

FEDERAL REPUBLIC OF NIGERIA

FEDERAL MINISTRY OF TRANSPORTATION

ABUJA, NIGERIA

Ref: FMT/RMD/KMRP/2024/001

Date: January 15, 2024

The President
African Development Bank
Avenue Joseph Anoma
01 BP 1387 Abidjan 01
Côte d'Ivoire

RE: LETTER OF SUPPORT FOR KANO-MARADI RAILWAY PROJECT

Dear Mr. President,

On behalf of the Federal Government of Nigeria, I am pleased to express our strong support for the Kano-Maradi Railway Project and to formally request the African Development Bank's participation in financing this transformative infrastructure initiative.

1. PROJECT STRATEGIC IMPORTANCE

The Kano-Maradi Railway Project is a flagship initiative under Nigeria's Railway Modernization Programme. This 283.75-kilometer standard gauge railway line will connect Kano to Maradi in Niger Republic, establishing the first cross-border rail link in West Africa in over 70 years.

2. GOVERNMENT COMMITMENT

The Federal Government of Nigeria demonstrates unwavering commitment through:

- Equity contribution of 90 million (24% of total project cost)
- Sovereign guarantee for all project-related debt financing
- Establishment of dedicated Project Implementation Unit
- Fast-track approval of all necessary permits

3. PROJECT READINESS

- Comprehensive feasibility study completed (December 2023)
- ESIA approved by Nigerian and Niger authorities (January 2024)

- Detailed engineering design at 60% completion
- Financial model validated by independent advisors

4. FINANCING REQUEST

We request AfDB to provide a loan of 50 million (17% of .04 billion total cost).

Proposed terms:

- Loan amount: 50 million
- Tenor: 20 years
- Grace period: 5 years
- Security: Sovereign guarantee of Nigeria

5. ECONOMIC BENEFITS

- Economic IRR: 18.2%
- 12,000 construction jobs, 2,500 permanent jobs
- 40% reduction in transport costs
- Annual CO2 reduction: 180,000 tonnes
- .5 billion in additional bilateral trade over 20 years

The Federal Government of Nigeria stands ready to work closely with AfDB and all stakeholders to ensure successful implementation of this landmark project.

Yours sincerely,

Hon. Minister of Transportation
Federal Republic of Nigeria