



**BADEA**

Arab Bank  
for Economic  
Development  
in Africa



**20  
25**



**BADEA's ROLE IN SUPPORTING  
TRANSPORT SECTOR  
IN AFRICA**

# TOGETHER FOR AFRICA



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# 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 in Algiers at 28th November 1973. The Bank began operations in March 1975.



## Institutional Identity

BADEA is a financial institution owned by 18 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".



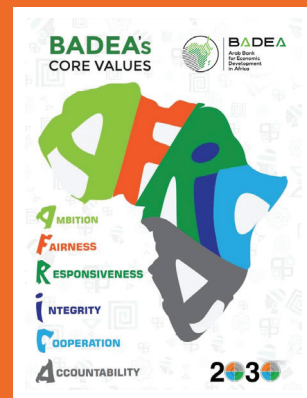
## Mission:

"To promote Arab-Africa's Economic Cooperation through financial assistance, investment and technical support".



## Values:

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



## The Four Focus Areas of BADEA's Strategy 2030



Infrastructure Investment for Inclusivity, Industrialization and Innovation



Agriculture Value Chain Development for Empowerment



SMEs and Entrepreneurship Development



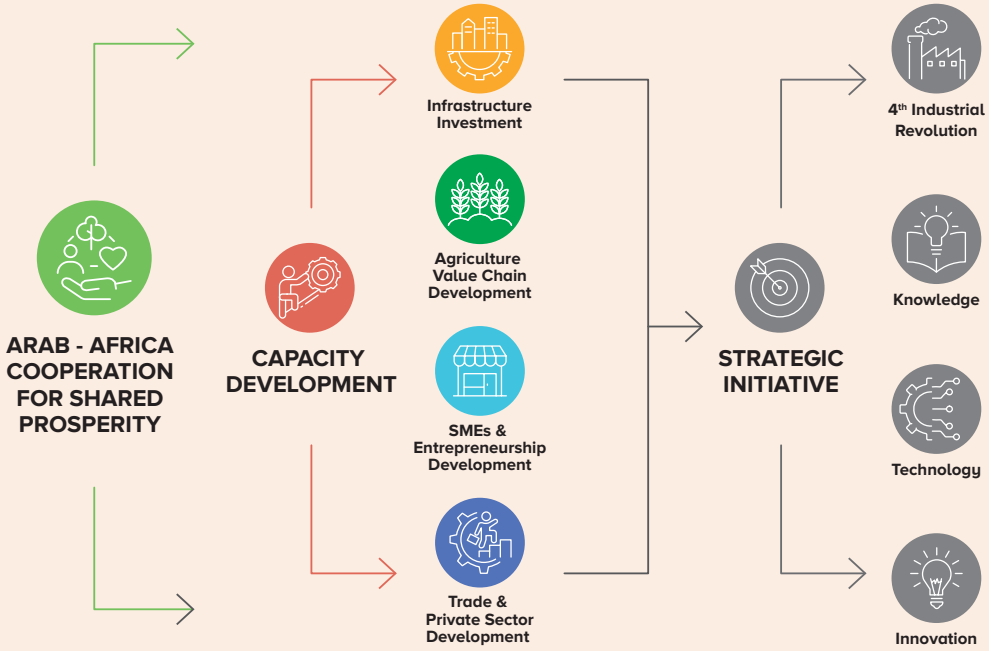
Boosting Trade and Private Sector Development for Growth and Job Creation







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



## BADEA 2030 Strategy Framework



## Overall Financial Transfer to African Countries (1975 - 2025)

Type of Operation	Number of Operations	Amount of Financing (USD million)
 Public Sector Development Projects	777	9,060
 Private Sector Operations	77	2,455
 Trade Operations	94	6,729
 Capacity Development Operations	1,023	266
<b>TOTAL</b>	<b>1,971</b>	<b>18,510</b>



