



BANQUE D'INVESTISSEMENT ET DE DEVELOPPEMENT DE LA CEDEAO
ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT
BANCO DE INVESTIMENTO E DE DESENVOLVIMENTO DA CEDEAO

STATEMENT OF GENERAL POLICY AND PROCEDURES FOR LOANS, INVESTMENTS AND GUARANTEES

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PART I – Statement of General Policy for Loans, Investments, and Guarantees

I. General

1. In amending Article 1, 3, 6 and 21 of the Revised Treaty of ECOWAS, Protocol A/P1/12/01 of 21 December 2001 adopted by Authority of Heads of State and Government of ECOWAS gave its backing to Decision A/DEC.4/12/99 transforming the erstwhile ECOWAS Fund into a banking Group. The Group consisted of ECOWAS Bank for Investment and Development (EBID) a portfolio holding and two operational subsidiaries, namely, ECOWAS Regional Investment Bank (ERIB) and ECOWAS Regional Development Fund (ERDF). The transformation was motivated by choices which were both financial and strategic.
2. From a financial perspective, the idea was to open the capital of the erstwhile ECOWAS Fund to non-regional partners in order to enhance the financial resources intended for projects.
3. The intention from the strategic point of view, was to give more premium to private sector activities, without losing sight of the development objectives.
4. After a number of years of operation, without altering the initial motivations for the change, the highest authority of ECOWAS deemed it necessary to ensure more cohesion for their financial arm by transforming it into a more efficient structure. This led to the adoption of Decision A/DEC.3/06/06 on 14 June 2006 in order to reorganize the EBID Group back into a single entity with two operational windows dedicated to the private and public sector respectively. This transformation was backed by supplementary Act A/SA 9/01/07 amending Article 1, 3, 6 and 21 of the Revised Treaty which enabled the taking over of the activities of ERIB and ERDF by EBID.
5. Thus, EBID ceased to be a financial holding company following the extension of its corporate object to henceforth include the operational activities of its former subsidiaries.
6. As the financial arm of ECOWAS, EBID is at the center of the promotion of economic integration through the financing of programmes and projects of the Community and NEPAD. EBID gives preference to projects which concern two or more Member States of the Community

(herein after called “Member State(s)” or “States” or “Regional members”) and which, therefore, encourage intra-community or inter African co-operation.

7. The Bank guarantees or finances projects which contribute to the economic development of its Regional members. As such, it resolutely includes its actions among the strategies for poverty reduction and achievement of the Sustainable Development Goals by the Member States. This option implies very high commitments towards the States and their subdivisions, namely, the public sector projects. EBID’s interventions in favor of public-sector projects are carried out through its public sector operations window.
8. However, this commitment is not exclusive. On the contrary, EBID intends at the same time to contribute towards the realization of the clearly expressed will of the highest authorities of the Community and its Member States to make the private sector economic activities the engine of growth. EBID has therefore been making considerable efforts to promote the mobilization of financial resources within and outside the Community for investments in order to create wealth. EBID’s interventions in private projects are carried out through its private sector operations window.
9. In thus supporting simultaneously the public sector projects which provide the infrastructure and the environment necessary for the development of business and private sector projects which provide the resources indispensable for public service missions, EBID is pursuing a coherent policy for the promotion of harmonious development of its Member States. This is thus the reason why it strongly encourages projects based on public and private partnership.
10. Furthermore, since the final objective is sustainable development, the protection of the environment and biodiversity is a constant feature of EBID’s intervention policies. That is why projects which benefit from EBID’s loan, guarantee or technical assistance must be in conformity with the directives of the Bank and the environmental regulations of the countries concerned.
11. As another major aspect of its policy, EBID ensures that its financing, guarantees or services are not used for money laundering purposes nor for production or marketing of drugs or other prohibited products.
12. Finally, EBID neither finances nor guarantees an operation in the territory of a Member State if that State is opposed to it.
13. To continue to ensure the coherence and relevance of EBID’s policies on loans, guarantees and investment and with the objective of aligning EBID’s legal and regulatory framework to international standards, the Bank performed a review of the Statement of General Policy and Procedures on Loans, Investment and Guarantee, approved by the Board of Directors of EBID, on 21 August 2007. The revised document was approved by resolution

N°14/04/23/BIDC/EBID/CA/BD/83 of April 3, 2023 of the Board of Directors entitled “Statement of General Policy and Regulations for Loans, Investments, and Guarantees”, hereinafter called “Statement of General Policy” or “Regulations on Financial Instruments” which provide guidelines within which the Bank carries out its interventions in the various sectors.

II. Update and objectives

14. The objective of this revised Statement of General Policy and Regulations is to update and improve the policy and regulatory framework for use and implementation of financial instruments in accordance with principles of sound financial management, transparency, proportionality, non-discrimination and equal treatment and with the objectives of such instruments.
15. On the other hand, it is important to define rules for selection of financial intermediaries. The Bank acknowledges that financial intermediaries are to be selected on the basis of open, transparent, proportionate and non-discriminatory procedures, avoiding conflicts of interest. Financial intermediaries and final recipients of the financial instruments are to be selected with due account of the nature of the financial instrument to be implemented, the experience and the operational and financial capacity of the entities concerned, and/or the economic viability of projects of final recipients. The choice must be transparent, justified on objective grounds and shall not give rise to a conflict of interest.
16. Another objective of these revised Statement and Regulations is to ensure that financial instruments and guarantees comply with basic conditions such as addressing market failures or sub-optimal investment situations, additionality, non-distortion of competition and trade rules, leverage effect and alignment of interest and providing remuneration consistent with the sharing of risk.
17. Furthermore, the concession of grants is included as a new form of EBID’s intervention. Grants constitute a direct payment of a non-commercial nature by EBID, which will assume the position of contracting authority to a specific beneficiary in order to implement an operation or a specific action or to finance part of the budget of the beneficiary. More details on this new form of intervention are provided in this document, below.
18. Finally, monitoring of financial instruments is crucial to assess the progress of the implementation of financial instruments in achieving the policy objectives reflected in the relevant output and result indicators established by an ex-ante evaluation and to analyze to what extent the implementation complies with the requirements of EBID and to provide a basis for

the Bank reporting.

III. Definitions

19. For the purpose of this document the following terms shall mean:

- a. **Companies similar to private companies** are understood to mean legal entities in the public commercial sector, that is to say, public or semi-public enterprises and establishments that are industrial or commercial in nature and/or have a private sector type of management.
- b. **Financial Instruments**, are a resource-efficient way of using resources to provide investment support through loans, guarantees, or equity. These mechanisms can be combined with non-monetary support such as technical assistance and interest rate subsidies.
- c. **Geographical subdivisions of a State**, are its federated States, as the case may be, and its decentralized territorial districts which have a legal personality.
- d. **Grants**, are direct payment of a non-commercial nature by EBID, which will assume the position of contracting authority to a specific beneficiary in order to implement an operation or a specific action or to finance part of the budget of the beneficiary.
- e. **Member-States**, are those recognized as members of this Community by virtue of the Revised Treaty of ECOWAS.
- f. **Private companies**, are understood to mean trading legal entities whose capital is entirely held by natural persons, or by trading legal entities, or by natural persons and trading legal entities.
- g. **Private projects**, mean the projects promoted by private companies and those classified as being private.
- h. **Public sector projects**, refer to the projects promoted by the State and of its geographical and technical subdivisions.
- i. **Technical subdivisions of a State**, are understood to be its non-commercial public enterprises and establishments which have a legal personality.

IV. Sectors of Activity of EBID

20. EBID is an international financial institution, which carries out investment and development banking activities. It is at the service of the economic development of the Community of West African States, as the financial arm of this Community. It acts in partnership with other

international investment and development banks, such as the World Bank or the African Development Bank (AfDB). It also aims to ensure that the financing it sets up can benefit from additional financing through the network of commercial banks.

21. EBID follows a strategy for its sectors of activity which are well aligned with the Banks's mandate, mission and objectives.
22. The Bank finances projects within the key sectors of activity identified in the Annex I to this document, about Sectors of Activity of EBID.
23. The Bank will not provide financing to projects listed in Annex 2 and included in the Exclusion List approved as part of the Environmental and Social Management System Manual and defined as not eligible for EBID's financing.

