



KPMG Togo
8ème étage immeuble CRBC
Place de la Réconciliation,
Route de la nouvelle présidence
06 BP 6019 Lomé 06, Togo
Tél : (228) 22 53 92 00

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, 2023, of the funds raised in the framework of the sustainable development bond issue of January 22, 2021

Period from 1st January 2023 au 31 December 2023
Banque Ouest Africaine de Développement
68, avenue de la libération
BP 1172 Lomé (Togo)
This report contain 6 pages
Appendices contain 25 pages



KPMG Togo
8ème étage immeuble CRBC
Place de la Réconciliation,
Route de la nouvelle présidence
06 BP 6019 Lomé 06, Togo
Tél : (228) 22 53 92 00

Banque Ouest Africaine de Développement (BOAD)

Head Office : 68, avenue de la libération, BP 1172 Lomé, Togo
Share Capital : 1 709 billion CFA francs

Independent's Auditor Limited Assurance Report

Period from 1st January 2023 au 31st December 2023

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, 2023 to December 31, 2023 (hereinafter: Allocation Report). The Allocation Report is a component of the "Sustainability Bonds Allocation and Impact Report 2023" 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 ¹ 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)².

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, 2023 to December 31, 2023 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.

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

² International Ethics Standards Board for Accountants



As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of 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, 2023 to December 31, 2023 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 2024, 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, June 18, 2025

KPMG Togo

Franck FANOU

Partner



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

Appendix: Allocation report

SUSTAINABILITY BOND REPORTING

JANUARY 2024



BOAD

**BANQUE OUEST AFRICAINE
DE DÉVELOPPEMENT**

Table of contents

ACRONYMS AND ABBREVIATIONS	3
I. INTRODUCTION	6
II. PRESENTATION OF BOAD	6
2.1. BOAD at a glance	6
2.2. Strengthening BOAD's international positioning	6
2.3. The 2021-2025 strategic plan djoliba: the framework for BOAD's intervention in sustainable development	7
2.4. BOAD's highlights for 2023	8
III. SUSTAINABILITY BOND FRAMEWORK	10
IV. USE OF PROCEEDS	11
4.1. Overview of the sustainability bonds framework provisions	11
4.2. Monitoring use of proceeds	11
4.3. Characteristics of the bond issue	11
4.4. Resource allocation	12
V. IMPACT OF FUNDING GRANTED	16
5.1. Environmental project categories	17
5.2. Social project categories	18
5.3. Methodology	26
VI. OUTLOOK	27

ACRONYMS AND ABBREVIATIONS

BADEA : Arab Bank for Economic Development in Africa

BOAD : West African Development Bank

ECOWAS : Economic Community of West African States

XOF : African Financial Community Franc

M : Million

Bn : Billion

OECD : Organization for Economic Co-operation and Development

SDG : Sustainable Development Goals

SMES : Small and Medium-sized Enterprises

WAEMU : West African Economic and Monetary Union

MESSAGE FROM THE PRESIDENT



SERGE EKUE

President of BOAD
Chairman of the BOAD Board of Directors

The vibrancy of sub-regional economic activity has demonstrated resilience in a context characterized, on one hand, by tightening international financial conditions and, on the other, by security challenges in the Sahel.

Since 2021, efforts to strengthen the Union's macroeconomic stability have continued, resulting in a growth rate of 5.3% across the region in 2023, following 5.5% in 2022. This performance has been supported by activity across all sectors. Inflation continued to slow down in 2023, averaging a 3.7% rate compared to 7.4% in 2022.

In 2023, BOAD continued to support the sub-region's development, namely by (i) enhancing overall productivity, (ii) increasing access to basic social services and (iii) contributing to job creation.

By channeling its contributions into the five priority sectors where it seeks to intensify its interventions, BOAD has fully participated in the recovery while aligning its initiatives with its societal commitment. Consequently, regional economies benefited from resources directed

toward priority areas: transportation and digitization, agriculture and food security, energy and natural resources, health, and education. This targeted support aimed to address most Sustainable Development Goals (SDGs 1–13 and 15), including those linked to the environment, housing, and real estate.

BOAD adheres to the highest market standards, particularly with respect to the framework for SDG-aligned bond issuances. Reflecting this, in January 2021, BOAD successfully launched the first ever Sustainability Bond issuance in Africa, raising €750 million on the international financial market. This achievement was made possible through the trust and confidence of stakeholders, backed by BOAD's investment-grade ratings from Moody's and Fitch since 2015.

BOAD's Strategic Plan Djoliba (2021–2025) represents a significant scaling-up in activity levels, aiming to enhance the Bank's impact in its member countries and the private sector within WAEMU. It also strives to improve the living conditions of the Union's populations. To support this, in 2022, BOAD's governing bodies approved a capital increase project totaling \$1.5 billion, including an equity program of \$ 900 million and a hybrid debt program of \$ 600 million. This project aims to strengthen BOAD's equity base to implement the 2021–2025 Strategic Plan, maintain debt and equity adequacy ratios at comfortable levels, and consolidate its financial ratings.



As of now, \$707 million of the equity program has already been subscribed: i) \$450 million by class A shareholders (regional shareholders) and ii) \$ 257 million by class B shareholders (non-regional shareholders). The remaining \$193 million, reserved for new shareholders or increased shares from existing ones, remains unsubscribed. In December 2022, BOAD's governing bodies authorized BADEA's entry into the capital with a stake of \$30 million, equivalent to 1% of the capital.

Regarding the hybrid debt program, BOAD has made progress on issuing subordinated debt to institutional investors, particularly in the private sector. In 2023, the Bank successfully issued an initial tranche of \$100 million in super subordinated debt to BADEA for financing green and social projects within the Union. Additionally, negotiations for another €100 million tranche are ongoing with another partner.

