



BADEA Private Sector & Trade Finance Operations Guide





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Operations



Overview



Overview

- Arab Bank for Economic Development in Africa “BADEA” is an **Aa2** rated Multilateral Development Finance Institution established in 1974 and is owned by 18 countries -members of the League of Arab States (LAS)- to provide financial and technical cooperation between Arab and African regions.
- BADEA intervenes exclusively in the **44** African countries that are non-members of the League of Arab States.



BADEA 2030



Vision

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



Mission

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



Objectives

- To identify, develop and promote strategic economic cooperation opportunities between Arabs and Africa.
- To innovatively contribute to the sustainable development and structural transformation of African countries in view of SDG and Africa 2063.

BADEA 2030 – Our Strategic Focus

Boosting trade and private sector development for growth and job creation

Small and medium-sized enterprise (SMEs) for economic empowerment



Infrastructure investment for inclusivity, industrialization, and innovation

Agriculture value-chains development for empowerment



In February 2022, Moody's Investors Service assigns first-time Aa2 foreign currency long-term issuer rating to BADEA with a positive outlook (the second-best rating in Africa), and this puts BADEA in an even better position to deliver on its mandate



Private Sector Operations



Sectors



Financial
Institutions



Oil & Gas



Mining &
Excavation



Agri-Business &
Agro-Industry
Processing



Infrastructure



Health Care



Manufacturing &
Heavy Industry



Education



Hospitality &
Tourism



Real State &
Property
Development

Private Sector Instruments



Lines of Credit

Short, medium & long-term funding to intermediary financial institutions, for on-lending to its clients from the private sector

Direct investments in SPVs / project companies or indirect interventions through Private Equity Fund

Equity Investments



Direct Financing – Junior Loans

Medium & long-term junior loans / mezzanine financing to private sector enterprises, to enable them meeting their capital expenditure requirements and expansion plans

Short, medium & long-term senior loans / project financing to private sector enterprises and commercially oriented public entities, to enable them meeting their capital expenditure requirements and expansion plans

Direct Financing - Senior Loans



Syndications & Co-Financing

BADEA can participate, in collaboration with partner DFIs, in the financing of large-scale projects via term loans

Eligible Borrowers

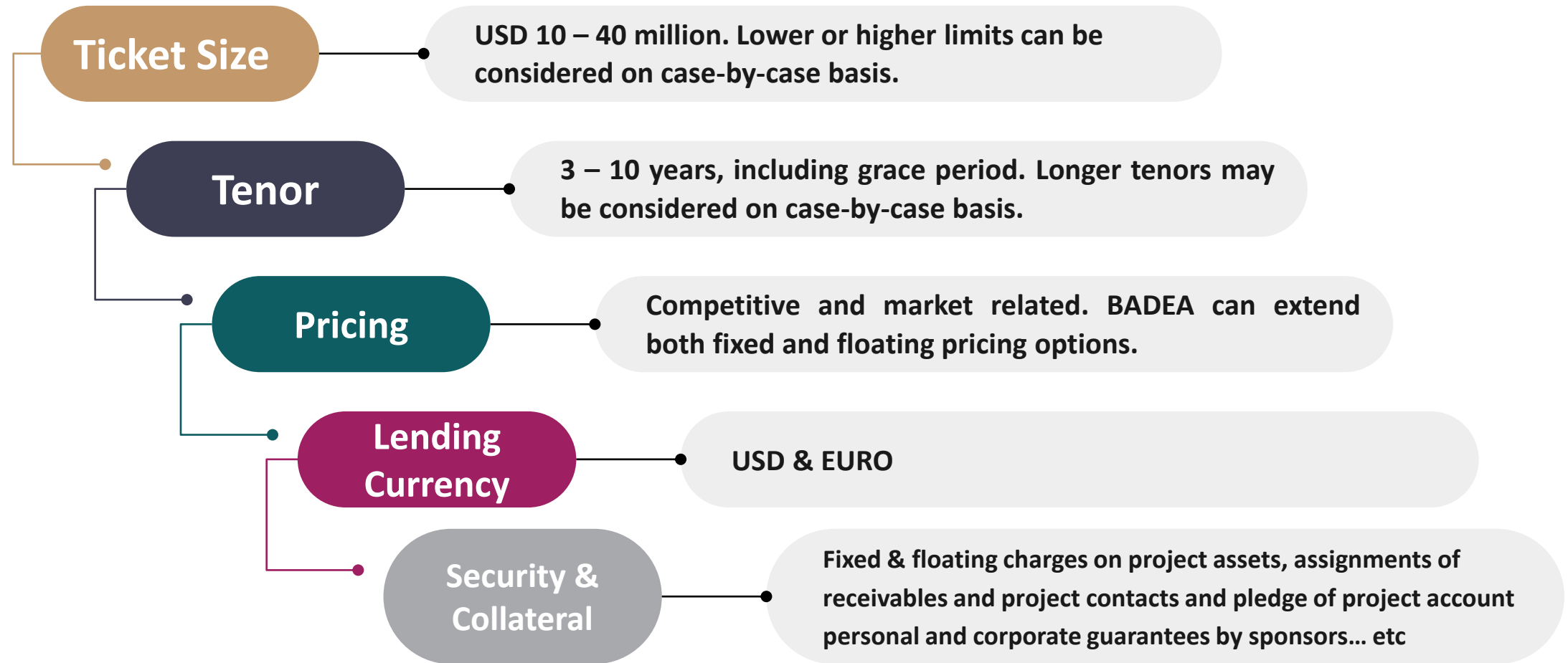
- Private sector companies.
 - State-owned corporations that operate on commercial basis.
 - All borrowing entity should be registered and operating in an African country / not member of the LAS.
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Transaction Processing Timeline

- Typical facility takes maximum three months from preliminary assessment to disbursement, timelines vary in accordance with the underlying transaction.



