



WEST AFRICAN DEVELOPMENT BANK

ANNUAL REPORT

2021



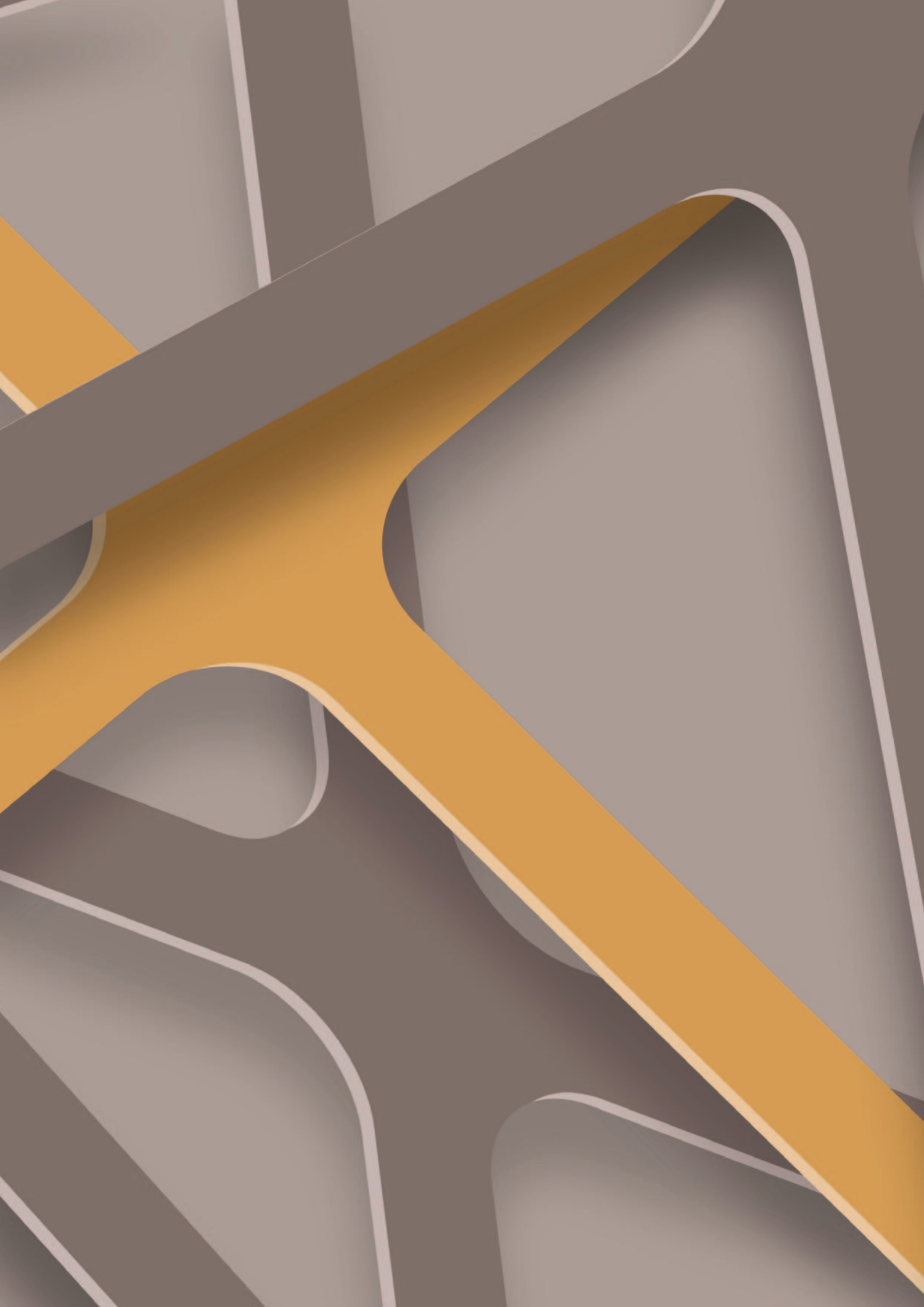


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*Oasis, Djoliba,
economic recovery ...*

*... despite an uncertain
business environment*

For the second year in a row, the economic and social impacts of the health crisis are being felt around the world. However, the stimulus measures taken by all stakeholders including governments, central banks and international and regional financial institutions, have made possible to contain the impact and put economies back on track for growth. The growth rate of the world economy has been set at 5.9% in 2021, after a contraction of 3.1% in 2020. I welcome this strong commitment at the global level, which has enabled us to start 2022 with greater confidence.

In the WAEMU region, economic activity increased by 6.1% in 2021 compared to 1.8% in 2020, driven by the good dynamics of all sectors of activity and the implementation of COVID-19 response and economic recovery plans in the various member countries.

BOAD played its full role in the recovery while directing its contributions to the sectors and areas in which it plans to strengthen its support, whilst making sure to align them with its societal commitment. A total of XOF439.4 billion was made available to the region's economies, specifically for financing in priority areas such as transport and digitization, agriculture and food security, energy and natural resources, education and health, real estate and housing, thereby targeting the majority of the sustainable development goals (SDGs 1-13 and 15).

The Bank further continued to support the region's development by enabling it, in turn, to meet the challenges of a year strongly marked by the health crisis whilst contributing, by and large, to improved living conditions of the communities across the Union, particularly through the creation of jobs or income, access to basic social services and strengthening of the overall factor productivity. Annual disbursements amounted to XOF455.6 billion, bringing cumulative disbursements to XOF4,672.1 billion, representing a cumulative disbursement rate of 69.9%.

In line with our commitment to fight global warming, we joined forces with our partners and clients to accelerate the transition. Green recovery, as one of our concerns, is at the heart of the economic recovery; thanks to our investment grade rating secured in 2015 and affirmed year in year out by the international rating agencies, we floated on the international capital market the first sustainability bond in Africa, for an amount of XOF492 billion, with 12-year maturity and 2.75% interest rate.

As one of our priority goals for 2021, we also retrieved the stable outlook from Fitch, thereby strengthening our aspirations. This is an encouraging outcome for our community institution, at a crucial moment when it aims to increase the impact of its interventions over the next five years, for the benefit of the Union's communities and sustainable development. As such, BOAD will





SERGE EKUE
President of BOAD
Chairman of the Board of Directors

continue its efforts to raise low-cost resources for the benefit of member governments and the private sector.

The Bank also kept up its commitment to ESG/CSR in order to address the current priorities of the WAEMU region. The "100 million trees" project initiated in that respect and whose objective is to combat desertification has made some progress in terms of negotiations with partners for their support in its development. At the internal level, a training programme, referred to as Yennenga for BOAD women, was launched in conjunction with HEC Paris. This aims to strengthen their leadership skills. In addition to these initiatives, BOAD has made employees' health and safety its focus points, as part of a continued improvement of working conditions, well-being and productivity for all.

The year 2021 was the first year of implementation of our new 2021-2025 strategic plan, referred to as "Djoliba".

Our flagship projects carried out during the year under this plan include the capital increase and balance sheet optimizing projects (securitization and insurance of part of the loan portfolio), which will enable the Bank to strengthen its operational capacity and increase the regional impact of its intervention. Likewise, the Bank has reached a new turning point with the implementation of an organizational transformation and change management project called "Oasis". This large-scale reform aims to provide the institution with the capacities (organization, human capital, culture)

required to increase its operational efficiency. The new organization came into effect on 1st August 2021.

Finally, the institution's financial profile strengthens year in year out. The year operations ended with a net profit of XOF30.8 billion, up by 5.1% compared to 2020. This result strengthens the shareholders' equity pending the completion of the capital increase project.

At this juncture, I would like to thank the highest authorities of WAEMU, all Board directors, for their support and guidance which had made it possible to launch major projects in our member countries, as well as the partners for all actions implemented to strengthen our cooperation.

To the Bank staff, I extend my warmest congratulations for the results and progress achieved, and urge them to endeavor for progress in all areas of the institution's life.

Some of the projects begun in 2021 will continue in 2022 and I urge all the stakeholders to contribute in their own ways to the good image of our development finance institution.

To all of you, you have been a great source of support and efficiency in this very challenging environment throughout the year. The quality of our mutual relations is a solid foundation and a strength to continue our common journey towards resilient and sustainable growth.

LIST OF ACRONYMS AND ABBREVIATIONS

AF	: Adaptation Fund
AFD	: Agence française de développement (French Development Agency)
AfDB	: African Development Bank
BADEA	: Arab Bank for Economic Development in Africa
BCEAO	: Central Bank of West African States
BCP	: Business continuity plan
BOAD	: West African Development Bank
CCEG	: Conference of Heads of State and Government
COP	: Conference of Parties
CSR	: Corporate social responsibility
ECOWAS	: Economic Community of West African States
EDF	: European Development Fund
EIB	: European Investment Bank
ENPRO	: Clean Natural Ecosystem
EU	: European Union
EDRM	: Electronic documents/records management
FCFA/XOF	: Franc de la Communauté Financière Africaine (Franc of the African Financial Community)
FDC	: Development and Cohesion Fund
FDE	: Energy Development Fund
GDP	: Gross domestic product
GEF	: Global Environment Facility
HDI	: Human development index
HVB/HVA	: High voltage (type B)/High voltage (type A)
IAS/IFRS	: International accounting standards/International financial reporting standards
IDB	: Islamic Development Bank
IMF	: International Monetary Fund
IREC	: Regional Initiative for Sustainable Energy
KfW	: Kreditanstalt für Wiederaufbau (German State-owned development bank)
XOF'B	: Billions of XOF
NDCs	: Nationally determined contributions
NGOs	: Non-governmental organisations
NICTs	: New information and communication technologies
PACAN	: Loans adapted to natural disasters
PCSSHN	: Project for high-level specialist healthcare centres
PPP	: Public-private partnership
PSI	: Information security policy
RCC	: Regional Collaboration Centre
RIP	: Regional Indicative Programme
RM	: Resident Missions
SAP	: Systems, applications and products for data processing
SDGs	: Sustainable Development Goals
SDSI	: Information system blueprint
SMEs-SMIs	: Small and medium enterprises-Small and medium industries
SI	: Information system
S&P	: Standard & Poor's
STADD	: African technologies for sustainable development
UNCCD	: United Nations Convention to Combat Desertification
UNFCCC	: United Nations Framework Convention on Climate Change
URDPPP	: Regional PPP Project Development Unit
WAEMU	: West African Economic and Monetary Union
WAMU	: West African Monetary Union
XOF'Bn	: Billion XOF



OVERVIEW TABLE ON BOAD AND LOANS GRANTED IN 2021

Date of establishment	14 November 1973 Commencement of operations in 1976
Shareholders	- WAEMU member countries: Benin, Burkina, Côte d'Ivoire, Guinee Bissau, Mali, Niger, Senegal, Togo - BCEAO (Central Bank) - Non-regional shareholders: Germany, AfDB, EIB, Belgium, France, India, People's Republic of China, Kingdom of Morocco
Mission	Promoting the balanced development of member countries and contributing towards the economic integration of West Africa
Vision	BOAD: a solid development bank for the economic integration and transformation in West Africa
Authorized capital as at 31/12/2021	XOF1,155 billion
Subscribed capital as at 31/12/2021	XOF1,103.6 billion
Total balance sheet as at 31/12/2021	XOF3,291.3 billion
Operational staff of the Bank as at 31/12/2021	299 employees
Loans granted in 2021	32 operations and 7 studies funded for an amount of XOF439.4 billion:
	Breakdown per sectors
	Transport/ICTs : XOF220.8 billion, or 50.3% (12 projects)
	Health-Education : XOF21.4 billion, or 4.9% (1 project)
	Agricultural production and food security : XOF48.5 billion or 11.1% (5 projects)
	Real estate-Housing : XOF36.6 billion or 8.3% (3 projects)
	Energy : XOF58.5 billion, or 13.3% (5 projects)
	Finance and insurance : XOF53.5 billion, representing 12.2% (6 projects)
	Some development and impact outcomes of funded projects (ex-ante targets)
	Clean water production : 24,000 cubic metres/day
	Irrigated agricultural lands : 2,117 hectares
	Installed electric power : 67.45 megawatts
	Jobs : 23,390
	Added value : XOF393.15 billion
Cumulative net commitments, 1976-2021	XOF6,683.4 billion (or €10,2 billion)

HIGHLIGHTS OF 2021

1

14 January

Completion of the first ever sustainable bond issue on the African continent

The West African Development Bank (BOAD) has successfully completed its first sustainability bond issue on the international capital market

Signing of a Memorandum of Understanding between BOAD and AfDB for the co-financing of the preparation of regional infrastructure projects in PPP

BOAD and the African Development Bank (AfDB) are working towards improving the availability of viable regional infrastructure projects

1st March



31 March

Inaugural press conference by the President of BOAD, six months after assuming office

The Bank President held a virtual press conference on 31 March to review his achievements after 180 days as Head of BOAD

Implementation of BOAD's new organizational chart

This new organization will enable the Bank to meet the goals set in its plan

1st August

Holding of a workshop bringing together departmental directors

The Bank held at Hotel 2 Février in Lomé a workshop intended for departmental directors under the chairmanship of Mr. Serge Ekué

21-23 October



28 July

Signing of a partnership agreement between BOAD and the WAEMU Commission for speeding up digitalization in the WAEMU region

Through this partnership, both institutions will speed up the emergence of the digital economy sector



14 September

Formalization of the cooperation between BOAD and the French Public Investment Bank (BPI France) through the signing of a collaboration framework agreement

This partnership is part of BOAD's commitment to promote SMEs in the West African sub-region



Maintaining the Bank's investment grade ratings

The international rating agencies, Moody's and Fitch Ratings, maintained their respective ratings assigned to the institution since 2015

7-9 April



Attendance at the inauguration ceremony of a 50 MW solar PV power plant at Blitta in Togo

This project, co-financed by the Bank to the tune of XOF12 billion, seeks to improve the country's electrification rate

22 June



26 May

Appointment of a Vice-President for BOAD

The BOAD Board of Directors has appointed Mr. Braima Luis Soares Cassama as the Bank's Vice-President



Signing of a Memorandum of Understanding between BOAD and G5 Sahel

BOAD and G5 Sahel signed an MoU aimed at providing a framework for their cooperation and fostering their partnership

25 October



Launching of BOAD Women's Leadership Programme

The Yennenga training programme is consistent with the 2021-2025 strategic plan Djoliba

9 December



30 October

Receipt of the Development Champion Award 2021 from the Rebranding Africa Forum

This forum celebrates leading personalities who pave the way for development through their daily actions by changing others' perception of the continent



Highlights of 2021



1st March

Signing of a Memorandum of Understanding between BOAD and AfDB for the co-financing of the preparation of regional infrastructure projects in PPP

BOAD and the African Development Bank (AfDB) are working towards improving the availability of viable regional infrastructure projects in the transport, energy, information and communication technologies (ICTs) and water sectors. In this respect, a Memorandum of Understanding has been concluded between both institutions for a five-year period, outlining a strategic partnership framework for co-financing the preparation of potential regional infrastructure projects in PPP.

