



KPMG Togo  
8<sup>ème</sup> étage immeuble BTCI siège  
169, Boulevard du 13 janvier  
06 BP 6019 Lomé 06, Togo  
Tél : (228) 22 21 87 69, Fax : (228) 22 21 03 55  
Email: contact@kpmg.tg

## Banque Ouest Africaine de Développement (BOAD)

Sustainable bond issue  
Limited assurance report by the independent auditor  
on the information relating to the backing, as at  
December 31, 2021, of the funds raised in the  
framework of the sustainable development bond  
issue of January 22, 2021

Period from 22<sup>nd</sup> January 2021 au 31 December 2021  
Banque Ouest Africaine de Développement  
68, avenue de la libération  
BP 1172 Lomé (Togo)  
*This report contains 6 pages*  
*Appendices contain 31 pages*



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### **Banque Ouest Africaine de Développement (BOAD)**

Siège social : 68, avenue de la libération, BP 1172 Lomé, Togo  
Capital social : 1 155 milliards de francs CFA

### ***Independent's Auditor Limited Assurance Report***

Period from 22<sup>nd</sup> January 2021 au 31<sup>st</sup> December 2021

Dear Sir/Madam

We have been engaged to perform an independent limited assurance engagement on the Allocation Report for the Sustainability Bonds (ISIN XS2288825263 ) of Banque Ouest Africaine du Développement (hereafter BOAD) according to the Sustainability Bonds Framework of BOAD as of January 2021 , for the period of January 22, 2021 to December 31, 2021 (hereinafter: Allocation Report). The Allocation Report is a component of the "Sustainability Bonds Allocation and Impact Report 2021" of BOAD.

The Reporting Criteria comprise the following documents:

- "Sustainability Bonds Framework" in accordance with the Green Bond Principles, the Social Bond Principles and the Sustainable Bond Guidelines of the International Capital Markets Association prepared by BOAD for the Green and Social Bonds issuances, available on BOAD website <https://www.boad.org/en/sustainability-bond-framework-spo/>;
- the reporting procedures developed by BOAD for the preparation of the Document.



## 1. Legal representatives' Responsibilities for the Report

The legal representatives of the Company are responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information ;
- the preparation of the Report in accordance with the Reporting Criteria ;
- Designing, implementing and maintaining internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error ;

## 2. Independence and quality control

We apply International Standard on Quality Control<sup>1</sup> and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA)<sup>2</sup>.

## 3. Our Responsibilities

It is our responsibility to express a conclusion on the Report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, published by the International Auditing and Assurance Standards Board (IAASB).

Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Report of the Company for the period of January 22, 2021 to December 31, 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of

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<sup>1</sup> Quality control of firms conducting audit or review engagements, as well as other assurance and related services

<sup>2</sup> International Ethics Standards Board for Accountants



assurance obtained is substantially lower. The choice of assurance procedures is subject to the practitioner's own judgement.

It is not our responsibility to provide a conclusion on:

- the eligibility criteria specified in the Reporting Criteria on which an opinion was expressed by the firm Vigeo Eiris (Second Party Opinion) provided prior to the issuance, and, in particular, to give an interpretation of the terms and conditions of the Reporting Criteria;
- the BOAD Sustainability Bonds Finance Framework and the report on impacts;
- the management of proceeds once they have been allocated.

#### **4. Nature and scope of our work**

We used our professional judgement to select procedures for our limited assurance engagement, and to assess the risk of material misstatement in the Verified information, whether due to fraud or error.

To assess risk, we considered the Company's internal controls on the preparation of the Report in order to design appropriate assurance procedures, and not to express a conclusion as to the effectiveness of BOAD's internal control system with respect to the preparation of the Report.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Interviews with the persons responsible for preparing the Report, with those in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures ;
- Assessing the appropriateness of the reporting procedures in terms of their relevance, completeness, reliability, neutrality and understandability ;
- inquire about the existence of internal control and risk management procedures implemented by the company ;
- examine on a sample basis the processes for collecting, compiling, processing and controlling information, and in particular those relating to the allocation of funds set out in the Framework ;
- on the basis of a sample of projects representative of eligible projects on the date chosen for the production of the allocation report:
  - check the correct calculation of the allocation of funds to the amounts allocated to each project, as well as the portion of financing and refinancing ;
  - reconcile the data with the supporting documents ;



- realize analytical procedures on the allocation of funds and check their consistency with the information contained in the Allocation report.

Our assurance does not extend to any other information in the Report. We have not reviewed and do not provide any assurance over any individual project information reported, including estimates of sustainability impacts. Moreover, the reporting on the project evaluation and selection and the management of proceeds is not part of our assurance procedures.

The verification of the issuance conditions of the Sustainability Bonds (including issuance volume) and the process for internal tracking of funds disposals was not part of our limited assurance engagement.

## **5. Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Allocation Report for the Sustainability Bonds (ISIN XS2288825263 ) of BOAD for the period January 22, 2021 to December 31, 2021 are in all material respects not prepared in accordance with the Reporting Criteria as set out in the Sustainability Bonds of BOAD from January 2021.

## **6. Restriction on Use and Distribution**

Our report may not be suitable for others than the Executive Board of BOAD and the holders of Sustainability Bonds. Therefore, our report is intended solely for the Executive Board of BOAD and the holders of Sustainability Bonds (ISIN XS2288825263) and should not be distributed to other parties and used for other purposes. We permit this report to be disclosed in the Sustainability Bonds (ISIN XS2288825263) Report dated January 2022, to assist Executive Board in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information.



*Banque Ouest Africaine de Développement (BOAD)*  
*Issuance of Sustainable Bonds – Limited Assurance report of the Independent auditor*

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and BOAD for our work or this report except where terms are expressly agreed between us in writing.

Lomé, February 08, 2022

KPMG Togo

A handwritten signature in blue ink, appearing to read 'Franck FANOU', written over the printed name.

Franck FANOU

*Partner*



*Banque Ouest Africaine de Développement (BOAD)*  
*Issuance of Sustainable Bonds – Limited Assurance report of the Independent auditor*

Appendix: Allocation report



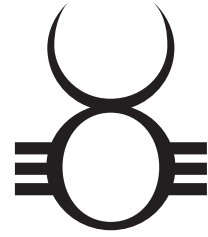
# REPORTING

ON THE SUSTAINABLE BOND ISSUE

**January 2022**

**WEST AFRICAN BANK OF DEVELOPMENT**





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## ACRONYMS AND ABBREVIATIONS

**BOAD** : West African Development Bank

**XOF** : African Financial Community Franc

**Mln** : Millions

**Bln** : Billion

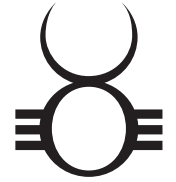
**OECD** : Organization for Economic Cooperation and Development

**SDGs** : Sustainable development goals

**SMEs** : Small and medium-sized enterprises

**WAEMU** : West African Economic and Monetary Union

# MESSAGE FROM THE PRESIDENT



Economic growth in the WAEMU region stood at 1.8% in 2020 compared to 6.6% initially projected, as a result of the negative impact of the health crisis on the economies of all member countries. The loss in growth was mainly due to the restrictive measures taken by all countries to contain the pandemic. The service industry, which has been the main source of growth in the Union countries in recent years, would be the most affected by the crisis, especially trade, transport, hospitality, tourism and catering.