In parallel, the Bank continues to strengthen its ESG/CSR commitments, aligning its activities with the WAEMU region's current priorities. Through its interventions, BOAD has fully contributed to economic recovery while ensuring alignment with its societal goals. As a result, regional economies have accessed long-term resources dedicated to projects targeting key Sustainable Development Goals (SDGs 1 to 13 and 15), particularly in areas such as the environment, natural resources, education, health, real estate, and housing.

Notably, in 2023, the Bank allocated 21% of its funding to projects aimed at strengthening climate resilience. Around 13% and 14.6% of allocated funds were directed toward solar energy and potable water projects, respectively.

BOAD also participated in the 28th Conference of the Parties (COP 28) held in Dubai, reinforcing its positioning as a key player in climate action in West Africa.

Building on these highly promising results, I reaffirm BOAD's unwavering commitment to intensify efforts that will have a meaningful impact on the lives of the Union populations, particularly in the areas of environmental protection and climate action, in the coming years.

I. INTRODUCTION

This report aims to account for the use of resources mobilized during BOAD's first Sustainability Bond issue and highlight the impacts generated by these investments. It aligns with commitments outlined in the Sustainability Bond Framework, which governs resource allocation and impact reporting. The report is organized into four main sections: (i) presentation of BOAD; (ii) the sustainability bond framework; (iii) the use of proceeds; and (iv) the 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 (WAE-MU) member countries. It is an international public institution established on November 14, 1973 and brings together eight member countries: Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. It is headquartered in Lomé, Togo. BOAD's statutory mission is to promote the balanced development of its member countries and foster economic integration within West Africa.

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

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

2.2. Strengthening BOAD's international positioning

Since 2015, BOAD has maintained an "investment grade" rating from Moody's (Baa1) and Fitch (BBB), placing it among Africa's top-rated financial institutions.

For over two decades, BOAD has incorporated environmental and social safeguards into the operations it finances. Currently, the Bank is working to mainstream climate considerations into its projects.

In this perspective, the Bank participated in the 28th Conference of Parties (COP 28) held in Dubai, was involved in the Climate Agreement negotiations and took part in several events. On the sidelines of this Conference, BOAD renewed for a further year its Framework Agreement with the United Nations Framework Convention on Climate Change (UNFCCC) for the continuation of Regional Collaboration Centre (CRC) activities. The COP 28 made it possible for BOAD to place its action within the framework of the resolutions of the Paris Agreement on Climate Change, which will open up financing opportunities, particularly in the implementation of the member countries' Nationally Determined Contributions (NDCs).



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

As of 2021, BOAD has been implementing its 2021-2025 strategic plan, known as the plan DJOLIBA whose vision is: «the leading bank that makes a strong impact on the integration and transformation of West Africa». The plan aligns with the Bank's ambition to contribute to achieving the Sustainable Development Goals (SDGs).

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



Operational strategic areas

1

Strengthening regional integration

2

Contributing to the creation of value and productive jobs in support to member countries and the private sector

3

Building greater resilience to climate change

Cross-cutting strategic areas

Increasing BOAD's financing and intervention capacity

- Strengthening the capital structure
- Optimizing balance sheet management

Strengthening HR and management systems

- Strengthening skills
- Modernizing management and control systems

Priority sectors

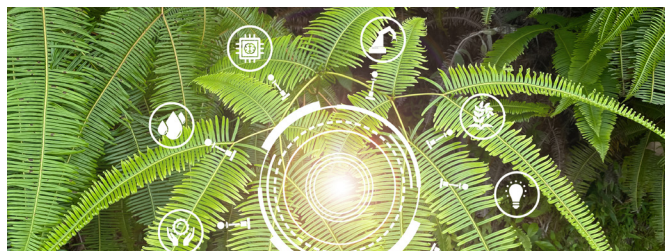
Transport infrastructure, Information and Communication Technologies (ICT)/ digitization

Production and equitable access to energy and resources

Agricultural production and food security

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

Health & Education



Overall, the plan DJOLIBA calls for an average annual commitment of XOF658.7 billion (around 1 billion euros), or a total of XOF3,293.5 billion (5 billion euros) over the next five years.

2023 marked the third year of the Djoliba's plan implementation, during which an independent mid-term review was conducted. The findings were highly positive. With regard to operational areas 1, 2 and 3, a strong funding trajectory was observed. With regard to the funding capacity areas (area 4), the review highlighted substantial achievements that have significantly bolstered the Bank's financial position. BOAD's financial rating has been maintained, and its financial ratios have improved considerably. As for the areas relating to human capital and management systems (area 5), Remarkable progress has been made in internal organization, including structural improvements, human capital development, and cultural alignment, all aimed at prioritizing the Djoliba's plan objectives and enhancing operational efficiency.