### Financial Transfer by Strategy Focus

Strategy Focus Area	Number of Operations	Financial Transfer (USD million)	%
 Infrastructure Investment for Inclusivity, Industrialization and Innovation	466	5,791	31%
 Agriculture Value Chain Development for Empowerment	270	2,201	12%
 Boosting Trade and Private Sector Development for Growth and Job Creation	171	9,184	50%
 SMEs and Entrepreneurship Development	41	1,068	6%
 Capacity Development	1023	266	1%
<b>TOTAL</b>	<b>1,971</b>	<b>18,510</b>	<b>100%</b>



## BADEA Ratings



In 2025, S&P Global Ratings upgraded BADEA to AA+ with a Stable outlook, positioning the Bank among the highest-rated multilateral development institutions globally and reflecting strengthened financial fundamentals and institutional resilience. The Japan Credit Rating Agency (JCR) also reaffirmed BADEA's AAA rating with a Stable outlook, underpinned by the Bank's robust financial position, prudent risk-management practices, and strong shareholder support. Moody's maintained BADEA's Aa1 rating during the year, with no new rating action issued, effectively affirming the Bank's very strong credit profile.

Collectively, these 2025 rating outcomes underscore BADEA's solid capital adequacy, resilient asset quality, and disciplined liquidity management. They also highlight the Bank's reinforced capacity to mobilize resources at favourable terms, expand access to capital markets, and channel Arab investment toward transformative development initiatives across Sub-Saharan Africa. BADEA's strong credit standing further consolidates its reputation as a reliable, well-capitalized development partner capable of delivering affordable and impactful financing across the region.

## ISO Certificates



In 2024, in line with BADEA's commitment to social responsibility and its diligent efforts to minimize the negative impacts on the environment and society resulting from internal activities and development projects it finances, the bank successfully completed the annual audit for quality, social responsibility and corporate governance systems.

The bank obtained ISO 37000 (Corporate Governance) and ISO 26000 (Social Responsibility) certificates, along with ISO 14001 (Environmental Management), demonstrating its commitment to sustainability and environmental protection standards. BADEA has also renewed its ISO 9001 (Quality Management), ISO/IEC 20000-1 (IT Service Management) and ISO/IEC 27001 (Information Security Management) certificates, with recommendations to upgrade the certificates to the recent versions and expand their coverage to include other departments within the bank.



# INTRODUCTION

## Transport Sector in Africa: Importance, Challenges, Opportunities, and MDB Interventions

### 1. Importance of the Transport Sector

The transport sector is a critical enabler of economic growth and regional integration across Africa, underpinning trade, productivity, and social inclusion. Efficient transport systems reduce the cost and time of moving goods and people, thereby enhancing competitiveness, facilitating intra-African trade—particularly under frameworks such as the African Continental Free Trade Area—and linking landlocked countries to regional and global markets.

Improved connectivity supports key sectors such as agriculture, mining, and industry by ensuring reliable access to inputs and markets, while also expanding access to essential services like healthcare, education, and employment opportunities. Moreover, investments in transport infrastructure generate significant employment and stimulate private sector participation, making the sector a cornerstone for sustainable development and poverty reduction across the continent.

Roads, which carry over 80–90% of passenger and freight traffic in most African countries, form the backbone of national and rural connectivity, linking agricultural areas to markets and facilitating access to social services. Railways provide cost-effective solutions for bulk transport over long distances, particularly for mining and heavy industries, and are increasingly seen as a sustainable alternative for freight corridors. Ports serve as critical gateways for international trade, handling over 90% of Africa's external trade by volume, while air transport plays a vital role in connecting Africa globally, supporting tourism, high-value exports, and time-sensitive logistics.



Beyond economic functions, transport infrastructure contributes to social inclusion by improving access to education, healthcare, and employment, particularly in rural and underserved areas. It also supports regional value chains, urban development, and resilience in fragile contexts.

## 2. Key Challenges Facing the Transport Sector:

Despite its importance, Africa's transport sector faces significant structural and operational challenges:

### Infrastructure Deficit and Poor Quality:

Large portions of the road network remain unpaved or in poor condition, while railway networks are limited in coverage, outdated, and often incompatible across borders. Many ports face congestion and capacity constraints, and airport infrastructure in several countries requires modernization.