The FY2021 was marked by an upturn in economic activity in the region despite the persistence of the Covid-19 health crisis, with the emergence of new variants. Economic growth is expected to reach 6.1%.

I would like to commend the resolutions adopted, as part of a collective effort to ensure post-Covid-19 recovery, at the Paris international summit on the financing of African economies, so as not to undermine the progress made towards achieving the sustainable development goals (SDGs) by 2030 and the African Union's Agenda 2063. These reflect our efforts to mobilize financial resources including concessional funding to finance infrastructure investment needs in our countries. This is undeniably a step in the right direction in order to unleash Africa's growth potential through investment and its demographic dividend.

On the sidelines of this important summit, BOAD actively participated in the "Finance in Common" platform meeting that brought together 450 public development banks (PDBs) from around the world, to share its vision on the challenges facing African PDBs, notably the enhancement of their funding capability to support low-carbon and climate change resilient projects.

BOAD is constantly working to adapt its support to the needs of its member countries and the private sector on the best possible terms. Concerned about environmental and social safeguards, the Bank has set since 2004 an environmental, social and gender policy that has been mainstreamed in its project cycle.

It is further working to provide its member countries, all of which are signatories to the Paris Agreement, appropriate resources to finance projects aimed at reducing their greenhouse gas (GHG) emissions and making their economies more resilient to the effects of climate change.

# MESSAGE FROM THE PRESIDENT (CONTINUED)

In that respect, the Bank is accredited to the Adaptation Fund (in June 2011, with a renewal in June 2016), the Global Environment Facility (since June 2015) and the Green Climate Fund (since April 2017).

The Bank has made significant progress in the area of climate finance. Actually, it has adopted a second environmental and climate strategy for 2021-2025 to further entrench its climate commitment. This strategy was presented in Glasgow, Scotland, at the 26th Conference of the Parties on climate change (COP26). It is buttressed by a commitment towards corporate social responsibility (CSR), and as a result a strong commitment to ESG standards and the attainment of SDGs.

Our strategic vision for 2021-2025 (plan Djoliba) is to make BOAD a "leading bank with a strong impact on the integration and transformation of West Africa". This vision will be achieved in using our strengths to operate selectively in the three strategic operational areas, namely i) regional integration which is the very foundation of the creation of BOAD, ii) creation of values and productive jobs in support to the States and the private sector and iii) building greater resilience to climate change.

Under these three areas, the Bank aims to invest a total amount of €5 billion in WAEMU economies to strengthen the States' resilience in the face of structural challenges (energy and ecological transition, basic social services, external shocks such as Covid-19), in priority sectors such as

(i) infrastructure and digital economy, (ii) energy and natural resources, (iii) agriculture and agribusiness, (iv) health, education and real estate, (v) finance.

With regard to axis 3 of the plan Djoliba (building greater resilience to climate change), BOAD is positioning itself at the heart of climate action for sustainable development in the WAEMU region, with a goal to invest in this sector at least an aggregate amount of €1.3 billion (i.e. 25% of the total funding planned by Djoliba).

BOAD adheres to the highest market standards, particularly in relation to the bond issuance framework aligned with SDGs.

In accordance with these standards, the Bank successfully floated in January 2021, building on your renewed confidence in its creditworthiness (investment grade ratings obtained since 2015 from Moody's and Fitch rating agencies), the first sustainability bond in Africa of €750 million on the international capital market. I really want to thank you in this respect.

With this very positive initial experience, I can reaffirm our commitment to relentlessly pursue our efforts for more significant impact on the life of the people of our Union over the next few years, this in regard to the environment and the fight against climate change.



# 1

## INTRODUCTION

The purpose of this report is to give account of the use of resources mobilized under BOAD's inaugural sustainability bond issue and highlight the impacts generated by these investments in keeping with commitments made in the framework document regarding resource allocation and impacts. The report is structured in four (4) major sections: (i) BOAD and sustainable development; (ii) sustainability bond framework and eligibility criteria; (iii) use of funds; and (iv) impact of loans granted.





# 2 | ABOUT BOAD

## 2.1. BOAD AT A GLANCE

The West African Development Bank (BOAD) is the common development finance institution of the member countries of the West African Monetary Union (WAMU). It was established on 14 November 1973 as an international public institution and brings together eight countries including Benin, Burkina, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. The Bank's statutory mission is "to promote the balanced development of member countries and contribute to the achievement of economic integration in West Africa".

BOAD's operations cover both the commercial and non-commercial sectors. They are financed through two windows: a concessional window referred to as the Development and Cohesion Fund (FDC) and a non-concessional window called the Bank window.

Interventions take different forms, mainly consisting of (i) long and medium-term loans, (ii) financing arrangements, (iii) financing of short-term operations, (iv) refinancing facilities to national financial institutions, (v) equity investments and (vi) advisory services.

## 2.2. STRENGTHENING BOAD'S POSITION INTERNATIONALLY

Since 2015, the Bank has been rated investment grade by Moody's (Baa1) and Fitch (BBB) and ranks among the best ratings in Africa.

For about twenty years, BOAD has been committed to environmental and social safeguards as part of the operations it supports. Currently, the Bank is involved in a process of mainstreaming climate component into its operations.

## 2.3. PLAN DJOLIBA: FRAMEWORK FOR BOAD'S ACTION IN SUSTAINABLE DEVELOPMENT

Since January 2021, BOAD has been implementing its 2021-2025 strategic plan referred to as Djoliba<sup>1</sup> with the following vision: "BOAD, the leading bank making a sustainable impact on the integration and transformation of West Africa". This plan is part of the Bank's ambition to contribute to the attainment of the sustainable development goals (SDGs).

BOAD's vision is to increase its means of intervention on three strategic operational areas whilst focusing on five sectors of activity.

<sup>1</sup> Name of the river Niger in Mandinka language



## OPERATIONAL STRATEGIC AREAS

1.  
2.  
3.

Contributing to the achievement of economic integration économique régionale



Promoting the balanced development by creating values and productive jobs



Supporting a green development of the sub-region



## CROSS-CUTTING STRATEGIC AREAS

Increasing BOAD's funding and action capacity



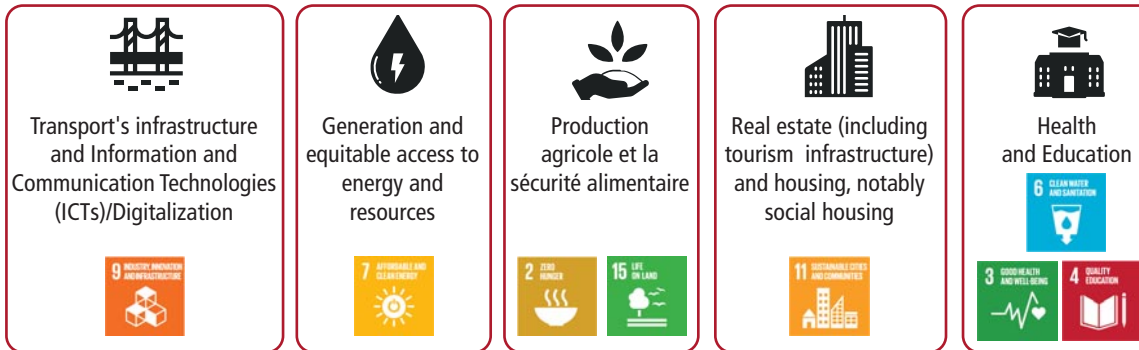
- Strengthened capital structure
- Optimizing balance sheet management n du bilan

Strengthening human resources and management systems



- Developing skills
- Upgrading management and control systems

## FOCUS SECTORS



On the whole, the Djoliba plan will provide an average annual commitments of XOF 658.7 billion (about €1 billion), or a total of XOF 3,293.5 billion (€5 billion) over the next five years.