V. Principles applicable to financial instruments

24. EBID acknowledges that financial instruments will be used in accordance with their objectives and the following principles:
 - a. sound financial management;
 - b. transparency;
 - c. proportionality;
 - d. non-discrimination;
 - e. equal treatment.
25. The Bank understands that financial instruments shall address market failures or sub-optimal investment situations and provide support, in a proportionate manner, only to final recipients that are deemed economically viable according to internationally accepted standards at the time of the Bank's financial support.
26. Financial instruments should be intended to achieve additionality by preventing the replacement of potential support and investment from other public or private sources.
27. Financial instruments should not distort competition in the Member States and should achieve a leverage and a multiplier effect, with a target range of values based on an *ex-ante* evaluation for the corresponding financial instrument, by mobilizing a global investment as defined by the Bank, including, where appropriate, the maximization of private investment.
28. EBID acknowledges that financial instruments shall be implemented in a way to ensure that there is a common interest of the implementing entities or counterparts involved in the implementation in achieving the policy objectives defined in the relevant documents, while preventing a conflict of interests with other activities of the entities or counterparts.

29. EBID understands that financial instruments' remuneration are consistent with the sharing of risk among financial participants and the policy objectives of the financial instrument and that where remuneration of the implementing entities or the counterparts involved in the implementation is due, provide that such remuneration is performance-based and comprises: (i) administrative fees to remunerate the entity or counterpart for the work carried out in the implementation of a financial instrument, which shall, to the extent possible, be based on the operations carried out or the amounts disbursed; and (ii) where appropriate, policy related incentives to promote the achievement of the policy objectives or incentivize the financial performance of the financial instrument. Exceptional expenses may be reimbursed in duly justified cases.
30. Finally, financial instruments shall be based on *ex ante* evaluations, individually or as part of a programme, containing explanations concerning the choice of the type of financial operation taking into account the policy objectives pursued and the associated financial risks and savings. These evaluations shall be reviewed and updated to take into account the effect of major socioeconomic changes on the rationale of the financial instrument.

VI. Principles applicable to EBID's relation with sovereign clients

31. EBID recognizes that government officials involved in sovereign financial instruments transactions are responsible for protecting public interest (to the State and its citizens for which they are acting as agents). When doing public sector operations, EBID is dealing with agents (the government officials directly involved in the process) who owe responsibility to the State and its citizens for which they act. Any attempt by EBID staff to suborn a government official to breach that duty is wrongful (for example, instances of bribes or corruption).
32. EBID will assume the responsibility to provide information to its sovereign customers to assist the public sector in making informed decisions. Applicable due diligence standards should be followed by EBID including taking reasonable steps to ensure that the public sector clients understand the risks and benefits of the financial product being offered. The level of financial sophistication among Member States differs widely. Some are well informed about markets and financial techniques, others less so. The Banks's responsibility increases when dealing with an unsophisticated sovereign counterparty.
33. The Bank will assume the responsibility to determine, to the best of its ability, whether the financing has been appropriately authorized and whether the resulting credit agreements are valid and enforceable under relevant jurisdiction/s. The Bank has an independent duty to ensure to the best of its ability, that the government officials are authorized under applicable law to enter into

the transaction and that the arrangement is otherwise consistent with such law. Should the Bank determine that these conditions do not exist, it should desist from concluding the agreement.

34. The Bank shall be responsible to make a realistic assessment of the sovereign borrower's capacity to service a loan based on the best available information and following objective and agreed technical rules on due diligence and national accounts. Lending beyond a client's reasonable capacity to repay not only risks a default on the loan in question, it adversely affects the position of all other creditors of that sovereign debtor.
35. When assessing the borrower's situation, the Bank will consider the broad and real financial scenario, including direct and contingent liabilities. The desire to realize geopolitical influence should not replace a serious assessment of the borrower's repayment capacity. Lending decisions are critically dependent on the willingness of the sovereign borrowers to provide timely and accurate information.
36. When financing a project in the debtor country, the Bank shall have a responsibility to perform its own *ex ante* investigation into and, when applicable, post-disbursement monitoring of, the likely effects of the project, including its financial, operational, civil, social, cultural, and environmental implications. This responsibility should be proportional to the technical expertise of the Bank and the amount of funds to be lent. In the context of project financing, the Bank carries some of the responsibility for the reasonably foreseeable effects of the project and the host government shares a corresponding responsibility. When applicable, this investigation will normally include post-disbursement monitoring of the use of the proceeds of the loan. This monitoring should be transparent and not affect any sovereign's faculty to decide on its developmental priorities.
37. EBID will comply with United Nations and ECOWAS sanctions imposed against a governmental regime. UN sanctions are imposed against a State in order to maintain or restore international peace and security. ECOWAS sanctions are imposed against a State in order to maintain or restore national democracy, national and regional peace and security. In instances of serious misconduct where sanctions are deemed to be necessary, lenders should not participate in financial transactions that violate, evade or hamper such sanctions.
38. In circumstances where a sovereign is manifestly unable to service its debts, EBID will behave in good faith and with cooperative spirit to reach a consensual rearrangement of those obligations. To date, no universal sovereign debt restructuring mechanism has been established. A sovereign borrower facing severe financial distress therefore has no choice but to approach its creditors for a consensual rearrangement of its debt burden. Although the presumption is that contracts will be performed according to their terms, the Bank recognizes the possibility that

circumstances may arise in the future that may require the restructuring of sovereign debt. The Bank will be engaged in good faith discussions with the public sector client and other creditors to find a mutually satisfactory solution and will not acquire an instrument of a sovereign in financial distress with the intent of forcing a preferential settlement of the claim outside of a consensual workout process.

VII. Principles applicable to private projects

39. The Bank's private projects portfolio is guided by the core principles outlined in the EBID's Private Sector Intervention Strategy and Related Procedures and other related documents, aligned with a broad consensus among development finance institutions.

40. Specifically, those principles include:

- a. Ownership: Respect for the right of individual Member States to choose their approach to private sector development and to set their priorities for investment;
- b. Client Responsibility: Unequivocal communication, to the clients, of their responsibility for their investments' success, comprising (i) sound and timely implementation; (ii) competent management throughout the project's economic life, including clients' risk awareness; (iii) commercial and financial success; (iv) honouring obligations to financiers including the Bank; and, (v) attainment of development outcomes underpinned by clients' regular reporting on the achieved impact.
- c. Selectivity: Identifying opportunities for the Bank's engagement, cognizant of the need to maximize impact and reach with its resources, and of its areas of comparative advantage vis-à-vis other sources of commercial and/ or development finance;
- d. Development Results, and Additionality: Focusing on the maximization of development outcomes expected from private operations and their contribution to inclusive and green growth, in addition to the unique value added of the Bank's participation that commercial and private investors cannot bring on their own. Specifically, the Bank will aim to play a catalytic role and mobilize resources from commercial and private investors while ensuring sustainability of its private operations. As such, the Bank will strive to crowd in, but not crowd out, commercial operators.
- e. Effective Partnerships: Collaborating with agencies dedicated to promoting private sector development; catalysing project co-financing; and 'crowding in' (rather than 'crowding out') commercial investors and financiers;
- f. Reinforcement of markets, by promoting open and fair competition;
- g. Compliance with safeguards: Ensuring that the Bank's private operations are anchored

on social, environmental, and fiduciary responsibility, anti-corruption, and ethical integrity;

- h. Preserving the Bank's financial strength;
- i. Maintaining the Bank's relevance to all its Member States.

VIII. EBID project cycle

41. EBID's project cycle comprises the following 8 phases.

42. **Identification.** Project identification is done in concert with the country or borrower concerned. Once the viability of a project is established, its economic, financial, environmental and technical characteristics as well as the conditions that will ensure its success are examined and described in detail. Thereafter the project is included in the pipeline of projects to be financed.

43. **Preparation.** Project preparation is the second phase in the cycle of a project. This phase aims at accelerating studies on the project and to prove that the project can achieve its technical, economic, financial, institutional and social objectives. The preparation of a project is mainly incumbent on the promoter. However, where the promoter does not have the requisite competence, EBID and external consultants could step in to provide the needed assistance.