### High Transport Costs:

Africa has some of the highest transport costs globally, often accounting for 30–50% of the final price of goods in landlocked countries. This is driven by inefficiencies, poor infrastructure, and weak logistics systems.

### Fragmentation and Weak Regional Connectivity:

Transport networks are often nationally oriented, with missing links and limited interoperability across borders. This undermines regional integration and the full benefits of trade agreements.

### Institutional and Regulatory Weaknesses:

Challenges include weak planning capacity, inadequate maintenance regimes, limited enforcement of axle load regulations, and fragmented institutional responsibilities.

### Financing Constraints:

The sector faces a substantial financing gap, with limited domestic resources and competing development priorities. Maintenance is particularly underfunded, leading to rapid asset deterioration.

### Urban Congestion and Informality:

Rapid urbanization has outpaced transport planning, leading to congestion, inefficient public transport systems, and environmental concerns.

### Climate Vulnerability:

Transport infrastructure is increasingly exposed to climate risks such as floods, extreme heat, and erosion, affecting reliability and increasing lifecycle costs.



### 3. Opportunities for Development:

Despite these challenges, the sector offers substantial opportunities for transformation:

#### Regional Corridors and Trade Facilitation:

Development of regional transport corridors can significantly reduce trade costs, enhance connectivity for landlocked countries, and support the effective implementation of the African Continental Free Trade Area.

#### Multimodal Transport Systems:

Integrating roads, railways, ports, and inland waterways can improve efficiency and reduce logistics costs. Revitalization of rail and expansion of port-hinterland connectivity are key priorities.

#### Digitalization and Smart Transport:

Adoption of intelligent transport systems, digital logistics platforms, and trade facilitation technologies can improve efficiency, transparency, and revenue collection.

#### Private Sector Participation:

Public-private partnerships (PPPs) offer opportunities to mobilize additional financing, enhance operational efficiency, and introduce innovation, particularly in ports, airports, and railways.

#### Green and Resilient Infrastructure:

There is growing momentum toward climate-resilient and low-carbon transport solutions, including rail development, electric mobility, and sustainable urban transport systems.

#### Urban Transport Development:

Investment in mass transit systems (e.g., bus rapid transit, light rail) can address congestion, improve mobility, and enhance urban productivity.

### 4. MDBs' Areas of Intervention:

Multilateral Development Banks (MDBs), including institutions such as the African Development Bank, World Bank, Islamic Development Bank, BADEA and others play a pivotal role in supporting Africa's transport sector through a range of interventions:



#### Infrastructure Financing:

MDBs provide sovereign and non-sovereign financing for the construction, rehabilitation, and upgrading of transport infrastructure across all sub-sectors—roads, railways, ports, and airports—with a strong focus on regional corridors.

#### Policy and Institutional Support:

They assist governments in strengthening sector policies, regulatory frameworks, and institutional capacity, including road maintenance systems, transport planning, and governance reforms.

#### Project Preparation and Technical Assistance:

MDBs support feasibility studies, environmental and social assessments, and project structuring, which are critical for bankable and sustainable investments.

#### Trade Facilitation and Corridor Development:

Support includes one-stop border posts, customs modernization, and logistics improvements to enhance cross-border efficiency.

#### Private Sector Mobilization:

Through guarantees, blended finance, and advisory services, MDBs help de-risk investments and attract



private sector participation, particularly in large-scale infrastructure projects.

**Sustainability and Climate Resilience:**

MDBs increasingly integrate climate adaptation and mitigation measures into transport projects, promoting resilient infrastructure and low-carbon solutions.

**Monitoring, Evaluation, and Knowledge Sharing:**

They contribute to improved project outcomes through rigorous monitoring and evaluation frameworks and dissemination of best practices.

