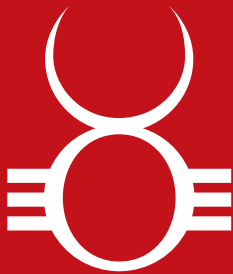


LOANS



BOAD



www.boad.org

LOANS

PRODUCT DESCRIPTION: Medium and long-term loans to the private sector.

BENEFICIARIES: Any legal person from a WAEMU member country or not, interested in investing in productive operations within the WAEMU region.

PURPOSE: Financing of production and/or distribution of goods and services or transfer of ownership of production facilities to WAEMU citizens.

INTERVENTION CONDITIONS:

- i) Project located in a WAEMU member country;
- ii) Real legal existence of the project management company;
- iii) Private management method, with an organization and operation in line with the best practices;

FIELDS OF INTERVENTION: Industry, transport, mining, agribusiness, hospitality, tourism, infrastructure, energy, telecommunications, other service companies, etc.

INTERVENTION CONDITIONS:

Maximum amount: 50% of the project's total pre-tax cost (including working capital requirements); this amount cannot exceed 7% of BOAD's capital for risk meant for regional projects, privatization projects, mining and power projects as well as loans to national financial institutions (NFIs), and 5% of the Bank's capital for risk into any other project; a minimum equity contribution of 15% for expansion and modernization projects and 35% for start-up projects (all taxes included) is required. Participation of at least a local bank in project financing is also required to close the financing plan;

Interest rate: Depending on the risk and cost of resources mobilized. The interest rate excludes tax. BOAD loans are not subject to tax on financial activities

Currency: FCFA/XOF;

Tenor: 10 years maximum including a grace period of up to 2 years;

Commitment fee: 0.5% of committed amount not yet disbursed;

Dossier processing fee: 1% flat pre-tax of the loan granted (20% of processing fee is required before due diligence mission on the field);

Collaterals: To be determined by mutual agreement with the project promoter, based on risk profile.

DOCUMENTS REQUIRED:

- i) Formal request for funding (letter, fax, etc.) to BOAD President stating amount and the characteristics of the loan requested;
- ii) Project feasibility study including mainly: project's corporate and regulatory framework; market survey (supply, demand, prices and players); a detailed project design study on civil engineering component; suppliers' price quotes for the various production tools and equipment; administrative, technical and commercial organization to be set up for project implementation and operation; valuation report in connection with existing property in case of contribution in kind or corporate buyout proposal; detailed assumptions underpinning project's financial and economic outlook;
- iii) Technical and financial references of the technical, financial or business partner;
- iv) Activity reports, audited financial statements and auditor's reports on the project management company over the last three years (for expansion or modernization projects);
- v) Updated articles of incorporation and trade registration of the project management company;
- vi) Profile of proposed collaterals (joint and several guarantee of key promoters, pledging of the working capital extended to materials and equipment, mortgage on land, financial guarantee...);
- vii) Environmental and social impact assessment (ESIA) of the project as well as the environmental and social management plan (ESMP) relating thereto and project's environmental compliance certificate issued by national authorities;
- viii) Any other document or information deemed relevant.