44. **Appraisal.** Project appraisal comes after the preparation phase during which EBID specifies the objective of the project, its institutional and organizational implications as well as its technical, economic and financial justification. The social, legal and environmental aspects of the project are also appraised. This phase ends with the preparation of an appraisal report upon which the Credit Committee bases its technical decision to recommend it to management for financing.

45. **Negotiation.** At the end of the appraisal phase, EBID and the borrower enter into negotiations officially on the draft Loan Agreement including financial terms and conditions of the credit facility. The negotiations lead to an accord which defines the project and specifies the programme to be implemented in order to achieve the objectives of the project. A report on the main issues raised during the negotiations is prepared and signed by the borrower and the Bank. It is at this stage that the two parties define the modalities for the disbursement of the loan. A representative of the Loan Administration Division makes copies of the manual of disbursement available to the negotiators of the borrower.

46. **Approval.** When the negotiations are concluded, the management of EBID submits the project to the Board of Directors of EBID or to the President (trade finance transaction in accordance

with the powers delegated by the Board to the President) for consideration and approval. After careful consideration of all the aspects of the project, the Board of Directors or the President may approve, reject project or give instructions for further appraisal. The loan agreement is signed once the project is approved by the Board of Directors or the President (where applicable).

47. Implementation and supervision. The implementation of the project starts with the signing of the loan agreement. It is incumbent on the borrower which is the beneficiary of the various forms of assistance as specified in the loan agreement to manage and implement the project in a satisfactory manner. The client must periodically provide information on the status of implementation of the project. EBID must regularly supervise the project in order to verify the progress realized and to ensure that disbursements are made as agreed between the borrower and EBID. This stage of the process calls for mutual assistance and collaboration between the client and EBID.

48. Project completion report. After the completion of the project, and at least six months after the full disbursement of the loan, the borrower is obliged to prepare a project completion report giving his/her perspective on the implementation of the project, the performance of those who intervened in the project, as well as on the attainment of the objectives of the project. EBID will also prepare its own project completion report in which it assesses the results of the project, identify shortcomings, highlight the successes and also draw the necessary lessons.

49. Retrospective appraisal. After the preparation of the project completion reports by the client and by EBID, the Bank undertakes a post appraisal mission in order to assess the results achieved in relation to the initial objectives. During retrospective appraisal the necessary lessons are drawn in order to make recommendations on how to ensure more efficient development and improve upon the practices and procedures of EBID.

IX. EBID' Operations

50. Loans

50.1.Loans are the main financial instrument offered by the Bank. EBID's loans are structured with a high degree of flexibility to match client and project needs. The loan amount is expressed in Unit of Account, XOF, USD or Euro. Exceptionally, it could be expressed in any other local currency if the resources are raised locally. The guarantee provided by EBID is expressed in the currency of the operation guaranteed. The loan upfront fees (arrangement

and structuring fees), interests and other fees are expressed in the currency of the loan, guarantee or investment as appropriate.

50.2. The maximum intervention thresholds of the Bank per project vary between sovereign (20% of the paid-up capital) and non-sovereign (10% of the paid-up capital) operations and the location of the projects. The Regulations further detail the thresholds for EBID's projects. In general, the Bank does not grant loan below the minimum threshold of UA 1 000 000 (one million units of account). However, in the case of feasibility studies, the Bank may waive the regulation on that and grant loan corresponding to the cost of the study. The interest rates charged by EBID depend on the nature of the project and its profitability. The rates are pegged taking into account the financial equilibrium of the institution and the need to offer favourable terms to borrowers. The interest rates are reviewed periodically by the Board of Directors to reflect the financial prospects of the Bank and market trends. The Bank shall also charge the following fees: loan upfront (arrangement and structuring) fee, commitment fee, special commitment fee and other fees that might be negotiated on a case-by-case basis.

50.3. The duration of a loan is determined by the nature of a project and its profitability. The loans granted by the Bank could be: short-term (0 to 2 years); medium-term (2 to 7 years); and long-term (more than 7 years). The Bank, where necessary, may grant a grace period for the amortization of the capital.

51. Lines of credit and financial intermediaries

51.1. Lines of credit are credit products (loans) offered by EBID mostly to financial institutions. These operations represent low risk to the Bank. It represents a credit facility extended to a financial institution, such as banks and microfinance institutions.

51.2. Financial intermediation, is one of the ways for the Bank can use to respond to a broad range of specific needs of private enterprises and to fulfill its development objectives in ways that cannot be met through direct lending. Financial intermediation can take the form of the line of credit availed to financial institutions for on-lending to their banking subsidiaries or its customers. In this case, EBID will be directly exposed to financial institutions. Financial intermediation can take the form of agent banking by which, through local financial and

non-financial institutions, the Bank mobilizes funding for projects that are too small for it to handle directly or are difficult to identify and assess from the Bank's headquarters. The financial intermediary acts as an agent for the Bank, to carry out a variety of activities, including but not limited to: identify projects within certain parameters; appraise such projects on behalf of the Bank; when approved, undertake all of the administrative steps related to disbursement, billing, collection of Bank's funds, filing of security; supervise projects, monitor the performance of the borrower, submit reports thereon; and transmit amounts related to the repayment of the loan to the Bank. In cases of non-performing loans, the financial intermediary will also be required to propose workouts. Financial institutions may be required to give guarantees for projects identified for EBID financing.

52. Equity Investment

52.1. EBID is authorized to participate in the capital of companies as an equity-like instrument.

The Bank may either acquire a majority or a minority stake in its equity investment. In its equity transactions, the Bank shall aim at five key objectives: Promotion of regional projects or Projects with regional scope; Promotion of SMEs in Member States; Provision of guarantees to facilities granted by the Bank; Contribution to the privatization process in Member States; and Quest for financial gains. Depending on each objective, focus shall be on well-defined companies, financial institutions or entities. These objectives shall be complied with in the appraisal of equity participation requests.

52.2. EBID will only participate in the capital of a company under the following conditions:

- a. The project concerned is eligible for funding by the Bank;
- b. The implementation of the project reflects the base line principles and meet some of the objectives of the Bank as defined above;
- c. EBID shall assume no responsibility for the daily management of the business in which it invests, except where such involvement is necessary to protect the investment of the Bank;
- d. However, the Bank shall require the right to appoint a representative to the Board of the company concerned and shall exercise its right to vote as a shareholder. The procedures, criteria and conditions of appointing the Bank's representative to the Board of Directors of companies and the functions and responsibilities of the representative shall be determined by the President;

- e. EBID's maximum participation in the capital of companies is 15%, without however exceeding the ceiling of 5% of its paid-up capital;
- f. The total outstanding equity participation of the Bank shall at no time exceed 25% of its paid-up capital.

52.3. EBID will only go ahead with an equity operation under certain criteria. The following priority criteria shall guide the Bank in its choice of equity investments:

- a. The moral, technical and financial qualities of the promoters of the project have been established;
- b. the economic justification and financial cost effectiveness of the project have been proven;
- c. there is the possibility of medium-term transfer of shares.

52.4. On the other hand, the equity or quasi-equity investments of the Bank shall be in the following forms:

- a. Subscription to common shares and/or;
- b. Subscription to preferred dividend shares (or PDS) and/or
- c. Subscription to convertible bonds and/or;
- d. Subscription to other shares from equity or quasi-equity investment.

52.5. In the event of a subscription, a stock carrying agreement may or may not be entered into so as to ensure an eventual exit. The Bank will ensure that priority will be given to stock holding option to help raise capital for community-based Companies or in the event where the Bank has been approached to assist in business takeovers by nationals, more particularly, as part of the privatization process of public and para public sectors. Furthermore, the Bank will engage in firm underwritings (with no stock carrying agreement) especially within the framework of capital investment funds or where it becomes evident that the underwriting is the sole form of a possible intervention.

52.6. Finally, the Bank will give especial consideration to possible conflict of interest. Prior to every equity investment, the Bank will carry out an in-depth appraisal of the project dossiers so as to determine all forms of possible conflict of interests that could deter the Bank from engaging in the transaction.

53. Guarantees and Counter Guarantees

53.1. The Bank's policy on guarantees and counter guarantees requires that in relation to these instruments, exposure must be known and measurable and the credit risk must be acceptable. On the other hand, the Bank does not give its guarantee except for investments made in the territories of Member States. Prior to the provision of a guarantee, the Bank will ascertain whether the entity to be guaranteed is a Member State, whether there are sufficient counter-guarantees to cover its obligations resulting from the operation. In all circumstances, the Bank gives preference to applications for guarantee covering investments that interest several Member States or that interest the Community.

