, or damage to reputation





The Bank's net income was USD168.4 million by end of June 2023 compared to minus USD273.5 million in June 2022, USD 441.9 million higher. This significant improvement can be attributed to the better performance of financial markets and economic conditions.

as a result of non-compliance with regulations, standards of conduct or sound professional practices.

Financial Performance

The Bank's net income was USD168.4 million by end of June 2023 compared to minus USD273.5 million in June 2022, USD 441.9 million higher. This significant improvement can be attributed to

the better performance of financial markets and economic conditions. Despite the challenges faced in previous years, the Bank managed to navigate through the market conditions and capitalize on opportunities, resulting in a commendable increase in net income. This achievement reflects the Bank's resilience and ability to adapt to changing market dynamics, ultimately contributing to its overall financial success.

4-2 Strengthening the institutional and organizational capabilities of the Bank

Organizational Structure

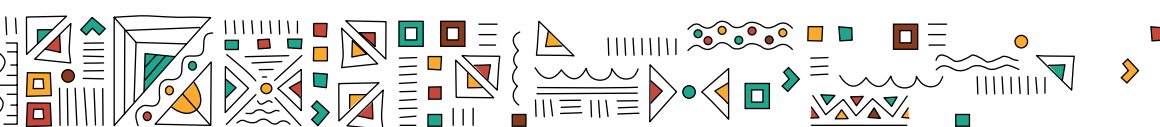
The organizational structure is one of the pillars of implementing the ten-year strategy 2030. Accordingly, the Bank reviewed the organizational structure, jobs, and their nature to comply with the requirements of implementing the strategy and providing the necessary expertise to keep pace with the increase in the Bank's financing activity at the level of the strategic pillars.

To this end, BADEA is undergoing a restructuring of some of its core business departments to shift from the regionally focused operational units to a more strategic pillar-based approach while still maintaining the attention necessary to serve the regional distribution it had before. As such, the operations public sector department will be shifting from divisions based on the geographic

regions which BADEA serves, namely Eastern and southern Africa and Western and Central Africa, to divisions based on BADEA's strategic pillars with smaller business units within each division dedicated to the aforementioned regions.

Additionally, and in line with BADEA's move towards money markets as a means of expanding its financial resources, BADEA has expanded its investment department through the addition of a role of Head of investor relations, acting as BADEA's financial public relations.

As the organization continues to grow both in size and operations, BADEA will continue to assess and adjust its needs for restructuring its business units to best serve its beneficiaries and stakeholders both internally and externally.



Building Human Capital

• Training programs and capacity building

BADEA acknowledges that its true strength is derived not solely from its financial assets but from its capability to effectively leverage these assets to accomplish strategic objectives that ultimately enhance the well-being of its beneficiaries. It also recognizes that this can only be achieved by attracting and retaining high-quality staff.

With this in mind, BADEA formulates an ambitious annual training plan that considers the needs of both its personnel and the organization itself. The primary goal is to ensure that its staff can successfully achieve their objectives, consequently enabling the organization to fulfil its overarching mission.

This training plan encompasses a variety of components, including in-house, in-person, and online training programs, as well as opportunities for staff to be seconded to similar organizations. These initiatives enable BADEA's employees to



broaden their knowledge, acquire new skills, and enhance their existing expertise.

• Young Professionals Program

In its endeavour to attract highly qualified human cadres, the Bank launched the "Young Professionals Program," where talented graduates with high academic qualifications are selected and trained in the various departments of the Bank for two to three years, in addition to enrolling them in training courses in similar international institutions. The first and second batches of the Program have completed their training and were appointed in the different Departments. In 2022 the Bank launched the third batch of the YP Program.

• Employee Engagement and Culture

The foundation for effectively executing an organization's strategy lies in employee engagement and the organizational culture. BADEA has been proactive in its endeavours to cultivate a culture that promotes innovation, equality, and transparency. This approach serves to enhance employee engagement and cultivate a feeling of connection and ownership within the organization. Leading this initiative is BADEA's Human and Administrative Resources Department, which has set the improvement of the work environment as one of its departmental objectives. This includes implementing initiatives and key performance indicators (KPIs) aimed at accomplishing this goal.

• Leadership Development Program (LDP)

BADEA understands that its ability to continue to deliver on its mandate is predicated on the insurance of its business continuity, which relies on strong leadership and an engaged workforce among other factors.