## 2.4. HIGHLIGHTS OF BOAD FOR 2021

### • Resource mobilization

- 22 January 2021: 1st sustainability bond issue involving € 750 million (XOF 492 billion), with 12-year maturity and 2.75% interest rate.
- 24 November 2021: the Board of Directors approved a credit facility from the African Development Bank (AfDB) in an amount of € 150 million (XOF 98.4 billion). At least 10% of these resources will be used to finance projects led by women entrepreneurs.

### • Awards

- 30 October 2021: winner of the Development Champion Award 2021 of the Rebranding Africa Forum 2021.
- 1<sup>st</sup> April 2021 : Bond Awards 2021 Winner<sup>2</sup>.

<sup>2</sup> [https://www.environmental-finance.com/content/awards/winners/sustainability-bond-of-the-year-supranational-sub-sovereign-and-agency-\(ssa\)-boad.html](https://www.environmental-finance.com/content/awards/winners/sustainability-bond-of-the-year-supranational-sub-sovereign-and-agency-(ssa)-boad.html)



**Environmental  
Finance**  
**Bond Awards  
2021  
Winner**  
**Sustainability bond of the  
year – supranational,  
sub-sovereign and  
agency (SSA)**



# 3

## SUSTAINABILITY BOND FRAMEWORK

BOAD's Sustainability Bond Framework has been developed in accordance with the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainable Bond Guidelines (SBG) of the International Capital Markets Association (ICMA)<sup>3</sup> and is consistent with the latest versions of these texts.

For each sustainable bond issue, BOAD is committed to the following four key principles: use of funds, project evaluation and selection process, fund management and preparation of allocation and impact reports.

Under this framework, BOAD can issue sustainability bonds (hereinafter called "Sustainable bonds") in various formats:

- Green bonds: 100% of funds raised will be allocated to eligible green projects;
- Social bonds: 100% of funds raised will be allocated to eligible social projects;
- Sustainable bonds: 100% of funds raised will be allocated to eligible green and social projects.

The eligibility criteria for eligible projects are set out in the Sustainability Bond Framework. In line with the best market practices, the Framework<sup>4</sup> has been independently reviewed by Vigeo Eiris (second party opinion), which confirmed its alignment with the ICMA principles and gave it an "advanced" rating.

<sup>3</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

<sup>4</sup> <https://www.boad.org/en/sustainability-bond-framework-spo/>



# 4 | USE OF FUNDS

## 4.1. RECAP OF THE FRAMEWORK PROVISIONS

One of the commitments made under the Sustainability Bond Framework in line with the principles outlined above, is monitoring through resource allocation and impact reports. Indeed, such commitment consists of publishing an accountability report, which should be made available to investors by BOAD on its website. The said report shall include a section on the use of resources and another section on the impacts of the various projects financed.

## 4.2. MONITORING THE USE OF PROCEEDS

Resource allocation to the portfolio of eligible projects is monitored by the Sustainable Bonds Committee set up within the Bank. This committee is responsible for: (i) monitoring projects financed or refinanced and excluding projects no longer eligible, (ii) updating the Sustainability Bond Framework, (iii) preparing the report to be made available to investors, and (iv) hiring and reviewing the independent external auditors' reports.

BOAD has appointed KPMG as an independent auditor to prepare an independent report so as to make sure that resource allocation is in line with the framework. This report was audited from 22 to 31 December 2021 certifying that resource allocation is consistent with BOAD's Framework.

## 4.3. REVIEW OF THE CHARACTERISTICS OF THE BOND ISSUE

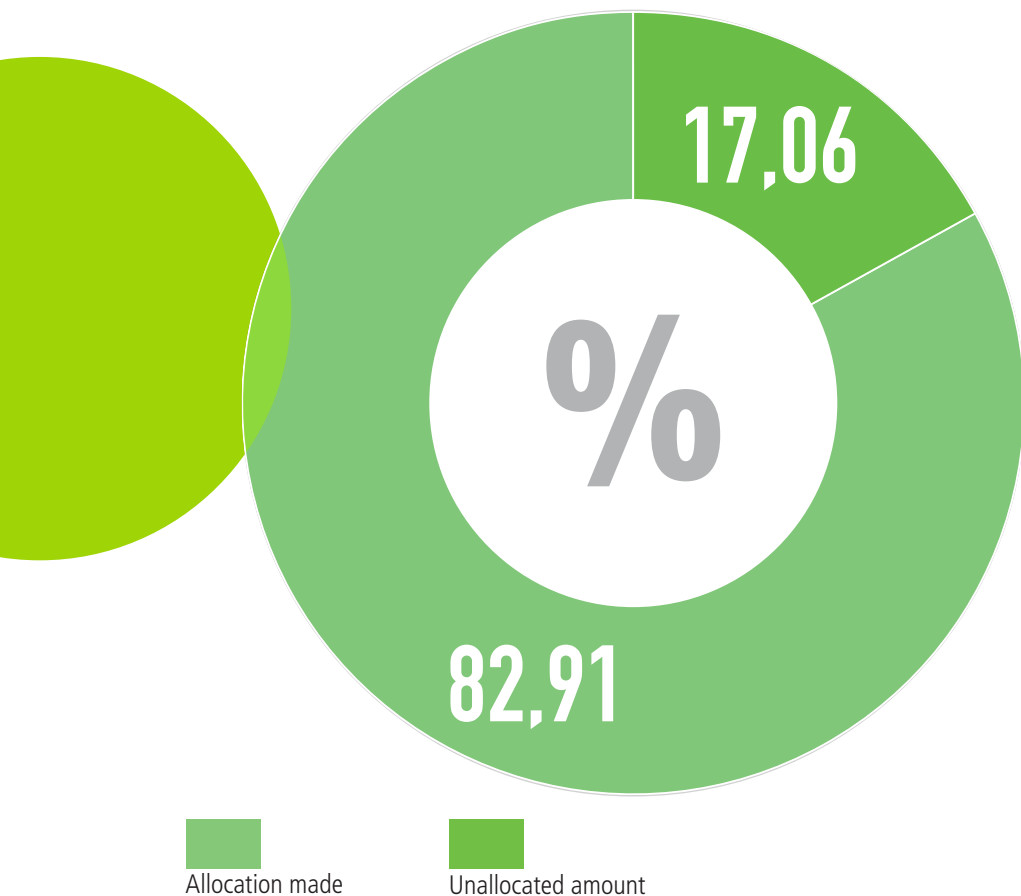
<b>Issuer</b>	<b>BOAD</b>
ISIN	XS2288824969 / XS2288825263
Currency	Euro
Amount	€ 750 million*
Date of issue	22 January 2021
Maturity date	22 January 2033