53.2. EBID provides several types of guarantees, including:

- a. direct investments made by other institution or loans granted by other entities;
- b. interbank borrowings ;
- c. debenture loan;
- d. other negotiable instruments (treasury bills, bonds issued by governments or financial institutions, certificate of deposits, etc.).

53.3. The Bank may also provide counter-guarantee where the operation or bonds issued have already been guaranteed.

54. Co-financing

54.1. EBID recognizes that co-financing increases the resources available for funding other projects and introduces borrowers to the international debt markets. Sources of co-financing include commercial banks, official co-financiers (such as government agencies and bilateral financial institutions providing grants, parallel loans and equity), export credit agencies and other international financial institutions. By being flexible and responding to the market, the Bank seeks to maximize the sources of finance available to clients and to structure the most appropriate forms of finance.

54.2. The types of capital contribution required by EBID for every financing shall be as follows:

- a. when the financing is for an enterprise being created, the promoter's participation must, at least, be up to 25% of the cost of the project (including taxes), with at least 10% of the amount must be in cash;

- b. when the financing is for a development project, the promoter's participation must, at least, be up to 15% of the cost of the investments (including taxes), with at least 10% of the amount must being in cash.

55. Trade Finance

55.1. Approximately 85 percent of global trade (by volume) is conducted on open account terms, with notable risks for the seller. This sometimes impede trade, including trade in the West African sub-region.

55.2. Access to trade financing remains a challenge for companies in the region. Challenges with confirming banks is one of the major constraints for domestic banks engaged in trade finance. On the other hand, Small and Medium Enterprises (SMEs) in the region face major challenges in getting bank approval for trade finance activities and face a high rate of rejection. Finally, COVID-19 had a devastating impact on African economies and so on trade finance activities.

55.3. The Bank will develop a detailed policy outlining the Bank's operations in terms of trade financing. The objective is to create a policy and procedural framework to support building stronger correspondent banking relationships that are crucial to improving access to trade financing. This will include, among others, providing risk mitigation instruments to facilitate trade finance transactions in the region and accurately assess the high level of capital requirements against trade finance transactions.

55.4. Furthermore, the Bank will support SMEs mitigating the negative effects of weak client creditworthiness, insufficient collateral, and, more recently, stricter know-your-customer/anti-money-laundering/Basel III regulations and will implement measures to boost support for SMEs' access to trade finance.

55.5. The Bank will implement, among others, measures regarding embracing digital technologies by financial institutions and SMEs and promoting regulatory reforms that encourage the adoption of digital technologies and stimulate trade.

55.6. More specifically, the Bank will focus on financing trade in goods and services that promote domestic production. Trade finance products include asset-backed financing, structured trade finance, factoring (purchase of receivables due exporters), among others.

55.7. To this end, the Bank will access trade finance facilities from creditors, ranging from other DFIs, EXIMs and other lenders that can advance credit at reasonable costs to ensure that the Bank's trade facilitation interventions in the sub-region are bankable.

56. Grants

56.1. One of the new forms of intervention at EBID is the concession of grants. Grants constitute a direct payment of a non-commercial nature by EBID, which will assume the position of contracting authority to a specific beneficiary in order to implement an operation or a specific action or to finance part of the budget of the beneficiary.

56.2. EBID grants are subject to the principles of transparency and equal treatment, will not be cumulative and shall not be awarded retrospectively. As a general rule, grants provided by EBID shall involve co-financing by the beneficiary of the grant. Grants are not for profit, therefore it shall not have the aim or the effect of producing profit within the framework of the action or the operation of the beneficiary.

56.3. All grants provided by the Bank shall be covered by a written agreement. EBID grants can take one of the following forms: 1) payment of a specified proportion of the eligible cost; 2) payment on the basis of unit costs; 3) lump sums; 4) flat rate financing; 5) subsidized financing on a percentage of the financing rate; or 6) a combination of the previous forms.

56.4. The grants provided by the Bank shall follow the rules and procedures approved by the Bank in this regard.

X. Monitoring and Reporting

57. The Bank will use monitoring procedures to assess the progress of implementation of financial instruments in achieving the policy objectives reflected in relevant output and result indicators established by the ex-ante evaluation and to analyze to what extent the implementation complies with the principles applicable to financial instrument stated above.

58. The Banks' monitoring of financial instruments will also be built in on the reporting and accounts provided by financial intermediaries and on the audits available and controls carried out by the financial intermediary. Both this Statement of General Policy and Regulations and the General Conditions on Loans, Guarantees and Investment contain rules and procedures in relation to accounts, reporting and audit obligations which will allow the Bank to apply effective rules and procedures on monitoring of financial instruments.

59. Ultimately, the Bank aims at putting an effective framework and systems in place to record and

report on loans, guarantees, interest rates rebates, among other, and to properly conduct equity operations and monitor, value and manage equity investments.

PART II - Regulations on Loans, Guarantee and Investments

Title I – Assistance

Chapter 1 - Forms of assistance

Section 1. Direct and indirect assistance

60. EBID forms of intervention may take the form of direct assistance and indirect assistance.
61. Direct form of assistance involve the provision of resources directly by EBID for the financing of projects. The operation involves disbursement of funds.
62. In indirect assistance or commitment by signature, disbursements are made only in the event of default by the principal debtor or at the future date in the event of the trade finance transaction through issuance of the letter of credit.

Chapter 2 – Loans

Section 2. Types of loans

63. Within the framework of the present Statement of General Policy, loans shall mean loans, lines of credit and any other form of loan, including:
- (a) Loans with commercial interest rates;
 - (b) Loans with concessional interest rates;
 - (c) Lines of credit including Trade Finance Line of Credit (TFLOC)
 - (d) Trade Finance
 - (e) Others as might be approved by the Board.
64. The type of loan to be made available by EBID for a project will depend on the nature of the project, its objectives and other relevant factors.
65. In the case of loans made, participated in, or guaranteed by EBID, the contract shall establish the terms and conditions for the loan or the guarantee concerned, including those related to the payment of principal, interest or other fees, charges, maturities and dates of payment in respect of the loan or the guarantee, respectively.

Section 3. Loans for feasibility studies

66. In order to increase the number of viable development projects presented to the Bank or to other credit finance institutions, the Bank may grant loans to finance feasibility

- studies and technical studies entrusted to specialists.
67. The Bank shall accord special interest to studies on multi-national projects or studies of community interest.
68. Once the viability of a project is established, or once certain conditions fixed by the Board of Directors are fulfilled, the Bank reserves the right to:
- a) include the cost of the study in the loan amount;
 - b) or demand early repayment of the loan granted for the study.

Section 4: Refinancing

69. For the purpose of this Regulations debt refinancing refers to the replacement of an existing debt obligation with another debt obligation, usually with different creditors/lenders, i.e. a new loan is created and new lender(s) come on board.
70. Debt might be refinanced for various reasons including, but not limited to, taking advantage of a better interest rate, consolidating other debt(s) into one loan, reducing repayment amounts, switching from a variable-rate to a fixed-rate and freeing up cash through tenor extension.
71. Normally, EBID settles or refunds only the expenses made after the date the loan is granted.
72. Notwithstanding paragraph 3 above, when circumstances justify it, the Bank may come into agreement with the possible borrower on the date up to which the expenses made by the borrower can be taken into consideration for refunding, if the loan is granted. For the commitment of the said expenses, the borrower shall observe the regulations of the Bank.
73. The Bank may, under certain circumstances, consider as part of the borrowers contribution certain expenses committed before the granting of the credit and which could not normally be covered by the loan

Chapter 3 – Investment operations

Section 5- Minority shareholding

74. The following shall apply in term of objectives, limit and form of equity participation:
- a. The Bank may acquire minority shares in private or similar companies as defined in the present Statement of General Policy. The Bank's equity participation will be in response to various needs, including profitability and diversification of its resource utilisation, the search for leverage effect for the mobilization of foreign capital, the transfer of technology to sub-regional stakeholders, the competitiveness of the economies of the sub-region and the creation of value added, etc.
 - b. Equity investment made by EBID in a company operating in sectors other than finance shall be limited to 15% of the paid-up capital of the company and shall not exceed 5% of the paid-up capital of the Bank. The total outstanding amount of equity participations should not at any moment exceed 25% of the Bank's paid-up capital. .
75. Equity investment by EBID in companies under the financial sector shall not be subject to the limits spelt out in paragraph (b) above.
76. The equity investments by EBID may be in the form of long-term investment or temporary investments which may be transferred later to other investors (piggy- back).
77. In relation to limit to involvement in the management of companies, generally, the Bank

demands a seat on the Board of Directors of the company in which it has equity participation. However it shall not have any responsibility in the daily management of the said company.

