

EQUITY INVESTMENTS



BOAD



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Product description: equity investment in the share capital of companies and national financial institutions (NFIs).

Beneficiaries: industrial companies, service companies, investment funds and financial institutions operating in the WAEMU region.

Purpose: equity investment in the share capital of companies or financial institutions (banks and credit institutions, investment funds, etc.). The aim is to strengthen the capital base and expertise of companies operating within the Union.

Conditions for eligibility:

- i) Project beneficiaries located in a WAEMU member country;
- ii) Formal legal existence of the project management company;
- iii) Private management method, with an organization and operation consistent with WAEMU regulatory frameworks and best practices in the area;
- iv) Consideration of the Bank's environmental and social policy.

Areas of intervention: all sectors eligible for the Bank's financing as provided under its articles of association and policy statement (finance, industry, transport, mining, agribusiness, hospitality, tourism, infrastructure, energy, telecommunications, other service companies, etc.).

Intervention conditions:

BOAD's limit for intervention: each equity investment by the Bank is fixed at 15% of the company's share capital and 5% of BOAD's capital for risk meant for regional projects, privatization projects, mining and energy projects as well as national financial institutions (NFIs) and 2.5% of the Bank's capital for risk for any other project.

Positioning on the boards of directors: the Bank makes its participation in a share capital conditional on the assignment of a seat on the company's governing bodies.

Documents required:

- i) Formal request for funding by the promoter stating the project context and amount requested;
- ii) Terms and conditions of the project;
- iii) Updated business plan of the entity including financial projections and related assumptions;
- iv) Legal documentation (shareholders' agreement, management contract, updated articles of incorporation and trade register of the project company, etc.);
- v) Activity reports, audited financial statements and auditors' reports covering the last three financial years of the project company;
- vi) Technical and financial references of the technical partner, as required, as well as the valuation report in connection with existing property in case of contribution in kind or corporate buyout proposal;
- vii) Environmental and social management policy of the target company;
- viii) Any other document or information deemed relevant.