Commencing in 2022, BADEA initiated a comprehensive initiative aimed at preparing its junior managers to assume leadership roles in the future. This program, consisting of two phases and supplemented by ongoing coaching sessions, was designed to facilitate uninterrupted learning. Additionally, BADEA extended high-level communication training to its department heads and advisors, equipping them with the skills necessary to support their teams and facilitate effective communication.



CHAPTER 05

CONCLUSION AND WAY FORWARD

5.1 Conclusion

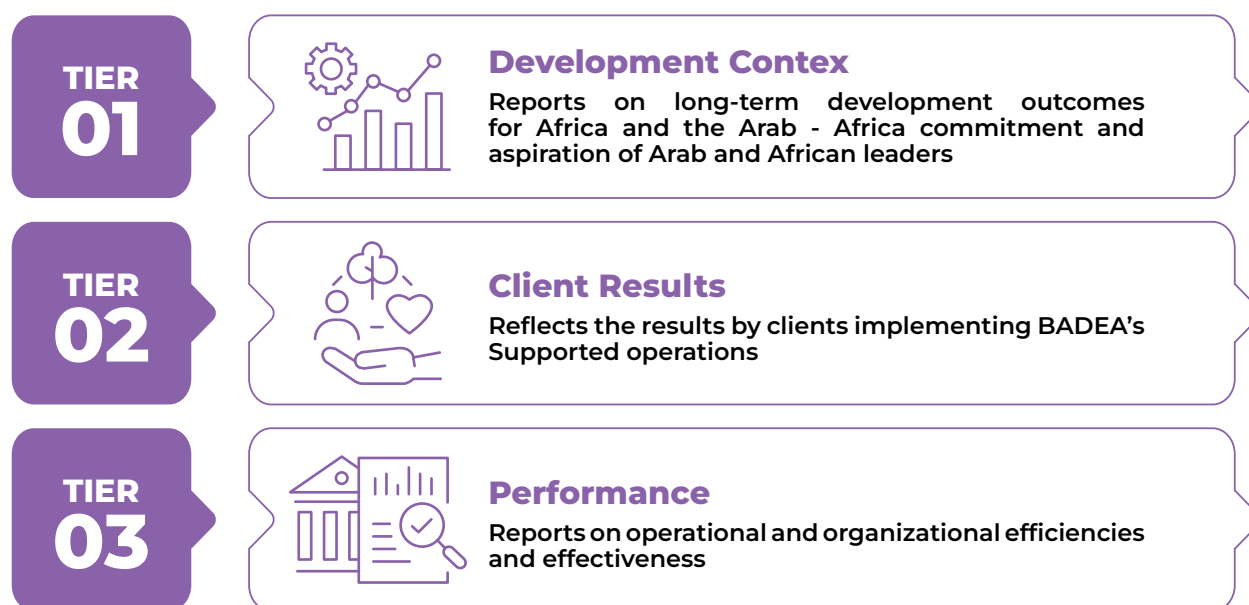
The journey from financing the operation to achieving results is critical, and BADEA has made strong inroads to ensure that the right level of focus is paid towards development effectiveness. As a result, the Bank has contributed to substantial developmental impact as reflected in the results achieved by the Bank that have been captured in the previous chapters in a comprehensive manner.



Towards BADEA's Result Measurement Framework (BRMF)