This partnership will enable rapid establishment of a sound pipeline of prepared, bankable, ready-for-investment projects as part of the post COVID-19 recovery of infrastructure investments within the region.

14 January



Completion of the first ever sustainable bond issue on the African continent

In order to increase funding for projects with strong social and environmental impact, the West African Development Bank (BOAD) has successfully completed its first sustainability bond issue on the international capital market, for an amount of € 750 million (XOF491.97 billion), with a 12-year maturity and 2.75% interest rate. The funds raised will be used to finance green, social and sustainable projects for the benefit of WAEMU member countries.

This operation, a premiere on the continent, made it possible for BOAD to win the Sustainable Bond Award 2021.



31 March

Inaugural press conference by the President of BOAD, six months after assuming office.

The Bank President held a virtual press conference on 31 March to review his achievements after 180 days as Head of BOAD.

This meeting with newsmen from the African and international press was an opportunity for the President to discuss development issues and challenges in the Union and the Bank's aspirations for member countries over the next five years.



7-9 April



Maintaining the Bank's investment grade ratings

At the conclusion of the 6th annual review of the Bank's credit rating, the international rating agencies, Moody's and Fitch Ratings, maintained their respective ratings assigned to the institution since 2015, namely Baa1 (Moody's) and BBB (Fitch).

Meanwhile, as of 17 November 2021, Fitch revised the Bank's rating outlook to "stable" from "negative". This revision is driven by the strengthening of the Bank shareholders' capacity to support following recent upgrades of the ratings of Côte d'Ivoire and Benin.



26 May

Appointment of a Vice-President for BOAD

Following an in-home consultation, the BOAD Board of Directors has appointed Mr. Braima Luis Soares Cassama as the Bank's Vice-President for a renewable five-year term, effective 1st June 2021.

This appointment comes in the wake of the decision of the WAEMU Conference of Heads of State and Government dated 25 March 2021, mandating the creation of a second Vice-President position at BOAD, and the approval of the amendment of the Bank's Articles of Association by the WAEMU Council of Ministers. Mr. Cassama currently holds the position of Vice-President in charge of "Support and Control" operations.

22 June



Attendance at the inauguration ceremony of a 50 MW solar PV power plant at Blitta in Togo

BOAD Vice-President for Financing and Investment, Mr. Moustapha Ben Barka, took part in the inauguration ceremony of the 50 MW solar PV power plant at Blitta, under the chairmanship of His Excellency Mr. Faure Essozimna Gnassingbe, President of the Togolese Republic.

This project, co-financed by the Bank to the tune of XOF12 billion, seeks to improve the country's electrification rate and the living conditions of populations in the target communities.



28 July

Signing of a partnership agreement between BOAD and the WAEMU Commission for speeding up digitalization in the WAEMU region

BOAD and the WAEMU Commission signed a partnership agreement with the purpose of jointly implementing programmes and projects in the digital economy sector.

Through this partnership, both institutions will speed up the emergence of the digital economy sector and intensify the vast movement of digitalization underway in civil services, administrations, businesses and more globally within the community space.



Highlights of 2021



14 September

Formalization of the cooperation between BOAD and the French Public Investment Bank (BPI France) through the signing of a collaboration framework agreement

In a bid to strengthen business relations between European and WAEMU companies, to boost co-financing of dedicated projects and programmes, and reinforce mutual technical assistance, BOAD and BPI France signed a cooperation agreement.

This partnership is part of BOAD's commitment to promote SMEs in the West African sub-region. It will further facilitate their access to funding, especially to medium and long-term loans.



1^{er} August



Implementation of BOAD's new organizational chart

To address the five priority areas of the plan Djoliba, BOAD's new organizational model, with the adoption of five sectoral departments, presented during a general meeting held on 29 July, became effective as of 1st August.

This new organization will enable the Bank to meet the goals set in its plan, that is improving its operational efficiency.



21-23 October

Holding of a workshop bringing together departmental directors

The Bank held at Hotel 2 Février in Lomé a workshop intended for departmental directors under the chairmanship of Mr. Serge Ekue, President of the Bank. For two days, participants discussed: i) the operationalization of the strategic vision of the plan Djoliba; ii) the common understanding of the Bank's change management project ("Oasis"); iii) the adherence of all to new values and target behaviors as defined by the Bank.



25 October



Signing of a Memorandum of Understanding between BOAD and G5 Sahel

BOAD and G5 Sahel signed an MoU aimed at providing a framework for their cooperation and fostering their partnership in areas of common interest for the benefit of the populations and development of the region.

Under this agreement, both institutions agree i) to support technical, financial and institutional capacity building, studies, research and initiatives of common interest that contribute to the economic and social development of their respective areas of intervention; and ii) to mobilize the required funding for the implementation of investment projects in specific areas of cooperation including transport, water, energy and telecommunications infrastructure; agriculture and livestock; climate change; mining, industry and services.

30 October

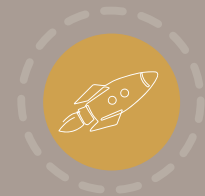


Receipt of the Development Champion Award 2021 from the Rebranding Africa Forum

President Serge Ekue of BOAD received the Development Champion Award 2021 at the 7th edition of the Rebranding Africa Forum 2021, held on 29 and 30 October in Brussels, on the theme "How the digital revolution can shape Africa's future".

This forum celebrates leading personalities who pave the way for development through their daily actions by changing others' perception of the continent.

9 December



Launching of BOAD Women's Leadership Programme

Known as Yennenga, the programme was launched at Hotel 2 Février in Lomé by BOAD and HEC Paris, with Mrs. Victoire Tomegah Dogbe, Prime Minister of the Togolese Republic, as mentor. The Yennenga training programme is consistent with the 2021-2025 strategic plan Djoliba. It is designed to build BOAD women's leadership capacities.

Economic and social environment

The year 2021 was marked by a global economic recovery driven, inter alia, by the continued roll-out of vaccines, combined with fiscal and monetary measures to stimulate economies

In Sub-Saharan Africa, in particular, economic growth is expected to reach 4.0% is mainly due to a significant improvement in world trade and commodity prices





1 *International
economic
environment*

**World gross domestic product (GDP)
is expected to rise by 5.9% in 2021,
following a 3.1% contraction in 2020.**



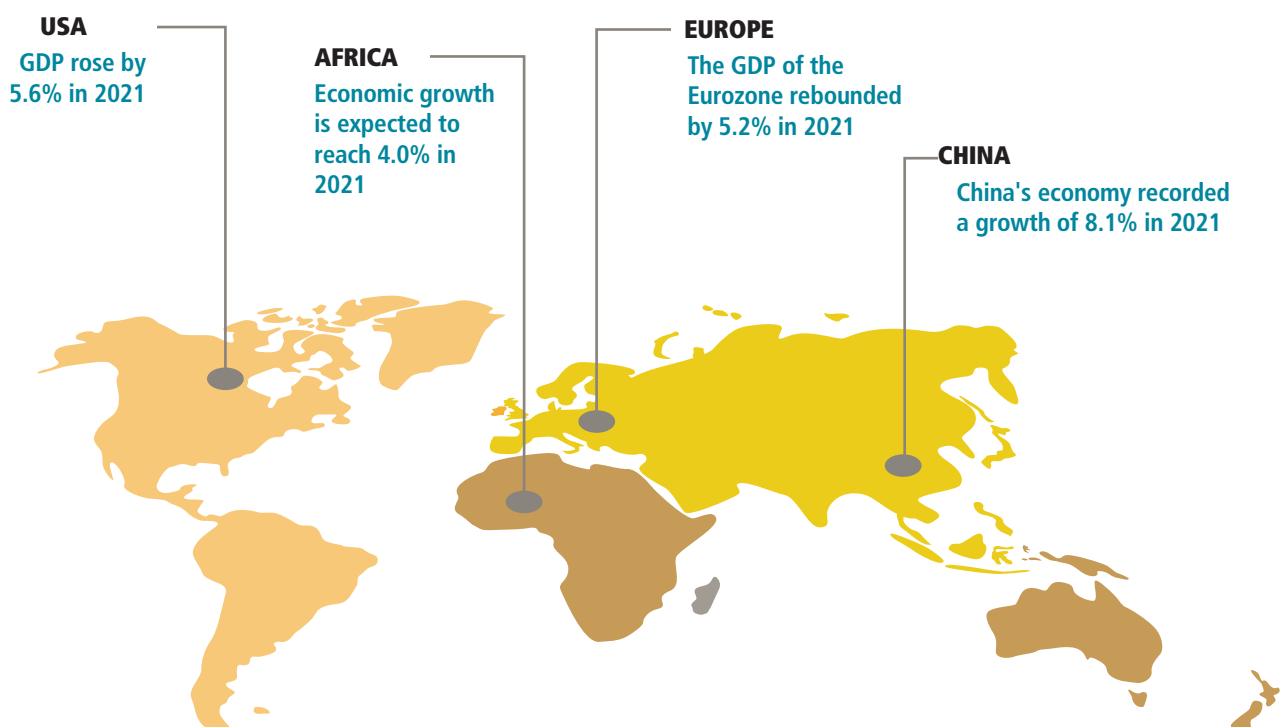
In the advanced economies, economic activity increased by 5.0% in 2021, following a 4.5% recession in 2020, reflecting the accelerated growth in demand following the progressive opening of economies. In the United States of America, GDP rose by 5.6% in 2021, compared to a 3.4% decline in 2020, on account of the multi-faceted fiscal support provided to sustain economic recovery. The GDP of the Eurozone rebounded by 5.2% in 2021, driven by the performance of the major economies in the zone, including France (+6.7%) and Germany (+2.7%). In Japan, economic activity is expected to increase by 1.6%, following a sharp contraction of 4.5% in 2020, whilst in the United Kingdom, economic growth has recovered at 7.2% in 2021, following a 9.4% decline in 2020.

In the emerging and developing countries, economic activity increased by 6.5% in 2021, following a 2.1% contraction in 2020, driven by the strong recovery of most of these economies. China's economy recorded a growth of 8.1% in 2021, from 2.3% in 2020, as a result of the fiscal and monetary recovery measures implemented and the rise in exports. India's GDP increased by 9.0% in 2021, boosted by strong domestic demand and

increased manufacturing output, amidst a decline in the COVID-19 pandemic. In Brazil and Russia, available estimates indicate GDP growth of 4.7% and 4.5% respectively in 2021, driven by the recovery in oil prices and the stimulus packages implemented by the authorities.

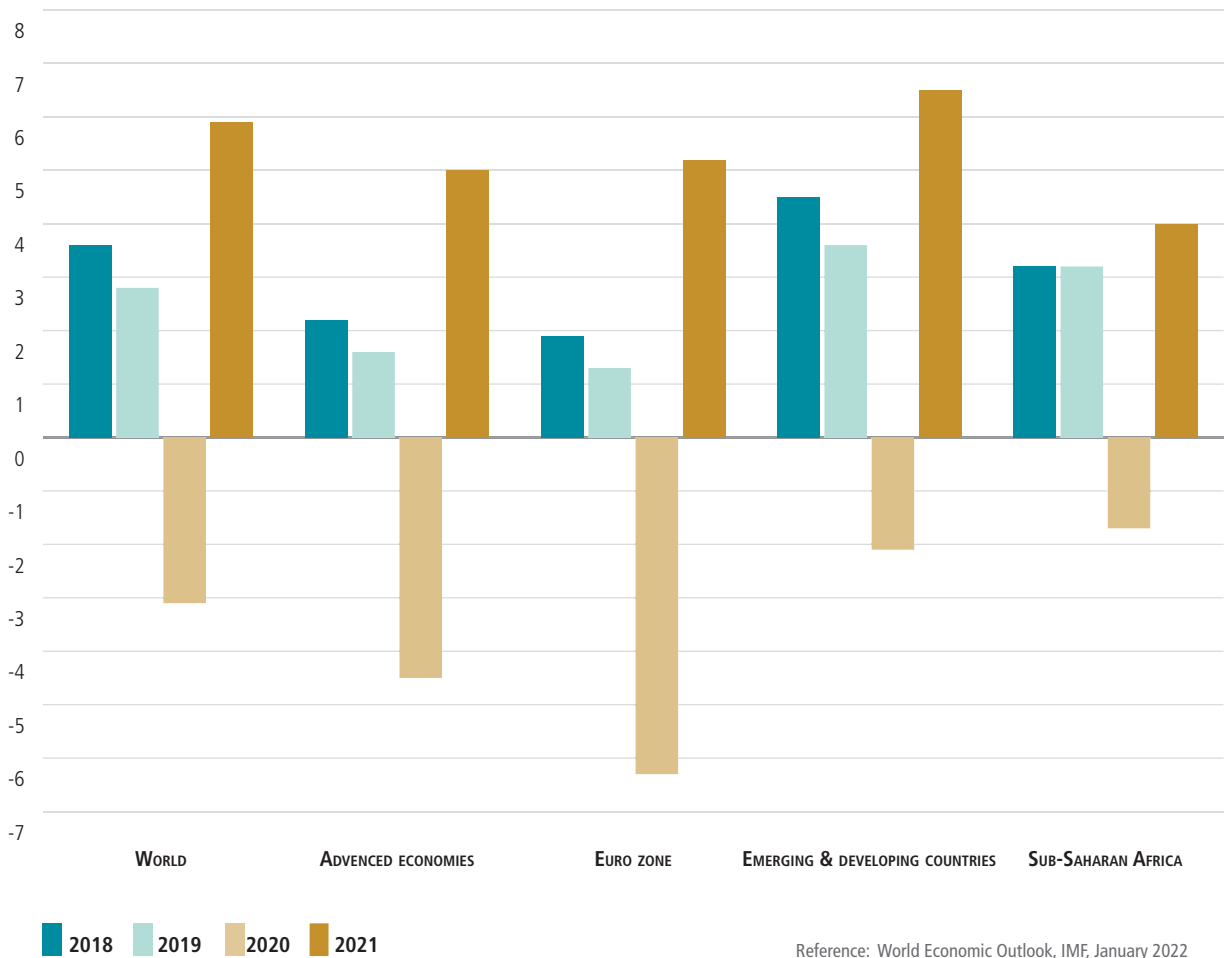
In Sub-Saharan Africa, in particular, economic growth is expected to reach 4.0% in 2021

after a contraction of 1.7% in 2020. This upturn is mainly due to a significant improvement in world trade and commodity prices. Favourable crops have also contributed to increased agricultural production.



