



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



AFD AND

Azerbaijan



3

financed projects

273

million euros
committed since 2012

670

km of railway track
upgraded

AFD has been present in Azerbaijan since 2012 and operates through sovereign and non-sovereign loans. It is mainly active in the rail sector. Its objective is to support projects that contribute to the fight against climate change and work towards fair and inclusive transitions.

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1 *Our rail projects*

At the crossroad of Central Asia and Middle East, Azerbaijan has a little over 2000 km of railways. The railway infrastructure and the rolling stock are currently in dilapidated condition which has a negative impact on personnel and passengers' safety as well as on the energy performance and competitiveness of the sector. AFD supports the ambitious reform program that has been launched in 2008 by the government for the development and the modernization of its railways.

- **Development of the East-West railway corridor**

AFD has been supporting the renovation of the Azerbaijani section of the Azerbaijan-Georgia-Turkey railway line via a sovereign loan of 112.5 million euros since 2015. While Azerbaijani authorities wish to put a new generation of locomotives into operation on this section, the project will allow the construction of two maintenance workshops as well as the training of machinists and locomotive drivers. It also contributes, through technical assistance services, to the technical capacity building of Azerbaijani railway personnel as well as to the maintenance of newly acquired locomotives.

- **Renovation of North-South railway line**

Within the framework of a program co-financed with the Asian Development Bank, AFD granted a 93.2 million euros sovereign loan in 2018 to support the renewal of Sumqayit-Yalama rail line which constitutes the North part of the North-South corridor. The work will upgrade 166.5 km of double -line rail track in order to ensure the rapid and safe movement of goods and passengers.

- **Financial restructuring of the national railway company ADY**

AFD also supports the company's institutional and operational reforms via a 67.3 million euros loan granted in 2019 for the restructuring of national railway company's debts. This financing aims to make ADY an efficient and economically viable company within a clear regulatory framework for railway traffic, which will create a stable environment for the country's entire railway sector.

2 *Our positioning*

In line with its regional strategy, AFD aims to support urban resilience and adaptation projects in the country through the financing of urban infrastructures (transport, water and sanitation, waste management, pollution control etc.), sustainable land management and natural resource preservation (irrigation, forest, etc.), support for the energy transition (renewable energies, energy efficiency and energy sector reform) and connectivity. In this respect, it is working on the identification of other projects in the energy sector and water resource management sector in Azerbaijan.