Section 6- Majority shareholding: creation of subsidiaries

78. By virtue of Article 6.1 (g) of the new Revised Treaty of ECOWAS, the Board of Governors of EBID may create any subsidiaries it deems useful.

Section 7 - Other investment operations

79. The Bank shall invest in debenture loans, treasury bills, investment certificates, certificate of deposits, bonds issued by financial institutions and other securities issued by the Public Treasuries of the Member States, the private and assimilated companies and the other economic operators.

80. The Bank may, in the same project, combine investment operations (equity participations, for example) with credit and/or guarantee operations.

Title II – Guarantees provided by the Bank

Section 8 – Guaranteed operations

81. EBID may guarantee:

- a. direct investments made by other institution or loans granted by other entities;
- b. interbank borrowings;
- c. debenture loan;
- d. other negotiable instruments (treasury bills, bonds issued by governments or financial institutions, certificate of deposits, etc.).

82. The Bank may also provide counter-guarantee where the operation or bonds issued have already been guaranteed.

Section 9 - Principles

83. The Bank does not give its guarantee except for investments made in the territories of Member States.

84. Prior to the provision of guarantee, the Bank shall ascertain whether the entity to be guaranteed is a Member State, whether there are sufficient counter- guarantees to cover its obligations resulting from the operation.

85. In all circumstances, the Bank gives preference to applications for guarantee covering investments that interest several Member States or that interest the Community.

Section 10 - Forms of guarantee given by the Bank

86. The guarantees given by the Bank can be first-demand guarantees, backings or any other forms of guarantee acceptable according to the relevant international rules.

Title III - Technical Assistance

Section 11- Objectives

87. Within the framework of its activities, the Bank is empowered to grant technical assistance to Member States and to their subdivisions and also to private and allied companies in order to ensure the preparation, financing and implementation of development plans and projects.

Section 12 – Forms of Technical assistance provided by EBID

88. The technical assistance provided by the Bank shall be in the form of:
- a. counselling services;
 - b. temporary secondment of staff with the applicant seeking assistance;
 - c. providing consultancy firms or experts to carry out studies, prepare manuals, conduct training, etc.
89. The Bank may provide technical assistance in collaboration with one or several national or international institutions.

Section 13 – Financing of Technical Assistance

90. The methods of financing EBID's technical assistance shall be determined by mutual agreement.

Title IV – Access to EBID Public Sector's Window

Chapter 1 - Scope and Guiding Principles

Section 14 – Concessionality

91. One of the major objectives underlying EBID's opening of a window specifically devoted to public sector projects is to put at the disposal of Member States and their subdivisions financial resources that are as quasi-concessionary or concessionary as possible.
92. In order to facilitate access to its loans, EBID, with the support of Member States, the ECOWAS commission and development partners disposes of various subsidy mechanisms, including a fund for the subsidy of its interest rates.
93. The interest rate subsidy fund is regulated by its own texts.

Section 15 – Economic profitability

94. The major criterion for assessing the suitability of an EBID loan, guarantee or technical assistance in favour of the public project is its economic profitability.
95. The economic profitability of a project is assessed in the light of its benefits to a community based on its economic cost or on the redistribution of the value added among economic agents.

Section 16 – National counterpart funding

96. In every case of direct public sector financing by EBID, the Borrower must be in a position to make a personal contribution equivalent to at least five per cent (5%) of the estimated total tax-free cost of the project.
97. The national counterpart funding must be traceable in order to facilitate the assessment

- of its impact and the control of its allocation.
98. Every intervention made by EBID in favour of a subdivision of a State is guaranteed or counter-guaranteed by that State.

Chapter 2- Requests and information required

Section 17 – Method of submission of requests - beneficiaries

99. Each State shall be represented by its central Government in its relations with EBID.
100. The geographical and technical subdivisions of a State may enter into relations with EBID only through or with the express authorization of the State, through its Minister of Finance or its Minister for ECOWAS Affairs.
101. EBID may give directly to a State assistance subject to a clause for transfer of such assistance to a geographical or technical subdivision of the said State.

Section 18 – Documents to be attached to the request

102. To enable the Bank to determine the eligibility of a public sector project and the relevance of further processing of the project, the applicant must in support of his request for financing or guarantee, communicate all the information necessary for the assessment, especially:
- a) a feasibility study providing, inter alia, the following information:
 - (i) the reference situation: description of the existing situation in terms of achievements, facilities, regulations, sectoral policy etc.
 - (ii) detailed description of the project covering the technical, economic, financial and organizational aspects;
 - (iii) definition of the legal and financial relations with the State, if the applicant is a geographic or technical subdivision of the State;
 - (iv) the plan of execution.
 - b) the activity reports and financial statements of at least the last three financial years, audited by consulting firms or external auditors of repute and approved by the competent decision-making bodies if the project concerns modernization, rehabilitation or extension of a technical subdivision of the State;
 - c) in the case of lines of credit, the list and summary description of the projects for which the lines of credit are intended.

Section 19 – Other documents that may be required by the Bank

103. Besides the documents referred to in the previous Section, the State or its subdivision making the request must be able to communicate promptly to EBID or place at the disposal of the preparation or appraisal mission that EBID may send to the field, any other documents deemed necessary for the continuation of the processing of its project, especially:

- a) the legal or regulatory texts defining the legal framework of the project (Treaty, code, framework agreement, etc.), the specific authorisation for the performance of the activity (concession, etc.), the authorisation to set up business or any legal document of the same value;
- b) the legal or regulatory texts attesting to the expropriation and or compensation, as the case may be for lands or fields serving as site for the project;
- c) proof of authorization or of freedom to transfer foreign exchange for the repayment of debts;
- d) the manuals of administrative, financial and accounting procedures;
- e) the copies of agreements signed with other partners/donors associated with the project;
- f) a project environmental impact study;
- g) any other additional document.

Title V- Access to EBID's Private Sector Window

Chapter I – Definitions and Eligible criteria

Section 20 - Eligibility criteria

104. Private projects to be implemented in any of the Member Countries are eligible to be considered for Bank investment.
105. The Bank can bear calculated risk exposure in countries where international private financial intermediaries and private investors may be reluctant or unwilling to operate on their own.
106. The Bank shall take into account macro-economic conditions, policies, laws, regulations, judicial institutions, and political and social situations, with a view to prudent risk management.
107. All economic sectors and sub- sectors mentioned in the Statement of General Policy are eligible for Bank financing on private projects terms.
108. The Bank shall ensure that the proceeds and benefits of its private projects' financing accrue to one or more of its Member States.
109. The recipient of the Bank's private financing (client) must satisfy the following core requirements, in order to be eligible for investments, financing, or other assistance by the Bank on private terms:
- a. must be incorporated in a Member Country with the project for which Bank's financing is extended, located and/or implemented in one or more Member States;
 - b. must have legal personality; and
 - c. must be in good standing with the Bank and with the relevant Member State of the Bank.

Section 21- Lines of Credit through financial intermediaries

110. Lines of credit can take two forms, the lines of credit as a loan extended to a bank or financial institution that shall follow the same rules applicable to loans and the lines of credit implemented through banks and financial institutions acting as intermediary on behalf of EBID.
111. For the purpose of the establishment of lines of credit through financial intermediaries, the Bank shall cause a transparent process for selection of the financial intermediary or agency line to take place and an investment framework to be negotiated with each agent, taking into account the objectives and the rationale of each transaction.
112. The investment framework mentioned in the previous paragraph will serve as an essential and a principal guide that will govern the relationship with the selected agent.
113. The investment framework will form the basis of the relationship, and the terms thereof will be translated into an agency agreement, setting out the responsibilities of the agent and its remuneration. This agreement will also contain customary terms such as representations and warranties of the agent; the terms of the agency operation; its accounting and reporting obligations; and its cancellation and dispute resolution.
114. The approval process for the underlying loans within a line of credit shall depend primarily on the objectives and rationale as defined in each of the investment framework with individual agent.
115. The approval process for each transaction under the line of credit is to be wholly or partly managed by the financial intermediary. This will vary depending on the size of the operation and the capacity of the selected agent to manage the process on behalf of the Bank. The Agent may be required to issue in favour of EBID a guarantee on behalf of its own clients.

