

COOPERATION FOR DEVELOPMENT



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IN ITS SECOND MEETING:

***BADEA's BOARD OF DIRECTORS
APPROVES THE FINANCING OF 18 DEVELOPMENT OPERATIONS
AND REDUCE THE DEBT BURDEN OF ETHIOPIA***



In its second meeting for the year 2005

The Board of Directors Approves New Allocations Amounting to US\$ 44.904 Million



The Board of Directors of the Arab Bank for Economic Development in Africa (BADEA) held its second meeting for the year 2005 in Cairo, Arab Republic of Egypt, during the period 15 – 17 June 2005. The meeting was chaired by H.E. Mr. AHMED ABDALLAH EL-AKEIL, Chairman of BADEA's Board of Directors, in the presence of H.E. Mr. MEDHAT S. LOTFY, the Director General.

The Board reviewed a number of important issues; foremost was the Director General's report on the Bank's activities during the period March – June 2005, in addition to a number of financial reports and current status reports of projects.

The Board approved the financing of some new development operations for the benefit of some African beneficiary countries totaling US \$ 44.904 million, out of which US\$ 42.5 million were allocated for financing 7 project loans, while US\$ 2.404 million were earmarked for financing 11 technical assistance operations.

The Board also approved in this session to extend to the Federal Democratic Republic of Ethiopia an amount of US\$ 5.992 million in order to reduce its debt burden, within the framework of HIPC initiative undertaken by the World Bank and the International Monetary Fund to solve the problem of indebtedness. BADEA's participation in the said initiative, including this new amount, reached US\$ 72.92 million for the benefit of some African countries. It is considering provision of assistance to eligible African countries that reached the Completion Point.

It is worth noting that by the end of June 2005, BADEA's total cumulative financial commitments to African countries eligible

for its aid, including the new commitments, reached US \$ 2971.227 million.

Following are some details on the development operations approved in this session:

Firstly: the Project Loans:

- 1) **The Republic of Angola:** A loan amounting to US \$ 7 million to finance the Rehabilitation and Extension of the Sanatorium Hospital in Luanda City.
- 2) **The Federal Democratic Republic of Ethiopia:** A loan amounting to US \$ 6.5 million to finance Assosa-Kurmuk Road Project.
- 3) **The Republic of Benin:** A loan amounting to US \$ 5 million to finance the rehabilitation of Comy – Possotomy – Bopa - Zoungbonou Road Project.
- 4) **The Republic of Madagascar:** A loan amounting to US \$ 6.5 million to finance the Third Generating Set project of Hydroelectric Power Station of Andekaleka.
- 5) **The Republic of Mozambique:** A loan amounting to US \$ 4 million to finance the Construction and Equipping of Matola General Hospital.
- 6) **The Republic of Sierra Leone:** A loan amounting to US \$ 8 million to finance Western Area Power Generation Project (Phase I).
- 7) **The Republic of Togo:** A loan amounting to US \$ 5.5 million to finance the Reclamation of Lands in Mission Tovy Region.

Secondly: Technical assistance operations:-

- 1) **The Republic of Kenya:** A technical assistance grant amounting to US\$ 400 000 to finance the preparation of the technical and economic feasibility study for Water Supply and Sanitation Project for Seven Towns.
- 2) **The Republic of Mozambique:** A technical assistance grant amounting to US\$ 150 000 to finance revising and updating of the technical and economic feasibility study for the Protection of the Coast of Maputo City Project.
- 3) **The Republic of Malawi:** Two technical assistance grants, the first one amounting to US\$ 350 000 to finance the preparation of the technical and economic feasibility study for the Rehabilitation of Rumphu - Chitipa Road Project. The second grant amounting to US\$ 84 000 to finance the extension of the services of a civil engineer to support the Ministry of Transport and Public Works.
- 4) **The State of Eritrea:** A technical assistance grant amounting to US\$ 190 000 to finance the extension of the services of an Arab expert to support the National Institute of the Agricultural Research.

5) **The Republic of Ghana:** A technical assistance grant amounting to US\$ 115 000 to finance a training session in the field of procurement of goods and services.

6) **The Republic of Guinea:** A technical assistance grant amounting to US\$ 100 000 to finance an institutional support for the benefit of the Ministry of Planning.

7) **Regional:** A technical assistance grant amounting to US\$ 130 000 to finance a training session in the field of rural development extension.

8) **Regional:** A technical assistance grant amounting to US\$ 175 000 to finance a training session in the field of credit and finance.