\*i.e. XOF 491.96 billion

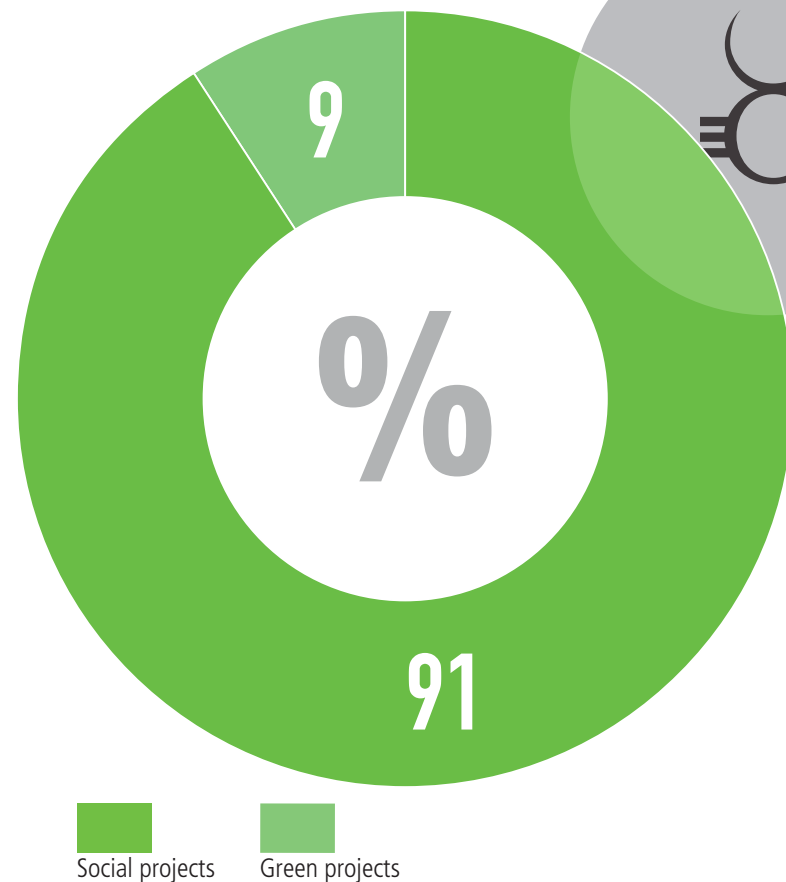
#### 4.4. RESOURCE ALLOCATION

##### 1) OVERALL ALLOCATION OF BOND PROCEEDS

	Bond issue	Allocation made	Unallocated amount	Allocation rate (%)
Amount (XOF'mln)	491,968	407,890	84,078	82,91%
Amount (XOF'mln)	750	621.82	128.18	



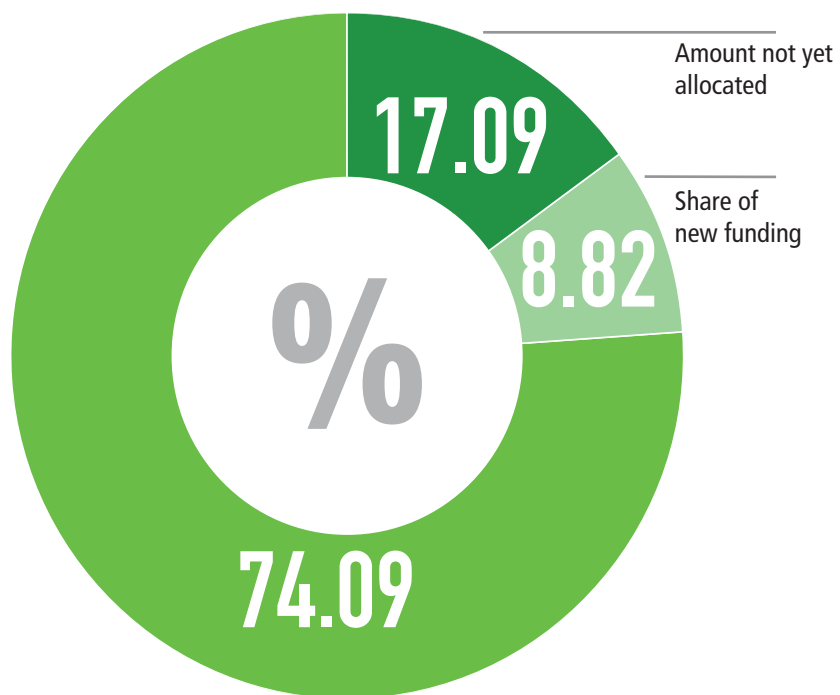
##### 2) ALLOCATION PER TYPE OF PROJECT (€'MLN)



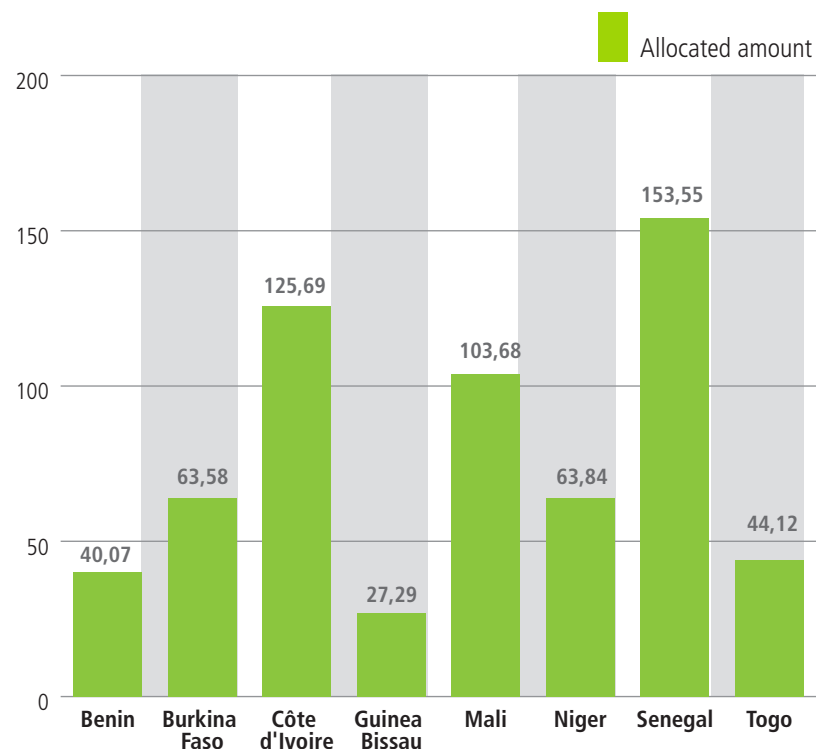
Items		Green projects	Social projects	Grand total
Allocated amount	XOF' million	37,000	370,890	407,890
	€' million	56.41	565.42	621.82
Number of projects		4	36	40