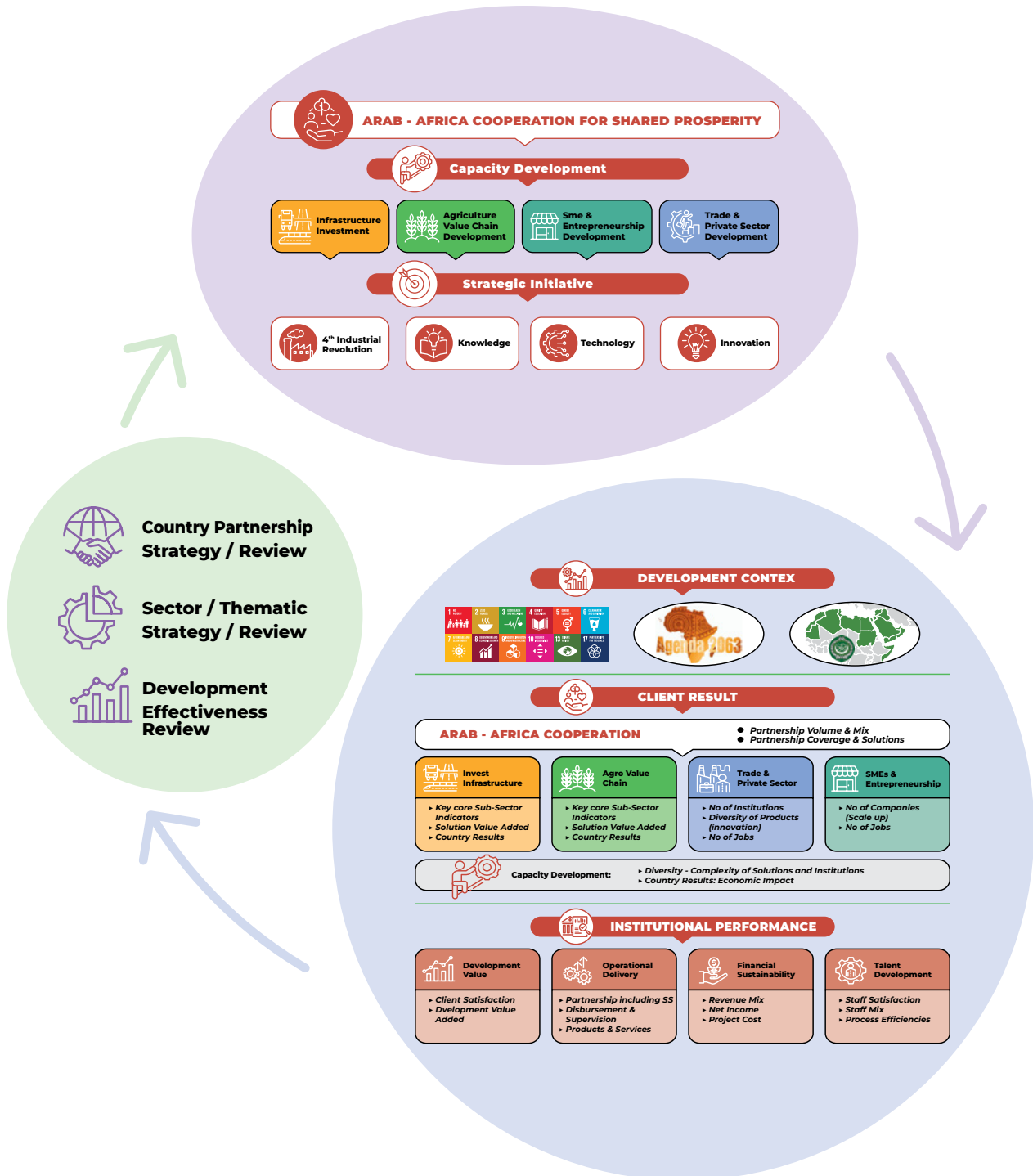
To consolidate and promote its efforts towards a more efficient system that will measure and inform on the development effectiveness of its operations, BADEA will embark on the establishment, during 2024, of its detailed Result Management Framework (BRMF) based on a comprehensive analysis of the Bank's strategy and activities, as well as a comparison of the results frameworks of peer multilateral development institutions. The BRMF will track key BADEA's indicators across the three results levels as spelt out in the strategy document and as shown in the following figure.

Figure 10: Strategic Results Levels



The results framework will provide an adequate platform to report on core BADEA achievements on the development indicators at the different levels. It will be supported by special toolkits to ensure quality at entry, at implementation, at completion and at post-evaluation based on a cycle that connects the strategy, the results-based score card and the reporting system as shown in the following figure.

Figure 11: BADEA Results Management Framework (BRMF)



The proposed reporting system may include the following reports:











1. Regional Integration Strategies.
2. Country Partnership Strategies.
3. Sector Review Reports.
4. Country Portfolio Management Reports.
5. Development Effectiveness Reports.
6. Project Completion Reports.
7. Post Evaluation Reports.

Therefore, a dedicated team led by the Strategy Department will be put in place to prepare the detailed BRMF, its related guidelines and toolkits, the relevant reporting system, and the different reports templates.

5.2 Summary Of Results

The total financing provided by BADEA reached USD 1,821.4 million in 2022 and USD 1,333.3 million in 2023. In addition, BADEA has developed certain customised programs. This, inter alia, included a pledge of USD 1 billion by BADEA towards the USD 10 billion food security program of Arab Coordination Group (ACG), which aimed at providing support by the members of ACG to their respective member and beneficiary countries by complementing their national food security efforts in addressing the ongoing food crisis and strengthening their resilience to future food security shocks. The program will amplify and accelerate BADEA's efforts to promote sustainable food security, providing immediate food security support to its beneficiary countries, and improve the agriculture and food systems at national and regional levels to create sustainability and long-term resilience. All sub-Saharan non-Arab African countries are eligible to benefit from this Pledge. The initiative will have allocations from all the windows that BADEA avails and is expected to be implemented in two years, 2024-2025. The key guiding principle is that the operations from this Pledge must directly contribute to the goal of "enhancing Africa's food security."

