



KPMG Togo  
8<sup>ème</sup> étage immeuble IB Bank  
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](mailto:contact@kpmg.tg)

# Banque Ouest Africaine de Développement

## **Sustainable bond issue**

Limited assurance report by the independent auditor on the information relating to the backing, as at December 31, 2022, of the funds raised in the framework of the sustainable development bond issue of January 22, 2021

Period from 1<sup>st</sup> January 2022 au 31 December 2022

Banque Ouest Africaine de Développement

68, avenue de la libération

BP 1172 Lomé (Togo)

*This report contains 6 pages*

*Appendices contain 36 pages*



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Email: contact@kpmg.tg

**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 1<sup>st</sup> January 2022 au 31<sup>st</sup> December 2022

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 1, 2022 to December 31, 2022 (hereinafter: Allocation Report). The Allocation Report is a component of the "Sustainability Bonds Allocation and Impact Report 2022" 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 Management <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 for the period of January 1, 2022 to December 31, 2022 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 Management ( ISQM1) 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 1, 2022 to December 31, 2022 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 April 2023, to assist Executive Board in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. 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, April 6, 2023

KPMG Togo



Franck FANOU  
Partner



# REPORTING

ON THE SUSTAINABILITY BOND ISSUE

**JANUARY 2023**



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# LIST OF ACRONYMS AND ABBREVIATIONS

**BOAD:** West African Development Bank

**FCFA/XOF:** African Financial Community Franc

**Mn:** Million

**Bn:** Billion

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

**SDG:** Sustainable Development Goal

**SMEs :** Small and Medium Sized Enterprises

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

# MESSAGE FROM THE PRESIDENT



The effects of the health crisis are still being felt globally, both economically and socially, for the second year in a row. Indeed, after growing by 5% in 2021, the global economy has contracted to 3.4% in 2022. However, the stimulus measures implemented by all parties, including governments, central banks, and international and regional financial institutions, have helped contain the effects and put economies back on the growth path.

Economic growth in the WAEMU region is projected at 5.8% for 2022, as against 6.1% in 2021. Economic activity in the zone increased by 61% in 2021 compared to 18% in 2020, driven by the implementation of the COVID-19 response and economic recovery plans in member countries, as well as strong momentum in all sectors of activity.

In 2022, BOAD continued to support the development of the sub-region by (i) improving total productivity, (ii) expanding access to basic social services and (iii) contributing to job creation.

By directing its contributions to the sectors and areas in which it intends to increase its support, BOAD has fully participated in the recovery while ensuring that they are aligned with its societal commitment. As a result, the region's economies have had access to resources for funding priority areas such as transport and digitalization, agriculture and food security, energy and natural resources. The majority of the sustainable development goals (SDGs 1 to 13 and 15) are thus targeted, including those related to the environment, natural resources, education, health, real estate and housing.

BOAD complies with the best market standards, particularly with regard to bonds framework aligned with the SDGs. In conformity with these standards, the Bank successfully completed in January 2021, thanks to the maintenance of its rating (investment grade obtained since 2015 from Moody's and Fitch), the first ever sustainability bond issue in Africa on the international capital market, for an amount of €50 million.

# MESSAGE FROM THE PRESIDENT <sup>2<sup>nd</sup></sup> page



The strategic plan “Djoliba” (2021-2025) aims at scaling up, particularly in terms of activity levels, strengthening BOAD’s action in favor of its member countries and the WAEMU private sector, and improving the living conditions of the communities across the Union. To this end, the capital increase, enacted by the said plan, was structured in two (2) phases. The first one, involving US\$900 million, has just been completed. Thus, after having approved the first phase of BOAD’s capital increase on 30 December 2022, the WAMU Council of Ministers has just approved, at its session of 31 March 2023, the amendment of the Bank’s Articles of Association relating thereto. Therefore, BOAD’s equity capital has increased from XOF1,155 billion to XOF1,709.35 billion. Due diligence is underway with a view to finalizing the second phase of the process, which will concern an amount recorded under the unsubscribed capital, and set aside for new non-regional shareholders, as and when their accession is approved by the decision-making bodies.

In the same vein, the Bank continues to consolidate its ESG/CSR commitment in order to meet the current priorities of the WAEMU zone. Through its interventions, BOAD has thus fully participated in economic recovery while ensuring that they are aligned with its societal commitment. As a result, economies in the region have had access to long-term resources earmarked for projects that target the majority of the Sustainable Development Goals (SDGs 1 to 13 and 15), including those related to the environment, natural resources, education, health, real estate and housing.

I would like to point out that in 2022, the Bank devoted 19.7% of its funding to projects dedicated to building greater resilience to climate change. About 23.2% of the funding allocated was directed towards supporting solar energy projects.

BOAD also took part in the COP 27 from 6-18 November 2022 in Sharm El-Sheikh in Egypt, to strengthen its position as a key player in the fight against climate change in West Africa.

With this initial and very successful experience, I would like to reaffirm our commitment to relentlessly endeavor to make a more significant impact on the lives of the people of our Union, in the coming years, in terms of environmental and climate actions.



# I. INTRODUCTION

This report is intended to give an account of the use of resources mobilized as part of BOAD's maiden sustainability bond and to highlight the impacts generated by such investments, in line with the commitments made in the Sustainability Bond Framework relating to allocation and impacts. It is structured into four major sections: (i) presentation of BOAD; (ii) sustainability bond framework; (iii) use of proceeds; and (iv) impacts of funding granted.

## II. PRESENTATION OF BOAD

### 2.1. BOAD at a glance

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

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

Interventions take different forms, the most important of which include: i) medium and long-term loans, ii) financing arrangements, iii) financing of short-term operations, iv) refinancing facilities for National Financial Institutions, v) equity investments and vi) consultancy.

### 2.2. Reinforcing BOAD's international positioning

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

BOAD has been committed to environmental and social safeguards in the operations it finances for about twenty years. The Bank is currently engaged in a process of mainstreaming climate protection in its operations.