**5. Conclusion:**

The transport sector in Africa is both a critical enabler of development and a sector facing deep structural challenges. Addressing infrastructure gaps, improving efficiency, and strengthening institutions are essential to unlocking its full potential. With the right mix of investments, policy reforms, and innovative financing—supported by MDBs and aligned with continental initiatives such as the African Continental Free Trade Area—Africa can transform its transport systems into a powerful driver of economic growth, regional integration, and sustainable development.



# BADEA'S CONTRIBUTION TO FINANCE TRANSPORT PROJECTS IN AFRICA

As mentioned above, the transport sector in Africa is vital for several reasons, playing a crucial role in the continent's economic, social, and environmental development. BADEA contributes to transport sector in Africa in several ways:



## 1. Financial Support:

providing financial resources through loans and grants to support transport projects. This funding can be used for infrastructure development in all transport sub-sectors including roads, railways, ports and air transport.



## 2. Capacity Building:

offering technical expertise to help countries design and implement effective transport development projects. This may include advice on best practices and innovative technologies, investing in training programs and educational initiatives to build the capacity of government institutions and agencies involved in transport activities. This helps improve skills, knowledge, and the ability to adopt modern transport practices.



## 3. Policy Advocacy:

Advocating for policies that promote sustainable transport sector practices, as well as working with governments to create an enabling environment for the transport sector growth.

While extending financing for transport sector projects, BADEA undertakes adequate due diligence to ensure that all projects are:











- Responding to the real needs of the target country,
- Well designed, prepared and ready for implementation; result and impact driven,
- Tightly coupled with social empowerment and industrial development,
- Based on best practices and applying new technologies,
- Addressing the needs for capacity development and institutional building,
- Meeting all sustainability requirements,
- Enabling knowledge transfer and innovation, and

- Leading to and consolidating Arab-Africa partnership.

**Overall Results Achieved:**

The modernization of the transport sector is key to diversifying and stimulating economic growth. The total loans given by BADEA to recipient African countries for the financing of the transport sector projects, since 1975 amounted to about USD 2,991million equivalent to about 16% of the total financial transfer for financing 262 Projects in Sub-Saharan Africa. These projects include operations support extended to all transport sub-sectors including roads, railways, ports and air transport projects.

Some of the overall results achieved through BADEA's support for the transport sector are presented in the following table:

Result Achieved	Unit	Amount
 <b>Roads Built</b> 	km	20,542
 <b>International Airports Built or Upgraded</b> 	no	8
 <b>Domestic Airports Built or Upgraded</b> 	no	22
 <b>Railways Built</b> 	km	700
 <b>Ports Built or Upgraded</b> 	no	7







# HIGHLIGHTS ON PROJECTS

Country

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



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.

## Highlight on:





**Project**

### Nyagatare - Byumba - Base Road Project (2023)

**Country**



Rwanda

Result Indicator	Achieved Results
 Road Constructed (km)	<b>124.8</b>
 Maintenance Cost Drop (%)	<b>30</b>
 Reduction in Vehicle Operating Cost (%)	<b>40</b>
 Population served (Number)	<b>1,200,000</b>



In 2015 BADEA approved a loan to support the construction of the Nyagatare - Byumba - 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 Nyagatari to Base through the province of Pyombwa 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.



## Highlight on:








## Project

## Rehabilitation and Construction of Maputo City Coastal Protection – Mozambique – USD 21 million

## Country



Mozambique

Result Indicator	Achieved Results
 Roads Constructed (km)	188
 Reduction in VOC (%)	50
 Reduction in Routine Maintenance (%)	40
 Reduction in Periodic Maintenance (%)	20
 Increase in ADT in the First Year (%)	30
 Population Served (number)	2,500,000
 Regional Integration Benefits	Developing trade exchanges Mali and Mauritania



The project aims to rehabilitate 188.3 km of road network to contribute to enhancing trade exchanges between the Republic of Mali and the Islamic Republic of Mauritania, as well as reducing the time and cost of transportation and improving road safety, which encourages the development of transportation between the two capitals, Bamako and Nouakchott, and the marketing of products in the main cities of West Africa.