Main Lending Criteria & Eligible Borrowers





Trade Finance Operations



BADEA Trade Finance Windows

BADEA intervention aims at supporting **Exports from Arab League member countries** to eligible African countries, promoting of **Arab-Africa and Africa-Arab trade flows**, supporting **Exports of African commodities** targeting both African and international markets and supporting **Financial Integration** across Africa through:

Arab Export Program

African Trade Program

Sectors

Agribusiness

Petrochemicals

**Financial
Institutions**

**Power
&
Energy**

Pharmaceutical



Private Sector Instruments



Lines of Credit

Short term funding to intermediary financial institutions, for on-lending to its clients which are engaged in trading activities.

Short term loans to public and private enterprises that are involved in supply of commodities and trading activities

Direct Financing



Unfunded Facilities (LCs & LGs)

Issuance, confirmation, MRPA's, etc.

BADEA can participate, in collaboration with partner DFIs, in the financing of sizable trade finance transactions via short term loans

Syndications & Co-Financing



Discounting, Forfaiting, Bridge Financing

Eligible Borrowers

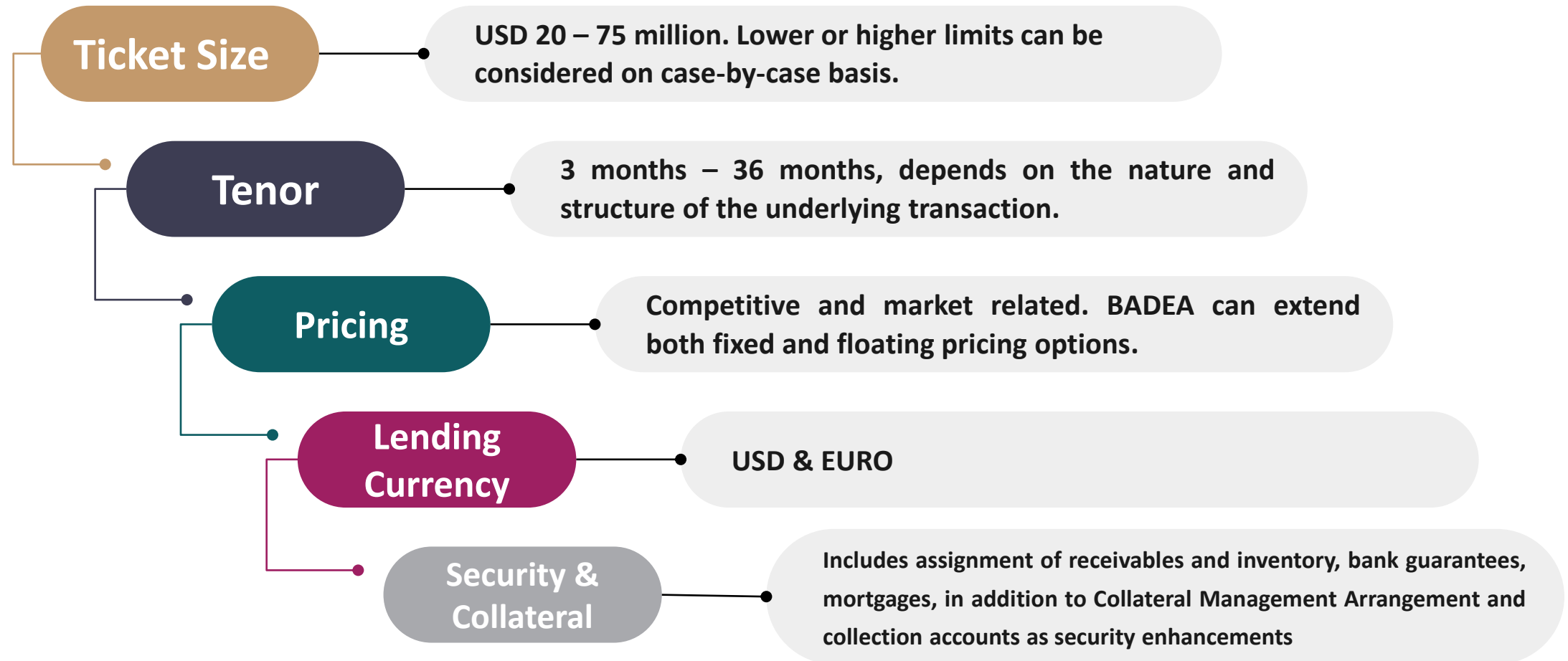
- Private sector companies and state-owned corporations that operate on commercial basis.
 - For public and private companies who operate in importing and exporting goods and services, the borrower should be registered and operating in African or Arab country.
 - As for sovereign lending, its limited to African countries that are not members of the LAS.
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Transaction Processing Timeline

- Typical facility takes maximum three months from preliminary assessment to disbursement, timelines vary in accordance with the underlying transaction.



Main Lending Criteria & Eligible Borrowers



Thank You





CONTACT US



Sayed Abdul Rahman Avenue
Khartoum, 11111, Sudan



Tel: +249-1-83773646



www.badea.org



pstf@badea.org/badea@badea.org