2.4. BOAD's highlights for FY 2023

- **BOAD joined the Finance In Common Coalition (FICS) on Gender co-chaired by UN Women and the African Development Bank (AfDB):** By joining this coalition, the Bank reaffirmed its commitment to collaborating with other development banks and institutions to effectively coordinate and mobilize resources to address gender inequalities and promote the empowerment of women and girls within the global financial system.
- **Africa50 and BOAD join forces to develop and co-finance green infrastructure in Africa:** On the sidelines of the AfDB Group's Annual Meetings held in Egypt, BOAD and Africa50 signed a partnership agreement aimed at mobilizing institutional investor capital for African infrastructure, and identifying projects for co-financing. The two organizations also pledged to jointly identify and co-finance bankable projects, including climate-resilient infrastructure, to support sustainable growth and energy transitions across the continent.
- **BOAD's re-accreditation to the Green Climate Fund, with an upgrade in the Bank's re-accreditation level:** The 36th Board Meeting of the Green Climate Fund (GCF) approved BOAD's re-accreditation with an increase in the re-accreditation level in terms of the environmental and social categorization of projects from «B/I 1» to «A/I 1. In fiduciary terms, the Bank is thus authorized to mobilize resources of up to USD 250 million per project. This re-accreditation will enable the Bank to mobilize grants, loans with interest rates ranging from 0 to 1.75%, guarantees and refinancing facilities for its member countries to address the adverse effects of climate change.
- **Dissemination workshop of the conclusions of the study on the sustainable management of household and industrial waste in WAEMU member countries-Lomé (Togo):** The Bank has organized at its premises a workshop to share the conclusions of the study on the sustainable management of household and industrial waste in WAEMU member countries with the various stakeholders.
- **Creation of a Climate Study Fund:** By decision N°069/2023/CM/UMOA/BOAD, the WAMU Council of Ministers has set up a study fund to finance feasibility studies for climate projects in WAMU member countries. To date, the fund has been allocated XOF4 billion out of an initial target of XOF10 billion.
- **Election of Javier Díaz Fajardo and Serge EKUE as IDFC Co-Chairs:** On the sidelines of the 2023 Annual Meetings of the World Bank and the IMF, the International Club

of 26 leading national and regional Development Banks held its Annual Meeting. The meeting was marked by the Steering Committee and the Presidency elections. On this occasion, Mr. Diaz FAJARDO, President of Bancoldex and Mr. Serge EKUE, President of BOAD were elected co-presidents of the IDFC (International Development Finance Club), for a 2-year term. The IDFC, created in 2011, is a club that brings together twenty-six (26) national and international development banks. BOAD joined the club in 2013 and has been co-chairing it since October 15, 2023. BOAD therefore works in collaboration with all other club members to implement the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change, the club's objective being to promote and mobilize climate-solidary investments for sustainable development. The activities of the IDFC club aim, among other things, to facilitate the exchange of climate knowledge between development finance institutions, through the sharing of studies, procedures and best practices for integrating climate change into operations. This enables development banks such as BOAD to consolidate its position alongside multilateral banks and the private sector, and increase its contribution to financing more resilient, low-carbon development trajectories.

- **Celebration of the Bank's fiftieth anniversary: The West African Development Bank (BOAD) celebrated its fiftieth anniversary on Tuesday, November 14, 2023, under the theme: «2023-2073, financing development differently, BOAD for the next fifty years».** In the run-up to the event, six (6) thematic workshops were organized.
- **Participation in the Conference of the Parties (COP 28) of the United Nations Framework Convention on Climate Change (UNFCCC):** In view of its commitment to combating climate change in the WAEMU, BOAD took part in COP 28 from November 30 to December 12, 2023 in Dubai, United Arab Emirates (UAE). BOAD organized and participated in 28 side events in its pavilion, including: i) sustainable cities; ii) climate-smart agriculture; iii) the green finance market; iv) the blue economy; v) BOAD/ECOWAS/WAEMU partnerships; and vi) debt-for-nature swaps.
- **BADEA joins BOAD's capital:** Following a favorable decision by the Bank's Board of Directors at its 139th session held on December 20, 2023 in Cotonou, the WAMU Council of Ministers meeting on December 21, 2023 approved BADEA's entry into BOAD's capital for an amount of USD 30 million, representing 1% of the capital.



III. SUSTAINABILITY BOND FRAMEWORK

BOAD's Sustainable Bond Framework was developed in accordance with the International Capital Market Association (ICMA) guidelines, specifically the Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG). It complies with the latest versions of these standards.

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

Under this framework, BOAD may issue Sustainable Bonds (hereinafter referred to as the «Sustainability Bonds») in different formats:

- Green Bonds: 100% of the funds raised will be allocated to eligible green projects;
- Social Bonds: 100% of 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.

Eligibility criteria for projects are outlined in the Sustainability Bond Framework. In line with market best practices, this framework underwent independent review by Vigeo Eiris, which confirmed its alignment with ICMA principles and awarded it an «advanced» rating.





IV. USE OF PROCEEDS

4.1. Overview of the sustainability bonds framework provisions

One of the commitments of the Sustainability Bonds framework, in line with the principles outlined above, is monitoring via allocation and impact reports. It involves the publication of an accountability report. BOAD makes this report available to investors on its website. This report includes a section on the use of proceeds and a section on the impact of the various projects financed.



4.2. Monitoring use of proceeds

Allocating resources to the portfolio of eligible projects is monitored by the Sustainability Bonds Committee set up within the Bank. This Committee is responsible for: i) monitoring projects financed or refinanced, and excluding projects that no longer meet the eligibility criteria, ii) updating the Sustainability Bonds Framework, iii) preparing investor reports, and iv) recruiting and reviewing the reports of the independent external auditors.

BOAD has appointed its statutory auditor, KPMG, as independent auditor to produce an independent report to ensure that the allocation of resources is consistent with the Framework. The report was covered the period from January 01 to December 31, 2023, and certified that the allocation of resources complies with BOAD's Framework.