The road also helps in breaking the isolation of the Republic of Mali and facilitates its access to the port of Nouakchott in Mauritania. Accordingly, trade exchange between the two countries is increasing and social and economic development is enhanced, especially between the main cities of Bamako, Kaye, Dakar, and Nouakchott and West African countries in general.

The project was financed with a total budget of around USD 131.78 million, with contributions from BADEA, Islamic Development Bank (IsDB), Saudi Fund for development ,OPEC Fund and the government of the Republic of Mali.

## Highlight on:

**Project**

### Wahiguya - Jibo Road Project Burkina Faso

**Country**



Burkina Faso

Result Indicator	Achieved Results
Roads Constructed (km)	<b>115</b>
Reduction in VOC (%)	<b>40</b>
Reduction in Routine Maintenance (%)	<b>75</b>
Reduction in Periodic Maintenance (%)	<b>10</b>
Increase in ADT in the First Year (%)	<b>80</b>
Population Served (number)	<b>860,000</b>
Regional Integration Benefits	<b>Developing trade exchanges between the country's served Governorates and neighboring countries Mali and Niger</b>



The Wahiguya - Jibo road project forms part of the state's policy to alleviate both internal and external isolation in Burkina Faso. Its objectives include ensuring continuous traffic flow throughout the year, regardless of weather conditions, and promoting trade exchanges between the project area, known for its agricultural and livestock resources, and other regions of the country. Additionally, the project aims to enhance trade relations between Burkina Faso's provinces and neighbouring countries such as Mali and Niger. It also seeks to reduce transportation time and the cost of agricultural products while supporting the development of a paved road network and minimizing maintenance expenses for dirt roads. Ultimately, the project aims to contribute to poverty alleviation in the project area.

The project encompasses the construction and asphaltting of a road spanning approximately 115 km.

The project was financed with a total budget of around USD 81.76 million, with contributions from BADEA KFAED, SFD, OPEC Fund and the government.



## Highlight on:





### Project

## Addis Ababa Airport Ethiopia

### Country



Ethiopia

Result Indicator	Achieved Results
 Runway Constructed (km)	<b>3.8</b>
 Terminals Constructed (m2)	<b>40,000</b>
 Annual Capacity in 2001 (passenger)	<b>7,000,000</b>
 Regional Integration Benefits	<b>The project helps establish Addis Ababa as a central international air hub. It helps develop both tourism activities and trade exchanges between Ethiopia and other countries</b>



The project involves upgrading the country's air transport sector by expanding and improving the existing infrastructure. Works will include:

- Construction of a runway;
- Completion of five new taxiways;
- Modernization of navigational and communications systems; and
- Implementation of safety measures.

The passenger handling capacity was raised to meet future demand.

The project was co-financed by KFAED, BADEA, AFDF, FDA, EIF, Government of Belgium, NDF, and the Government of Ethiopia for a total cost of USD 130 million.

## Highlight on:

**Project**

### High Speed Train Project, Dakar - Belize Diagne International Airport

**Country**



Senegal

Result Indicator	Achieved Results
Railway Constructed (km)	<b>55</b>
Railway Stations Constructed (number)	<b>15</b>
Travel time reduced (minutes)	<b>From 90 to 40</b>
Travel cost reduced (FCFA)	<b>From 25,000 to 5,000</b>
Daily Passengers (number)	<b>180,000</b>
Jobs Created	<b>23,000</b>
Population Served (number)	<b>4,250,000</b>
Regional Integration Benefits	<b>Developing tourism activities and trade exchanges between Senegal and neighboring countries</b>



In general, the project aims to contribute to breaking Senegal's internal isolation by enhancing economic activity throughout the country, in particular, by enhancing mobility of population and goods between various centers of economic activity, accelerating the pace of economic growth and enhancing regional integration.

The project also aims in particular to improve transportation conditions between Dakar and the new urban and economic centers (Diaminidio and Dias) by improving the level of railway service between Dakar city center and its suburbs, stimulating economic activity and creating job opportunities for youth and women.