Section 22 – Qualification for financial intermediary

116. In order to qualify for financial intermediary the following criteria should be met:
 - a. Must be located and incorporated in a member State and duly authorized to carry out business;
 - b. The member State of the agency or where the operations will be financed must be characterized by a stable macroeconomic environment and government policies supporting development of private enterprise;
 - c. Should be privately owned and managed, meaning that more than 50% of its voting shares must be in private hands. Entities with more than 50% of their shares held by the government and/or governmental entities or agencies (“government-owned entities”) may be shareholders in this enterprise, provided that it has operational and managerial autonomy and is run on a commercial basis. Where government-owned entities hold, in the aggregate, more than 50% of the voting shares of a financial institution, private sector financing may exceptionally be considered. This would be where the Bank’s involvement is consistent with the basic objectives of private sector development and direct foreign investment;
 - d. Highly experienced, well reputed and competent management;
 - e. Serves the legitimate banking needs of its community;
 - f. Enjoys solid market position and wide distribution network;
 - g. Consistently demonstrated excellent financial performance and track record;
 - h. Enjoys good track record of good corporate social responsibility;
 - i. Has well established comprehensive credit policies and procedures which

satisfactorily covers the following:

- i. Robust loan approval process: approval authorities, credit committee structure, loan evaluation and analysis;
- ii. Sound underwriting criteria, credit standards, appraisal requirements, financial information requirements;
- iii. Risk rating definitions, risk rating methodology and analysis framework; independent and effective control mechanism including credit administration, monitoring, audit function and loan review process;
- iv. Portfolio limits and strategic goals: desirable loans and products, aggregate limits and exposures and loan distribution targets;
- j. Specialized and effective collection and workout unit.
- k. Good credit management information systems.
- l. Evidence of environmental and procurement policies consistent with Bank policies;
- m. Strong interest to establish a long-term relationship with the Bank;
- n. A credit risk rating of at least moderate or better; and,
- o. Operational autonomy and managerial independence.

Section 23 - Recording of Financial Intermediaries and Related loans

117. The approval process for the underlying loans within a line of credit shall depend primarily on the particularities of each project as articulated in the Investment Framework. This will vary depending on the size of the operation and the capacity of the financial intermediary to manage the process on behalf of the Bank.
118. Where the approval process for each project under the line of credit is to be wholly or partly managed by the financial intermediary, the information to be provided to the Bank by the financial intermediary at the various stages of the process - at loan approval, loan signature, prior to first disbursement and during project implementation as part of regular reporting by the agent - must be agreed and fully documented in the credit line agreement.
119. The information to be provided should be sufficient to enable creation of the loan in the system, manage the subsequent disbursement and facilitate loan monitoring and loan recovery process.
120. To enable close monitoring of the line of credit, in addition to the regular reports as stipulated in the agency agreement, depending on the size of the loans, monthly transaction reports will be required to ensure timely reconciliation of loan accounts. These will cover among other things, disbursements made, repayments received on each loan and loan balances - both outstanding and un-disbursed.

Section 24– Trade Finance

121. For the purpose of trade finance, the Bank will focus on financing trade in goods and services that promote domestic production.
122. Trade finance products include asset-backed financing, structured trade finance, factoring (purchase of receivables due to exporters), commodities finance, among others.
123. To this end, the Bank will access trade finance facilities from creditors, ranging from other DFIs, EXIMs and other lenders that can advance credit at reasonable costs to ensure that the Bank’s trade facilitation interventions in the sub-region are bankable.

Chapter 2 – Criteria of Intervention

Section 25 – Major Assessment Criterion: Financial Profitability

124. EBID's interventions in private projects shall be based on commercial terms and conditions.
125. In its intervention in private projects, EBID shall be guided by the motive of not only making profit to compensate for the low margin of financial profitability realized from public projects and the subsidies granted to this sector, but also by the idea of raising the income necessary for the growth of the Bank.
126. However, the Bank may ease its commercial conditions for private companies which accept to invest in economic development activities or research which have a low immediate financial profitability thus making them ineligible for loans from the financial institutions which usually intervene in public projects.

Section 26 – Project environment

127. In assessing project, the Bank shall ensure that the project environment is favorable for its profitability in the sense that:
 - a. the existence of a buoyant market confirmed by the analysis of the offer demand and the commercial policy;
 - b. the prospects for overall growth in the sector;
 - c. the existence of a qualified staff;
 - d. the reliability and mastery of technology;
 - e. the sources of financing eventually complementing the loan requested by EBID and the capital stocks;
 - f. availability and competitiveness of utilities (water, electricity, etc.).

Section 27 – The promoter and management team

128. In assessing Promoter and the management team, EBID will place emphasis, among others, on the following factors:
 - a. managerial quality and capacity, level of education, area of competence, previous experience, situation of business undertaken;
 - b. credibility: network of relations, notoriety and reputation in banking and business circles, especially, in its sector of activity;
 - c. motivation: degree of involvement in the project and level of commitment from the financial point of view;
 - d. financial outlook: capacity to give additional financial resources in case of need; and
 - e. any fact on the promoter and the management team that can enhance the success of the project.

Section 28 – Technical Partner

129. EBID encourages the enhancement of the capacities of sub-regional economic actors through the transfer of technology and technical know-how. EBID also encourages the

investment of foreign capital in the sub-region. That is why, in its interventions, the Bank supports the formation of co-enterprises between regional promoters and external partners who have proven qualifications in the sectors of activity that demand a high level of technology or know-how and/or considerable additional financial resources which the said partner can raise.

130. EBID encourages any other form of partnership that can help to enhance the infrastructure and other equipment necessary for the development of the sub- region. Examples are public/private partnership to promote projects on the basis of “Build, Operate and Transfer” (BOT) or Build, Operate and Own (BOO).

Section 29 – Financial Partners

131. The involvement of one or several financial institutions in co-financing with EBID is desirable. The objective is the sharing of risk.

Section 30 – Capital Contribution

132. Capital contribution is required for every financing by EBID:
- a. when the financing is for an enterprise being created, the promoter’s participation must, at least, be up to 25% of the cost of the project (including taxes), with at least 15% of the amount must being in cash;
 - b. when the financing is for a development project, the promoter’s participation must, at least, be up to 15% of the cost of the investments (including taxes), with at least 15% of the amount must being in cash.

Section 31 – Debt servicing

133. In the case of private projects financed by EBID, the annual amount available to the promoter to service the debts contracted should correspond to at least 130% of the amount used to service the debt.

Section 32 – Guarantees

134. In order to cover the risks incurred in loan and guarantee operations, the Bank resorts to various types of guarantees. The nature of the guarantees or counter-guarantees and the levels of risk to be covered are determined on case by case basis.
135. As regards the nature of the guarantees or counter-guarantees given to the Bank, it can be in any or all of the following forms:
- a. personal guarantees: call letters of guarantee, joint guarantee or backing by a guarantee fund, a prime bank, parent company, etc.;
 - b. security: real security interest, pledging of stock-in-trade, plant and equipment, goods, cash pledges, etc.
136. As regards the minimum rate of coverage required, this is based on the risk assessed. Generally, the objective sought is the full coverage of the risk incurred by the Bank.

Chapter 3 – Method of submission of requests and information required

Section 33 – Method of submission of requests

137. Private and similar companies may send their applications for assistance to EBID either directly or through the Governments of Member States or more precisely, through the Ministries of Finance or Ministries in charge of ECOWAS Affairs.