4.3. Characteristics of the bond issue

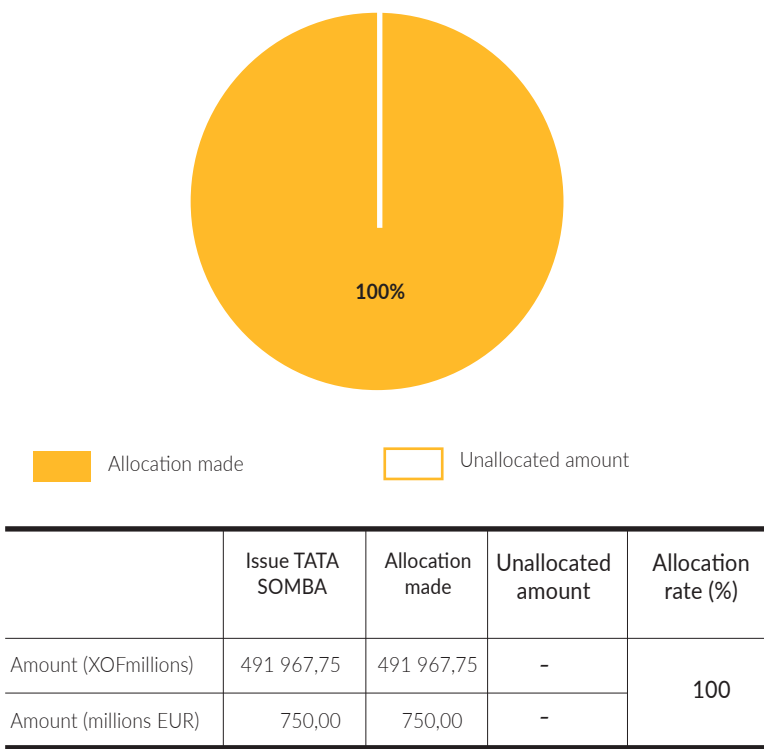
Table 1: bond issue characteristics

Issuer	BOAD
ISIN	XS2288824969 / XS2288825263
Currency	EURO
Amount	750 millions EUR*
Issue date	January 22, 2021
Maturity date	January 22, 2033

