



## News Release

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### MIGA and BOAD to Expand Climate Finance in West Africa

Proceeds from €506 million MIGA guarantee will support agriculture, renewable energy, and green housing projects

**Lomé, December 03, 2024** – The Multilateral Investment Guarantee Agency (MIGA), part of World Bank Group Guarantees, issued a €506 million (\$535 million) guarantee to Societe Generale of France (SG) and HSBC Bank Plc of the United Kingdom (HSBC) for their loans to the West African Development Bank (Banque Ouest Africaine de Développement or BOAD). The guarantee covers the risk of non-honoring of financial obligation by a regional development bank for up to 15 years.

The MIGA-guaranteed loan will support BOAD's lending operations for sustainable and climate projects across its eight member countries. The proceeds of the guaranteed loan will benefit agriculture, renewable energy, general and digital infrastructure, green housing and real estate, health care, and education projects in Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.

*“The project reflects our commitment to support climate finance in low-income countries and to respond to key development challenges in WAEMU,”* said **Hiroshi Matano, MIGA Executive Vice President**. *“We believe our guarantee will catalyze further investments in the transition to a green economy and create new green jobs.”*

BOAD has committed to deploying 50% of the guaranteed loan to eligible climate finance projects, of which 30% will be directed toward climate adaptation financing, within the first five years of the 15-year MIGA guarantee period. The project's climate action plan includes a procedure for screening and reporting climate finance, as well as enhanced internal processes for identifying and addressing physical climate risks under the Paris Alignment approach.

To support low-carbon and climate-resilience pathways in member countries, BOAD has developed a framework that requires all operations to align with the mitigation and adaptation goals of the Paris Agreement.

*“This guarantee, the first of its kind initiated by BOAD, represents a particularly innovative initiative. It will actively support the financing of projects with a strong environmental and social impact, demonstrating our commitment to sustainable development and social responsibility”* said M. Serge EKUE, President and Chairman of BOAD.

The project has committed to a gender action plan aimed at enhancing institutional capacity on gender. This will be achieved by developing and utilizing e-learning modules on BOAD's gender approach for its employees and clients, as well as creating and piloting an online monitoring and reporting tool for gender to support tracking on the implementation of BOAD clients' gender action plans.

The eight countries are some of the fastest-growing in Sub-Saharan Africa, with significant improvements in trade, infrastructure, and energy, fueled by large public investments.

#### **About Societe Generale of France**

SG is one of Europe's leading financial services groups and a major player established for over 160 years. SG supports 25 million clients with more than 126,000 staff in 65 countries. It offers 3 complementary business lines (i) retail and private banking, and insurance, (ii) global banking and investor solutions, and (iii) international retail, mobility & leasing services.

#### **About HSBC Bank Plc of the United Kingdom**

HSBC is a British multinational universal bank and financial services holding company with offices in 62 countries serving around 42 million customers. With assets of \$3 trillion, the Group is one of the largest banking organizations in the world and employs around 221,000 staff.

#### **About West African Development Bank (Banque Ouest Africaine de Développement or BOAD)**

The West African Development Bank (BOAD) is the common development finance institution of the member countries of the West African Economic and Monetary Union (WAEMU). It is an international public institution whose purpose is to promote the balanced development of its member countries and foster economic integration within West Africa by financing priority development projects. It is accredited to the three climate finance facilities (GEF, AF, GCF). Since 2009, BOAD sits as an observer at the UNFCCC and actively participates in discussions on devising an international climate finance system. Since January 2013, it has been home to the first Regional Collaboration Centre (RCC) on Clean Development Mechanism (CDM), whose aim is to provide direct support to governments, NGOs and the private sector in identifying and developing CDM projects. As of October 15 2023, the Bank has been co-chairing alongside Bancoldex, the International Development Finance Club (IDFC) which brings together 27 national, regional and multilateral development banks from around the world.

#### **About World Bank Group Guarantees**

Initiated in 2024, World Bank Group Guarantees consolidates all guarantee products and experts from across the World Bank Group institutions at MIGA. It provides a simplified and comprehensive menu of guarantee solutions, enabling clients to select the instrument that best suits their needs. The platform streamlines processes, removes redundancies, and provides greater accessibility by de-risking investments in developing countries. Its goal is to boost the WBG's annual guarantee issuance to \$20 billion by 2030.

For more information about the guarantee platform, please visit:

<https://www.worldbank.org/wbgguarantees>

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