The project was co-financed by IsDB, BADEA, BOAD, BIP, and the Government for a total cost of USD 422 million.



## Highlight on:

### Project

## Upgrading of Gilgil – Machinery Road Project Republic of Kenya

### Country



Kenya



The project falls under the Road Sub-Sector Development Program, which aims to upgrade, expand, and rehabilitate the road network constructed over past decades. The project is accorded high priority by the Government, which has recently placed increased emphasis on improving and maintaining road infrastructure as a key driver of national development.

The project seeks to contribute to national and local economic and social development in Kenya within the framework of the Government's rural roads development program. Its objectives include strengthening connectivity between the central and eastern areas of Nyandarua and Naivasha counties and the rest of the country, including Nairobi; enhancing food security for local communities; improving access to social services such as schools and health centers and facilitating interaction between central administration and local populations; increasing traffic efficiency and road safety while reducing travel time and vehicle operating costs; facilitating the transport of goods; and ultimately contributing to poverty reduction in the project area.

The project is financed with a total budget of around USD 15.00 million, with contribution from BADEA, and the Government.

## Highlight on:

**Project**

### Support for the Ivorian Airline to Acquire Aircraft (Phase One) Republic of Côte d'Ivoire

**Country**



Côte d'Ivoire

Result Indicator	Planned Results
Fully furnished aircraft acquired with a maintenance hangar (number)	1
Average increase in weekly direct flights (Number)	6
Seat occupancy rate achieved ( percent)	80
Increase of transit passengers via Abidjan Airport (percent)	30
Reduction in average round-trip economy ticket (USD )	46
Reduction in ticket price compared with competition (percent)	25



The project falls within the framework of the Ivorian Airline’s business plan for the 2022–2031 period and involves acquiring two long-range Airbus A330-900 NEO aircraft and constructing a maintenance hangar equipped for these planes at Abidjan Airport. This initiative aims to launch the airline’s long-haul operations, enabling regular flights to key international destinations.

The project aligns with several (SDGs, particularly Goal 9 (Industry, Innovation and Infrastructure), by enhancing modern and resilient air transport infrastructure and Goal 8 (Decent Work and Economic Growth), by improving Côte d'Ivoire’s air connectivity to global markets. It also supports Goal 17 (Partnerships for the Goals) by fostering collaboration and aligns with Africa Agenda 2063’s Goal 10, which focuses on developing world-class infrastructure across the continent.

Specifically, the project will strengthen air links between West and Central Africa and global markets, position Abidjan Airport as a regional aviation hub, diversify the airline’s market base and promote long-term sustainability through modernized operations and expanded revenue streams. The establishment of the local maintenance centre will contribute to reduced cost reductions, improved service efficiency and the assurance of uninterrupted flight schedules, thereby significantly enhancing the airline’s competitiveness and operational sustainability.

The project is financed with a total budget of around USD 172.50 million, with contributions from BADEA, BOAD and the Government (Ivorian Airline Company).



## Highlight on:

### Project

## Extension and Rehabilitation of Bissau Port Guinea Bissau

### Country



Guinea Bissau

Financier	Total Cost	BADEA	SFD	KFAED	OPEC Fund	IDA	GOVT
Amount in (M USD)	<b>48.90</b>	10.00	8.50	10.00	3.00	16.00	1.40



The project aims to expand the capacities and economic returns of the port by installing new infrastructure and repairing existing facilities. It also targets the improvement of conditions at four smaller river ports that rely on the port of Bissau. These upgrades are expected to enhance the overall efficiency of the port system and bolster regional connectivity.

Additionally, the project is designed to lower transportation costs, create new storage facilities, and improve commercial maritime traffic by reducing port congestion and minimizing waiting times for loading and unloading. The new facilities dedicated to fisheries are anticipated to boost fish catches, enhance sector activities, and improve both the supply of fish and the incomes of fishermen.