Graph 1

TRENDS IN ECONOMIC ACTIVITY OVER THE 2018-2021 PERIOD



The International Monetary Fund (IMF) expects the world economy to grow by nearly 4.4% in 2022. However, these forecasts are shadowed by strong uncertainties resulting from the evolution of the pandemic and the inflation outlook.

Declining incomes have resulted in a sharp increase in poverty worldwide. An estimated 97 million more people are living on less than \$1.90 a day as a result of the pandemic, raising the global poverty rate from 7.8 to 9.1%, and an additional 163 million people living on less than \$5.50 a day. The World Bank

estimates that between three and four years of progress towards eradicating extreme poverty worldwide has been reversed.

There are more people living in poverty across all regions, particularly in sub-Saharan Africa. In 2021, poverty was projected to increase by 1% in the region before the pandemic, yet the poverty growth rate is expected to over double by 2.5% due to the impact of COVID-19.

While the global economy is recovering from the severe impact of the coronavirus pandemic, rising poverty and growing inequality remain a major challenge. According to the World Bank¹, the average income of the world's poorest 40% is 6.7% lower in 2021 than projected before the pandemic, while the average income of the wealthiest 40% would have declined by only 2.8%.

¹ <https://blogs.worldbank.org/fr/voices/laugmentation-de-la-pauvrete-et-le-croisement-des-inegalites-sont-les-autres-sequelles-de-la>





**THE INTERNATIONAL
MONETARY FUND (IMF)
EXPECTS THE WORLD
ECONOMY TO GROW BY
NEARLY 4.4%**



Economic environment in the WAEMU region



In 2021, the Union's economic activity is expected to pick up, posting a growth rate of 6.1% against 1.8% in 2020, reflecting recovery in all economic sectors.

Activity in the primary sector is expected to grow by 3.7% as against 3.6% in 2020, driven by the increase in food production and the supply of cash crops, particularly the increase in cotton production. The growth rate of the secondary sector is estimated at 8.7% against 2.4% in 2020, driven by the continued growth of mining activities, the growth in manufacturing activities and the upturn in construction and public works, due to the speeding-up of major construction projects. The added value of the tertiary sector is expected to rise by 6.1% against 1.0% in 2020, in connection with the renewed dynamism of the "trade", "transport and telecommunications" and "tourism" sub-sectors, as well as the strengthened activity of the units in the "banking, insurance and other services" sub-sector.

The inflation rate would stand at 3.4% against 2.1% in 2020,

mostly due to increased prices of food products in all member countries.

The Union's growth rate is expected to reach 6.5% in 2022, thanks to a recovery of activities in all sectors, despite uncertainties as to the final outcome of the health crisis. However, this outlook could be undermined by

the poor performance of cereal production in some countries of the Union. Other risks to the outlook include the persistent security crisis in the Sahel area and the unfavorable evolution of commodity prices.

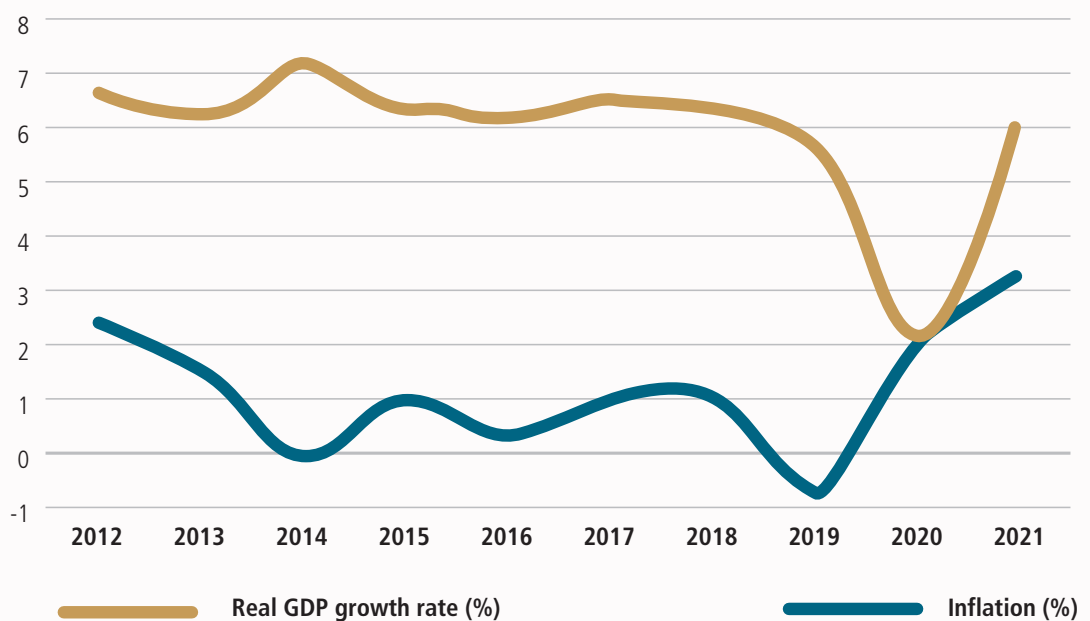
The growth rate by country in 2021 would be as follows

Benin (+7%),
Burkina Faso(+7.1%),
Côte d'Ivoire(+6.5%),
Guinea-Bissau(+6.3%),
Mali(+5.2%),
Niger(+5.5%),
Senegal(+5%),
Togo(+5.3%).

Graph 2

TRENDS IN GROWTH AND INFLATION RATES IN THE WAEMU OVER THE 2012-2021 PERIOD

Source: Multilateral Surveillance Implementation Report, December 2021



Achievements in 2021

In terms of contribution to the achievement of sustainable development goals (SDGs) within WAEMU region, funding granted over the year covered projects that will contribute to the achievement of 14 out of the 17 goals





General picture

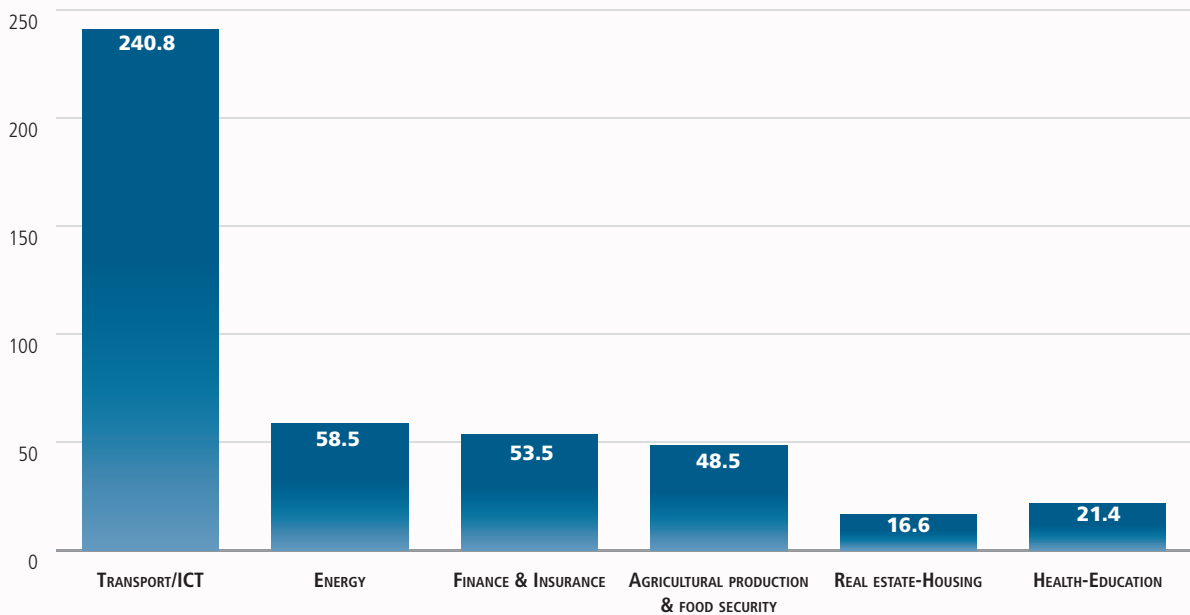
The Bank's commitments to WAEMU economies in 2021 amount to XOF439.4 billion, including XOF409.4 billion of medium and long-term loans, XOF20 billion of short-term loans and XOF10 billion of guarantee.



Breakdown of funding per sector and operational area is as follows:

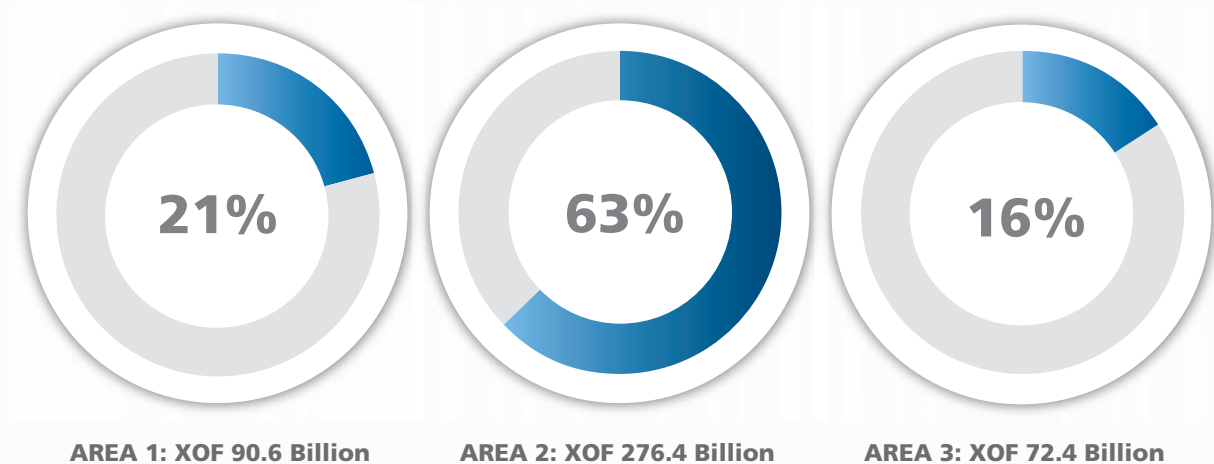
Graph 3

BREAKDOWN OF FUNDING PER SECTOR IN 2021
(XOF'bn)



Graph 4

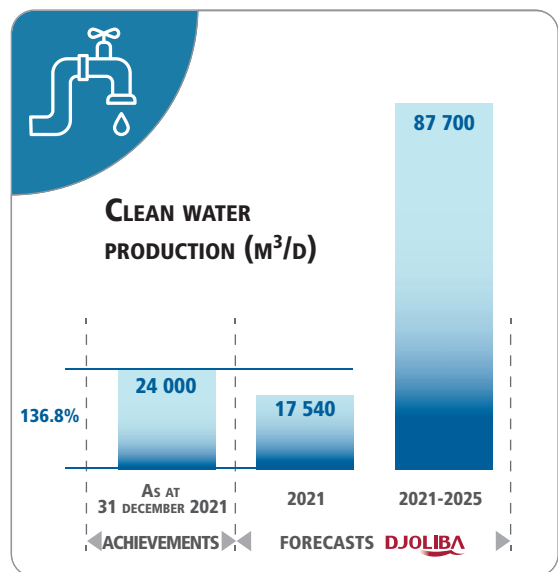
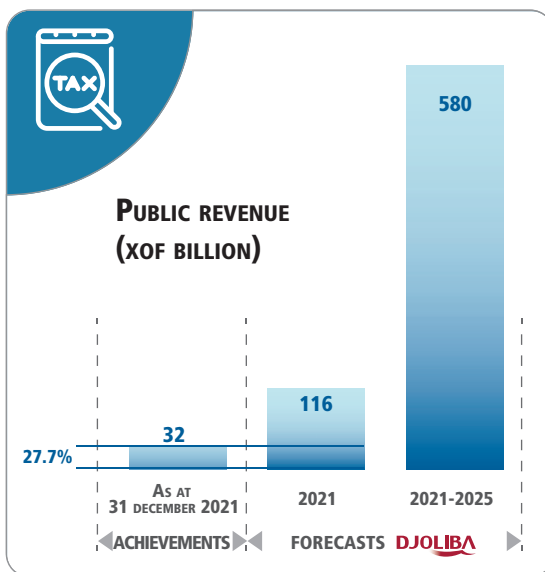
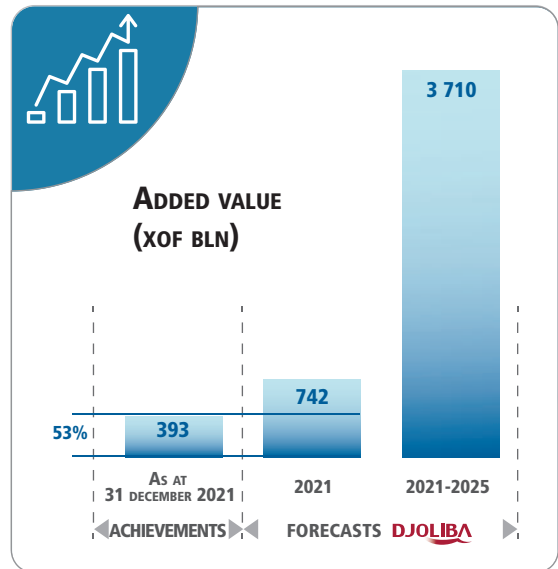
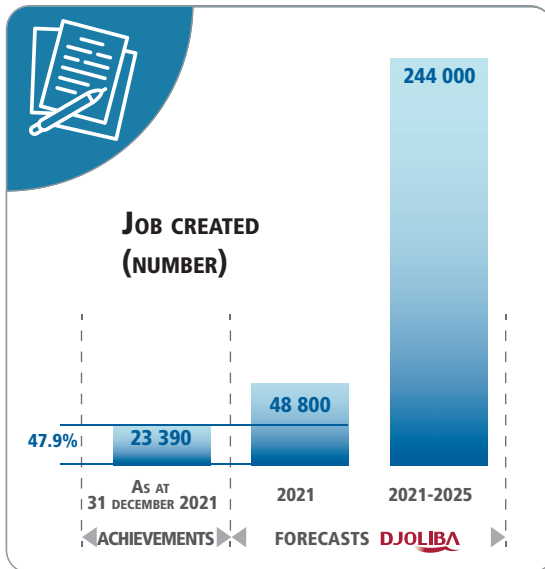
BREAKDOWN OF FUNDING PER OPERATIONAL AREA IN 2021
(XOF'bn)