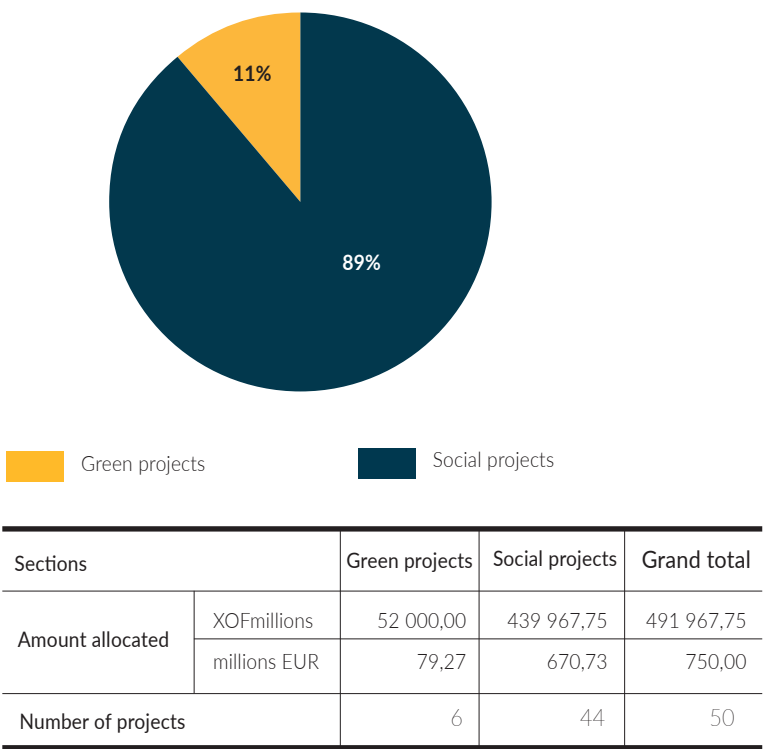
*XOF491,968 millions

4.4. Resource allocation

1. Overall allocation of program resources

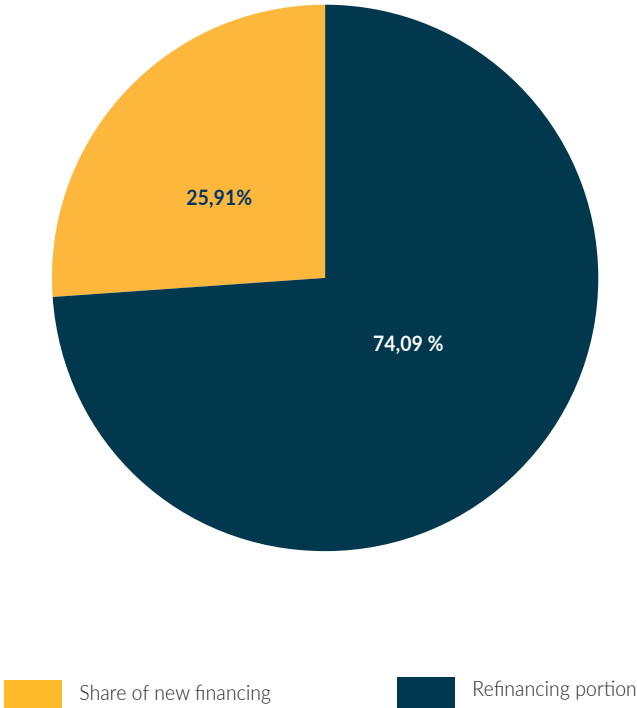


2. Allocation by project type (millions EUR)



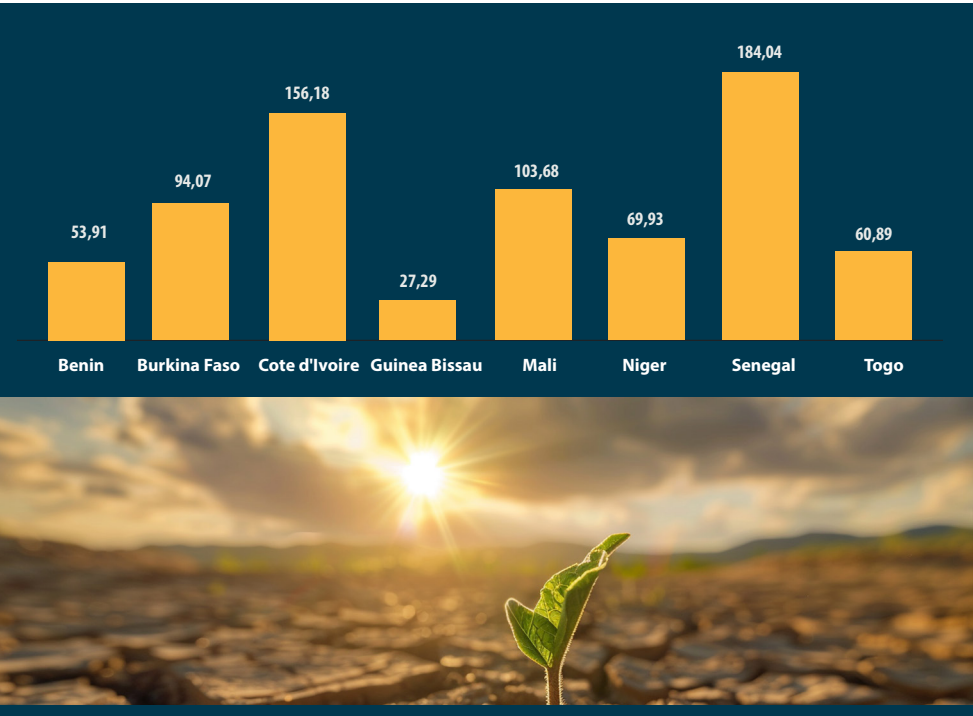


3. Allocation according to year of BOAD financing



Sections	Amount allocated		Number of projects
	XOFmillions	millions EUR	
Projects financed in 2022	84 077,77	128,18	10
Green projects	15 000,00	22,87	2
Social projects	69 077,77	105,31	8
Projects funded in 2021	43 400,00	66,16	5
Green projects	20 000,00	30,49	2
Social projects	23 400,00	35,67	3
Projects funded between 2018 and 2020	364 489,98	555,66	35
Green projects	17 000,00	25,92	2
Social projects	347 489,98	529,75	33
Grand total	491 967,75	750,00	50

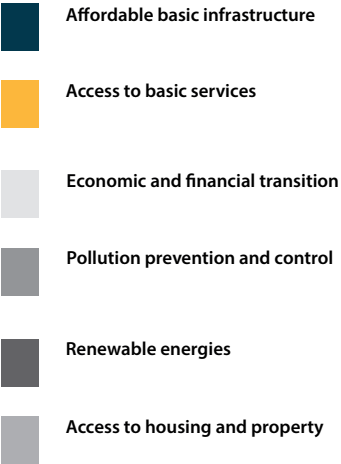
4. Allocation by country (millions EUR)



Country	Amount allocated			Number of projects
	XOF Million	millions EUR	Proportion	
Benin	35 362,27	53,91	7,19%	3
Burkina Faso	61 708,27	94,07	12,54%	8
Cote 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
Grand total	491 967,75	750,00	100,00%	50



5) Allocation by sector (%)



	Amount allocated		Number of projects
	XOF Million	millions EUR	
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 energies	48 000,00	73,18	5
Grand total	491 967,75	750,00	50

NB: the allocation by country and sector is appended.

V. IMPACT OF FUNDING GRANTED

The financing provided under the bond issuance has contributed to generating significant benefits for the populations in the target regions. The monitoring and evaluation system has enabled us to record the impacts observed between 2021 and 2023 in the following table. The projects contribute to achieving SDGs 1 (no poverty); 2 (zero hunger); 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). The impacts will intensify in the coming years as the funded projects reach completion. This inaugural impact report focuses on ongoing projects (ex-ante results) and those completed with measurable outputs and outcomes².

² See Annex 3 on the concepts of development results and impact.



5.1. Environmental project categories

Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact	Contribution to the SDGs
Renewable energy	Context Access to renewable energy is a major challenge that requires sustained efforts in WAEMU member countries. In Togo, where projects of this nature are being implemented as part of this report, one of the primary strategies has been the extension of the electricity grid to connect an increasing number of rural households. This strategy requires a substantial increase in the country's energy production capacity to meet growing demand. Solar technology provides a promising opportunity to increase Togo's electricity production capacity and improve its electrification rate, which stood at 45% nationally and 12% in rural areas in 2018. Example of emblematic project 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 around 90,255 MWh of energy per year. The project contributes to universal access to electricity. It will serve 158,333 Togolese households and avoid more than a million tonnes of CO2 emissions over its lifetime. The project to build a 42 MWp solar photovoltaic power plant in Awandjelo, Togo, will increase annual electricity production by 65 GWh during the operational phase. This additional production will (i) increase the population with access to electricity by 253,350; (ii) increase 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 CO2 equivalent.	• Solar renewable energy production capacity: 92 MWp • Annual production of renewable solar energy: 155,255 MWh • Estimated CO2 emissions avoided: 1,052,328 TqCO2 • Households served by solar energy: 158,333 • Population with access to electricity: 253,350 (with the project to build a 42 MWc solar photovoltaic power plant in Awandjelo) • Job creation: 600 jobs, including 20 for women, during project implementation. In addition, 13 jobs, including 2 women, were created during project operation. Environmental and social measures: - construction of 3 buildings with 3 classrooms and an office and 2 buildings with 4 classrooms and an office in 5 schools. These buildings replaced temporary shelters that were difficult to access during rainy periods. They have helped to reduce the shortfall in school provision and given access to classrooms in good condition compared with temporary shelters, to 856 pupils, including 403 girls, representing 47.1% of beneficiaries. - construction or rehabilitation of latrines in each of the beneficiary establishments (5 latrines) - construction of a health complex including a 6-room maternity ward, a 6-room pediatric ward and a «cashier's office». Biodiversity conservation and sustainable management of living resources - To reduce the impact of tree felling in the project area, compensatory reforestation was carried out on 18 sites covering an area of 120 ha. On these sites, 48,789 plans were planted.	 