# Highlight on:

**Project**

## Upgrading of “Gbarnga - Salayea” Road - Liberia

**Country**



**Liberia**

Financier	Total Cost	BADEA	SFD	OPEC Fund	KFAED	GOVT
Amount in (M USD)	<b>95.10</b>	12.00	20.00	20.00	15.50	27.60



The project aims to bolster national and local economic and social development in Liberia, focusing on enhancing the national road network and expanding and integrating regional road networks. It seeks to connect the northeastern regions of Bong and Lofa with all areas of the country, including the capital, Monrovia, and the international borders with Guinea and Sierra Leone. Additionally, the project will facilitate the movement of goods and passengers in the region, increase trade with neighboring countries, and contribute to food security for local residents. It also aims to improve access to social services such as schools and health centers and enhance communication between the central administration and local communities.

Furthermore, the project focuses on improving traffic flow and road safety on the current route, reducing travel time and vehicle operating costs, and thereby lowering transportation expenses. By addressing these issues, the project aims to alleviate poverty in the project area and support broader economic and social development goals in Liberia.



**Project**

**Upgrading of “Sir Seretse Khama” International Airport – Botswana**

**Country**



**Botswana**

Financier	Total Cost	BADEA	OPEC Fund	GOVT.
Amount in (M USD)	<b>63.540</b>	10.000	20.590	32.950



The project aims to support the Government of Botswana in its efforts to develop the country’s air transport sector, thereby contributing to the growth of the mining and tourism industries. Sir Seretse Khama International Airport is located about 15 kilometers northwest of the capital, Gaborone, which itself is approximately 15 kilometers north of the border with South Africa. The project includes civil works and the supply and installation of mechanical and electrical equipment necessary to upgrade the airport to accommodate Boeing 747 aircraft



**Project**

**Northern Railway Extension - Namibia**

**Country**



**Namibia**

Financier	Total Cost	BADEA	KFAED	AfDB	GOVT.
Amount in (M USD)	<b>55.000</b>	7.600	20.320	10.540	16.540



The project aims to stimulate economic growth in the northern regions of Namibia and enhance regional integration by improving trade links with Angola. This will be achieved by extending the rail network from Tsumeb to Ondangwa, covering a distance of 248 kilometers. The new rail line will provide a cost-effective alternative to the existing road transport, facilitating the movement of both freight and passenger traffic along this corridor.

By shifting traffic from the current road to the new rail line, transport costs are expected to decrease, which will positively impact the regional economy. Additionally, this switch will reduce congestion on the existing road, leading to fewer accidents, lower maintenance expenses, and decreased noise and air pollution. Overall, the rail extension will significantly improve the current transport situation and strengthen regional integration with Angola.



**Project**

**Construction of "Soanierana Ivongo-Vahipe" Road - Madagascar**

**Country**



**Madagascar**

Financier	Total Cost	BADEA	SFD	KFAED	ADFD	OPEC Fund	GOVT.
Amount in (M USD)	<b>83.850</b>	10.000	13.000	13.800	30.200	10.000	6.850



The project is part of the government's program to develop the transportation sector by improving, expanding, and integrating the national road network, connecting it to administrative and economic centers, and alleviating the isolation of the northern regions. It aims to connect the northern areas to the main port of "Toamasina," ensure continuous traffic flow throughout the year regardless of weather conditions and facilitate the transportation of goods and passengers while reducing costs. Additionally, the project seeks to ease the transport of agricultural inputs and products, develop and promote tourism in the region, and contribute to poverty alleviation for the residents.



# THE WAY FORWARD

BADEA will be looking to playing a crucial role in supporting the transport sector in Africa through focusing on the following areas that, collectively, can ignite Africa's transport sector's development. Here are strategic and forward-looking suggestions for enhancing the role of Arab Bank for Economic Development in Africa in supporting Africa's transport sector, aligned with evolving continental priorities and development finance trends:



## 1. Prioritize Regional Integration and Corridor Development:

BADEA would scale up its support to regional and cross-border transport corridors, particularly those linking landlocked countries to seaports. This includes financing missing links, upgrading key trunk roads, and supporting rail-port connectivity. Interventions should be aligned with continental frameworks such as the African Continental Free Trade Area to maximize trade and integration impacts.