## 2.3. 2021-2025 strategic plan Djoliba: the framework for BOAD'S intervention in sustainable development

The Djoliba Strategic Plan (2021-2025), in its 2nd year of implementation, aims for a change of scale, particularly in terms of financing levels, strengthening the action of BOAD, in favor of its Member States and the private sector of WAEMU, and improving the living conditions of the populations of the Union. This plan, whose vision is: "BOAD, the leading bank making a strong impact on the integration and transformation of West Africa". This plan is consistent with the bank's ambition to contribute towards achieving the sustainable development goals (SDGs).

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

## Strategic operational areas

1

Strengthening regional integration



2

Contributing to the creation of value and productive jobs



3

Building greater resilience to climate change



## Sectors of activity

Transport infrastructure and Information and Communication Technologies (ICT) / digitalization

Production and equitable access to energy and resources naturelles

Agricultural production and food security

Real estate (including tourism infrastructure) and housing, including social housing

Health and Education

## Cross-cutting strategic areas



Overall, the plan provides for average annual commitments of XOF658.7 billion (about € 1 billion), or a total of XOF3,293.5 billion (about € 5 billion) over the next five years.

- The year 2022 was the second year of implementation of the plan “Djoliba”. The key projects carried out during this period as part of this plan are the capital increase and balance sheet optimization projects (securitization and insurance of part of the loan portfolio) which will enable the Bank to strengthen its capacity for action and increase the regional impact of its support. The Bank has also reached a new turning point with the implementation of an organizational transformation and change management project referred to as “Oasis”. This far-reaching reform aimed to provide the institution with the capacities (organization, human capital, culture) required to increase its operational effectiveness.

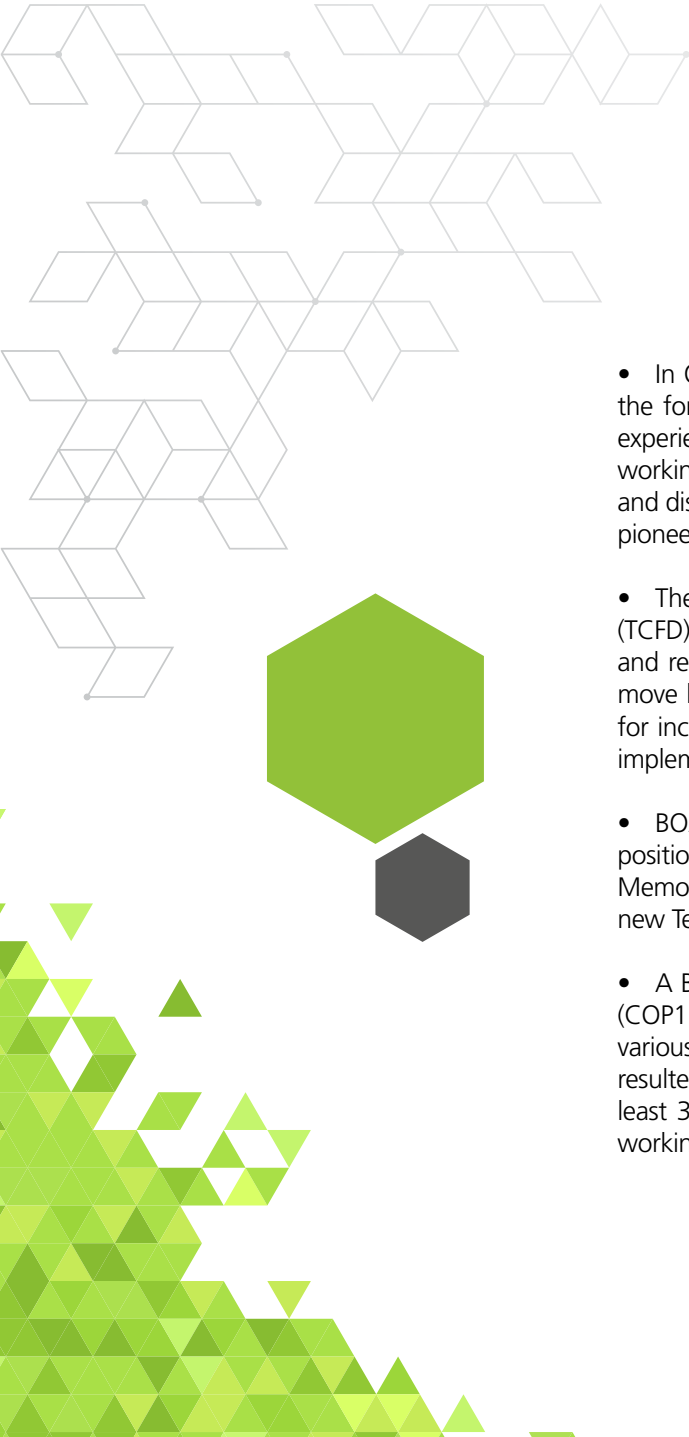
## 2.4. Highlights of BOAD’s activities in 2022

- Launching of BOAD’s ESG by Design Program on 1st March 2022. This program aims to strengthen the CSR culture at the Bank and to further entrench its action in sustainability. The ESG by Design Program will be a systematic application of ESG approach, both through the «ESG assets» and at all levels of the institution.
- A roundtable was held on 3 March 2022 at BOAD headquarters, which saw the participation of the United Nations Population Fund (UNFPA), development banks including African Development Bank (AfDB), BOAD, ECOWAS Bank for Investment and Development (EBID) and the pan-African banking group, ECOBANK. This meeting came as a follow-up to the wish expressed by the UNFPA to establish a high-level dialogue with development institutions on ways and means to accelerate the attainment of sustainable development goals (SDGs).