9) **Regional:** A technical assistance grant amounting to US\$ 340 000 to finance a training session in the field of irrigation management, design and installation of irrigation systems and fertilization equipment.

10) **Regional:** A technical assistance grant amounting to US\$ 370 000 to finance a training session in the field of coordination and economic integration.



BADEA Signs Nine loan Agreements Amounting to US\$ 68.1 Millions

During the period May – July 2005 BADEA signed nine loan agreements, based on concessional terms, with the Republics of, Chad, Congo Brazzaville, Kenya, Madagascar, Mozambique, Niger, Seychelles and Togo in order to finance development projects in these countries.

Some of The loan agreements were signed in the presence of H.E. Mr. Ahmed Abdallah Al-Akeil, Chairman of BADEA's Board of Directors and H.E. Mr. Medhat S. Lotfy, the Director General; beside representatives from the recipient countries, while the other loan agreements were signed within the framework of the Annual Meetings of the African Development Bank Group which were held in Abuja during May 2005 and the Annual Meeting of the Islamic Development Bank Governors which was held in Malaysia during June 2005. The Director General represented BADEA in the signature of these agreements.

The following are some details on the signed agreements:

- 1) **The Republic of Chad:** BADEA extended to the Republic of Chad a US\$ 11.8 million loan to help finance Natural Resources Management in the Sudan Region Project. The loan will be repaid over a period of 30 years, with a 10-year grace period and 1% interest rate.
- 2) **The Republic of Congo Brazzaville:** The Republic of Congo Brazzaville received a US\$ 6 million loan from BADEA to help finance Blanche Gomes Hospital Project. The loan will be repaid over a period of 30 years, with a 10-year grace period and 1% interest rate.
- 3) **The Republic of Kenya:** BADEA extended a loan amounting to US\$ 15 million to the Republic of Kenya to help finance Emali – Oloitokitok Road Project. The loan will be repaid over a period of 25 years, with a 5-year grace period and 1% interest rate.
- 4) **The Republic of Madagascar:** The Republic of Madagascar

received from BADEA a loan in the amount of US \$ 6.5 million to help finance the Third Generating Set Project of Hydroelectric Power Station of Andekaleka. The loan will be repaid over a period of 30 years, with a 10-year grace period and 1% interest rate.

5) **The Republic of Mozambique:** BADEA extended a loan amounting to US\$ 4 million to the Republic of Mozambique to help finance Construction and Equipping of Matola General Hospital. The loan will be repaid over a period of 30 years, with a 10-year grace period and 1% interest rate.

6) **The Republic of Niger:** BADEA extended to the Republic of Niger a loan amounting to US\$ 7.6 million to help finance Djou-ré – Djajiri Road Project. The loan will be repaid over a period of 30 years, with a 10-year grace period and 1% interest rate.

7) **The Republic of Seychelles:** The Republic of Seychelles received from BADEA a US\$ 4.2 million loan to help finance Tourism Training College Project. The loan will be repaid over a period of 25 years, with a 5-year grace period and 2% interest rate.

8) **The Republic of Togo:** Finally BADEA extended to the Republic of Togo two loans, the first amounting to US\$ 7.5 million to help finance Tandjouaré – Sinkassé Road Project. This loan will be repaid over a period of 28 years, with a 6-year grace period and 1% interest rate. The second loan of US\$ 5.5 million to help finance the Reclamation of Lands in Mission Tové Region. This loan will be repaid over a period of 28 years, with an 8-year grace period and 1% interest rate.

It is worth noting that BADEA signed during 1975-July 2005, 369 loan agreements totaling US\$ 2647.6 million for the benefit of the beneficiary African countries. These loans included US\$ 66.1 million in debt relief provided by BADEA within the framework of HIPC Initiative.

Missions:

Delegations from BADEA paid visits to the Republics of: Senegal (26 April – 05 May 2005 and from 20-28 June 2005), Ethiopia (15 – 20 May 2005), Zimbabwe (24 May – 02 June 2005), Benin (30 May – 06 June 2005) and Ethiopia and Tanzania (26 June – 09 July 2005). The main duties of the delegations were to appraise, follow-up and identify new development operations in the afore-mentioned African countries eligible for its aid. BADEA delegations also held meetings with high-ranking officials in these countries, reviewed with them current and future cooperation programmes and held working sessions with those in charge of the implementation of various operations and conducted field visits to some projects.