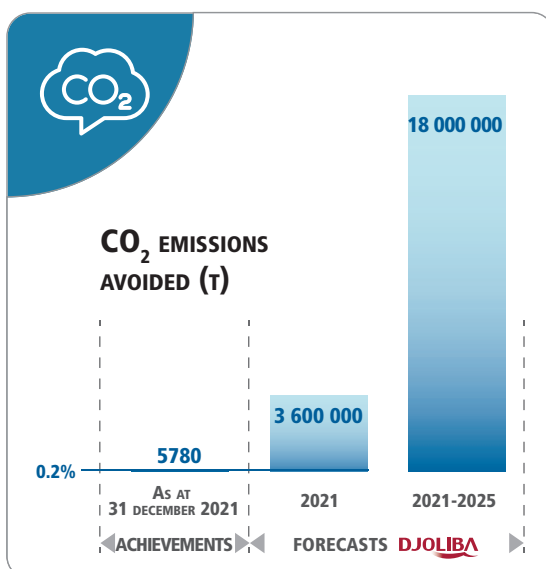
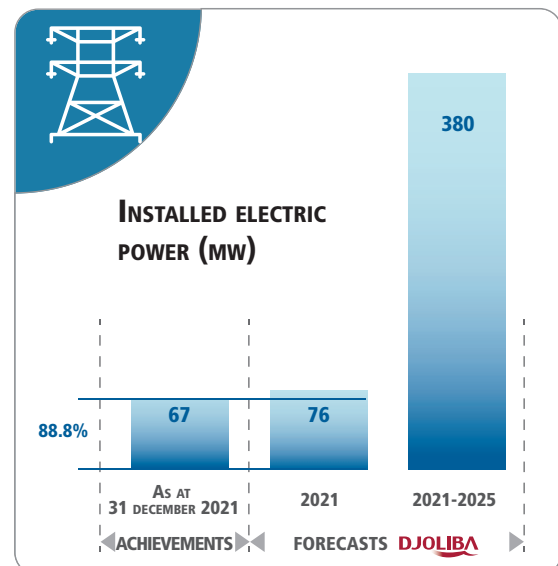
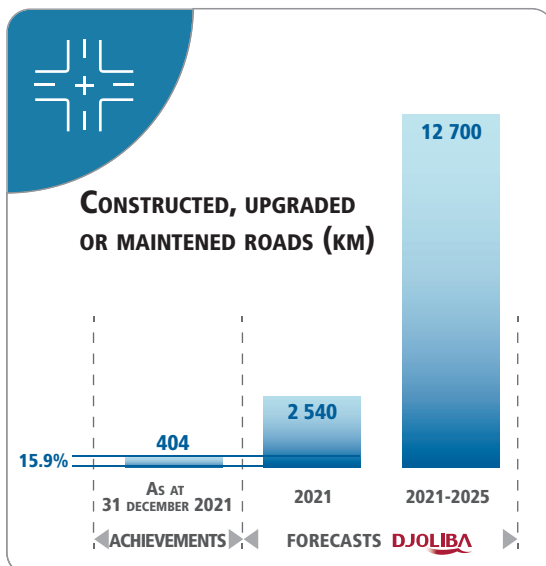
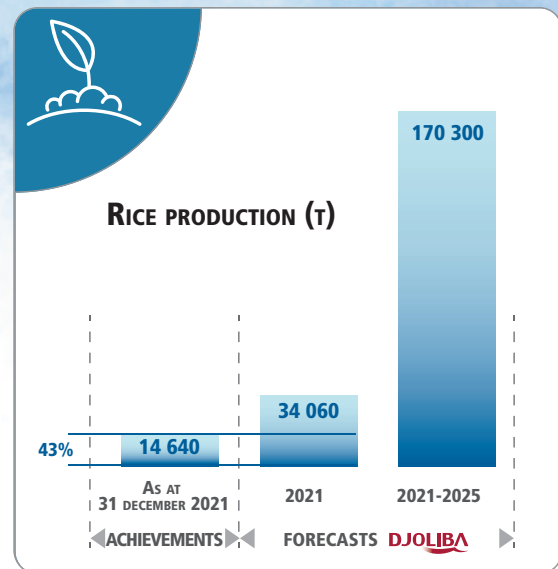
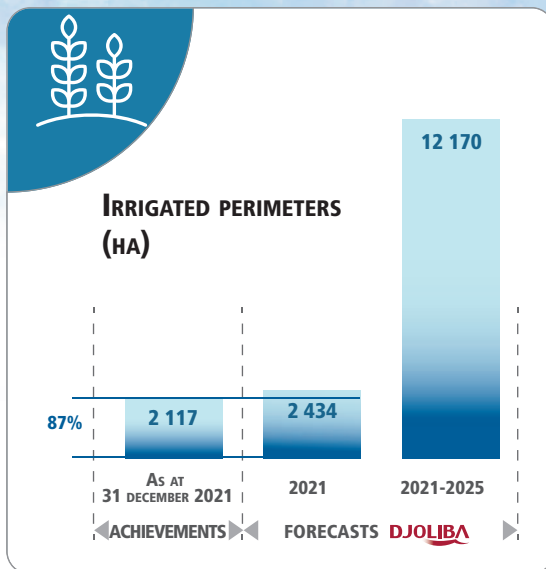


As regards achievement of the impact objectives of the plan Djoliba, the graph below provides the targets (ex ante) of projects funded in 2021 in line with the nine (9) major indicators of the plan Djoliba along with their achievement rates.

Graph 5

OVERVIEW OF THE MONITORING OF THE NINE (9) IMPACT INDICATORS





It appears that efforts need to be stepped up on indicators involving: i) "roads" (15.9% of annual target), ii) carbon dioxide reduction (0.2% of annual target), iii) job creation (47.9%) and iv) added value (53.0%).

It is expected an improvement in the achievement rates of the impact indicators over the next few years. Indeed, **once the capital increase process completed, we can expect an accelerated achievement rate thanks to the reinforcement of the Bank's means of intervention.** Likewise, the coming years are likely to be marked by the increasing power of sectoral teams in the origination of high-impact financing operations.

In terms of contribution to the achievement of sustainable development goals (SDGs) within WAEMU region, funding granted over the year covered projects that will contribute to the achievement of 14 out of the 17 goals, namely:



Breakdown of funding per sector over the year is shown below:

Table 1

APPROVALS (LONG, MEDIUM AND SHORT-TERM) PER SECTOR IN 2021

	Approvals (XOF'bn)	Number of operations	% Approvals
Non-commercial sector (a)	319.9	46	72.8
Commercial sector (b = i + ii)	119.5	10	27.2
Commercial public (i)	20.0	1	4.6
Private (ii)	99.5	9	22.6
Total (a+b)	439.4	56	100

The public sector (non-commercial public and commercial public) received funding totaling XOF339.9 billion, or 77.4% of total funding for the year.

The funding granted will contribute to the implementation of major development projects, particularly the construction of new road and airport infrastructure, extension of energy production and distribution capacities, strengthening of the

local supply of farm commodities, improved access of populations to sanitation, construction of affordable housing and classrooms, as well as the promotion of regional economic integration.

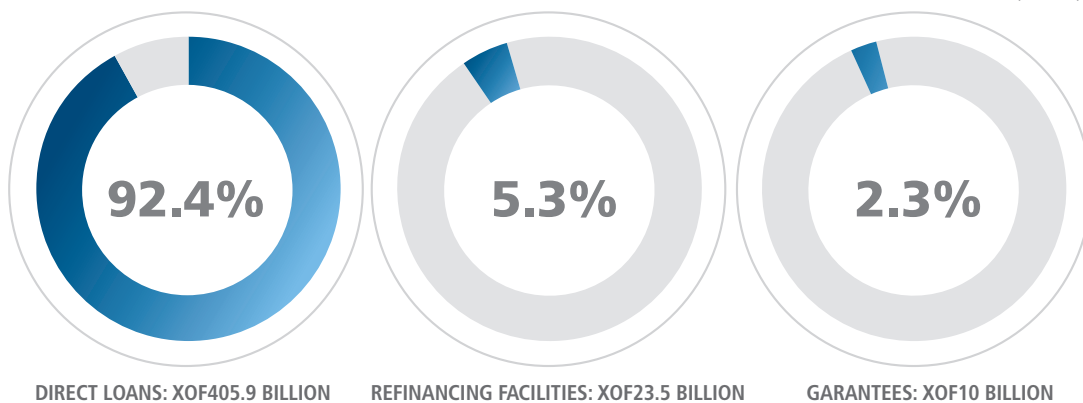
The private sector received XOF99.5 billion.

This funding was part of the continued implementation of the private sector support package approved in 2020 in response to the COVID-19 health emergency.

Graph 6

APPROVALS PER FUNDING TYPE IN 2021

(XOF' bn)



Graph 7

EVOLUTION OF BOAD'S CUMULATIVE NET COMMITMENTS

(XOF' bn)



Direct loans to the States and large companies of the Union accounted for a major share of the Bank's operations with 92.4% of the project portfolio funded over the period under review. Funding provided will be used to support the implementation of twenty-eight (28) new investment projects.

With regard to refinancing facilities, three (3) operations for a total amount of XOF23.5 billion, representing 5.3% of 2021 approvals were granted to strengthen the stable resources of financial institutions in member countries and to support the financing of productive investment projects.

The guarantee activity recorded one operation in 2021. This was a counter-guarantee for a short-term loan amounting to XOF10 billion, granted to a power company. This intervention made it possible to preserve the operation of the unit and safeguard several dozen jobs.

As regards project preparation, XOF3.2 billion has been allocated to feasibility studies, bringing the cumulative amount of related funding to XOF40 billion as of late December 2021. The purpose is to help the States prepare projects suitable for funding.

The new funding granted bring the Bank's cumulative net commitments to XOF6,683.5 billion as at 31 December 2021 (Graph 7).

With this level of intervention, the Bank is positioning itself as a catalyst in the region by attracting additional investments of an estimated cumulative amount of XOF16,852.9 billion, representing a leverage effect of 2.5.

In this respect, XOF2,037.0 billion, or 30.5% of the Bank's commitments as at end-December 2021, have been allocated to regional economic integration projects.

As at 31 December 2021, **annual disbursements** amounted to XOF455.6 billion, against XOF505.9 billion in 2020, a decline of 9.9%. Cumulative disbursements amounted to XOF4672.1 billion, reflecting an **overall disbursement rate** of 69.9% (cumulative disbursements/cumulative commitments) against 67.3% a year earlier. Meanwhile, the annual disbursement rate² stood at 22.5% in 2021, below the 2020 rate (26.7%), which was driven by exceptional disbursements related to the COVID-19 package. In comparison, the World Bank Group's³ annual disbursement rate stood at 20% in 2020.

² This rate is defined as the amount disbursed in the year under review divided by the undisbursed balance at the end of the previous year and is a key indicator of project implementation and provides an early warning if implementation is not progressing as expected

³ It should be noted that for the World Bank Group, a 25% rate is generally targeted as a goal to be achieved, especially in the sub-region (Project Management: A 25% disbursement rate targeted by the World Bank | FratMat).



Achievements per strategic area

- AREA 1** : Fostering regional integration
- AREA 2** : Contributing to the creation of value and productive jobs in support of States and the private sector
- AREA 3** : Building greater resilience to climate change
- AREA 4** : Increasing the Bank's financing capacity
- AREA 5** : Strengthening human resources and management systems



AREA 1 | FOSTERING REGIONAL INTEGRATION

1. FUNDING

Funding to strengthen regional integration in the WAEMU region amounted to XOF90.6 billion, or 21% of the funding granted at the end of FY2021.

The projects that most contributed to this area include the following:

- **The rehabilitation and extension of the Diffa Airport in the Republic of Niger and the construction of the Ouagadougou-Donsin International Airport in Burkina Faso** for an amount of XOF25 billion and XOF16 billion respectively
- **The creation and operation of an industrial and logistics complex by Plateform Industrial d'Adetikopé (PIA) SAS in Togo** (XOF20 billion).
- **The Dakar-Tivaouane-Saint-Louis highway construction project: Mékhé-Saint-Louis road section in the Republic of Senegal** amounting to XOF30 billion.
- **The project to reinforce the northern corridor of Côte d'Ivoire: construction of the second 225 kV Taabo-Kossou-Bouaké interconnection line and extension of the Taabo, Kossou and Bouaké 2 sub-stations in the Republic of Côte d'Ivoire** for XOF20 billion.

These projects will make it possible to: i) improve the mobility of production factors and the economic and social development of the region, ii) contribute to the creation of 3,044 direct and indirect jobs.

Covering an area of 132 ha and enabling i) the reinforcement of the handling capacity of the Lomé Port Authority, ii) the creation of 13,255 jobs.

It will contribute to the economic development of the targeted area in the fields of agriculture, mining, fishing and tourism through the construction of 120 km of roads.

In terms of expected impacts, the project will ensure: i) an annual contribution of 1,563 GWh to national power production, ii) an increase of 960 GW in the amount of power exported to countries in the sub-region, iii) improved power quality for 1,661,732 people.

2. MONITORING THE IMPLEMENTATION OF REGIONAL STRATEGIES AND PROGRAMMES

In collaboration with other WAEMU institutions and community bodies, the Bank pursued its efforts towards promoting regional programmes. Under the WAEMU High-Level Healthcare Centres Project (PCSSHN), the Bank received a request from Côte d'Ivoire for the granting of a cash advance to carry out additional studies and prepare the project's tender documents. The amount granted is estimated at XOF285 million.

The rehabilitation and extension of the Diffa Airport in the Republic of Niger and the construction of the Ouagadougou-Donsin International Airport in Burkina Faso

AREA 2

CONTRIBUTING TO THE CREATION OF VALUE AND PRODUCTIVE JOBS IN SUPPORT OF STATES AND THE PRIVATE

1. FUNDING

As regards the contribution to the creation of value and productive jobs, XOF 276.4 billion were granted to the States and the private sector, representing 63% of the overall funding for the year.

The projects that contributed significantly to this area include:

- **The support project for the intensification of food production (PAIPV) in the Republic of Guinea-Bissau** (XOF5 billion).

This project will basically allow: i) the development of 300 ha of lowlands for rice production and 38 ha of market gardening areas, ii) the rehabilitation of 17 km of rural roads, iii) the creation of 3,970 jobs.

- **The proposed construction of the Mopti Ambodèdjo airport bypass and urban roads in the city of Sévaré in the Republic of Mali,** (XOF15 billion).

It will contribute to improved transport conditions in the city, through the construction of modern infrastructure to improve the safety and living conditions of the citizens. In terms of development outcomes, it is expected: i) the construction of 19 km of roads, ii) a population of 468,751 people using the asphalted and rehabilitated roads, iii) a quantity of goods of 7,056,176 tonnes transiting on the asphalted roads, iv) a contribution to the creation of 873 jobs.