- From 9 to 20 May, 2022, in Abidjan, Côte d'Ivoire, BOAD participated in the 15th Conference of the Parties (COP15) of the United Nations Convention to Combat Desertification on the theme "Earth. Life. Legacy: from scarcity to prosperity". On the sidelines of the meeting, a Memorandum of Understanding was signed on 10 May between the Bank and the Global Green Growth Institute. This memorandum will allow (i) the joint formulation of climate projects and programs; (ii) the mobilization of climate finance through United Nations financial mechanisms such as the Adaptation Fund (AF), the Global Environment Facility (GEF) and the Green Climate Fund (GCF).
- From 23 to 25 May 2022, a workshop was held at BOAD headquarters in Lomé to launch the regional project for supporting sustainable waste management and reducing emissions of unintentional persistent organic pollutants (UPOPS) and mercury in six WAEMU countries (Benin, Burkina Faso, Niger, Mali, Senegal and Togo). The meeting provided an opportunity to discuss possible synergies to be developed with ongoing or future initiatives in the project area. The workshop was attended by representatives of the town councils of the beneficiary cities, ministries (environment and finance), technical and financial partners (GEF, AFD and World Bank), community institutions (BOAD, WAEMU Commission), local NGOs and private sector.
- BOAD became a signatory to the UNEP FI "Principles for Responsible Banking" (PRB) in July 2022. The PRB are a charter of the United Nations Environment Programme Finance Initiative (UNEP FI) created in 1992 following the clustering of financial institutions and the United Nations Environment Programme (UNEP), in the context of raising awareness on the need to take into account the environmental impacts of funded operations. The said principles, which are non-binding, can be defined as a framework guaranteeing the alignment of signatory banks' strategy and practices with the vision defined in the sustainable development goals and the Paris Agreement.

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- In October 2022, BOAD joined the Task Force on Nature-related Financial Disclosures (TNFD) as a member of the forum under the Development Finance Hub. This participation offers the Bank the opportunity to share its experience in taking into account nature-related risks in project financing, in its intervention area. The TNFD is a working group that is developing a common framework for financial institutions and companies to assess, monitor and disclose financial risks related to biodiversity loss. The Bank's involvement in this working group positions it as a pioneer in the sub-region in influencing its stakeholders to take into account such risks in their operations.
  - The Bank has also publicly expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) in October 2022. The TCFD is a working group whose mission is to promote consistent, comparable, clear and reliable climate-related financial disclosures to improve corporate climate-related financial transparency. This move by the Bank indicates that it further believes that the TCFD recommendations provide a useful framework for increasing transparency on climate-related risks and opportunities and that it is committed to promoting the implementation of the TCFD.
  - BOAD took part in the COP 27 from 6 to 18 November 2022 at Sharm El-Sheikh in Egypt, to strengthen its position as a key player in the fight against climate change in West Africa. On this occasion, the Bank signed a Memorandum of Understanding with the R20 Foundation and Edifice Capital Group to study the structuring of a new Territorial Investment Financing Facility in the WAEMU member countries.
  - A Bank delegation participated from 7 to 19 December 2022 in the Conference of the Parties on Biodiversity (COP15) in Montreal, focusing on nature protection and the fight against biodiversity loss. It was able to carry out various activities, including i) the follow-up of the negotiations of the Post 2020 Global Biodiversity Framework which resulted in agreements on the objectives of restoring at least 30% of degraded land, preserving and managing at least 30% of oceans and coastal areas, and mobilizing at least US\$200 billion by 2030, ii) the organization of working sessions with partners to identify cooperation avenues in biodiversity financing.

# III. SUSTAINABILITY BOND FRAMEWORK

BOAD's Sustainability Bond Framework has been developed according to the International Capital Markets Association (ICMA) Green Bonds Principles (GBP), Social Bonds (SBP) and Sustainability Bonds (SBG) and is consistent with the most up-to-date versions of these guidelines.

For each sustainability bond issue, BOAD undertakes to comply with the following four major principles: use of proceeds, project evaluation and selection process, management of funds and preparation of allocation and impact reports.

Under this framework, BOAD may issue sustainable bonds (hereafter referred to as «Sustainable Bonds») in different formats:

- Green bonds: 100% of the funds raised will be allocated to eligible green projects;
- Social bonds: 100% of the funds raised will be allocated to eligible social projects;
- Sustainability bonds: 100% of the 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 . As per the best market practice, the framework has been independently reviewed by Vigeo Eiris (second party opinion), which confirmed its alignment with the ICMA principles and awarded it an «advanced» rating.

## IV. USE OF PROCEEDS

### 4.1. Overview of the provisions of the sustainability bond framework

One of the commitments of the Sustainability Bonds framework, in line with the principles outlined above, is monitoring through allocation and impact reports. This commitment consists in the publication of an accountability report. BOAD will make this report available to investors on its website. The report includes a section on the use of proceeds and a section on the impact of the various projects funded.

### 4.2. Monitoring of resource allocation

The allocation of resources to the portfolio of Eligible Projects is monitored by the Sustainability Bond Committee set up within the Bank. The Committee is responsible for: i) monitoring the projects financed or refinanced and excluding projects no longer meeting the eligibility criteria, ii) updating the Sustainability Bond Framework, iii) preparing the reporting to be submitted to investors, and iv) appointing and reviewing the reports of independent external auditors.

BOAD appointed its External Auditor, KPMG, as independent auditor to produce an independent report to ensure compliance of resource allocation with the Framework. This report was the subject of an assurance audit mission covering the period from January 1 to December 31, 2022 certifying that the allocation of resources complies with the BOAD Framework.

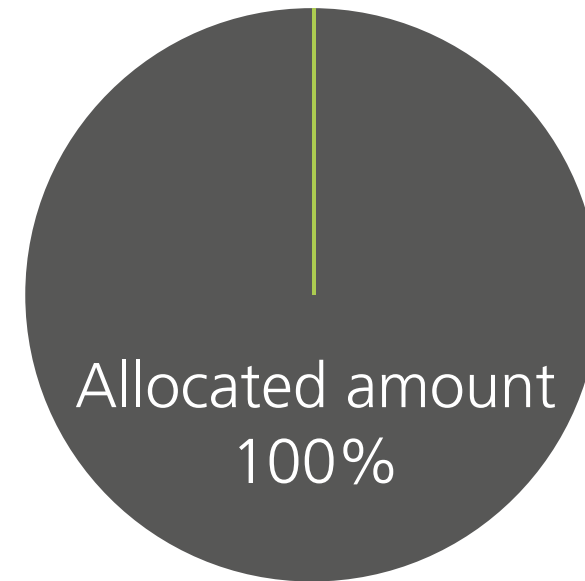
### 4.3. Overview of the bond's characteristics