Meetings:

Over the last three months, BADEA participated in several economic development meetings and forums. The following are some details:

The Annual Meetings of the African Development Bank Group: A delegation from BADEA headed by H. E. Medat S. Lotfy, the Director General, participated in the Annual Meetings of the African Development Bank Group, held in Abuja – Republic of Nigeria, during the period 15 – 19 May 2005. The meetings were inaugurated by her Excellency the Minister of Finance, in the presence of his Excellency the President of the Republic of Nigeria and his Excellency the President of the African Development Bank Group. Within the framework of the meetings BADEA's delegation met with a number of the participant African delegations, in addition to some development institutions and international and regional organizations. BADEA's delegation reviewed with the African delegations the on-going operations and the future cooperation.

The 30th Annual Meeting of the Islamic Development Bank Governors: H. E. the Director General, accompanied by a mission from BADEA attended the 30th Annual Meeting of the Islamic Development Bank Governors, held in Putrajaya, Republic of Malaysia from 23 to 24 June 2005. Their Excellencies, the President of the Islamic Development Bank, the Prime Minister of Malaysia, and the President of the Bank's Governors addressed the meeting. BADEA's delegation held side-meetings with some beneficiary countries and reviewed with them the current cooperation and the best means for enhancing it.

The Meetings of the African Summit – The visit to the Sahel and Sahara Bank: A mission from BADEA participated in the meetings of the African Summit held in Sert, Great Arab Libyan People's Socialist Jamahiriya. The meeting was attended by all the 53 member countries of the African Union, presidents of some international institutions, representatives of some specialized development organizations and United Nations organizations. Several topics were discussed in the meetings foremost were the reform of the United Nations, the Millennium objectives for development and the African continent indebtedness status.

On 06 July 2005, BADEA's mission paid a visit to the Headquarters of the Sahel and Sahara Bank for Investment and Trade in Tripoli and exchanged information with its senior staff and discussed avenues of cooperation between the Bank and BADEA. It is worth noting that this Bank was established in 1999 as one of the economic integration

instruments of the Sahel and Sahara Group, which includes 23 African countries.

The Round Table of the Bilateral Education Co-financiers in Chad and Niger: The same mission of BADEA participated in the Bilateral Education Co-financiers Forum in the Republics of Niger and Chad, organized from 8 to 9 July 2005 in Niamey, Capital of Niger. H.E. the President of the Republic of Niger inaugurated the forum in the presence of some high level personalities from the two countries, representatives of some international organizations, development institutions and non-governmental organizations. The forum reviewed the importance of the bilateral education in complimenting the formal education and fighting poverty and stressed the necessity of financing the programs of this type of education.

The 57th Arab Coordination Group Meeting: A delegation from BADEA attended the 57th Arab Coordination Group Meeting, held in the Saudi Fund for Development Headquarters in Riyadh, during the period 4 – 6 July 2005. The meeting was attended by the member institutions of the Group, which include beside BADEA, the Islamic Development Bank, the Abu Dhabi Fund for Development, the OPEC Fund for International Development, the Saudi Fund for Development, the Arab Fund for Economic and Social Development, the Kuwaiti Fund for Arab Economic Development and the Arab Gulf Programme for Supporting United Nations Development Organizations. The meeting reviewed the achievements of the Coordination Group Institutions in the field of development and stressed the necessity of continuing dialogue and coordination with the international institutions to enhance the international community efforts aiming at realizing the millennium development objectives.

In conclusion, it was agreed that the next meeting of the Group be held in the Headquarters of BADEA at Khartoum.

Supporting of Woman Role in Development

BADEA's Board of Directors approved in its second session held in June 2005 a technical assistance grant amounting to US\$ 130 000 in order to train 20 of the rural women from the French speaking African countries. The session which will last for three weeks will improve the efficiency and the capabilities of the rural woman working in the field of the development extension in the rural area by introducing the techniques and the modern ways of spreading the scientific information among the rural women, and training them in the field of planning, managing and following-up the productive projects.

It is worth noting that the Board of Directors in its first session for this year (March 2005) approved a technical assistance grant amounting to US\$ 250 000 to finance an institutional support for the benefit of the women groups in Senegal River zone. This support includes the provision of the agricultural equipment for these groups and training them in the fields of production, transformation and making ready for marketing of the agricultural and animal products.

These assistances are within the framework of BADEA's orientations aiming at improving the rural women capacities in the African beneficiary countries, where they represent more than half of the labour force in the rural areas and play an important role in the family life.