5.2. Social project categories

Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact ³	Contribution to the SDGs
Access to essential services - Health	Context In response to the COVID-19 pandemic in WAEMU member countries, BOAD initiated two interventions for a total amount of XOF200 billion, part of which was charged against the resources of this bond issue. BOAD's intervention was aimed at urgently providing national authorities with financial resources to help them implement their response plans against COVID-19. Example of flagship project Each member country has been allocated facilities to combat COVID-19. In terms of epidemiological surveillance, the implementation of the response plan has resulted in the creation of 186 rapid response teams (nurses, laboratory technicians, hygienists, epidemiologists, social workers and psychologists) to investigate alerts, isolate positive cases, monitor their contacts and refer serious cases to care sites.	• Screening sites accessible to the general public: 103; • Medical personnel mobilized: 857; • Rapid response teams: 186; • Screening laboratories: 13.	

³ Note that this is a contributory approach.



Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact ³	Contribution to the SDGs
Access to essential services - Education	Context Access to quality education is hampered 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 account for 10% of public school infrastructure in Senegal. In this respect, some 200,000 pupils living in precarious and uncertain teaching conditions do not benefit from a normal school year. Pupils taught in temporary shelters are constantly subjected to the vagaries and nuisances of rain, cold, sandy winds, intense heat, fire hazards, noise pollution and so on. This situation shortens the school year by around 250 hours, and raises the issue of equity in the school environment. In this context, BOAD has implemented an approach aimed at providing quality school infrastructure to disadvantaged children in order to offer them better learning conditions and reduce the drop-out rate in the schools concerned.	• Classrooms built: 2597; • Administrative blocks: 1874; • Hygiene blocks (gender-sensitive latrines): 1,058; • Student beneficiaries: 172,058 including 89,914; • Students benefiting from the digital infrastructure installed: 10,000.	The logo for Sustainable Development Goal 4, 'Quality Education', is located in the bottom right corner of the table. It is a red square with a white book icon and the text '4 ÉDUCATION DE QUALITÉ'.

Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact ³	Contribution to the SDGs
Access to essential services - Education	Examples of flagship projects The construction of 1,528 classrooms to replace temporary shelters, and ancillary works (first tranche of 510 classrooms) in the republic of senegal (completion in 2024). The purpose of the project is 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 meters of fencing walls and 59,000 ml of fencing walls in local materials. The project to build and equip four (4) high schools and one (01) college of excellence with boarding facilities for girls in the Republic of Cote d'Ivoire. The purpose of the project is to build and equip schools of excellence with boarding facilities for deserving girls from all socio-economic backgrounds, qualified to attend secondary school in the Republic of Cote d'Ivoire. The overall objective of the project is to promote excellence by setting up dedicated educational/school infrastructures to increase the enrolment and completion rate of girls at secondary school level. More specifically, the project will provide a high school with a capacity of 25 classrooms for 1,000 girls, including 800 boarders, and one (01) middle school with a capacity of 16 classrooms for 640 girls, including 400 boarders. The construction and equipment of a virtual University in Burkina Faso (UV-BF) has been financed by the State of Burkina Faso to increase the supply and improve the quality of higher education, training and scientific research. The objective of the project is to build and equip the Virtual University of Burkina Faso (UV-BF) for students from all socio-economic backgrounds wishing to pursue higher education in Burkina Faso. Specifically, the project involves (i) building and equipping the UV-BF headquarters in Ouagadougou, as well as strengthening the IT infrastructure, by (a) increasing the capacity of the university's Data Center to accommodate 10,000 student-users, (b) installing four (4) telemedicine stations and (c) increasing the capacity of the virtual reality laboratory, as well as (ii) building and equipping four (4) open digital spaces (ENO) in Ouagadougou, Bobo-Dioulasso, Koudougou and Ziniaré.	• Classrooms built: 2597; • Administrative blocks: 1874; • Hygiene blocks (gender-sensitive latrines): 1,058; • Student beneficiaries: 172,058 including 89,914 girls; • Students benefiting from the digital infrastructure installed: 10,000.	



Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact	Contribution to the SDGs
Access to essential services - Agricultural insurance	Context BOAD supports the building of resilience and adaptation capacities in the face of climatic hazards. It provides tailored support for projects designed to build resilience to climate risks and reduce producers' vulnerability to them. Example of a flagship project The project to set up an index-based crop insurance mechanism in the Republic of Cote d'Ivoire. It seeks to reduce producers' vulnerability to climatic hazards, through the provision of index-based crop insurance products. In addition, the project aims, in the medium and long term, to improve food security and the well-being of producers. It will: i) provide an index-based crop insurance policy for cotton, oil palm and rice producers; ii) improve systems for collecting and managing meteorological and agricultural data for the sectors; and iii) build the capacity of agricultural players in index-based crop insurance.	• Cotton producers benefiting from index-based crop insurance products: 30,000; • Palm growers benefiting from index-based crop insurance products: 10,000; • Rice producers benefiting from index-based crop insurance products: 600,000.	The icon for Sustainable Development Goal 2, 'Zero Hunger', is shown. It consists of a yellow square with a white bowl of food and steam rising from it, with the number '2' and the text 'ZERO HUNGER' above it.

Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact	Contribution to the SDGs
Access to essential services – Smart agriculture	Context The agricultural sector plays a crucial role in the WAEMU countries, providing 65% of jobs and contributing an average of 28% to GDP. Despite its important role, it is underdeveloped in most African countries. In rural areas, where the majority of the population lives from agriculture (over 90%), poverty levels are still high. Despite the role that agriculture can play in reducing poverty in rural areas, the agricultural sector faces a number of challenges that need to be addressed. These include: (i) low levels of input use and mechanization; (ii) poor access to credit and markets for the region's smallholders; and (iii) the effects of climate change. It is against this backdrop that BOAD is committed to developing a more productive and sustainable agricultural sector in the eight (8) West African countries, with a view to contributing to food security and poverty reduction. It supports the strengthening of resilience and adaptation capacities in the face of climatic hazards, and contributes towards the sustainable management of water resources and the reduction of the energy bill for irrigation. Example of a flagship project The hydro-agricultural development project with smart agricultural practices resilient to climate change (PAHA-AIC). This project's objective is to develop 1,000 ha and rehabilitate 749 ha of agricultural perimeters, spread over twenty-five (25) sites in 5 ha units, with an economical irrigation system (drip kits and Californian system) and solar pumping (photovoltaic solar 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 energy costs for irrigation by at least 40% in the perimeters to be developed; ii) contribute to improving farmers' incomes by at least 50% in a cruising year on the developed sites, and the living conditions of the population, particularly the most vulnerable groups made up of women and young people; and iii) ensure the sustainability of the developments and the valorization of production through capacity building of the players and the organization of producers in the project area.	• Sustainable cereal production: 6,600 tonnes; • Sustainable market garden production: 55,000 tonnes; • Number of food-secure households increases by 11,400, from 45,700 in 2021 to 57,100 in 2027; • Carbon dioxide (CO2) equivalent avoided: 35,317 tonnes.	



Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact	Contribution to the SDGs
Affordable basic infrastructure - Development of projects to provide and expand access to drinking water.	Context Access to drinking water is a major issue in both rural and urban areas of WAEMU member countries. In Cote d'Ivoire, particularly in Abidjan, the drinking water deficit is estimated at 30%. This shortage of drinking water is due to a number of factors, including limited production and storage capacity. In addition, the saturation of installations (96% saturation point) and the undersizing of the network lead to frequent pressure drops, resulting in a lack of drinking water in certain areas. Example of a flagship project The Me drinking water plant project: its purpose is to reinforce Abidjan's drinking water supply system from the Sud-Comoé aquifer, by : (i) the construction of borehole catchment fields; (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.	• New beneficiaries of clean water supply: 1,500,000; • Volume of water produced (M³/day): 160,000.	

Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact	Contribution to the SDGs
Affordable basic infrastructure - Development of projects providing and expanding access to sanitation	Context The poor state of sanitation infrastructures in some WAEMU countries is marked by a collective wastewater management system that does not cover all areas, with the result that many households still practice independent sanitation, with anarchic discharge of effluent into the environment. For example, in some municipalities of Abidjan, the outlets of wastewater pipes are not connected to the main sewer, resulting in discharges of collected effluent into stormwater channels. In addition, around 86% of uncollected wastewater and solid waste is discharged directly into the Cocody lagoon bay via the stormwater network. Canals clogged with solid waste lead to flooding. Public health is thus threatened, exposing the population to diseases such as diarrhea, cholera, bilharzia, typhoid fever and malaria. Examples of flagship projects The Gourou watershed sanitation project in Abidjan, Cote d'Ivoire. The purpose of the project is to build a sanitation system. The project's objectives are: i) to reduce wastewater discharges into rainwater channels and surface waters, and ii) to improve solid waste management by increasing the proportion of plastics sorted and recycled from 0% to 42%. The stormwater drainage network improvement project in the city of Ouagadougou: development of the outfall at Bangr Weogo Park in Burkina Faso. The aim of the project is to contribute towards improving the living environment of the populations of the city of Ouagadougou. More specifically, the project aims to: i) facilitate the drainage of rainwater in the city of Ouagadougou, significantly reducing the number of homes flooded during the rainy season; ii) improve the urban environment and traffic flow in the Bangr Wéogo parc; and iii) increase the number of people adopting sound public health practices.	• New households connected to the wastewater network: 399; • Drainage network built (km): 13; • Number of beneficiaries: 324,225; • Linear metres of earth drainage channels for stormwater: 960; • Linear metres of reinforced concrete lined channels: 4,222; • Linear meters of street lighting along the Kadiogo marigot: 1,300.	

Categories of eligible projects	Background and description of flagship eligible projects	Measuring the impact	Contribution to the SDGs
Economic and financial transition	Context SMEs play an important role in WAEMU member countries' economies. Despite this major role, they have very limited access to funding. This difficulty has increased with the advent of Covid-19. In addition to its traditional SME support program, BOAD has set up resources to support SMEs in the WAEMU region. Example of a flagship project BOAD's project to set up a refinancing facility for the Banque de Développement Economique (BNDE) in Senegal to support SMEs. The project's objective is for BOAD to set up refinancing facilities to support SMEs in financing productive investment sub-projects and supporting activities to offset the negative impact of Covid-19 on their activities.	• Small and medium-sized enterprises (SMEs) supported: 469; • Number of jobs supported: 4,277; • Number of jobs supported - Women: 1,404; • Number of jobs supported - Young people: 1,055; • Number of jobs created: 128; • Number of jobs created - Women: 28; • Number of jobs created - Young people: 103.	 