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

\*or XOF491, 968 billion

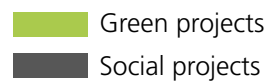
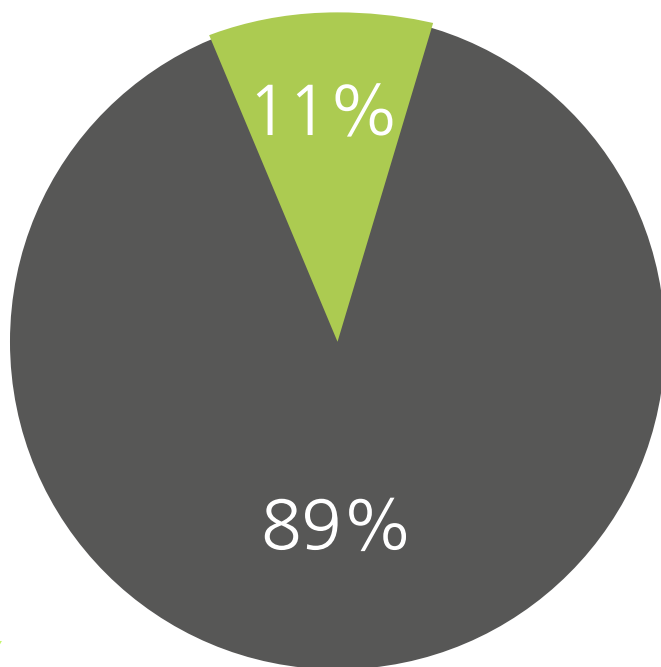
### 4.4. Resource Allocation

#### 1) Overall allocation of bond's resources



	TATA SOMBA bond issue	Allocated amount	Unallocated amount	Allocation rate (%)
Amount (XOF million)	491,967.75	491,967.75	-	100%
Amount (€ million)	750.00	750.00	-	

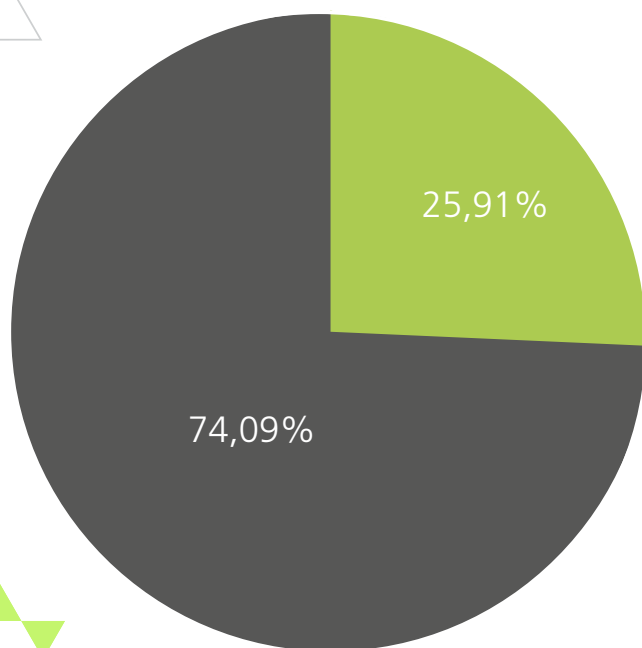
## 2) Allocation per project type (€ million)



Items		Green projects	Social projects	Grand total
Allocated amount	XOF'million	52,000.00	439,967.75	491,967.75
	€'million	79.27	670.73	750.00
Number of projects		6	44	50

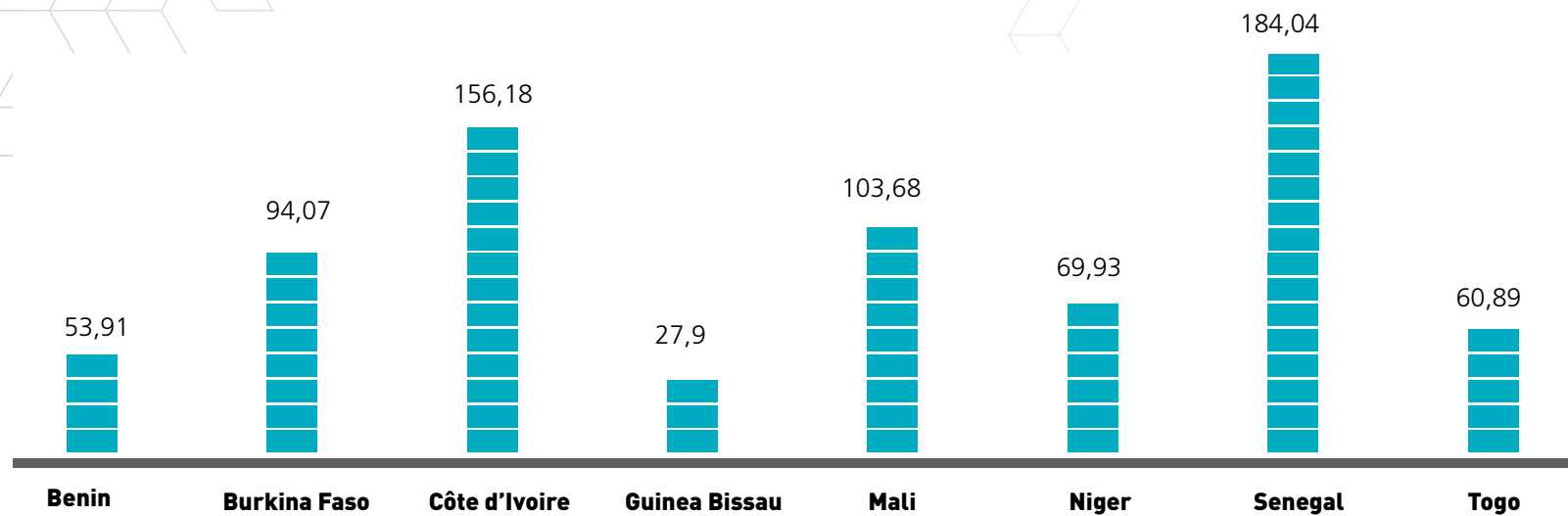
### 3) Allocation as per year of BOAD funding

■ Share of new funding  
■ Share of refinancing



Items	Allocated amount		Number of projects
	XOF million	€ million	
<b>Projects funded in 2022</b>	84 077,77	128.18	10
Green projects	15,000.00	22.87	2
Social projects	69,077.77	105.31	8
<b>Projects funded in 2021</b>	43,400.00	66.16	5
Green projects	20,000.00	30.49	2
Social projects	23,400.00	35.67	3
<b>Projects funded between 2018 and 2020</b>	364,489.98	555.66	35
Green projects	17,000.00	25.92	2
Social projects	347,489.98	529.75	33
<b>Grand total</b>	<b>491,967.75</b>	<b>750.00</b>	<b>50</b>