- **The construction project of 1,528 classrooms to replace temporary shelters, and ancillary works in the Republic of Senegal** (XOF21 billion).

Its implementation will provide good learning conditions for some 57,008 disadvantaged children and reduce the drop-out rate by 50% in the targeted schools. It will further generate XOF12.7 billion in added value and 7,116 jobs.

- **The construction and asphaltting project of the regional road No.11 (RR11) Kolinka-Fara-Poura Carrefour in Burkina Faso** (XOF30 billion).

It will enable the construction of 94.5 km of roads and 100 km of rural tracks, a contribution to the creation of 2,043 jobs and XOF 9.6 billion in added value.

- **The Wassoulou integrated development project in the Republic of Côte d'Ivoire** (XOF15.3 billion)

He will notably involve: i) the construction of two dams with a total capacity of 18,331,750 m³, ii) the development of 249 ha for rice growing and market gardening, iii) the construction of 77.5 km of access roads. In addition, it will support the creation of 3,483 jobs and the generation of XOF11.6 billion in added value.





The construction project of 1,528 classrooms to replace temporary shelters, and ancillary works in the Republic of Senegal

2. ARRANGEMENT MANDATES

As part of fund-raising mandates, the due diligence carried out made it possible to mobilize funding for a cumulative amount of XOF93.03 billion, broken down as follows:

- i) **XOF51 billion** for the development and asphaltting of a ring road in Ouagadougou;
- ii) **XOF2.82 billion** for the development and upgrading of the Kanawolo-Korhogo road in Côte d'Ivoire;
- iii) **XOF19.21 billion** for the construction and operation of the Tour Entente in Abidjan, Côte d'Ivoire; and
- iv) **XOF20 billion** for the construction of a logistics platform at the Grand Nokoué agri-food hub at Abomey Calavi.

3. ADVISORY ACTIVITIES

Actions carried out under this activity led to the invoicing of fees amounting to XOF100 million for the provision of advisory services in raising funds for the benefit of Coris Holding.

The successful operation led to the granting of three BOAD credit facilities totalling XOF10 billion each to the three subsidiaries of the Coris Group (Burkina Faso, Côte d'Ivoire and Mali), thereby strengthening their capacity to grant new loans to SMEs. It is part of the Bank's strong commitment to support the development of local banks as an essential provider of long-term resources on competitive terms. It also reflects BOAD's strong commitment to the financing of SMEs in the sub-region.

4. PROMOTING PUBLIC-PRIVATE PARTNERSHIPS (PPP)

In order to support the implementation of projects falling under the priority sectors of the plan Djoliba, the Regional Public-Private Partnership Project Development Unit (URDPPP) has implemented the following actions: i) participation in regional workshops, ii) capacity building for stakeholders involved in PPPs in member countries, iii) strengthening of the partnership, iv) PPP project appraisal.

As regards regional projects, the Regional Unit took part in the experts' meetings that led to the approval of the draft PPP strategy and the community directive on PPPs in the WAEMU, as well as in the proceedings of ECOWAS on the regional PPP policy and the guidelines for the implementation of regional PPP projects.

With respect to PPP stakeholders' capacity building, sectoral technicians from Togo's national institutions received capacity building on the financial, quantitative and qualitative analysis of projects. Finally, the URDPPP organized by videoconference the 10th session of the advisory committee on PPPs (CO-PPP), which is a platform for exchanging experiences on PPPs in the Union.

In terms of partnerships with other institutions, the Bank signed a memorandum of understanding with the AfDB's new partnership for Africa's development infrastructure project preparation facility (NEPAD-IPPF) to collaborate in co-financing the preparation of regional PPP projects. In addition, with the aim of co-financing PPP projects in the WAEMU, the unit conducted prospecting missions to Triple A Investments and Africa50.

In terms of PPP project appraisal, the following projects in Togo: (i) agro-food processing (Kara Agropole); (ii) widening of national road No. 1 (including bypasses of major cities); (iii) Titira hydroelectric scheme; and (iv) construction of an industrial park at Sarakawa in the Kara region, were subject to PPP pre-selection and comparative assessment of the implementation mode.

Meanwhile, the unit continued to work on the following projects: i) construction of affordable housing in Togo and ii) high-level healthcare centres (PCSSHN) in the WAEMU (Benin, Burkina Faso, Côte d'Ivoire, Mali and Senegal), by participating respectively in the working session with the Togolese party on the reallocation of the cash advance already granted and in the work of the BOAD-WAEMU Commission Consultation Framework dedicated to the project.

5. FINANCIAL ASSISTANCE TO MEMBER STATES AND REGIONAL INSTITUTIONS

The Bank provided grants totalling XOF135.1 million. These grants, allocated to five States of the Union as well as to the WAEMU territorial authority and the African and Malagasy Civil Aviation Authorities (AAMAC), made it possible to support capacity building activities, to hold workshops or forums, to implement non-profit projects and participate in the 26th United Nations Conference of the Parties on Climate Change (COP 26).



AREA 3

BUILDING GREATER RESILIENCE TO CLIMATE CHANGE

1. FUNDING

The Bank earmarked 16% of its funding to support member states in their efforts to combat climate change and adapt to its impacts, which represents funding of XOF72.4 billion for 2021. Renewable energies account for 34.2% of financing in the energy sector.

As regards contributing projects, they include the following:

- **The rainwater drainage programme for secondary cities in the Republic of Benin** (XOF20 billion).

The project will strengthen the storm water drainage network of the target municipalities with a view to reducing the vulnerability of the population to flooding and to creating viable socio-economic infrastructure. In the long term, it is expected that: i) the number of people with access to a sustainable sanitation service will increase thanks to the construction of 12,041 linear metres of rainwater drainage channels, ii) the number of people adopting good public health practices will increase and the number of uncontrolled waste disposals in the programme's beneficiary neighbourhoods will decrease, iii) 1,882 linear metres of roads will be constructed

- **The extension from 30 to 50 MWp of the solar photovoltaic power plant at Blitta in the Togolese Republic** (XOF5 billion) with the purpose of contributing to the diversification of the energy mix and the reduction of the energy generation costs. It will ensure an average annual additional power generation of 95 GWh and access to electricity for 158,333 additional households. In terms of contribution to the preservation of the ozone layer, at least 5,780 tonnes of CO₂ equivalent will be avoided.
- **The construction of the Kourouba hydroelectric power plant and its connection to the power grid of the company Energie du Mali (EDM-SA) in the Republic of Mali** (XOF15 billion). Upon project completion, 12.2 GWh of additional power will be generated annually, 10,934 inhabitants in the project area will have access to electricity and 2,926,372 inhabitants outside the project area will have increased access to electricity.

2. ENVIRONMENT AND CLIMATE FINANCE

The Bank maintained and intensified its efforts towards building greater resilience of the economies to climate change and improving the living conditions of vulnerable populations.

In terms of environmental and social management of projects promoted or funded, thirty-nine (39) projects in total, including eighteen (18) in category A, nine (9) in category B and twelve (12) in category IF, were subjected to environmental and social assessment. The Bank also issued its opinion on the validity of projects' environmental compliance certificates as part of the fulfilment of the conditions precedent to disbursements, in respect of environmental aspects, and gave further its opinion on the fulfilment of conditions subsequent to disbursements in line with the compensation levels of the people affected by the projects (PAP).

As part of its ongoing collaboration with the financial mechanisms of the United Nations Framework Convention on Climate Change (UNFCCC), BOAD presented, on 7 October 2021, on behalf of the State of Niger, the hydro-agricultural development project with smart and climate resilient practices in Niger. The project was approved by the Green Climate Fund (GCF) for a total amount of €30.13 million (XOF19.73 billion), including a grant of €24.24 million (XOF15.88 billion) and a refinancing facility of €5.89 million (XOF3.87 billion) at a rate of 0.75% over 30 years, including 10-year grace period, for a 5-year implementation period from the effective date of the project agreement. To date, this is the largest grant provided by BOAD to one of its member countries through the UNFCCC financial mechanisms.

Fourteen (14) other projects to be submitted to the UNFCCC financial mechanisms on behalf of the WAEMU countries are being prepared (preparation of the project concept note (PCN), the request for project preparatory funds (RPF) and the comprehensive project document (CPD)).

In addition, BOAD re-accreditation processes to the Adaptation Fund (AF) and the GCF were launched during the year. The re-accreditation to the AF is at the level of review by the independent accreditation board. For the GCF, the process has started and the Bank's proposal has been submitted using the Digital Accreditation Platform as at late December 2021.

INSET
1

BOAD's participation in the 26th Conference of the Parties (COP26) in Glasgow, Scotland

BOAD took part, in its capacity as accredited entity to the climate funds, in the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) held from November 1 to 12, 2021 in Glasgow, Scotland. The meeting was attended by over 25,000 delegates. The overall objective of this meeting was to: i) increase the ambition of countries to reduce their greenhouse gas emissions; ii) update the nationally determined contributions (NDCs) signed by the parties on the sidelines of the COP 21 in Paris; and iii) implement the NDCs (resource mobilization, implementation of governance tools).

It should be noted that the latest report of the Intergovernmental Panel on Climate Change (IPCC), released on 9 August 2021, highlights the faster estimated acceleration of global warming. According to the IPCC, the global temperature has risen by 1.1°C compared to the second half of the 19th century. The 1.5°C threshold, considered by many scientists to have the potential to cause irreversible global damage, could be reached by 2030, earlier than projected in previous IPCC reports.

In addition, according to the World Meteorological Organization (WMO) latest report, the number of disasters of meteorological, climatic or hydrological nature has increased five-fold over the 1970-2019

period, resulting in a significant material damage. According to the WMO, global warming plays an important role in triggering marine and ocean disasters, including cyclones and floods.

In terms of results achieved at this COP26, it is worth noting the Parties' strong commitment to i) limit deforestation by 2030; ii) reduce methane emissions, one of the major greenhouse gases, by 30% by 2030; iii) achieve carbon neutrality (zero net emissions) by 2070; and iv) phase out coal financing by 2030 (2040 for others) and develop renewable energy. Obviously, the renewed pledge through an agreement to meet the financial commitment of \$100 bn per year by 2023 to developing countries for green projects and climate change action, was highly welcomed and had already set the objectives for COP27 in Egypt. These objectives will focus on the progress of decisions made in priority areas including climate finance, adaptation, loss and damage.

During this event and with a view to better understand the priorities of WAEMU countries on climate change, prospecting and strengthening partnerships, BOAD held several meetings. In this regard, it organized two (2) side events which enabled it to present its 2021-2025 Environmental and Climate Strategy and its project to design a fund for financing feasibility studies for climate projects in the WAEMU countries. In addition, working sessions were held with the GCF, the AF and the Institut de la Francophonie pour le Développement Durable (IFDD). Finally, B-to-B meetings were held with COP 26 Catalyst for Climate Action, Adaptation Benefits Mechanism, IDFC, World Leaders Summit, the German Government, UNFCCC, Perspectives Climate Group and WAEMU member countries. These meetings enabled the Bank to identify 12 climate projects to be developed and submitted to the UNFCCC financial mechanisms.



Regarding the mainstreaming of climate in the Bank's operations, the climate technical assistance programme (CTAP) has identified five (5) priority activities, some of which will be completed in 2022. Five (5) deliverables have been developed during 2021, namely: i) climate risk analysis of the Bank's member countries; ii) the Bank's portfolio climate mapping; iii) the 2021-2025 environmental and climate strategy; iv) the identification of relevant climate mainstreaming tools; and v) the development of terms of reference for the setting-up of a climate project study fund.

As regards gender promotion, the Bank strengthened its level of commitment to women's economic empowerment by systematically carrying out gender studies with action plans for all projects funded. Gender mainstreaming within the Bank has resulted in the launch in December 2021 of the "Yennenga Programme" dedicated to capacity building and women's leadership.

INSET
2

YENNENGA, a women's leadership programme at BOAD


As part of the operationalization of its gender equality and equity policy, in line with SDG 5 on gender equality, BOAD had launched a programme of excellence, named Yennenga, in reference to the founder of the Mossi people in modern day Burkina Faso, aimed at strengthening women's leadership and giving them the means to access key positions in the Bank.

This certification programme was officially launched on Thursday 9 December 2021 at Hotel 2 Février in Lomé, by Mr. Serge Ekue, President of BOAD, and Mrs. Anne Valérie Corboz, Associate Dean in charge of Executive Education Programmes at HEC Paris, in the presence of Mrs. Rose Kayi Midevor, Minister of Investment Promotion of Togo. The Yennenga programme is mentored by Mrs. Victoire Tomegah Dogbe, Prime Minister of the Togolese Republic.

It targets the training of about 20 women annually, for three years, with the purpose of (i) building the capacity of at least 90% of women at BOAD and (ii) increasing the number of women in the Bank's management to a minimum of 40% by 2025.



Furthermore, this promotion of gender equality is part of the diversity management which reflects the Bank's capacity to recruit a diversified workforce (nationality, gender, age, culture and physical condition). The aim is the optimal use of all available productive potential, in an equitable working environment where no member or group is advantaged or disadvantaged. In other words, it is the application of the principle of professional equality, which seeks to rebalance the inputs of women and men to the Bank and therefore create favourable conditions for this professional equality.



Resilience to climate change: in terms of contributing projects, extension of capacity from 30 to 50 MWp of the solar PV power plant at Blitta in Togo

AS REGARDS THE REGIONAL COLLABORATION CENTRE (RCC), an entity set up in collaboration with the UNFCCC, it has carried out the following capacity building activities:

- **Collaborative instruments for ambitious climate action (CI-ACA) initiative:** support to Ghana, Senegal, Guinea Bissau, Guinea Conakry and Nigeria on various studies and capacity building on carbon pricing;
- **Establishment of the Academy for Global Youth Leadership Empowerment (AGYLE) in Africa:** in collaboration with the United Nations University, a curriculum was developed and the programme launched at COP26 in Glasgow; the inaugural graduating class will be held in the sidelines of the COP27 in Egypt in October 2022.
- **West African Alliance on Market Mechanisms and Climate Finance:** holding virtual capacity building workshops on article 6 of the Paris Agreement as well as on carbon market initiatives in Africa and internationally transferable mitigation outcomes;
- **Needs-Based Finance (NBF):** finalization of the technical assessment document of the West African sub-region's needs and priorities, the climate finance access and mobilization strategy, the project portfolio and the project implementation as part of the needs-based finance project.