Section 34 – Documents to be attached to the request

138. To enable the Bank to determine the eligibility of a private sector project and the relevance of further processing of the project, the applicant must in support of his request for financing or guarantee, communicate all the information necessary for the assessment, especially:
- a. a business plan or a feasibility study providing, inter alia, the following:
 - i. the reference situation: description of the existing situation in terms of the equipment, regulations, sectoral policy, etc.;
 - ii. detailed description of the project, covering market, organizational, and technical, economic and financial aspects;
 - iii. information on the promoters including information on their financial situation and their experience in management;
 - iv. the implementation plan, including the progress of contacts being made in order to obtain government's approval;
 - b. the activity reports and financial statements for at least the last three financial years, approved by the competent decision-making bodies of the company and audited by reputable consulting firms or external auditors if the projects concerned are modernization, rehabilitation or extension of projects;
 - c. in the case of lines of credit to financial and other institutions, the list of projects for which the lines of credit are intended;
 - d. the Articles of Association of the company, business registration certificate or any equivalent legal document;
 - e. a list of the major shareholders (who own at least 5% of the capital) and the distribution of the authorized capital, the amount of the subscribed capital, called-up and paid, of the called-up capital not paid, of the subscribed capital not called-up;
 - f. a list of the major executives (members of the Board of Directors and of Management) and their curriculum vitae;
 - g. statement of preferential debts (staff, social security organizations, Public Treasury);
 - h. statement of claims and debts vis-à-vis the major shareholders, company executives and members of staff as well as the guarantees in respect of such claims and debts.

Section 35 – Other documents that may be required by the Bank

139. Besides the documents mentioned in the previous Section, the promoter must be prepared to forward promptly to EBID, or place at the disposal of the preparation or appraisal mission that this institution may send into the field, all other documents deemed necessary for the continuation of the processing of the project, especially:

- a. the legislative or regulatory texts defining the legal framework of the activity (Treaty, code, framework agreement, etc.) the specific authorisation for the performance of the activity (licence, concession, etc.), the authorisation to set up business or any other legal document of the same value (headquarters agreement, free zone authorisation, eligibility to the benefits of an investment code, etc.);
- b. proof of authorization or freedom to transfer foreign exchange for the repayment of debts;
- c. documents establishing the legal basis for the fixing of prices: price decontrol, controlled prices, indexation, etc.;
- d. the names of the parent company, the subsidiaries and other structures of the Group (as the case may be), with an indication of the level of participation in the capital;
- e. the decision of the body that is competent under the Articles of Association to authorize the loan;
- f. the powers of the signatories of the loan agreement (decision appointing them, special or general powers, etc.);
- g. a certificate from the court with jurisdiction over the location of the headquarters showing that the company is not insolvent, being restructured under court supervision, not selling of its assets or in any other similar situation;
- h. the manuals of administrative, financial and accounting procedures and the manuals of procedures and means for debt recovery;
- i. copies of the agreements signed with other partners/donors associated with the project;
- j. a copy of the title deed, the concession certificate the lease certificate or any other equivalent document concerning the site of the project and possibly, the copies of other immovable properties and stocks and shares of the company and the possible guarantors;
- k. extracts from the books of the land registrar concerning the guarantees, constraints and any other encumbrances on the immovable property;
- l. a certificate from the Court Clerk's office or legal document of the same value on the inscriptions and legal publications concerning the life of the company, the status of pledges, etc.;

- m. a list of the banking relations and the corresponding account numbers;
- n. an attestation or letter authorizing banks to give to EBID every information that it requires;
- o. the list and addresses of the major external collaborators (lawyer, legal adviser, tax consultant, solicitor, external auditor(s), etc.) and an attestation or letter authorizing the above-mentioned persons to communicate to the Bank any information it requires;
- p. an attestation or a letter given to the appraisal mission from the Bank authorizing any person required to provide any information requested by the bearer;
- q. a project environmental impact study;
- r. any additional document.

Title VI – Power to Give Loans, Guarantees and Counter Guarantees

Section 36- Powers

- 140. The Board of Directors of EBID is the only organ empowered to give loan, guarantee or counter-guarantee, except if the Board delegates its power expressly to another organ appointed by it.
- 141. The acknowledgement of the receipt of an application for credit or guarantee, its consideration by the Bank, the requests for further information or the negotiations on the conditions of the loan or guarantee must not be interpreted to mean acceptance to finance or guarantee a project.
- 142. Such a decision can only be taken by the Board of Directors in the form of a resolution, or by the organ invested expressly with the mandate of the Board of Directors.
- 143. The policy and procedures issued by the bank in regards to private and public sector operations shall further detail the rules and procedures for the contracting of Loans, Guarantees and Counter Guarantees and all shall adequately be reflected in the General Conditions on Loans, Guarantees and Counter Guarantees.

Title VII – Procedures relating to disbursement and procurement of goods and services

Section 37 – Loan disbursements

- 144. The sums lent can be disbursed in any of the following way:
 - a. refund to the borrower of payments made out of his own funds;
 - b. refund to every credible financial institution of payments made by the institution against a letter of credit;

- c. initial capital advances to the borrower or replenishment of working capital;
 - d. direct payment to the supplier.
145. Loans denominated in a currency different from the unit of account shall be disbursed in that currency.
146. Practical methods of disbursement will be the subject of specific provisions of manuals of procedures relating to disbursement, invoicing and recovery of the loans granted by the Bank.

Section 38 – Procurement of Good and Services

147. The Bank requires that goods and services for the implementation of projects that it finances or guarantees are procured at the most competitive price based on relevant factors such as quality, the conditions and deadline for delivery etc. Consequently, the suppliers shall be chosen through international tender.
148. The Bank shall, in case of tender, accord a preference margin to offers from Member States, taking into account the cost, quality of goods and services as well as the international competition.
149. The Bank may, depending on the circumstances, authorize limited tender, limited national or international tender, mutually agreed contract, BOT contract in a transparent manner and with a view to making savings and ensuring efficiency. The Bank may also accord preference for the implementation of certain works under State control if it deems the borrower sufficiently qualified.
150. In any case, the procedures for the procurement of goods and services financed by the Bank shall be clearly spelt out in the manual of procedure that will be adopted by the Board of Directors.
151. When a loan is granted from special resources or from the resources mobilized under specific terms and conditions, the procedures for procurement of goods and services shall be based on those stated in the agreement for mobilization of the said resources.

Title VIII – Terms and conditions of Interventions

Section 39 – Loan amounts

152. The minimum and maximum amounts of the loans granted by EBID are fixed by the Board of Directors.

Section 40 – Minimum amounts

153. Generally, the Bank does not give a loan below one (1) million Units of Account.
154. Through special dispensation of the principle stated in paragraph 169 of this Statement, the Bank can grant loans to finance feasibility studies in the amount of the cost of the studies.

Section 41– Maximum amounts

155. In order to ensure the diversification of risk in its portfolio and to promote co-financing with other donors and local banks, the maximum amount of every EBID loan per project is fixed as follows
- a. Public projects:
 - i. UA 20 000 000 (twenty million units of account), in the case of national projects and UA 30 000 000 (thirty million units of account) where the project is regional. However, the maximum amount per national and regional project shall not, respectively, exceed 15% and 20% of the capital of the Bank;
 - ii. The total loans granted by the Bank to a Member State shall not exceed 60% of the actual capital of the Bank;
 - b. Private projects:
 - i. An amount of UA 15 000 000 (fifteen million units of account), with the maximum not exceeding 10% of the actual capital of the Bank;
 - ii. The total loans that the Bank may grant to one private borrower or a group of private borrowers linked by virtue of cross shareholdings shall not exceed 25% of the actual capital of the Bank.
156. The total loan amount may be higher than 10% of the actual capital of the Bank but shall not exceed it by eightfold.
157. Total loan amount or equity participation per sector of intervention shall not exceed 30% of the combined investments of the Bank.
158. Under particular circumstances to be determined by the Board of Directors, the limits fixed above may be temporarily exceeded. In such instance there shall be no need to amend this Statement.

Title IX – Currencies used by the Bank in its Interventions

Section 42 – Loan denominated in Units of Account

159. The loans of EBID are stated in Units of Accounts as indicated in its Articles of Association.

Section 43 – Loans denominated in other currencies

160. The loans of EBID can be stated in other currencies if the corresponding resources other than the capital of EBID were mobilized in the said currencies, it being understood that the Bank shall in no way bear an exchange risk.

Section 44 – Currencies of the guarantees provided by the Bank

161. The guarantees provided by EBID shall be denominated in the same currency as the one used in the guarantee operation.