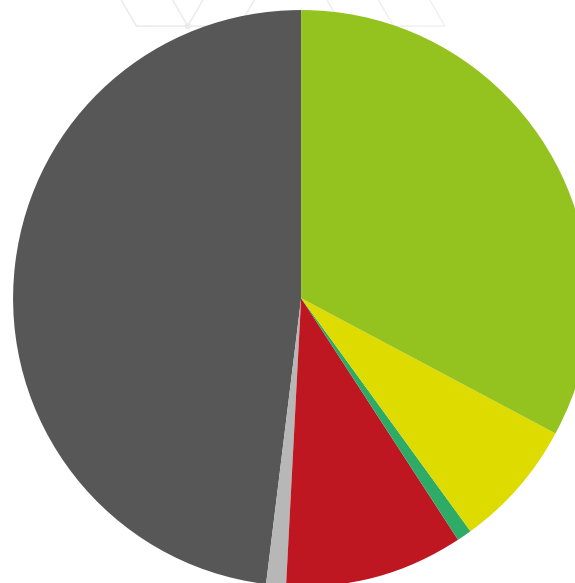
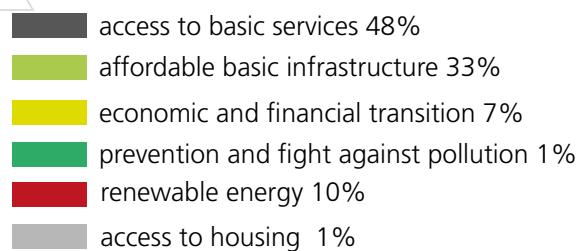
#### 4) Allocation per country (€ million)



Country	Allocated amount			Number of projects
	XOF million	€'million	Share	
Benin	35 362,27	53,91	7,19%	3
Burkina Faso	61 708,27	94,07	12,54%	8
Côte d'Ivoire	102 449,52	156,18	20,82%	11
Guinea Bissau	17 900,27	27,29	3,64%	1
Mali	68 011,27	103,68	13,82%	7
Niger	45 874,27	69,93	9,32%	5
Senegal	120 723,62	184,04	24,54%	10
Togo	39 938,27	60,89	8,12%	5
<b>Grand total</b>	<b>491 967,75</b>	<b>750,00</b>	<b>100,00%</b>	<b>50</b>



## 5) Allocation per sector (%)



Items	Allocated amount		Nombre de projets
	XOF million	€'million	
Access to housing and property	4,884.23	7.45	1
Access to basic services	236,179.92	360.05	16
Affordable basic infrastructure	163,570.60	249.36	21
Economic and financial transition	35,333.00	53.86	6
Pollution prevention and control	4,000.00	6.10	1
Renewable energy	48,000.00	73.18	5
Grand total	491,967.98	750.00	50

**NOTE:** Allocation by country and sector is attached.

## V. IMPACTS OF THE FUNDING





Granted funding contributes to the generation of impacts on the population. The monitoring and evaluation system has made it possible to consolidate the impacts recorded in 2021 and 2022 in the table below. The projects contribute to the achievement of SDGs 1 (No poverty); 2 (Food security and promotion of sustainable agriculture); 3 (Good health and well-being); 4 (Quality education); 6 (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 funded projects. Therefore, this inaugural impact reporting focuses only on ongoing (ex-ante results) or completed projects that have produced outputs and outcomes .


*See Annex 3 on the concepts of development outcomes and impact*




## 5.1. Catégories de projets environnementaux

Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the 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 key strategies adopted by Togo, the country in which this type of projects are located in the context of this reporting, is to extend the grid to connect an increasing number of rural households. This approach requires increasing the country's energy production capacity.</p> <p>Solar technology offers an opportunity to increase the country's power generation capacity and electrification rate (45% nationally in 2018 and 12% in rural areas).</p> <p><b>Example of flagship projects</b></p> <p>The solar photovoltaic power plant (without storage) in Togo with a production 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 produces approximately 90,255 MWh of power annually. The project contributes to universal access to electricity. It provides energy to 158,333 Togolese households and helps to save over one million tonnes of CO<sub>2</sub> emissions throughout its operation.</p> <p>The construction of a 42 MW solar photovoltaic power plant at Awandjelo, Republic of Togo will increase the annual power production in the operational phase by 65 GWh. This additional production will (i) increase the number of population with access to electricity by 253,350; (ii) the share of renewable energies in the country's energy mix from 27% in 2021 to 40% in 2024; and increase the country's electrification rate from 59% in 2021 to 75% in 2025; (iii) directly and indirectly avoid 52,328 tonnes of CO<sub>2</sub> equivalent.</p>	<ul style="list-style-type: none"> <li>• Solar renewable energy production capacity: 92 MWp</li> <li>• Annual production of renewable solar energy: 155,255 MWh</li> <li>• Estimated CO<sub>2</sub> emissions avoided: 1 052 328 TeqCO<sub>2</sub></li> <li>• number of households supplied with solar energy: 158,333</li> <li>• Population with access to electricity: 253,350 (with the planned construction of a solar photovoltaic plant with a capacity of 42 MWC at Awandjelo)</li> </ul>	 

## 5.2. Categories of social projects

Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the SDGs
<p>Access to basic health services</p>	<p><b>Background</b></p> <p>With the spread of the COVID-19 pandemic in WAEMU member countries, BOAD has initiated two interventions for a total amount of XOF 200 billion to support them, 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>Example of flagship projects</b></p> <p>Facilities have been granted to each member country to combat COVID-19</p> <p>In terms of epidemiological surveillance, the implementation of the response plan resulted in the setting up of 186 rapid intervention teams (nurses, laboratory technicians, hygienists, epidemiologists, social workers and psychologists) to investigate alerts, isolate positive cases, follow up on their contacts and refer serious cases to health care centres.</p>	<ul style="list-style-type: none"> <li>• Screening and testing sites accessible to the population: 103</li> <li>• Medical staff mobilized: 857</li> <li>• Rapid response teams: 186</li> <li>• Testing laboratories: 13</li> </ul>	