The RCC is also a founding member of the United Nations Regional Working Group on Climate Change, Environment, Security and Development in West Africa (UN-CCESD). In this respect, the following activities have been implemented:

- **Launching of the working group on 10 June 2021** following the UN Security Council's request to undertake risk assessments in the sub-region to examine the "negative consequences of climate change" and support governments and the UN system to address these challenges;
- **Thematic meeting on COP26 and its implications for West Africa** on 14 July 2021 chaired by the RCC, opened by the ECOWAS Commission and the UK Regional Ambassador for Africa and the Middle East for COP26 and attended by over 80 participants from UN regional agencies;
- **Thematic meeting on the outcomes of COP26 and prospects for the COP27** and their implications for West Africa, chaired by the RCC with the participation of several UN agencies;
- **Finalization of the working group's 2022** action plan and its submission to donors for funding.



AREA 4

INCREASING THE BANK'S FINANCING CAPACITY

1. STRENGTHENING THE RESOURCE MOBILIZATION PROCESS

A. AGREEMENTS SIGNED WITH PARTNERS IN 2021

During the year, three (3) approved funding agreements were signed with the following partners:

- **OPEC Fund** : signing on 1 July 2021 of an agreement for an amount of €50 million, or XOF32.8 billion, for the funding of short-term operations;
- **Arab Bank for Economic Development in Africa (BADEA)**: signing on 30 August 2021 of a credit agreement in an amount of \$50 million, or XOF28.95 billion, for the funding of short-term operations; and
- **Kreditanstalt für Wiederaufbau (KfW)**: signing on 17 December 2021 of a grant agreement for an amount of €5 million, or XOF3.02 billion, under phase 2 of the "loans adapted to natural disasters (PACAN)" project.

In addition, the Bank's Board of Directors approved a credit proposal from AfDB to the tune of €150 million, or XOF98.4 billion, which is currently being processed for signing.

B. RESOURCE MOBILIZATION ON THE CAPITAL MARKETS

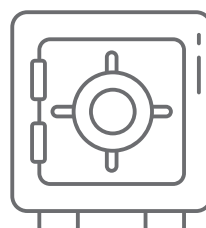
For its fourth intervention on the international financial market, BOAD carried out a sustainable bond issue in an amount of €750 million. The following inset shows the details of the operation.

C. CREDIT FACILITIES RECEIVED FROM PARTNERS

Drawdowns totalling XOF137.82 billion were made on the following lines of credit: (i) World Bank/ROGEP (XOF34.04 billion); (ii) World Bank loan on-lent to the CRRH (XOF19.33 billion); (iii) Austrian Development Bank (XOF19.68 billion); (iv) OPEC Fund (XOF32.8 billion); (v) BADEA (XOF28.95 billion); and (vi) PACAN (XOF3.02 billion).

D. SUBSIDY RESOURCES

The strengthening of the subsidy mechanism for the funding of projects benefiting from concessional loans has continued in 2021 with an amount of XOF29 billion provided by member governments and community institutions (WAEMU Commission, BCEAO and BOAD), bringing the total subsidy resources to XOF196.154 billion over the 2016-2021 period.



The Bank's Board of Directors approved a credit proposal from AfDB to the tune of €150 million

BOAD's inaugural sustainable bond issue on the international capital market

In line with the vision of its 2021-2025 strategic plan Djoliba, the Bank had carried out a sustainable development bond issue. The purpose of this approach is to enable the mobilization of financial resources suitable for the funding of climate change mitigation, adaptation and social projects in a context of contributing to the achievement of the millennium development goals. Therefore, the Bank has conducted due diligence for the development of a framework. The rating agency Vigeo Eiris was selected to issue a "second-party opinion (SPO)⁴".

The transaction recorded subscriptions totalling €4.4 billion, representing 5.86 times the targeted amount, with high quality investors well-known on the market. The final characteristics of the transaction are as follows:

- Amount : €750 million, or XOF491,967,750,000;
- Issue price : 99.066%;
- Yields : 2.843%;
- Interest rate : 2.750%;
- Maturity : 12 years;
- Amortization : in fine;
- Maturities : annual;
- Stock exchange listing : Luxembourg.

The inaugural 12-year € 750 million (US\$890 million) sustainable bond issued by BOAD represented its first euro transaction, as well as the first sustainable bond in Africa.

This is a historic transaction, not only for BOAD, but for the whole continent. This showed the interest for the African region given its dynamism, as well as the leading role played by BOAD.

The sustainable bond issue attracted over 260 investors worldwide. The funds raised will strengthen BOAD's investment capacity in projects with high social and environmental impact in priority areas including agriculture and food security, renewable energy, basic infrastructure, health, education and social housing. The utilization rate of the facility is 82.9% as at end 2021.

For this operation, BOAD received the 2021 Sustainable Bond Award, granted by an independent board of experts and investors brought together by the specialized magazine "Environmental Finance". This award celebrates the excellence, innovation and contribution to the development of financial markets.



⁴ It is an independent third-party assessment to reassure investors of the issuer's compliance with its environmental and social obligations.

E. COOPERATION AND PARTNERSHIP PROMOTION

Over the year under review, the Bank pursued its efforts towards broadening the range of its external partners. The actions undertaken focused mainly on diversifying and strengthening partnerships and furthering the preparation process for accreditation to the 9 pillars of the European Union (EU).

As regards diversification and strengthening of partnerships, the Bank held exchanges on financial and technical cooperation with the World Bank's Regional Integration Department (Africa Region), TDB (Trade and Development Bank), JICA, Exim Bank of India and also with partner Banks (BNP Paribas, Natixis, Deutsche Bank, Société Générale, HSBC, and Citi) and the Green Climate Fund. Discussions have also been initiated with CDP (Cassa Depositi e Prestiti), co-financier of the AfDB facility (gender), UK Export Finance and British International Investment (Ex-CDC).

In order to strengthen business relations between European and WAEMU companies, BOAD has signed a cooperation agreement with BPI France. This partnership is part of BOAD's commitment to the promotion of SMEs in the West African sub-region.

Finally, the Bank signed a partnership agreement with the G5 Sahel. The agreement signed provides a framework for cooperation that will improve G5 Sahel and BOAD interventions for the benefit of development in areas of common interest. The areas of cooperation concerned are transport, water, energy and telecommunications infrastructure; agriculture and livestock; climate change; mining, industry and services.

As regards the follow-up of the preparation process for accreditation to the 9 pillars to be eligible for indirect management of the EU budget, the compliance work for the new pillars and the documentation to be prepared and provided to the expert who will be appointed for the assessment are now completed. Work is underway to recruit the firm responsible for the assessment, which is scheduled to start in January 2022. In addition, and as part of this process, the Bank benefited from a capacity building programme from the EU which was completed in June 2021. It is expected that the institution will undergo the pillar assessment in the first quarter of 2022.

The Bank signed a partnership agreement with the G5 Sahel



INSET 4

Pilot grant programme entitled "Support for sustainable waste management in the municipalities of the city of Lomé in Togo"

In view of the 9-Pillar assessment for indirect management of EU funds, the Bank has developed a grant programme to support sustainable waste management in the municipalities of the city of Lomé in Togo.

The objective is to contribute to improved waste management in the city of Lomé and to urban environmental protection by strengthening waste collection and sorting (solid, liquid, biomedical, etc.) and recycling systems. Specifically, the implementation of the programme will make it possible to strengthen existing waste collection systems with priority actions aimed at:

- i) organizing and professionalizing waste collectors;
- ii) strengthening the organizational, technical and material capacities of waste collectors as well as the conditions for collecting, sorting and processing waste;
- iii) improving collection systems;
- iv) contributing to waste recycling.

In addition, the project will contribute to the promotion of behavioral changes relating to health, hygiene and environment safeguarding.

Following a call for proposals launched in June 2021, two non-governmental organizations (NGOs) specialized in waste management were selected, namely Ecosystème Naturel Propre (ENPRO) and Technologie Africaines pour un Développement Durable (STADD). The grants to these NGOs were given on 14 December 2021 through the signing of two grant agreements involving XOF17,062,962 and XOF30 million respectively for ENPRO and STADD.

This is a pilot programme in Togo. It will be scaled up to all member countries once all grant management procedures have been tested and possible shortcomings addressed.



2. MAIN AREAS OF WORK TO STRENGTHEN THE BANK'S CAPACITY FOR ACTION

To increase the regional impact of its intervention, the Bank must continue to strengthen its funding capacities through its own capital and debt. In this regard, the main projects launched during the year are the capital increase and balance sheet optimizing projects (securitization and insurance of Bank loans).

A. PROPOSED CAPITAL INCREASE

In line with the 2021-2025 plan, BOAD intends to increase its capital by XOF825 billion. As at 31 December 2021, the Bank's capital is held by the eight member states (46.6%) and BCEAO (46.6%), which represent category A shareholders, as well as by eight non-regional shareholders known as category B (6.9%).

This capital increase project of XOF825 billion is structured in two tranches: i) a first subscription, currently being finalized, of XOF550 billion, of which XOF330 billion is reserved for the historical regional shareholders and XOF220 billion for the historical non-regional shareholders, and ii) a second forthcoming subscription of XOF275 billion, which will be made through a debt security issue convertible into equities under certain conditions.

B. SECURITIZATION

In a bid to increase its operational efficiency, in particular through more agile management of its balance sheet, the Bank has launched a receivables securitization project that will enable it to transfer part of its loans to a dedicated instrument. The savings in equity capital achieved will make it possible to "recharge", all else unchanged, the assets of the balance sheet to the extent of the equity capital paid up, thereby strengthening the Bank's intervention capacity with greater impact in terms of development outcomes.

The Bank is working towards structuring a first operation during 2022.

C. LOAN INSURANCE

In December 2021, the Bank took out a series of insurance policies to cover the risk of default on part of the loan portfolio funded. For the Bank, resorting to the loan insurance market is mainly about optimizing the use of its capital and increasing its intervention capacities while improving its risk profile. Through these first insurance policies, BOAD is adopting more international standards in terms of credit risk management. It therefore becomes one of the few institutions on the continent to operate in the private international credit insurance market.

3. OTHER PROJECTS

Other projects were also initiated or resumed over the year. These include the SME financing (Keur Samba project), Islamic finance window and hedging projects.

• The Keur Samba project

is intended to create a securitization vehicle (SPV⁵) in which the States, BOAD and local and international institutional investors will be able to invest. Commercial banks' receivables will be securitized in order to alleviate their balance sheet and leverage new resources to increase their financing to SMEs/SMIs. Work is underway to finalize the structuring of this transaction.

• As part of the re-launch of the Islamic finance window (IFW) project,

the Bank held working sessions with the Islamic Corporation for Private Sector Development (ICD) to resume its technical assistance (TA). The terms and conditions for the resumption of this TA (terms of reference, deliverables, cost elements and sharing of responsibilities) have been finalized. In addition, discussions are ongoing with this institution regarding the granting of credit facilities to BOAD.

• With regard to the hedging project,

following Air Côte d'Ivoire's interest in hedging products to protect itself from the fluctuation of hydrocarbon prices, BOAD collected its needs and submitted them to partner banks with a view to collecting hedging proposals. An indicative term sheet was drawn up and submitted to Air Côte d'Ivoire to require the interest, approval or guidance of its Board of Directors on further steps to be taken. In addition, the Bank carried out due diligence leading to the recruitment of a consultant to assist in reviewing the legal aspects of the transaction.

⁵ Special Purpose Vehicle



AREA 5 | STRENGTHENING HUMAN RESOURCES AND MANAGEMENT SYSTEMS

1. HUMAN RESOURCE MANAGEMENT

As at 31 December 2021, the operational workforce was 299, of which more than a third (37%) were women. This workforce has remained steady compared to 2020, with a low turnover rate which even dropped slightly in 2021 (3.68% against 4.38% in 2020). The number of departures for all reasons over the 2021 period is eleven (11), the same are the number of new staff (recruitment, reintegration, etc.).

With the addition of the 9 seconded staff and 6 staff on leave of absence, the Bank's total staff turns to 314.

On the subject of gender and diversity, the Bank has continued its efforts by mainstreaming it as a major

factor of its recruitment policy. To this end, out of the nineteen (19)⁶ positions offered in 2021, ten (10) were held by women, which represents a rate of 53% of women out of the total number of new recruits in 2021.

With the implementation of the Oasis project, several initiatives have been launched, mainly concerning the modernization of the skills acquisition process, the revitalization of career management with the creation of the expert career path, the overhaul of performance management (evaluation and mode of remuneration), the proposal of a new training offer more accessible to all staff members, the implementation of new non-financial incentives, and the digitization of the human capital management processes with the deployment of SAP SuccessFactors module.

⁶ Out of these nineteen (19) positions, eleven (11) assumed duties in 2021, corresponding to the eleven (11) entrants mentioned above, and the remainder in January 2022.

In addition, the adoption of the 2021-2025 jobs and careers forward-looking management plan (GPEC) made it possible to identify and plan the Bank's human resources and skills required to achieve the objectives of the strategic plan.

In terms of prospects, it should be noted that the SAP SuccessFactors module for performance evaluation will be operational by 2022.

With regard to training, it should be noted that new training programmes will start in January 2022. These include the Yennenga programme (for women's leadership), the high potential programme (certifying training programme in partnership with a leading school in the sub-region with the KEDGE certification) and the mentoring programme for the last promotion of young professionals.

The CrossKnowledge online training platform will also be implemented, with about a hundred training contents in various fields. The language laboratory will also be operational with a digital solution that allows students to follow courses from the office.

Finally, with reference to its 2021-2025 management plan, BOAD is preparing to welcome, for the next four (4) years, about 80 new employees. To this end, and in the context of the modernization of the recruitment process, recruitment methods will also evolve for greater agility. The tools will be in tune with digital technology and artificial intelligence with the acquisition of a new recruitment software including both an applicant tracking system and a candidate relationship management solution with a new attractive career site to improve the Bank's employer branding.

Table 2

STAFF STRENGTH OF BOAD BETWEEN 2018 AND 2021

Category	Staff strength as at 31.12.2018	Staff strength as at 31.12.2019	Staff strength as at 31.12.2020	Staff strength as at 31.12.2021
Professional staff	171	180	182	184
Support staff	125	117	117	115
TOTAL	296	297	299	299



2. GOVERNANCE MANAGEMENT

The Bank has carried out a major reform aimed at reorganizing itself in order to ensure proper implementation of the plan Djoliba. The aim is to provide the institution with the capacities (organizational, human capital, culture) required to increase its operational efficiency.

A. GOVERNANCE, CONTROL SYSTEM AND RISK MANAGEMENT

The Bank continued to strengthen its governance and modernize its management tools, in line with its commitments to respect ESG measures.