### 3) ALLOCATION ACCORDING TO THE YEAR BOAD FUNDING WAS GRANTED

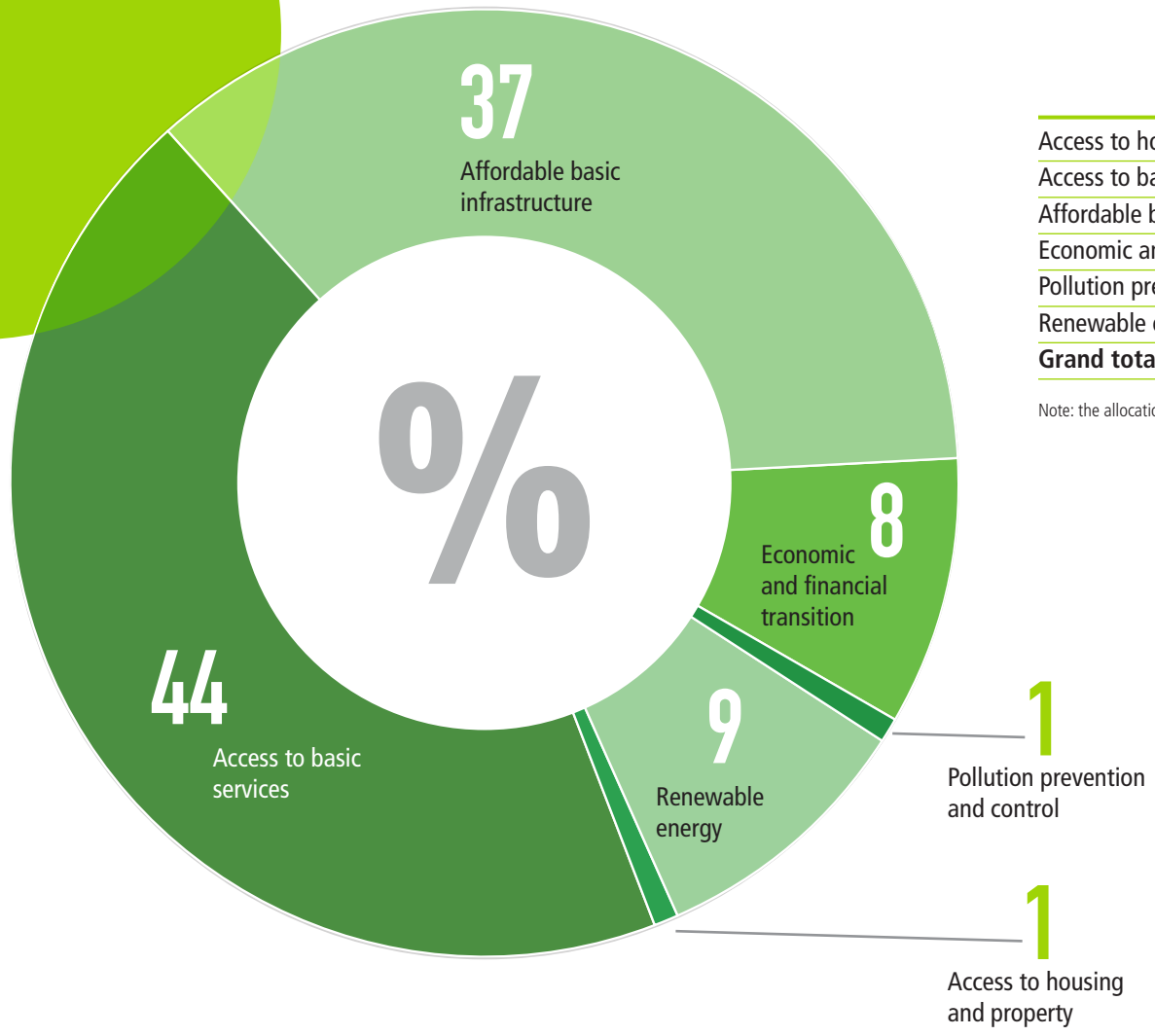
	Allocated amount		Number of projects
	XOF' million	€' million	
<b>Projects funded in 2021</b>	<b>43,400</b>	<b>66.16</b>	<b>5</b>
Green projects	20,000	30.49	2
Social projects	23,400	35.67	3
<b>Projects funded between 2018 and 2020</b>	<b>364,490</b>	<b>555.66</b>	<b>36</b>
Green projects	17,000	25.92	2
Social projects	347,490	529.75	33
<b>Grand total</b>	<b>407,890</b>	<b>621.82</b>	<b>40</b>



### 4) ALLOCATION PER COUNTRY (€'MLN)



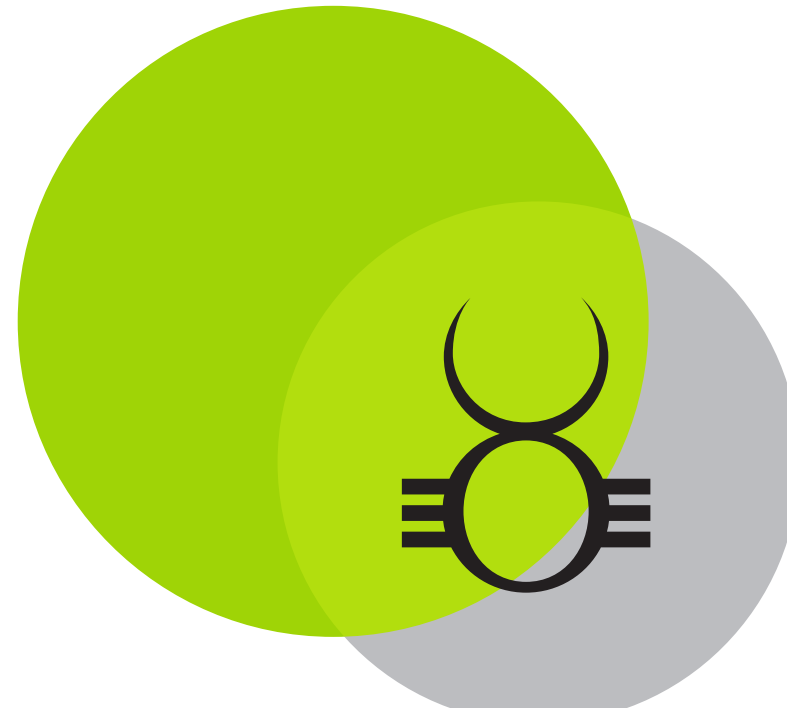
	Allocated amount			Number of projects
	XOF' million	€' million	Proportion	
Benin	26 284	40,07	6,44%	2
Burkina Faso	41 708	63,58	10,23%	5
Côte d'Ivoire	82 450	125,69	20,21%	9
Guinea Bissau	17 900	27,29	4,39%	1
Mali	68 011	103,68	16,67%	7
Niger	41 874	63,84	10,27%	4
Senegal	100 724	153,55	24,69%	8
Togo	28 938	44,12	7,09%	4
<b>Grand total</b>	<b>407 890</b>	<b>621,82</b>	<b>100,00%</b>	<b>40</b>



### 5) ALLOCATION PER SECTOR (%)

	Allocated amount		Number of de projets
	XOF' million	€' million	
Access to housing and property	4,884	7.45	1
Access to basic services	180,602	275.33	10
Affordable basic infrastructure	151,071	230.31	19
Economic and financial transition	30,333	46.24	5
Pollution prevention and control	4,000	6.10	1
Renewable energies	37,000	56.41	4
<b>Grand total</b>	<b>407,890</b>	<b>621.82</b>	<b>40</b>

Note: the allocation per country and sector is attached.



