

 Early Warning System

MIGA-14735

BOAD NH-RDB



Quick Facts

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|--------------------------------|--|
| Countries | France, United Kingdom |
| Specific Location | France, United Kingdom, and other countries yet to be identified |
| Financial Institutions | Multilateral Investment Guarantee Agency (MIGA) |
| Status | Proposed |
| Bank Risk Rating | A |
| Voting Date | 2024-06-30 |
| Borrower | Societe Generale; HSBC Bank Plc. and other Financial Institution(s) yet to be identified |
| Sectors | Finance |
| Investment Type(s) | Guarantee |
| Investment Amount (USD) | \$ 646.10 million |
| Project Cost (USD) | \$ 646.10 million |



Project Description

According to the Bank's website, this summary covers an application made to cover a proposed commercial lending facility of EUR350 million (net principal) to Banque Ouest Africaine de Developpement (BOAD) to be provided by: Societe Generale, HSBC Bank plc, and other lender(s) yet to be identified. MIGA's coverage has been sought in relation to a Non-Honoring of Sovereign Financial Obligations by a Regional Development Bank (NHFO-RDB) guarantee for up to EUR600 million and a tenor of up to 15 years.

The MIGA-guaranteed loan will support BOAD's lending operations towards climate and sustainable projects in BOAD's 8 member countries in priority sectors including Climate Smart Agriculture, Renewable Energy, Green Cities and Buildings, and Infrastructure. The MIGA guarantee would allow BOAD to attract competitive long-term financing from international lenders, ensure the unfolding of strategic projects in BOAD's member countries and helping BOAD achieve its development bank's mandate and mission to enforce the balanced development of its member countries.



Early Warning System Project Analysis

The MIGA project will support direct lending for climate finance projects including renewable energy projects, agriculture projects, infrastructure projects and housing/real estate projects. These projects could have significant E&S risks impacts that are unprecedented and irreversible; as such, the MIGA project has been categorized as FI-1 in accordance with MIGA's Policy on Environmental and Social Sustainability (2013).

The main E&S aspects of this project relate to BOAD's ability to identify, assess, and manage the E&S risks and impacts associated with its lending activities and the management of labor matters at BOAD.

As of December 2023, BOAD's loan portfolio included the two main segments - sovereign loans, 75% and non-sovereign loans, 25% - across the eight member states. The main sectors supported include transportation and digital infrastructure (41%), energy and natural resources (20%), agriculture and food security (12%), financial services (12%), health and education (10%), and housing and real estate (5%). The projects within the climate finance portfolio to be supported by the MIGA-guaranteed loan include renewable energy projects, climate-smart agriculture, green buildings, and infrastructure projects. Coal-related projects and oil and gas projects will not be covered by the MIGA guarantee.



Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

An application made to cover a proposed commercial lending facility.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [HSBC Bank Plc](#) (Financial Intermediary)
- [Societe Generale](#) (Financial Intermediary)



Private Actors Description

Banque Ouest Africaine de Developpement (BOAD) is the common development finance institution of the 8 member states of West African Economic and Monetary Union (WAEMU). Its primary objective is to promote balanced development of its member states and to foster economic integration within West Africa by financing priority development projects



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|---|----------------------|------------------------|
| - | - | - | - | BANQUE OUEST AFRICAINE DE DEVELOPPEMENT | Undisclosed | - |



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing:
migainquiry@worldbank.org

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>