- **In terms of ethics, prevention and the fight against fraud and corruption,**

the Bank pursued the consolidation of the system through investigations, assistance to the Ethics Committee and the implementation of the sanction system evaluation project with a view to bringing it into line with international standards (norms, rules, applicable, international and regional conventions) and best practices in this area.

- **In the area of Internal Audit and Financial Control,**

an internal evaluation has been conducted in accordance with the Quality Assurance and Improvement Programme (QAP). The recommendations made allow for a continuous improvement of the process and a strengthening of its compliance with international professional standards.

All transactions for the procurement of goods and services, as well as the disbursement of funds, were subject to compliance and regularity checks. Implementation of the Internal Audit recommendations contributes to strengthening the Bank's internal control system and risk management.

In addition, **the Audit Charter, the internal audit procedures manual and the QAPA** were updated to reflect changes in the Bank's environment. Besides, the Audit Committee held its ordinary meetings where it examined: i) the reports relating to the accounts of the institution which were certified without qualification by the auditors, ii) the interim financial statements as at 30 June and 30 September 2021, iii) the situation of the portfolio as at 30 September 2021 and iv) the balance sheet of the activities for 2021 and the draft programme of activities of the internal audit for 2022, which it approved.

As part of the external audit, KPMG Togo, in its capacity as external auditor, certified without qualification the accounts of the Bank, the CDF and the FDE for the year 2020. These accounts were approved by the Council of Ministers. The latter carried out a limited review of the interim financial statements as at 30 June 2021, in compliance with the IAS 34 standard of the IFRS accounting framework.

- **Procurement monitoring**

covered both contracts financed under the Bank's operations and internal procurement. It aims to ensure that procurement processes comply with the Bank's policies and procedures. In the context of BOAD's accreditation for the delegated management of EU resources, the Bank's procurement procedures have been updated to take into account some requirements of this institution. The new procedures are applicable to projects approved beyond November 2021.

- **The coordination activities of the Resident Missions (RMs)**

were maintained throughout 2021, with a stronger focus on operations, particularly the monitoring of financed projects and the identification of new business opportunities. A seminar bringing together the Heads of Resident Missions (HRMs) and some of the Bank's structures, the main objective of which is to improve the conduct of RM activities by strengthening the synergy of actions of RMs among themselves and with the Headquarter's structures, which was organized on 9 and 10 November 2021 in Lomé. In 2022, the coordination activities of the RMs will be sustained through capacity building in the monitoring of financed operations, the revitalization of business development activities, the improvement of visibility and accessibility to premises, and the decentralization of certain operational activities currently based at the Headquarter.



Organizational transformation and change management (Oasis project)

The year 2021 marks a new turning point for BOAD. The new five-year strategic plan Djoliba defines new performance requirements, making the adaptation of the Bank's organizational model unavoidable. This adaptation, structured through the Oasis project, will facilitate the management of the various challenges facing the Bank.

The successful achievement of the operational objectives of the new strategic plan depends intrinsically on aligning the Bank's organizational structure. The organizational structure must reflect the strategic priorities, including the Bank's sectoral focus. In fact, the restructuring of the organizational chart and the creation of three (3) poles, which from now on will carry out all the activities, are the major evolutions related to the success of the plan Djoliba.

Forward thinking and overall management of BOAD rests on the President's Office. The projects and priority areas are the responsibility of the financing and investment pole, organized according to the five (5) priority areas identified in the plan Djoliba. Meanwhile, all support activities are managed by the pole for support & control.

This organizational change entails, on the one hand, a need to align the Bank's culture in order to reflect the new values, and on the other hand, a need to match the skills of the men and women who make up the institution.

The new corporate culture is based on the tenets of excellence, merit, performance, accountability and well-being of all groups of employees. BOAD's actions are also based on a set of values guiding all the initiatives of its staff and the institution. The respect of the five (5) values contributes to the positioning of the Bank as an institution of excellence in the financial ecosystem, for the development of member countries and the improved living conditions of the populations.

The human capital management policy aims to strengthen this foundation by structuring an appropriate working environment that unleashes the potential of each employee, attracts, retains and motivates the best staff, and provides a competitive advantage.

The bank has strengthened the HR function and defined a new human capital management policy, based on four (4) major lines of action: i) mapping out career paths that meet the professional objectives of each individual; ii) having a set of tools to facilitate human capital development; iii) actively managing individual performance and aligning the remuneration policy accordingly; iv) defining innovative incentives adapted to the new working conditions of employees.

The focal points in each department facilitate the implementation of all communication, clarification and awareness-raising actions as close as possible to the 300+ employees of BOAD. The change management initiatives they implement with the Oasis project team allow for a progressive ownership of the new operational, organizational, cultural and human measures necessary for the success of the plan Djoliba.

Whilst 2021 was a pivotal year, 2022 is the year of transformation. The Bank has drawn on everyone's feedback from the changes initiated in the previous year, while developing new subjects under the seal of agility, flexibility and increased responsibility for everyone.



- **The Board of Directors**

held seven formal meetings in 2021. These meetings allowed the Board to approve, among other items, the accounts for the year ended 31 December 2020, the 2022-2024 programme budget, the 2021-2025 Information System Master Plan (ISMP), the 2020 CSR annual report and the CSR committee's internal regulations. Furthermore, the Board appointed Mr. Braima Luis Soares Cassama as second Vice President of BOAD, for a five-year term, through a home consultation of its members

- **As regards the WAMU Council of Ministers,**

seven meetings were held, four of which were ordinary and three extraordinary. The said meetings allowed for the approval of the amendment of the Bank's Articles of Association, following the decision of the WAEMU-CHSG to create a second Vice-President position, the 2020 annual report of BOAD, the annual accounts of BOAD for the year ended 31 December 2020, the updated 2022-2026 financial outlook, the review of items submitted to the 22nd ordinary meeting of the WAEMU Conference of Heads of State and Government (WAEMU-CHSG) held on 25 March 2021.

- **In terms of risk management,**

activities to strengthen and monitor credit, financial and operational risks were pursued.

With regard to credit risk, following the approval of the Bank's Statement of Risk Appetite by the Council of Ministers on 10/12/2020, efforts to operationalize the related tools were undertaken. In this respect, the financial steering system (OneSumx tool for risk management) has been configured to take into account key indicators related to credit, financial and operational risks. An initial report on the level of the various metrics of the risk appetite matrix was presented to the Bank's audit committee in December 2021. In addition, to ensure adequate ownership of the new concepts related to the risk appetite framework and in particular to the notion of economic capital, capacity building sessions for the Bank's staff were held.

In addition, statistics on the Bank's debt instruments were transmitted to the GEM's Consortium to continue to supply the data pooling platform of international financial institutions (AFD, AfDB, EIB, IDB, World Bank, BOAD, IFC, OPEC Fund, KfW, etc.), in particular on risk parameters (default and recovery in particular). Throughout the year, the Bank was involved in technical working groups aimed at refining the major elements of credit risk assessment (probability of default, loss given default, etc.).

Operational risks are monitored through permanent actions focusing on i) the daily measurement and monitoring of operational risks in the activities, with the detection of 2% of unacceptable residual risks in the operational risk map as at 31/12/2020, which have been the subject of mitigation plans currently being implemented; ii) the close monitoring of risks that could significantly disrupt the Bank's activities (physical and information security, business continuity), with particular attention to the business continuity plan (BCP); iii) monitoring 1st, 2nd and 3rd level controls in collaboration with the permanent control and audit departments.

- **As part of results and performance-based management,**

the Bank's performance monitoring procedures were regularly implemented through the production of monthly and quarterly reports. The management of analytical accounting has strengthened the performance diagnosis system, particularly in terms of the profitability of the Bank's profit centres, areas of activity, windows and products.

The contribution of the responsibility centres to the implementation of activities under the 2021 annual action plan was monitored on a quarterly basis, resulting in the drafting of summary notes analyzing the performance of the Bank's responsibility centres.

With regard to the programme-budget approach, efforts to ensure that budgetary resources are used in accordance with the performance achieved were pursued. It should also be noted that the preparation of the 2022-2024 programme budget took into account BOAD's priority projects over the three-year period.

B. ENERGY SAVING, SECURITY AND ASSET MANAGEMENT

- **Under the energy efficiency programme,**

the Bank has increased its solar power consumption in the energy mix. Indeed, the annual production of the solar power plant is estimated at 24.23% of the building's power consumption against 21.3% in 2020. In terms of carbon footprint, the Bank has saved 46.17 tonnes of CO₂.

- **In terms of improving the security of people and property,**

the security weaknesses in access control were addressed. The internal review of the Bank's security procedures was carried out, and the Information System Master Plan's projects relating to physical security (cyber security and remote access to the headquarters' home automation system) were launched. Awareness-raising of Headquarters users on fire and safety continued, with the holding of six training sessions for nearly 150 service providers and one for staff of partner institutions located at the Headquarters. The Bank's staff were sensitized by means of information notes disseminated throughout the year.

2021 was also marked by the management of the COVID-19 pandemic, with most of the year being spent with a variable proportion of staff working remotely, depending on the evolution of the pandemic in Togo. Compliance with protective measures and

authorized staffing levels at headquarters was particularly monitored by the occupational health and safety committee.

Finally, the "Travel Risk Management" project intended to improve the safety of staff on travel has continued. It should be noted that this project to secure professional mobility was launched as part of the CSR project.

- **In terms of improving the working environment,**

the preventive maintenance programme and remedial work on the Bank's technical installations were fully implemented.

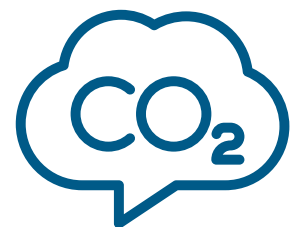
In addition, architectural and technical studies were carried out with a view to fitting out new premises for documentation, document digitization as part of the electronic records/documents management project and archive conservation.

Finally, it should be noted that the main investments concerning the headquarters and the Resident Missions have been planned through a five-year asset management plan over the 2021-2025 period. In this regard, a second staff residence has been acquired and the Beninese Government has allocated a plot of land in Cotonou to the Bank, to serve as the institution's back-up location and residence of the Head of Mission.

The "Travel Risk Management" project intended to improve the safety of staff on travel has continued



In terms of carbon footprint, the Bank has saved 4,617 tonnes of CO₂



C. IMPLEMENTATION OF CSR PROJECTS

The Bank's CSR activities are based on 11 areas defined in the CSR strategy. However, in order to address the current priorities of the WAEMU region, the Bank has focused on five areas, the achievements of which throughout the year are as presented below.

UNDER AREA 2 (SHARING THE IMPACTS OF OUR PROJECTS WITH THE POPULATION),

activities conducted over the year included stakeholders identification, implementation of a dialogue system and the design of a reporting system dedicated to the population. On the other hand, field missions were carried out to examine the impact with the various beneficiaries of the project to strengthen the drinking water supply system in the city of Parakou and its surroundings.

AS REGARDS AREA 4 (IMPLEMENTING A STRUCTURED INTERNAL ENVIRONMENTAL APPROACH),

activities carried out relate in particular to (i) the definition of environmental, social and climate indicators; (ii) the production and validation of the audit report on the Bank's environmental and social management system. For climate projects, a permanent monitoring has been put in place to identify projects and contribute to the pipeline in accordance with the strategic plan Djoliba. With respect to the waste management plan, BOAD has adopted selective sorting and recovery of recyclable waste in order to reduce its impact on the environment.

UNDER AREA 5 (ADDRESSING CLIMATE CHANGE AND DEVELOPING RENEWABLE ENERGIES),

BOAD has initiated a project entitled "100 million trees", the objective of which is to control desertification in the target countries. The terms of reference of the project study have been approved and a Concept Note is being completed with a view to applying for a climate fund to finance the study. In addition, the United Nations Convention to Combat Desertification (UNCCD) has agreed to support BOAD with technical assistance in the development of this project.

In 2021, the implementation of the CSR strategy enabled the Bank to increase its prospecting for renewable energy projects with promoters and governments. Therefore, up to seven (7) new projects were identified in 2021, of which two (2) have been financed by the Bank. These include: i) the extension of the capacity of the Blitta solar photovoltaic power plant from 30 MWp to 50 MWp in Togo and ii) the construction of the Kourouba hydroelectric plant in Mali.

In terms of CSR intellectual production, a study on the household and industrial waste management in the WAEMU region, for power generation, has been conducted. Reports were finalized and shared with the WAEMU Commission and the Bank's internal entities.

IN RELATION TO AREA 7 (CREATING INNOVATIVE AND INCLUSIVE FINANCING SOLUTIONS),

the Bank has been discussing with a partner on an initiative to work with a limited number of cities or regions to prepare and ensure the development and financing of innovative, sustainable and resilient urban infrastructure projects.

FINALLY, REGARDING AREA 9 (ENSURING THE SAFETY OF STAFF BY PROVIDING THE MEANS TO APPLY EXISTING MEASURES),

nine awareness-raising meetings on security measures were held for permanent service providers at the headquarters in 2021. This enabled 147 out of 150 (98%) contractors to be reached. Information notes were sent to staff to raise awareness on access control and fire safety. Training sessions were also organized with partner institutions located at the headquarters. In total, 97.23% of users at headquarters were sensitized on security issues.





**The Bank's CSR activities:
the Bank has focused on five areas**

D. SECURING AND MODERNIZING THE INFORMATION SYSTEM

While 2021 was marked by the prevailing (COVID-19) pandemic, it mainly revealed the resilience of the Bank and its information system (IS) in its ability to:

- i) promote a culture based on new working methods,
- ii) pursue the modernization of its information system, marked by the implementation of the information system blueprint (2021-2025), and
- iii) preserve the ISO 27001 certification of its information security management system.

Information system security and business continuity plan

In terms of information system security, the Bank's information security management system and, more specifically, the information security policy (ISP), were updated to take into account the changes brought about by the implementation of the plan Djoliba, the organizational change, and the adoption and implementation of the information system blue-

print. The Bank maintained its ISO 27001 certification, following the surveillance audit 2 held on 8 and 9 December 2021, as part of its second three-year certification cycle. Training and awareness-raising activities on information security were provided to the Bank's staff throughout 2021. They focused on email security and social engineering attacks, information security in the context of remote working and in mobility and the protection of personal data.

The business continuity plan was tested to take into account the lessons learned from its implementation in 2020. The IT and user tests carried out over the year following the new BCP guidelines ensured its operability

Adoption of a remote working culture

In a bid to consolidate the post-COVID achievements, the promotion of new working methods was maintained by supporting employees in the use of modern videoconferencing tools, ZOOM, SKYPE and TEAMS, deployed in 2020. The contribution to productivity and performance in this context of lockdown continued with the consolidation of infrastructure for secure remote access to the IT system in order to facilitate remote working.