# 5



## IMPACTS OF LOANS GRANTED

Loans provided contribute to generating impacts on the populations. The monitoring and evaluation system has made it possible to compile the impacts observed in 2021 in the table below. The projects funded have contributed to the attainment of SDGs 1 (no poverty), 3 (good health and well-being), 4 (quality education), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 13 (climate action). Impacts will increase in the coming years with the completion of the projects funded from such loans. Therefore, this inaugural impact report only focuses on projects implemented or completed and which have generated outputs and outcomes<sup>5</sup>.

<sup>5</sup> See Annex 3 on the concepts of development outcomes and impacts




## 5.1. CATEGORIES OF ENVIRONMENTAL PROJECTS

Categories of eligible projects	Background and description of eligible flagship projects	Impact assessment	Contribution to SDGs
Renewable energy	<p><b>Background</b></p> <p>Access to renewable energy is a major challenge and efforts must be sustained in WAEMU member countries.</p> <p>One of the major strategies adopted by Togo, where this type of project is located as part of this reporting, is the grid extension in order to connect additional rural households. This approach requires increased power generation capacity in the country.</p> <p>Solar technology provides an opportunity to increase the country's power generation capacity and electrification rate (45% nationwide in 2018 and 12% in rural areas).</p> <p><b>Example of a flagship project</b></p> <p>The solar photovoltaic power plant (with no storage) in Togo with a generation capacity of 50 MWp/40 MVA. Located in the central region of Togo, the project covers an area of 94 hectares. It is connected to the national grid and generates nearly 90,255 MWh of electric power annually. The project contributes to access to electricity for all. It supplies 158,333 Togolese households with electricity and helps avoid over one million tonnes of CO<sub>2</sub> emissions throughout its operation.</p>	<ul style="list-style-type: none"> <li>• Solar renewable energy generation capacity: 50 MWp</li> <li>• Generation of renewable solar energy per year: 90,255 MWh</li> <li>• Estimated CO<sub>2</sub> emissions avoided: 1,000,000 TeqCO<sub>2</sub></li> <li>• Households supplied with solar energy: 158,333</li> </ul>	 








## 5.2. CATEGORIES OF SOCIAL PROJECTS

Categories of eligible projects	Background and description of eligible flagship projects	Impact assessment <sup>6</sup>	Contribution to SDGs
Access to basic services- Health	<p><b>Background</b></p> <p>As part of the spread of the COVID-19 pandemic in WAEMU member countries, BOAD initiated two interventions for a total amount of XOF 200 billion, part of which was charged to the resources of this bond issue. BOAD's intervention was intended to urgently provide national authorities with financial resources to contribute to the implementation of their response plans against COVID-19.</p> <p><b>Examples of flagship projects</b></p> <p>Credit facilities for addressing COVID-19 have been granted to each member country.</p>	<ul style="list-style-type: none"> <li>• Screening and testing facilities accessible to the population: 103</li> <li>• Medical staff mobilized: 857</li> <li>• Quick response teams: 186</li> <li>• Testing laboratories: 13</li> </ul>	


<sup>6</sup> It should be noted that this is a contributive approach.

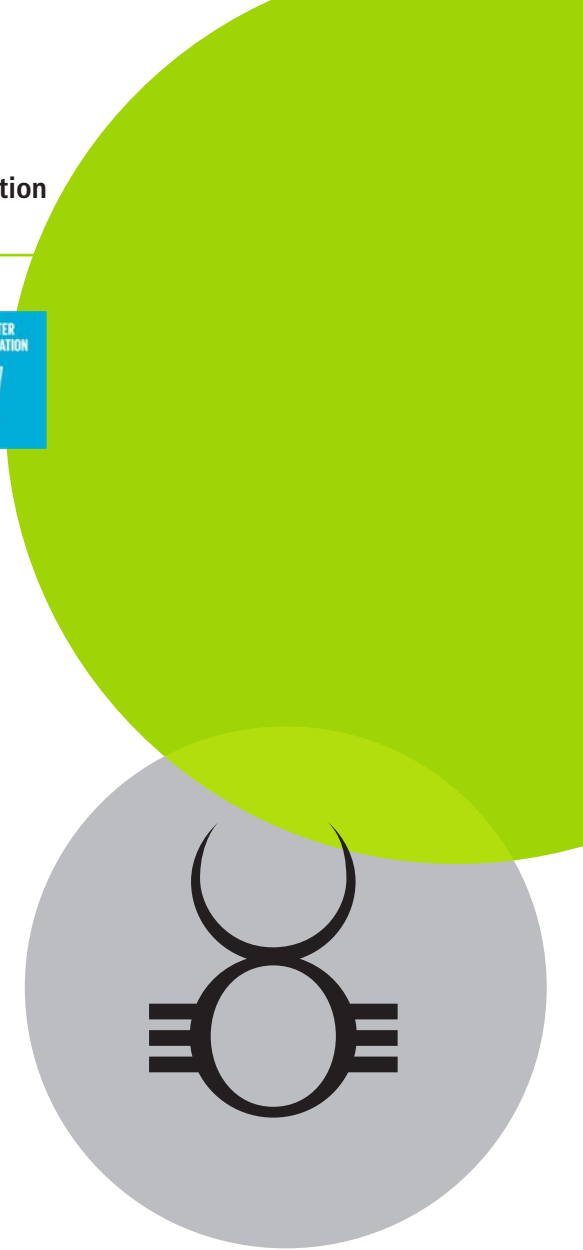




Categories of eligible projects	Background and description of eligible flagship projects	Impact assessment <sup>6</sup>	Contribution to SDGs
<p>Access to basic services - Education</p>	<p><b>Background</b></p> <p>Access to quality education is constrained in some WAEMU member countries by the existence of classrooms in the form of temporary shelters (mud walls, straw roofs, no latrines). For example, temporary shelters represent 10% of public school infrastructure in Senegal. In this respect, nearly 200,000 school children living in precarious and hazardous learning conditions, do not enjoy a normal school year. Indeed, school children who receive education under temporary shelters are constantly exposed to hazards and other nuisances, including rain, cold, sandy winds, high heat, fire risks, noise pollution, etc. This situation shortens the school year by about 250 hours and therefore raises the issue of equity in the school environment.)</p> <p>In this connection, BOAD has put in place an approach aimed at providing quality school infrastructure to disadvantaged children so as to offer them better learning conditions and reduce dropout rates in the relevant schools.</p> <p><b>Example of flagship project</b></p> <p>Construction of 1,528 classrooms in substitution of temporary shelters and ancillary works (first phase of 510 classrooms) in the Republic of Senegal (completion in 2024).</p>	<ul style="list-style-type: none"> <li>• Number of classrooms constructed: 1,026</li> <li>• Administrative blocks: 767</li> <li>• Washroom facilities (gender-sensitive latrines): 451</li> <li>• Beneficiary students: 84,794 including 52% of girls.</li> </ul>	 