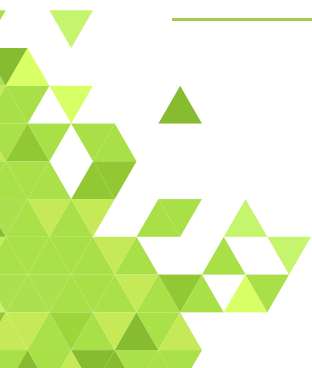


Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the SDGs
<p>Access to basic services - Education</p>	<p><b>background</b></p> <p>Access to quality education is a challenge in some WAEMU Member countries because of temporary classrooms (mud walls, straw roofs, no latrines). In Senegal, for instance, temporary shelters account for 10% of public school infrastructure. In this respect, nearly 200,000 students living in precarious and random teaching conditions do not enjoy a normal school year. Indeed, students who receive their education in temporary shelters are constantly exposed to hazards and other nuisances, such as 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 context, BOAD has put in place an approach aimed at providing quality school infrastructure to disadvantaged children with a view to providing them with better learning conditions and reducing the dropout rate in the relevant schools.</p> <p><b>Examples of flagship projects:</b></p> <p><b>The construction of 1,528 classrooms, in replacement of temporary shelters, and ancillary works (first phase of 510 classrooms) in the republic of Senegal (completion in 2024).</b> The project is intended to build, in the fourteen (14) regions of Senegal: i) equipped classrooms to replace temporary shelters, ii) equipped administrative blocks, iii) hygiene blocks and iv) 9,782 linear metres of boundary walls and 59,000 m of boundary walls in local materials.</p> <p>The project aims at the construction and equipment of four (04) high schools and one (01) senior high school of excellence with boarding facilities for girls in the Republic of Côte d'Ivoire. The project aims at building and equipping schools of excellence with boarding facilities for deserving girls from all socio-economic strata, qualified to follow secondary</p>	<ul style="list-style-type: none"> <li>• Classrooms constructed: 2597;</li> <li>• Administrative buildings: 1,874;</li> <li>• Hygiene blocks (gender-sensitive latrines): 1,058;</li> <li>• Beneficiary students: 172,058 of which 89,914;</li> <li>• Students benefiting from the digital infrastructure installed: 10,000;</li> </ul>	






Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the SDGs
	<p>education in the Republic of Côte d'Ivoire. The overall project objective is to promote excellence through the establishment of dedicated educational/school infrastructures allowing for an increased enrolment and completion rate of young girls at the secondary school level. More specifically, the project will make it possible to install a capacity of 25 classrooms per high school for 1,000 female students, including 800 boarders, and one (01) junior high school with a capacity of 16 classrooms for 640 female students including 400 boarders.</p> <p>The construction and equipment of the Virtual University of Burkina Faso (UV-BF) has been funded to increase the supply and improve the quality of higher education, training and scientific research in Burkina Faso. The project involves the construction and equipment of the virtual university of Burkina Faso (UV-BF) for students from all socio-economic backgrounds willing to pursue higher education in Burkina Faso. The project specifically involves (i) the construction and equipment of the headquarters as well as the reinforcement of the IT infrastructure of the UV-BF in Ouagadougou through (a) the increase in the capacity of the data center of this university to reach a capacity of 10,000 student-users, (b) the installation of four (4) telemedicine stations and (c) the increase in the capacity of the virtual reality laboratory as well as (ii) the construction and equipment of four (4) open digital spaces (ENO) in Ouagadougou, Bobo-Dioulasso, Koudougou and Ziniaré.</p>		






Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the SDGs
<p>Access to basic services - Agricultural insurance</p>	<p><b>Background</b></p> <p>BOAD provides support for building resilience and adaptation capacities to climate hazards. It provides appropriate support for the implementation of projects aimed at building resilience to climate risks and reducing the vulnerability of producers to climate risks.</p> <p><b>Example of flagship projects</b></p> <p>Implementation of an index-based crop insurance mechanism in the Republic of Côte d'Ivoire. It seeks to reduce the vulnerability of producers to climatic events through the provision of index-based crop insurance products. In addition, the project targets, in the medium and long term, the improvement of food security and the well-being of producers. It will: i) provide an index-based crop insurance policy to cotton, oil palm and rice producers; ii) improve the systems for collecting and managing meteorological and agricultural data for the crops; and iii) build the capacity of agricultural stakeholders in index-based crop insurance.</p>	<ul style="list-style-type: none"> <li>• Cotton producers benefiting from index-based agricultural insurance products: 30,000;</li> <li>• Palm producers with index-based agricultural insurance products: 10,000;</li> <li>• Rice producers benefiting from index-based agricultural insurance products: 600,000</li> </ul>	






Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the SDGs
<p>Access to basic services - <b>smart agriculture</b></p>	<p><b>Background</b></p> <p>The agricultural sector plays a major role in the WAEMU countries: it provides 65% of jobs and contributes on average 28% of GDP. Despite its important role, this sector is underdeveloped in most African countries. In rural areas, where most of the population depend on agriculture (over 90%), poverty is prevailing. Despite the role agriculture can play in reducing poverty in rural areas, the sector faces several challenges that need to be addressed. These include: (i) low levels of inputs and mechanization, (ii) poor access to credit and markets for smallholders in the region; and (iii) the adverse impacts of climate change.</p> <p>Consequently, BOAD is working towards developing a more productive and sustainable agricultural sector in the eight (8) West African countries with a view to contributing to ensuring tomorrow's food security and poverty alleviation. It supports the building of resilience and adaptation capacities to climate hazards and contributes to the sustainable management of water resources as well as the reduction of the irrigation energy bill.</p> <p><b>Example of flagship project</b></p> <p>The hydro-agricultural development project with smart and climate resilient agricultural practices (PAHA-AIC). The objective of the project is to develop 1,000 ha and rehabilitate 749 ha of agricultural perimeters, spread across twenty-five (25) sites in units of 5 ha with an energy-saving irrigation system (drip kits and Californian system) and solar pumping (solar photovoltaic kits). It contributes to ensuring sustainable food security by building the resilience of populations to climate change, through modern irrigation and agricultural production techniques. Specifically, the project will: i) reduce water consumption and</p>	<ul style="list-style-type: none"> <li>• Production durable de céréales : 6 600 tonnes ;</li> <li>• Production durable de maraichers : 55 000 tonnes ;</li> <li>• Nombre de ménages en situation de sécurité alimentaire augmente de 11 400, en passant de 45 700 en 2021 à 57 100 en 2027 ;</li> <li>• Equivalent dioxyde de carbone (CO2) évité : 35 317 tonnes.</li> </ul>	








Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the SDGs
	<p>energy costs for irrigation by at least 40% in the areas to be developed; ii) contribute to the improvement of farmers' incomes by at least 50% in a normal year on the developed sites and the living conditions of the population, particularly the most vulnerable groups, including women and youth; and iii) ensure the sustainability of developments and enhancement of production through capacity building of stakeholders as well as organizing producers in the project area</p>		
<p>Affordable basic infrastructure - Development of projects providing and increasing access to clean water</p>	<p><b>background</b></p> <p>Access to drinking water is a major issue in rural and urban areas in WAEMU member countries. In Côte d'Ivoire, particularly in Abidjan, the drinking water deficit is estimated at 30%. This shortage of drinking water is the result of several factors, including insufficient production and storage capacity. In addition, the saturation of facilities (96% point rate) and the undersizing of the network lead to frequent pressure drops resulting in drinking water shortages in some areas.</p> <p><b>Example of flagship project</b></p> <p>The drinking water plant project of the Mé. The purpose of the project is to reinforce the drinking water supply system of the city of Abidjan from the groundwater of South-Comoé, through: (i) the construction of borehole catchment areas; (ii) the construction and equipping of lime neutralization and chlorine disinfection stations; (iii) the construction of reservoirs; (iv) the construction of pumping stations; (v) the supply and laying 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 flagship eligible projects	Impact assessment	Contribution to the SDGs
<p>Affordable basic infrastructure - Development of projects providing and increasing 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 wastewater management system which does not cover all areas, resulting in many households still practicing self-sanitation, with uncontrolled discharge of effluent into the environment. for example, in Abidjan, in some communes the outlets of the wastewater pipes are not connected to the main sewer, resulting in discharges of collected effluent into the rainwater channels. in addition, about 86% of uncollected wastewater and solid waste is discharged directly into the Cocody lagoon bay through the stormwater network. channels clogged with solid waste lead to flooding. public health is thus threatened, exposing the population to diseases such as diarrhoea, cholera, bilharzia, typhoid fever and malaria.</p> <p><b>Example of flagship projects</b></p> <p>The Gourou watershed sanitation project in Abidjan, Côte d'Ivoire. The project involves the construction of a sanitation system. The project's objectives include: i) reducing wastewater discharges into rainwater channels and surface waters and ii) improving the management of the solid waste sector by increasing the proportion of sorting and recovery of plastics from 0% to 42%.</p> <p>The reinforcement of the rainwater drainage network of the city of Ouagadougou: development of the outfall at the Bangr Wéogo park in Burkina Faso. The project is intended to contribute to the improvement of the living environment of the populations of the city of</p>	<ul style="list-style-type: none"> <li>• new households connected to the sanitation network: 399;</li> <li>• Drainage network constructed (km): 13;</li> <li>• number of beneficiaries: 324 225;</li> <li>• Linear metres of underground stormwater drainage channels: 960;</li> <li>• Linear metres of reinforced concrete lined pipes: 4,222</li> <li>• Linear metres of public lighting along the Kadiogo stream: 1,300</li> </ul>	





Categories of eligible projects	Background and description of flagship eligible projects	Impact assessment	Contribution to the SDGs
	<p>Ouagadougou. More specifically, the project aims to: i) facilitate the drainage of rainwater in the city of Ouagadougou by reducing, in a very significant way, the rate of flooded dwellings during the rainy seasons; ii) improve the urban environment and the movement of users of the Bangr Wéogo Park and iii) increase the number of people adopting good practices for the preservation of public health.</p>		
<p>Economic and financial transition</p>	<p><b>Background</b></p> <p>SMEs play an important role in the WAEMU economies. Despite this significant role, they have very limited access to finance. This challenge has been aggravated by the emergence of the Covid-19 pandemic. BOAD, beyond its classic SME support programme, has allocated resources to support SMEs in the WAEMU region.</p> <p><b>Example of flagship projects</b></p> <p>The proposed implementation by BOAD of a refinancing facility for the Banque de Développement Economique (BNDE) in Senegal to support SMEs. The project's objective is to set up a refinancing facility to support SMEs for the financing of productive investment sub-projects and the support of activities to address the negative impacts of the Covid-19 on their activities.</p>	<ul style="list-style-type: none"> <li>• Small and medium-sized enterprises (SMEs) supported: 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) estimates of portfolio projects. The sources for the presentation of the methodologies are presented in the annex. Indicators are collected through data collection from Project Management Units (PMUs), Project Monitoring Offices (PMOs) and independent consultants appointed by the PMUs as part of project implementation reporting. Overall, the methodological approach consists of six (6) phases as follows:

- Project identification: a working session with BOAD's Organizational Units (OUs) in charge of the projects under review made it possible to identify the projects charged to the assessment period (project population) and the projects to be covered by data collection (project sample). The collection of impact indicators was carried out on projects in the disbursement phase or completed.
- Updating the contacts of the project monitoring and evaluation focal points: in collaboration with the organizational unit in charge of the projects under review, the emails and phone contacts of the focal points have been updated.
- Updating of collection tools: the forms have been updated with regard to the indicators to be collected.
- Collection process: The forms were sent by email to the project focal points. Follow-up procedures for the questionnaires were carried out. Field missions to Côte d'Ivoire and Senegal were undertaken.
- 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 estimation of avoided CO<sub>2</sub>, calculations were made by the consultant in charge of the project completion report submitted to the Bank by the Management Unit of the Solar Power Plant Project in Togo. The costing of the infrastructure achievements was done by the independent work control companies and the Project Management Units. Estimates of beneficiaries are conducted through enumeration (education, health, SMEs, sanitation) or statistical sampling techniques (drinking water and energy) using a participatory approach which does not allow the isolation of development outcomes attributable solely to BOAD. This limitation is due to the absence of explicit application points for resource use and indicators in the design of BOAD's intervention.