A summary of results from the projects and grants completed in 2022-2023 are as follows:

	514 km of road network constructed.		30,000 of population accessing to microfinance.
	5,100 m3/day of clean water produced.		250 SMEs created.
	19,320 m2 of new health units constructed and equipped.		500 persons trained in different fields.
	48,915 m2 of education facilities constructed and equipped.		68 forums organized.
	7,500 hectare of agriculture land developed and irrigated.		6,000,000 people benefitted from above mentioned services.





5.3 Key Challenges & Way Forward

Africa is a continent that holds immense opportunities. It has plenty of natural resources, and untapped potential in many sectors. Countries in the region have made considerable progress in development, but the job is not over. In spite of some good achievements made by a number of countries in Africa, there are undeniably great challenges facing the continent. And these range from sustainable and inclusive growth; non-diversification of the economies; excessive dependence on the extractive industry; poverty and hunger with urban poverty; as well as underdeveloped education and health services; unemployment; poor and inadequate road infrastructure; insufficient and unreliable energy and climate change.

These challenges have been multiplied due to a number of global developments such as COVID-19 pandemic, the ongoing crisis in eastern Europe, the cost-of-living crisis, and the tightening of financial conditions which have weighed on global economic activity in 2022, resulting in less rapid economic growth, high inflation, fiscal deficits, food shortages, and energy supply interruptions. All these issues have deteriorated further the already troubled economies of BADEA's beneficiary countries causing additional pressure on their limited resources.

Although the African countries have experienced good economic growth, this has not necessarily translated into decent jobs being created. The growth is mainly driven by the extractive industries with little trickle-down effect. BADEA would continue to pay special attention to making growth

endeavour inclusive and sustainable as well as to increase access to affordable finance for viable projects by the SMEs and contribute to constrain the economic growth challenges in Africa.

In order to consolidate the gains made in achieving the SDGs, BADEA would try to align its programs and activities to the social sectors as well as to make the food security and climate change mitigation mechanisms as part of its strategic agenda. In this regard BADEA is fully aware of the task of handling the global food security challenges. The global food security challenges require augmented efforts from development and humanitarian partners. Food and value chain industry development calls for greater involvement of partners including private sector investors and the use of technology to accelerate global food security, poverty, and hunger eradication.





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BADEA would continue to support the African countries in their development efforts through capacity building, and financial support.

Similarly, regional integration is key to sustaining the growth momentum of the African countries. As such, integrating the economies of the African countries will yield benefits such as larger markets, more effective demand, enhanced productivity, competitiveness and the promotion of cooperation and joint ventures including cross border activities. BADEA's Reverse Linkage initiative is aimed at the transfer of knowledge and sharing of experiences among its beneficiary and member countries.

For many years, low levels of private investment in BADEA beneficiary countries have been offset by public expenditures. Yet, faced with growing public debt vulnerabilities, it is unclear how long this trend can continue. Some countries have pursued public-private partnerships, but these efforts have had varying degrees of success. In line with a limited budget of the government in financing national development, an increased role of the private sector will create sustainable and inclusive development. It may be mentioned that there is tremendous potential to catalyse private funds for infrastructure investment because longer-term, non-debt-creating capital investment will not only help address the infrastructure needs of the region, but will also deepen capital markets, promote further trade integration, and provide significantly higher returns to incremental capital.

BADEA, through its various programs, would continue its efforts towards the promotion of private sectors in its beneficiary countries. If the private sector has access to appropriate financial resources for its commercial and manufacturing activities, it can create jobs and revenues for a large number of people and reduce the pressure on the limited resources of the Governments and thus become an effective engine of sustainable and inclusive economic growth and development. BADEA would continue to extend its short and medium-term credit lines to support the private sector.

BADEA would continue to support the African countries in their development efforts through capacity building, and financial support. In this regard, BADEA is willing to explore opportunities of cooperation and collaboration with all stakeholders including sister institutions and all other development partners to support the region to overcome the challenges of sustained and more inclusive growth in Africa.

BADEA is willing and keen to join hands with all partners to create synergy and improve the utilization of the financial resources for tackling the high levels of poverty and unemployment that African countries are facing and lay a foundation for a better future.







TOGA- THER FOR AFRICA

Acknowledgement:

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