Categories of eligible projects	Background and description of eligible flagship projects	Impact assessment <sup>6</sup>	Contribution to SDGs
Access to basic services - Education	The project involves the construction, in the fourteen (14) regions of Senegal of: i) equipped classrooms to replace temporary shelters, ii) equipped administrative blocks, iii) washroom facilities and iv) 9,782 linear meters of fence walls.		
Affordable basic infrastructure - Development of projects providing and expanding access to clean water	<p><b>Background</b></p> <p>Access to clean water is a major problem in rural and urban areas in WAEMU member countries. In Côte d'Ivoire, particularly in Abidjan, drinking water deficit is estimated at 30%. This shortage in clean water is the result of several factors including poor production and storage capacity. In addition, the congestion of the installations (96% percentage point rate) and the undersizing of the network lead to frequent pressure drops resulting in a lack of clean water in certain areas.</p> <p><b>Example of flagship project</b></p> <p>The Mé drinking water plant project</p> <p>The project purpose is to reinforce the drinking water supply system of the city of Abidjan from the South Comoé groundwater through (i) the construction of borehole catchment areas; (ii) the construction and equipment of lime neutralization and chlorine disinfection stations; (iii) the construction of reservoirs; (iv) the construction of pumping stations; (v) the supply and installation of pipes and (vi) the rehabilitation of water towers.</p>	<ul style="list-style-type: none"> <li>• New beneficiaries of clean water connections: 1,500,000</li> <li>• Volume of water produced (m3/day): 160,000</li> </ul>	



Categories of eligible projects	Background and description of eligible flagship projects	Impact assessment <sup>6</sup>	Contribution to SDGs
<p>Affordable basic infrastructure - Development of projects providing and expanding access to sanitation</p>	<p><b>Background</b></p> <p>The poor state of sanitation infrastructure is marked in some WAEMU countries by a collective waste water management system which does not cover all areas, so that many households still practice autonomous sanitation, with uncontrolled discharge of effluents into the environment. For example, in Abidjan, in some townships the outlets of waste water pipes are not connected to the main sewer pipe, resulting in discharges of collected effluents into the rainwater channels. In addition, nearly 86% of uncollected waste water and solid waste is discharged directly into the Cocody lagoon bay through the storm water network. Channels clogged with solid waste lead to flooding. Public health is therefore threatened, exposing the population to diseases such as diarrhea, cholera, bilharzia, typhoid fever and malaria.</p> <p><b>Example of a flagship project</b></p> <p>Sanitation project in the Gourou catchment area in Abidjan, Côte d'Ivoire</p> <p>The project involves the construction of a sanitation system. The objectives are: i) to reduce waste water discharges into storm water channels and surface waters and ii) improve the solid waste sector management by increasing the proportion of sorting and recovery of plastics from 0% to 42%.</p>	<ul style="list-style-type: none"> <li>• New households connected to the sewerage system: 399</li> <li>• Drainage network constructed (km): 13</li> <li>• Number of beneficiaries: 324,225</li> </ul>	



Categories of eligible projects	Background and description of eligible flagship projects	Impact assessment <sup>6</sup>	Contribution to SDGs
Economic and financial transition	<p><b>Background</b></p> <p>SMEs play an important role in WAEMU member countries' economies. Despite this major role, they have very limited access to finance. This difficulty has increased with the emergence of the COVID-19. BOAD, beyond its classical SME support programme, has made resources available to support SMEs in the WAEMU region.</p> <p><b>Example of flagship project</b> National Finance Institutions (Senegal/Côte d'Ivoire)</p> <p>The project's objective is to set up refinancing facilities to support SMEs for the financing of productive investment sub-projects and activities that help them address the negative impacts of COVID-19 on their operations.</p>	<ul style="list-style-type: none"> <li>• Small and medium-sized enterprises (SMEs) financed: 469</li> <li>• Number of jobs supported: 4,277</li> <li>• Number of jobs supported - Women: 1,404</li> <li>• Number of jobs supported - Youth: 1,055</li> <li>• Number of jobs created: 128</li> <li>• Number of jobs created- Women: 28</li> <li>• Number of jobs created - Youth: 103</li> </ul>	 



### 5.3. METHODOLOGY

Impact reporting covers ex-post (after completion) or in-itinere (during implementation) project estimates in the portfolio. The presentation sources of the methodologies are provided in the annex. Indicators are collected through data collection from project management units (PMUs), project monitoring offices (PMOs) and independent consultants hired by the PMUs for project implementation reporting. Generally, the methodological approach comprises five (5) phases as follows:

- **Project identification:** a working session with BOAD's organizational units (OU) in charge of the projects under review made it possible to identify the projects charged to the analysis period (project population) and the projects that should be subject to data collection (project sample). The collection of impact indicators was carried out on projects in disbursement phase or completed.
- **Updating the contact information of the project monitoring and evaluation focal points:** in collaboration with the organizational units responsible for the projects under review, the emails and phone contacts of the focal points have been updated.

- **Updating of collection tools:** the forms are updated with regard to indicators to be collected.
- **Conducting the collection:** the forms were sent by email to the project focal points. Follow-up of the questionnaires was carried out. Field missions to Côte d'Ivoire and Senegal were carried out.
- **Quality control and data processing:** the data submitted was checked and inserted into the monitoring and evaluation matrices and the database, and statistical analyses were carried out for consolidation.

As regards the estimate of avoided CO<sub>2</sub>, calculations were made by the consultant in charge of preparing the project completion report submitted to the Bank by the solar power plant project management unit in Togo. The costing of infrastructure outputs was carried out by independent work control firms and the project management units. Estimates of beneficiaries are made through counting (education, health, SMEs, sanitation) or statistical sampling techniques (drinking water and energy) through a contributive approach which does not help isolating development outcomes attributable solely to BOAD. This limitation is due to lack of explicit application points for resource use and indicators in designing BOAD's intervention.

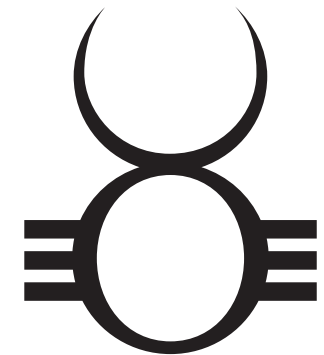


# 6

## CONCLUSION

Continue its optimal bond proceeds allocation policy, whilst giving priority to the social sector and renewable energy.

In addition, it will continue to fine-tune its methodology for estimating greenhouse gases in conjunction with its key partners.