5.3. Methodology

Impact reporting involves ex-post (after completion) or in-itinere (during execution) estimates of portfolio projects. The sources used to present the methodologies are presented in the appendix. Indicators are collected using data collected from Project Management Units (PMUs), Project Works Supervision Offices and independent consultants appointed by PMUs to report on project execution progress. The methodology for data collection and analysis is based on six key phases:

- **Project identification:** a working session with BOAD's BOAD's organizational units to identify eligible projects financed during the analysis period. Data collection focuses on projects under disbursement or completed.
- **Updating project monitoring-evaluation focal point contacts:** in collaboration with the organizational unit in charge of the projects under review, the focal points' emails and telephone contacts have been updated.
- **Updated collection tools:** Data collection forms were revised to reflect the relevant impact indicators.

- **Data collection:** forms were e-mailed to project focal points. Questionnaire follow-up procedures were carried out. Field missions were carried out in Cote d'Ivoire and Senegal.

- **Quality control and data processing:** the data submitted were checked and entered into the monitoring-evaluation matrices and the database, and statistical analyses were carried out for consolidation purposes.

With regard to the estimate of CO₂ avoided, the calculations were made by the consultant in charge of drawing up the project completion report submitted to the Bank by Togo Solar Power Plant Project Management Unit. The pricing of infrastructure works was carried out by the independent works supervision companies and the Project Management Units. Estimates of beneficiaries are made by means of enumeration (education, health, SMEs, sanitation) or statistical sampling techniques (drinking water and energy), using a contributory approach that does not allow us to isolate the development results attributable solely to BOAD. This limitation is due to the absence of explicit points of application for resource utilization and indicators when designing BOAD's intervention.



VI. OUTLOOK

BOAD's mission is to contribute to the economic and social development of its member countries, which are part of the West African Economic and Monetary Union (WAEMU). The Bank is committed to implementing policies and programs that promote economic growth, poverty reduction, and environmental protection.

BOAD is committed to continue issuing green and/or social bonds to finance development projects that have a positive impact on the environment and society. Such bond issues will contribute towards the implementation of the United Nations' 2030 Agenda for Sustainable Development, which seeks to eradicate poverty, preserve the planet and ensure peace and prosperity for all.



APPENDIX 1: Summary table of allocations by country and sector

1-A : BREAKDOWN BY FUNDING VOLUME (XOFM)

Sectors	Benin	Burkina Faso	Cote d'Ivoire	Guinea Bissau	Mali	Niger	Senegal	Togo	Grand total
Access to housing and home property	4 884,23								4 884,23
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	236 179,92
Affordable basic infrastructure		17 308,00	47 216,25		7 711,00	16 974,00	74 323,35	38,00	163 570,60
Economic and financial transition			18 333,00		5 000,00		12 000,00		35 333,00
Pollution prevention and control			4 000,00						4 000,00
Renewable energy					25 000,00			23 000,00	48 000,00
Grand total	35 362,27	61 708,27	102 449,52	17 900,27	68 011,27	45 874,27	120 723,62	39 938,27	491 967,75

1-B: BREAKDOWN BY NUMBER OF PROJECTS

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



APPENDIX 2: Methodology

The contributory 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/>

With regard to greenhouse gases (GHG), although the use of methodologies from Clean Development Mechanism, Verified Carbon Standard, and Gold Standard would be desirable, Development Finance Institutions are invited to adopt their own methods, provided they are reasonable. In this context, a methodology is currently being finalized with consultants from Carbon Partners Asiatica («Asiatica»). It is part of a technical assistance program financed 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>)

APPENDIX 3: Reminder of the concepts of development outcomes and impact

The projects financed under this operation are associated with a results chain, defined as a sequence of cause-and-effect relationships leading to the achievement of sustainable development goals. The results chain begins with the provision of resources (inputs), and continues with activities and their outputs, which are used to induce effects (outcomes) that enable the impacts assessment (Cf. figure 1).



Development outcomes are the expected physical, financial, institutional, social, environmental or other effects of financed projects for the benefit of businesses, communities and groups of people (women, young people). In line with its Evaluation Strategy, BOAD defines impact as «a short- and medium-term effect (below or equal to 5 years following project completion), positive and negative, primary and secondary, induced by a financed project, directly or indirectly, intentionally or unintentionally». The adjustment of the time horizon, compared to the DAC/OECD definition⁴ (Cf. box 1), allows for a minimum of impact reporting over time.

Project impact assessment uses a contributory approach to the types of projects financed (mainly infrastructure). The themes are based on those of the Sustainable Development Goals (SDGs), in line with the Framework.

⁴ Development Assistance Committee of the Organisation for Economic Co-operation and Development

Box1: Key concepts in the results chain

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

Resources or inputs: financial, human and material resources used for the 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 that result from the development action after the activities have been carried out.

Achievement or direct effect (effects/outcomes): what the action is intended to achieve or has achieved in the short or medium term. Change, expected or not, attributable directly or indirectly to a development action. This change comes from the use of outputs.

Development result 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, a community and a group of people.

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

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

Box2: Diversity in the definition of development impact

The OECD/DAC definition encompasses several concepts, leading to different definitions by development financing institutions.

Sometimes, impacts are understood in terms of causality (attribution of the results of an intervention) and long-term effects.

Some Development Finance Institutions consider impact to be the «last link in the results chain», or the highest level of objectives an intervention has identified, meaning the ultimate intended result of the intervention.

Other Development Finance Institutions use the term «impacts» to mean all development objectives (sustainable development goals), and «outcomes» to mean «project 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, which may or may not appear in the project's result chain.

Finally, the definition of «impact» is sometimes linked to the unit of analysis, or the result measured in a sector, a region or 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 expected and unexpected results.

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

68 av. de la Libération, BP 1172 Lomé, Togo
Tél. : +228 22 21 59 06 • Fax : +228 22 21 52 67

www.boad.org     