## VI. OUTLOOK

The mission of the West African Development Bank («BOAD») is to contribute to the economic and social development of its member countries, namely the countries of the West African Economic and Monetary Union (WAEMU). It strives to implement development policies and programmes conducive to economic growth, poverty reduction and environmental protection.

BOAD will work towards the issuance of green and/or social bonds in order to finance development projects with positive impact on the environment and society. These bonds will contribute to the implementation of the United Nations 2030 Agenda for Sustainable Development, which targets the eradication of poverty, the preservation of the planet and the achievement of peace and prosperity for all.



## ANNEX 1 : SUMMARY TABLE OF ALLOCATIONS PER COUNTRY AND SECTOR

### 1-A : ALLOCATION PER FUNDING VOLUME (XOF MILLION)

Secteurs	Benin	Burkina Faso	Côte d'Ivoire	Guinea Bissau	Mali	Niger	Senegal	Togo	Grand total
Access to housing and property	4,884.23								<b>4,884.23</b>
Access to basic services	30,478.04	44,400.27	32,900.27	17,900.27	30,300.27	28,900.27	34,400.27	16,900.27	<b>236,179.92</b>
Affordable basic infrastructure		17,308.00	47 216.25		7,711.00	16,974.00	74,323.35	38.00	<b>163,570.60</b>
Economic and financial transition			18 33.00		5 000.00		12 000.00		<b>35,333.00</b>
Pollution prevention and control			4 000.00						<b>4,000.00</b>
Renewable energy				25 000.00				23 000.00	<b>48,000.00</b>
<b>Grand total</b>	<b>35,362.27</b>	<b>61,708.27</b>	<b>102,449.52</b>	<b>17,900.27</b>	<b>68,011.27</b>	<b>45,874.27</b>	<b>120,723.62</b>	<b>39,938.27</b>	<b>491,967.75</b>

### 1-A : REPARTION PAR VOLUME DE FINANCEMENT (MFCFA)

Secteurs	Benin	Burkina Faso	Côte d'Ivoire	Guinea Bissau	Mali	Niger	Senegal	Togo	Grand total
Access to housing and property	1								<b>1</b>
Access to basic services	2	4	2	1	2	2	2	1	<b>16</b>
Affordable basic infrastructure		4	5		2	3	6	1	<b>21</b>
Economic and financial transition			3		1		2		<b>6</b>
Pollution prevention and control			1						<b>1</b>
Renewable energy					2			3	<b>5</b>
<b>Grand total</b>	<b>3</b>	<b>8</b>	<b>11</b>	<b>1</b>	<b>7</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>50</b>

## ANNEX 2: METHODOLOGY

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

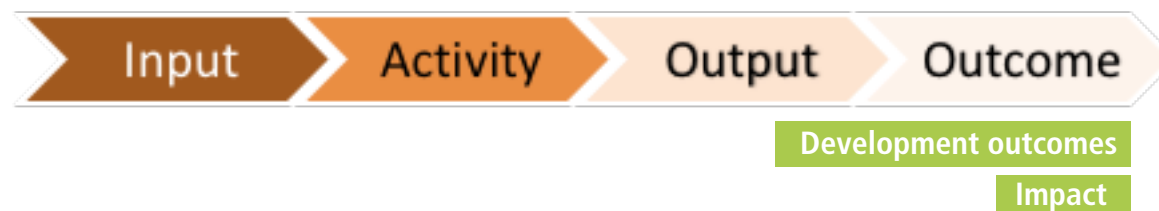
As regards greenhouse gases (GHGs), while the use of methodologies from the Clean Development Mechanism, Verified Carbon Standard, and Gold Standard would be advisable, Development Finance Institutions are invited to adopt their own methodologies provided they are reasonable. In this context, a methodology is being finalized with consultants from Carbon Partners Asiatica («Asiatica»). It is part of a technical assistance project funded by the Green Climate Fund (GCF). The following methodology will be used, among others:

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

### ANNEXE 3 : Rappel des notions de résultats de développement et d'impact

Les projets financés dans le cadre de cette opération sont associés à une chaîne des résultats, définie comme une suite de relations de cause à effet qui mène à l'atteinte des objectifs de développement durable. La chaîne des résultats commence par la mise à disposition des ressources (inputs), se poursuit par les activités (activities) et leurs extrants (outputs) qui sont utilisés pour induire des effets (outcomes) qui permettent l'évaluation d'impacts (Cf. figure 1).

Figure 1 : Results chain, development outcomes and impacts



Development outcomes are the expected effects, in physical, financial, institutional, social, environmental or other terms, of financed projects for the benefit of enterprises, communities and groups of people (women, youth). According to its evaluation strategy, BOAD defines impact as «a short and medium term effect (less than or equal to 5 years following project completion), positive and negative, primary and secondary, induced by a funded project, directly or not, intentionally or unintentionally». The adjustment of the time frame, compared to the OECD/DAC definition (see Inset 1), allows for a minimum of impact reporting over time.

The project impact assessment applies the participatory approach according to the types of projects financed (mainly infrastructure). The themes are related to sustainable development goals (SDGs) in compliance with the framework.



## Inset 1: Major concepts of the results chain

### Major 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 including funds, technical assistance and other resources.

**Outputs:** goods, equipment or services that result from the development action as a result of the implementation of 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 results from the use of the 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, positive and negative, primary and secondary, induced by a funded project, directly or not, intentionally or unintentionally.

**Source:** Glossary of major terms in evaluation and results-based management, 2002, OECD/DAC

## inset 2 : Diversity of the definition of development impact

### Diversity for the definition of development impact

The OECD/DAC definition includes several concepts leading to several definitions by Development Finance Institutions.

At times, impacts are understood through a causal link (attribution of 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 that an intervention has identified, or the ultimate intended result of the intervention.

Other development finance institutions consider impact to be the full range of development objectives (sustainable development goals) and use the term «outcomes» to refer to «the project's goals or objectives».

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

Finally, the definition of the term «impact» is sometimes related to the unit of analysis, namely the result measured in a sector, a region, at country level as opposed to the result measured for the beneficiaries of a project. 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