INSET 6

Activities of the information system blueprint in 2021

The Bank has drawn up an information system blueprint in line with the 2021-2025 strategic plan Djoliba, with a view to planning the development of the information system for the forthcoming five years. Among the major projects launched in 2021, it is important to mention (i) the migration of the communication and collaboration platform to Office 365; (ii) the digitalization of the Bank's processes through electronic document management (mail management and supply management), the objective pursued by the introduction of the electronic document management is part of the speeding up of the Bank's digital transformation in order to move towards "zero paper", and (iii) the introduction of the SAP SuccessFactors module for the digitalized management of the administrative processes of the Human Resources Department, which is currently used by all of the Bank's staff. These projects will be pursued in 2022 with the addition of the e-recruitment module.

The network redesign project

The network redesign project was pursued with the updating of the network architecture (core, distribution and access) to meet the relevant security standards. Implementation of redundancy solutions, optimizing of VLANs and logical security by strengthening the security of wired and wireless network accesses are a good illustration of this progress.

Maintenance of the banking operations management application

Maintenance of the banking operations management application, whose technology was recently reviewed, is carried out internally, to provide the business lines with an optimal and secure working environment. It is important to note the transformation of several applications into a web version, in order to facilitate their access for Resident Missions (RM) and remote users.

The SAP ERP system

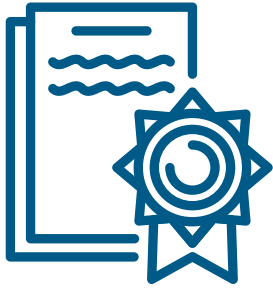
With regard to the SAP ERP system, efforts to move to a cloud platform (SAP S/4HANA) are ongoing. The migration will be effective in 2022. This platform is a prerequisite for the implementation of SAP Core Banking management solution.

All these projects are supported by the modernization of the data center, whose components are being virtualized and "outsourced" to the cloud.

The upgrading of the IT recovery plan (IRP), which is a major component of the business continuity plan (BCP), was achieved by optimizing the remote backup to the Bank's backup site.

2022 will be marked by the continued implementation of the 2021-2025 IT blueprint projects, which will serve as the backbone for IT activities in 2021 and the years to come. Major projects in 2022 will involve (i) the continued migration from SAP to S4/HANA, (ii) the continued strengthening of network access security, (iii) the improvement of interconnections with the NCMs, (iv) the securing of infrastructure and applications, as well as (v) the strengthening of mobility and remote access through wifi upgrading.





E. COMPLIANCE AND REGULATION

The main achievements in terms of compliance, regulation and updating of the Bank's texts include the following:

- the registration of the Bank's trademark and identifying marks;
- the Bank's compliance with the general data protection regulation (GDPR), as part of the "9 pillars" project.

F. MARKETING AND COMMUNICATION

In the field of communication, the Bank focused on the development of a brand platform defining its positioning, its new communication territories and the content of its messages. An action plan aligned with the vision of the new governance, reflected in the plan Djoliba, was developed and implemented throughout the year. The President's actions were given strong media coverage (press conferences, international speeches, high-level meetings) in the national, regional and international media as well as through digital channels (website and social networks). To this end, media monitoring has been strengthened, providing real-time coverage of the institution's media actions as well as those of technical and financial partners.

In terms of marketing, the Bank worked towards the promotion of the plan Djoliba as well as the Bank's products and services through the preparation of various media and poster campaigns in advertising spaces and business lounges of some airports in the WAEMU. In addition, it has completed the pilot phase of the geolocation scheme for all projects financed by the Bank in Togo and expects to extend it to Benin

• Digital communication

With regard to digital communication, the Bank has strengthened its presence and voice on social networks and internet. Efforts were undertaken to redesign the website and update the wikipedia page.

• Internal communication

In terms of internal communication, new communication tools have been designed and implemented to improve information flow. An extension of the digital signage network will be deployed at the headquarters and in Resident Missions. The Bank has also undertaken discussions with a regional communication agency with a view to developing its employer brand and launching a vast recruitment campaign.



Completion of the pilot phase of the geolocation scheme for all projects financed by the Bank in Togo

Results of the evaluation of the food security support project (FSSP) in the Biombo, Gabu and Tombali areas in Guinea Bissau

The overall objective of the Food Security Support Project in the Biombo, Gabu and Tombali areas in Guinea Bissau is to contribute to improved food security and poverty alleviation in the project area through the rehabilitation of mangrove and lowland hydro-agricultural schemes, and the improvement of living conditions and incomes of the local beneficiary population. During the evaluation, a total of 121 people (31% women) were interviewed in eight (8) villages.

At the operational level, the project has globally exceeded the set objectives, in terms of infrastructure as follows: (i) area of mangrove rice fields developed in the Biombo area (621.5 ha against 500 ha planned, or an additional 121.5 ha), (ii) area of rice fields restored at Tombali (829.3 ha against 700 ha planned, or an additional 129.3 ha), (iii) length of rural tracks completed (19 km against 11 km planned, or an additional 8 km). However, the development of lowland areas in the Gabu area did not meet the target (255.45 ha against 300 ha planned, representing a deficit of 44.55 ha because the available area was not suitable for achieving the whole target). Similarly, the additional annual production of paddy rice was below target (1,182.432 tonnes against 4,000 tonnes projected). This underperformance was due to (i) delays in the distribution of inputs and tools as a result of the suspension of disbursements and (ii) the low capacity of some selected service providers.

The resulting operational outcomes have led to the following positive impacts: i) increased rice and horticultural production compared to the pre-project situation; ii) increased income for the beneficiaries of the schemes and livestock farmers; iii) a significant improvement in food security; iv) a reduction in the rural exodus at completion of the hydro-agricultural schemes; v) a reduced vulnerability to climate change.

A gender analysis revealed that in the programme's areas of intervention, women were

the main beneficiaries of the literacy programme. They claim to be able to read, write and perform little arithmetic. These new skills are used in their business activities. However, the evaluation identified the following negative impacts.

- the sustainability of certain developments is threatened. Indeed, problems have arisen in some rice-growing areas. Over time, the slopes for water flowing from the fields to the main drainage channels have been deteriorated.
- the livestock component has experienced challenges. In particular, the goats distributed by the project were affected by diseases in several cases.
- While literacy training has a strong impact, it is experiencing some difficulties. The training sessions are at a standstill for several reasons, including equipment failure (battery, solar panels, TV), lack of remuneration for trainers and theft of training materials.
- Difficulties in accessing urban markets for the sale of surplus agricultural production. The major obstacle is access to means of transport.



G. MONITORING AND EVALUATION OF OPERATIONS AND KNOWLEDGE MANAGEMENT

• Retrospective project evaluation

In terms of retrospective project evaluation, the Bank conducted several missions. The evaluation activities focused on the completion of the meta-evaluation of performance evaluations carried out over the 1993-2016 period. The related report was submitted to the Board of Directors in September 2021. It also involved finalizing the ex-post evaluation of the project to set up an integrated cement plant in Benin by the Société Nouvelle Cimenterie du Bénin (NOCIBE), submitted to the Board of Directors in March 2021.

• Impact evaluations

As regards impact evaluations, the Bank carried out a rapid participatory evaluation of the food security support project (FSSP) in Guinea-Bissau. The related report was prepared and reviewed by the Board in December 2021. In addition, the first phase of the process evaluation of the emergency programme of the Regional Initiative for Sustainable Energy (IRED) was carried out by conducting the field phase.

• Monitoring of the plan Djoliba

With respect to the monitoring of the plan Djoliba, the Bank has implemented BOAD's framework for measuring development outcomes and impacts through the preparation of nine (9) reports on the implementation progress and projects' development outcomes as part of the monitoring of projects' development outcomes and impacts. In addition, the report on the development outcomes of rural and social development projects was prepared for the project portfolio of four countries (Burkina Faso, Côte d'Ivoire, Mali and Niger). Besides, five (5) reports were prepared to assess the development outcomes in terms of impacts of the Bank's interventions. Moreover, the implementation progress report on the development outcomes and impacts of the refinancing facilities has been prepared.

In addition, quarterly notes on the compliance of operations with the strategy are prepared in order to inform the Senior Management on the progress made towards achieving annual objectives. The process culminates in a first-year review of the strategic plan implementation for the information of the Bank's governing bodies.

• knowledge management and archives

With regard to knowledge and archives management, the Bank has launched the development of its knowledge management strategy with an action plan aligned with the plan Djoliba. To this end, it has drafted terms of reference and recruited a consultant to support the institution. In addition, the monitoring of areas covered by the Bank's interventions as well as the activities of the Bank's partners were continued. As part of the digitalization of business processes, in compliance with the IT system blueprint, the Bank has launched the implementation of the electronic document management system, which resulted in the dematerialization of mail management processes, procurement management and internal memos. In addition, approximately 400 linear metres of physical project files have been digitalized and integrated into the document management platform.

It should also be noted that the institution has completed the drafting of the new retention and disposal schedule for archives.

Meanwhile, in line with the Bank's commitment to transparency in its operations, the policy and guide documents on dissemination and access to information have been reviewed. This system was reinforced by the Bank's membership of the International Aid Transparency Initiative (IATI), which enables it to publish data in compliance with international standards.

H. FINANCIAL MANAGEMENT

Financial management

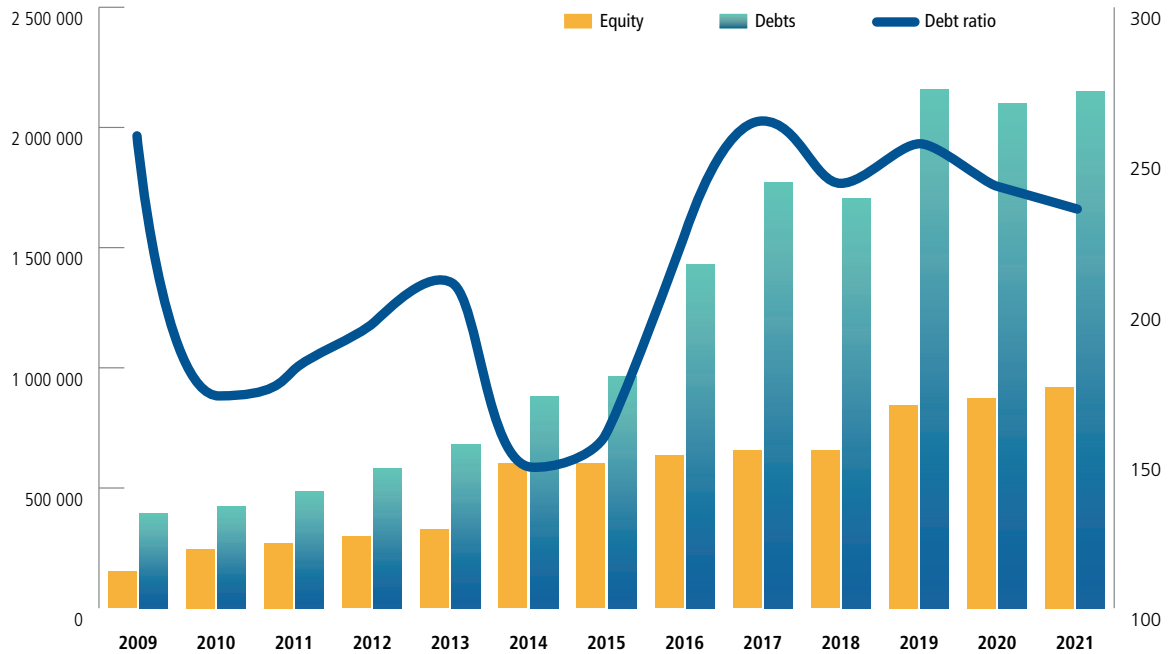
the implementation of the solution dedicated to financial management (OneSumX Risk from Wolters Kluwer) is ongoing with the configuration of the business functions. The tool will enable the optimization of the Bank's financial and risk management, with regard to the challenges linked to the increasing complexity of its operations and the alignment of its practices with international standards. The software will be operational in 2022 once the acceptance phase has been completed.

Financial position

the Bank's balance sheet total increased from XOF3,207.3 billion as at 31 December 2020 to XOF3,291.3 billion as at 31 December 2021.

The institution's financial situation remains healthy and marked by a balanced financial structure. As at end-December 2021, equity accounted for nearly 28.0% of the balance sheet total and the outstanding loans/equity ratio (debt ratio) stood at about 233.1%, against a statutory standard of 300%.





The operation is marked by the following characteristic factors in particular:

- a predominance of loan income, which is the main activity of the institution (80.9% of the budgetary income generated);
- an overall controlled cost of borrowing resources (3.08% on average, commercial and concessional resources combined);
- a net banking income of XOF85.7 billion as at 31 December 2021 against XOF77.5 billion as at 31 December 2020;
- Prudent cash management in line with the liquidity policy;
- the continued application of a prudent provisioning policy, linked to the situation of certain commercial projects.

The overall portfolio's gross deterioration rate stood at 2.92% as of end December 2021, compared with 2.71% as of end December 2020. The Bank intends to make further efforts towards monitoring and improving the quality of portfolio.

The operation continues to record positive results, with net profit at year-end 2021 amounting to XOF30.8 billion against XOF29.3 billion as of 31 December 2020. The income generated will strengthen the Bank's equity.

The Bank will remain committed to controlling its costs in order to maintain an attractive interest rate offer, in line with the requirements of development financing.

It should also be noted that the capital adequacy ratio stood at 23.57% at the end of December 2021 (compared to an international standard of at least 8%). The level of capital remains in line with the risks borne by the Bank. Besides, implementation of the practical recommendations of the study on the strengthening of the Bank's means of intervention, based on the consolidation of its capital adequacy, will make it possible for the institution to further consolidate its solvency and credit quality.

ANNEXES

- ANNEX 1 : Presentation on BOAD and its organization chart as at 31/12/2021
- ANNEX 2 : BOAD's governing bodies as at 31/12/2021
- ANNEX 3 : Key actions of BOAD's governing bodies in 2021
- ANNEX 4 : List of funding approved by BOAD in 2021
- ANNEX 5 : List of loan agreements/contracts, equity investments signed in 2021
- ANNEX 6 : Evolution of net inflows by country as at 31/12/2021
- ANNEX 7 : Breakdown of cumulative net commitments as at 31/12/2021
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- ANNEX 9 : Governance of BOAD
- ANNEX 10 : BOAD staff by category, gender, process and activity as at 31/12/2021
- ANNEX 11 : Financial position of the Bank as at 31/12/2021
- ANNEX 12 : Overview of solar power generation
- ANNEX 13 : WAEMU's key macroeconomic indicators
- ANNEX 14 : Fact sheets on projects funded in 2021.

Download the annexes from this link:







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