# ANNEX 1

## SUMMARY TABLE OF ALLOCATIONS PER COUNTRY AND SECTOR

ALLOCATED AMOUNT IN XOF' MILLION

	Benin	Burkina Faso	Côte d'Ivoire	Guinea Bissau	Mali	Niger	Senegal	Togo	Grand total
Access to housing and property	4,884								4,884
Access to basic services	21,400	28,900	17,900	17,900	30,300	24,900	22,400	16,900	180,602
Affordable basic infrastructure		12,808	47,216		7,711	16,974	66,323	38	151,071
Economic and financial transition			13,333		5,000		12,000		30,333
Pollution prevention and control			4,000						4,000
Renewable energy					25,000			12,000	37,000
<b>Grand total</b>	<b>26,284</b>	<b>41,708</b>	<b>82,450</b>	<b>17,900</b>	<b>68,011</b>	<b>41,874</b>	<b>100,724</b>	<b>28,938</b>	<b>407,890</b>



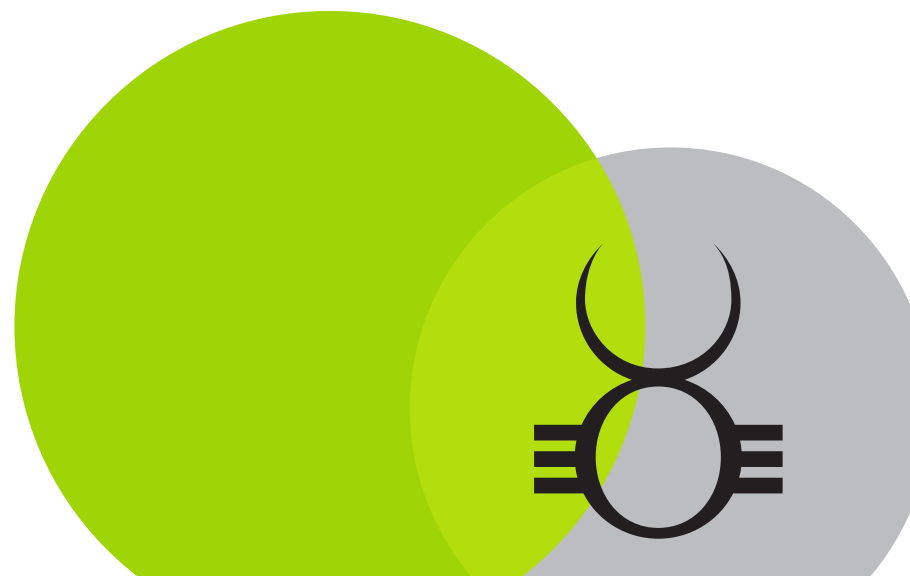


# ANNEX 1 (CONTINUED)

## SUMMARY TABLE OF ALLOCATIONS PER COUNTRY AND SECTOR

NUMBER OF PROJECTS

	Benin	Burkina Faso	Côte d'Ivoire	Guinea Bissau	Mali	Niger	Senegal	Togo	Total général
Access to housing and property	1								1
Access to basic services	1	2	1	1	2	1	1	1	10
Affordable basic infrastructure		3	5		2	3	5	1	19
Economic and financial transition			2		1		2		5
Pollution prevention and control			1						1
Renewable energy					2			2	4
<b>Grand total</b>	<b>2</b>	<b>5</b>	<b>9</b>	<b>1</b>	<b>7</b>	<b>4</b>	<b>8</b>	<b>4</b>	<b>40</b>



## ANNEX 2 METHODOLOGY

The contributive approach is implemented mainly through qualitative models or quantitative methods based on surveys of the beneficiary group only. Several methodologies are available in:

- Catley, A., Burns, J., Abebe, D., Suji, O. (2013). Participatory Impact Assessment: a design guide. Feinstein International Center, Tufts University, Somerville.

Link: <https://fic.tufts.edu/publication-item/participatory-impact-assessment-a-design-guide/>

Regarding greenhouse gases (GHG), while the use of methodologies from the Clean Development Mechanism, Verified Carbon Standard, and Gold Standard would be desirable, development finance institutions are urged to adopt their own methodologies provided they are reasonable. In this context, a methodology is being finalized with consultants from Carbon Partners Asiatica ("Asiatica"). It is part of a technical assistance programme funded by the Green Climate Fund (GCF). The following methodology will be used, inter alia:

- CDM methodology AMS-I.L.

(<https://www.yumpu.com/en/document/read/19765940/cdm-methodology-booklet>)



# ANNEX 3

## RAPPEL DES NOTIONS DE RESULTATS DE DEVELOPPEMENT ET D'IMPACT

The projects funded under this operation are associated with a results chain, defined as a sequence of cause and effect that leads to the achievement of sustainable development goals. The results chain starts with the provision of resources (inputs), continues with activities and their outputs, which are used to induce effects (outcomes) which allow for impact assessment (see Figure 1).

FIGURE : RESULTS CHAIN, DEVELOPMENT OUTCOMES AND IMPACTS



Development outcomes are expected effects of funded projects in physical, financial, institutional, social, environmental or other terms, for the benefit of enterprises, communities and groups of people (women, youth). In accordance with its evaluation strategy, BOAD defines impact as "a short and medium-term effect (less than or equal to 5 years following project completion), be it positive and negative, primary and secondary, induced by a funded project, directly or indirectly, intentionally or unintentionally". Timeframe adjustment compared to the OECD/DAC<sup>7</sup> definition (see Inset 1) allows for minimum impact reporting over time.

The impact assessment of projects uses the contributive approach with regard to the types of projects funded (mainly infrastructure). The themes are related to those of sustainable development goals (SDGs) according to the Framework.

<sup>7</sup> Development Assistance Committee of the Organization for Economic Co-operation and Development



## INSET 1

### MAIN CONCEPTS OF THE RESULTS CHAIN

The Bank adheres to the following OECD/DAC definitions of the results chain.

**Resources or inputs:** financial, human and material means used for development action

**Activities:** actions undertaken or work carried out to produce specific outputs. The activity mobilizes resources such as funds, technical assistance and other means.

**Outputs:** goods, equipment or services resulting from the development action following implementation of the activities.

**Outcome or direct effect (effects/outcomes):** what the action is expected to achieve or has achieved in the short or medium-term. Expected or unintended change, directly or indirectly attributable to a development action. This change comes from the use of outputs.

**Development outcome or development objective:** the expected effect in physical, financial, institutional, social, environmental or other terms, of one or more development actions for the benefit of a society, community and group of people.

**Impact:** a long-term effect, be it positive and negative, primary and secondary, induced by a funded project, directly or indirectly, intentionally or unintentionally.

Development Assistance Committee of the Organization for Economic Co-operation and Development

## INSET 2

### DIVERSIFIED DEFINITION OF DEVELOPMENT IMPACT

The OECD/DAC definition includes several concepts leading to several definitions by development finance institutions.

Sometimes, impacts are understood through a causal link (attributing the results of an intervention) and long-term effects.

Some development finance institutions consider impact as the "last link in the results chain" or the highest level of objectives identified by an intervention, meaning the ultimate intended outcome of the intervention.

Other development finance institutions define impact as the full range of development goals (sustainable development goals) and use the term "outcomes" to mean "project goals or objectives".

Other development finance institutions (DFIs) define impact as a specific type of result of peculiar interest to the DFI, such as institutional development, environmental and/or social impact which may appear or not in the project results chain.

Finally, the definition of "impact" is sometimes linked to the unit of analysis, notably the result measured in a sector, a region, at the country level as opposed to the result measured for the project beneficiaries. This definition is a variant of the OECD/DAC definition which includes both intended and unintended outcomes.

Source: Good Practice Standards for the Evaluation of Public Sector Operations, 2012 Revised Edition, Evaluation Cooperation Group