## 2. Adopt a Multimodal Transport Approach

Future interventions would move beyond road dominance toward integrated multimodal systems:

- Support railway revitalization for bulk freight corridors.
- Enhance port-hinterland connectivity.
- Promote logistics hubs and dry ports. This approach will reduce logistics costs and improve overall system efficiency.



## 3. Strengthen Focus on Maintenance and Asset Management:

BADEA can add strong value by:

- Supporting road maintenance financing mechanisms (e.g., road funds, performance-based contracts).
- Promoting asset management systems using digital tools.
- Encouraging lifecycle cost approaches in project design.

Sustaining existing assets is often more cost-effective than new construction.



## 4. Expand Support for Project Preparation:

A key bottleneck in Africa is the lack of bankable projects. BADEA could:

- Establish or scale up a Project Preparation Facility (PPF).
- Finance feasibility studies, ESIA's, and detailed engineering designs.
- Support governments in structuring PPP-ready projects.

This would position BADEA upstream in the project cycle and increase its development impact.



## 5. Catalyze Private Sector Participation (PPPs):

BADEA can play a stronger role in mobilizing private capital, especially in:

- Ports and terminals.
- Airports.
- Toll roads and logistics platforms.

This can be achieved through:

- Blended finance instruments.
- Risk-sharing mechanisms and guarantees.
- Co-financing with institutions such as the African Development Bank and World Bank.



## 6. Promote Climate-Resilient and Green Transport:

Future investments can systematically integrate:

- Climate resilience measures (flood protection, improved drainage, resilient materials).
- Low-carbon transport solutions (rail, urban mass transit, electric mobility).

BADEA can also access climate finance windows to co-finance such interventions.





## 7. Support Urban Transport Systems:

With rapid urbanization, BADEA interventions can expand into:

- Urban mobility projects (Bus Rapid Transit, traffic management systems).
- Non-motorized transport (NMT) infrastructure.
- Integrated urban transport planning.

This will improve productivity and quality of life in African cities.



## 8. Enhance Digitalization and Smart Transport:

BADEA can support:

- Intelligent Transport Systems (ITS).
- Digital freight and logistics platforms.
- E-tolling and traffic management systems.

Digitalization improves efficiency, transparency, and revenue generation.



## 9. Strengthen Institutional Capacity and Policy Support:

Beyond infrastructure financing, BADEA may deepen its role in:

- Sector policy reforms and regulatory frameworks.
- Road safety strategies and enforcement systems.
- Institutional strengthening of transport ministries and agencies.

This “soft infrastructure” is critical for sustainability.



## 10. Focus on Inclusivity and Rural Accessibility:

BADEA's interventions should continue to emphasize:

- Rural roads and feeder networks to support agriculture and livelihoods.
- Gender-sensitive transport planning.
- Access to social services in underserved areas.

This aligns with poverty reduction and inclusive growth objectives.



## 11. Leverage Partnerships and Co-Financing

Given the scale of needs, BADEA can:

- Expand co-financing with MDBs and regional institutions such as the Islamic Development Bank and the Arab Coordination Group.
- Engage with African regional economic communities (RECs).
- Align with continental infrastructure initiatives.

This will enhance both financial leverage and development effectiveness.



## 12. Strengthen Results Measurement and Impact Evaluation

BADEA can differentiate itself by:

- Enhancing results frameworks (e.g., logistics cost reduction, travel time savings, trade volumes).
- Supporting impact evaluations and post-project assessments.
- Promoting knowledge sharing across countries.

## Conclusion:

BADEA is well-positioned to play a catalytic and strategic role in Africa's transport transformation by combining infrastructure financing with policy support, innovation, and partnerships. A shift toward integrated, resilient, and inclusive transport systems, aligned with continental priorities such as the African Continental Free Trade Area, will significantly enhance its development impact over the coming decade.





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