Title X – Other Intervention Terms and Conditions

Chapter 1 – Other terms and conditions

Section 45 – Duration of the loans

162. The loans granted by EBID are short, medium or long term loans, depending on the nature of the project.
163. A loan is considered a short term loan when the total duration for its repayment is lower than or equal to two (2) years.
164. A loan is a medium term loan when the total duration for its repayment is above two (2) years without exceeding seven (7) years.
165. A loan is a long term loan when the total duration for its repayment is above seven (7) years.
166. For the purposes of this Statement of General Policy, the total duration for the repayment of a loan shall be understood to mean the period between the date of entry into force of the loan agreement and the date of the last maturity of the loan. The entry into force of a loan agreement is contingent upon the fulfilment of all the pre-disbursement conditions as confirmed in a written notification from EBID.
167. The Bank can grant to a borrower a grace period in the amortization of the capital of the loan granted to him.

Section 46– Interest rates

168. The interest rates to be charged by the Bank shall reflect the profitability, financial equilibrium and competitiveness and the level of risk inherent in a project.
169. The interest rates used by EBID shall be determined from time to time by the Board of Directors on the recommendations of the President.
170. The General Conditions on Loans, Guarantees and Counter Guarantees shall contain clear rules on interest rates including its calculation, interest rate rebate and subsidies, among others.

Section 47 – Commissions

171. The loans, guarantees and other services provided by the Bank attract commissions the rates of which shall be determined from time to time by the Board of Directors on the recommendations of the President.

Section 48 – Repayments

172. The loans that the Bank grants out of its ordinary capital resources are repayable in one or several convertible currencies acceptable to the Bank and their exchange value is equal to the amount lent in Units of Account. The same principle applies to the interest and other charges relating to the loans and guarantees.

173. The loans given in another currency shall be repaid in that currency.
174. The Bank's credits provided through special resources are repaid in accordance with the provisions paragraph, unless stated otherwise by the provisions relating to the said resources.
175. Loans granted by the Bank may be redeemed before maturity provided all interest, commitment fees and other fees due are paid, and provided the Borrower gives the Bank thirty (30) days notification and pays the early repayment fee.
176. In calculating the early repayment fee specified in the previous paragraph, the Bank shall take into account the cost of re-allocating the proceeds of the loan redeemed before maturity, prevailing interest rates, the interest rate charged on the loan and other relevant factors.
177. Repayment and prepayment rules shall be included in the General Condition on Loans, Guarantees and Counter Guarantees.

Chapter 2 – Loan, Guarantees and Counter Guarantee Agreements

Section 49— General clauses and Specific clauses

178. The loans, guarantee and counter-guarantee agreements of EBID contain general conditions and certain clauses which apply particularly to the project financed.
179. Besides the provisions spelt out in previous paragraph, a summary description of the project is also attached to the loan agreements.

Section 50 – Suspensive conditions

180. After signing the loan agreement, the borrower must satisfy the conditions required generally before the first disbursement from the loan. These may be conditions fixed by typical legal clauses or measures that are prudent to take before any disbursement from the loan.
181. The guarantee and counter-guarantee agreements can also be subject to conditions for entry into force of the guarantee, the counter-guarantee or conditions for signing a unilateral letter of guarantee at first demand.

Section 51 - Other conditions

182. Besides the aforementioned conditions, the Loan, Guarantee or Counter-guarantee Agreements shall spell out, as the case may be, the commitments to be made by the Borrower or the Guaranteed debtor, including the commitment to later submit to EBID, reports on the progress of works and certified financial statements.

Title XI – Monitoring

Section 52 – Accounts, Records and Audit

183. The Bank shall, and shall cause the borrower to:
- a. maintain records and procedures adequate to record and monitor the progress of the project (including its costs and the benefits to be derived from it according to indicators acceptable to the Bank), to identify the goods, works and services financed out of the proceeds of the loan, and to disclose their use in the project;

- b. provide to the Bank quarterly and annual reports in form and substance satisfactory to the Bank on the execution of the project, including recommendations to ensure the continued effective and efficient execution of the project with a view to achieve its objective, at such intervals as provided by the applicable Bank policy and in accordance with the directives which the Bank shall from time to time issue to that end; and
 - c. provide to the Bank at regular intervals all such information and reports as the Bank shall reasonably request concerning the project, its cost and, where appropriate, the benefits to be derived from it, the participation of project beneficiaries in the implementation and supervision of the Project, the expenditure of the proceeds of the loan and the goods, works and services financed out of such proceeds.
184. The records and accounts shall be kept in accordance with the Bank's guidelines for financial reporting and auditing of projects and shall be audited and certified for each financial year by an independent auditor satisfactory to the Bank whose terms of reference have been approved by the Bank. The Borrower shall use its best efforts to ensure that the Bank has unrestricted access to the records and working papers of such independent auditors as shall be necessary for the Bank to independently assure itself of the accountability for its funds.
185. The Borrower shall provide the audited financial statements to the Bank as promptly as possible and, in any event, not later than six (6) months after the end of the relevant financial year.
186. The Borrower shall, and shall cause the responsible for the project implementation to, keep all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures financed with the loan until the later of:
- a. one year after the Bank has received the audited financial statements covering the period during which the last disbursement of the loan was made; or
 - b. two years after the Closing Date. The Borrower shall enable the Bank's representatives to examine such records.

Section 53- Monitoring of the projects financed through financial intermediaries

187. Under the concept of separation of responsibilities, the manager involved in processing the line of credit will not be directly involved in post approval process.
188. Management shall ensure that all projects financed through financial intermediaries are properly monitored and supervised, in order to ascertain that the borrower implements the project with due diligence to achieve the agreed objectives.
189. The financial intermediary shall be responsible for providing quarterly reporting of financial information, the scope and content of which will be specified in the agency agreement.
190. Projects financed under lines of credit implemented through financial intermediaries will be included in the quarterly credit review reports.
191. Management shall present to the Board of Directors annual reviews of all financial intermediaries and projects financed under lines of credit, as well as periodic reviews as and when required.
192. In view of the risks associated with non-sovereign guaranteed operations, the Bank shall ensure close monitoring and supervision through the appropriate allocation of Bank staff and other resources.
193. In preparing and carrying out project monitoring exercises including field missions, the responsible manager(s) will tap pertinent expertise from a multi-disciplinary team related to key issues being monitored.

194. The Bank shall allocate adequate resources commensurate with the nature, the complexity, the size of the project, and the borrower's institutional capacities as assessed by the Manager and the multidisciplinary team.
195. Effective project monitoring and supervision and timely resolution of implementation problems will also require a frank and close relationship with the financial intermediary in order to encourage the latter to disclose to the Bank, implementation difficulties in a timely manner. Close monitoring will contribute to ascertaining the project success and its positive development impact.

Title XI – Management Principles

Section 54– Principles

196. EBID shall comply with the principles of sound bank management and good governance and in accordance with the respective policies and rules approved by the Bank.
197. In pursuance of the principle spelt out in the previous paragraph, the Bank undertakes to observe strictly the criteria for risks, liquidity and management as well as the prudential ratios drawn up by the international financial institutions.
198. The Board of Directors shall decide on the criteria for risk rating as well as the prudential ratios to be applied to the credits, investments and guarantees granted by the Bank.

Title XII – Final provisions

Section 55 – Amendments

199. All amendments to this Statement shall be carried out by the Board of Directors according to the decision-making procedures defined in article 27 of the Articles of Association of EBID.

Section 56 – Entry into force

200. This Statement shall into force as from the date of its adoption by the Board of Directors of EBID.

CHAPTER 1

AGRICULTURE, CLIMATE RESILIENCE AND RURAL DEVELOPMENT

1. The agricultural, climate resilience and rural development sector is divided into three sub-sectors, namely (i) agriculture and (ii) rural development (iii) and the other sub-sectors of agriculture and rural development.

Section 1 – Agriculture

2. This sub-sector comprises :
 - a. Agriculture in the strict sense covers:
 - i. Food crops;
 - ii. Cash crops;
 - b. Forestry and silviculture;
 - c. Livestock;
 - d. Fishing, comprising:
 - i. Ocean fishing;
 - ii. River fishing;
 - iii. Acquaculture;
 - e. Irrigation for climate resilience and flood control;
 - f. All other activities covered by the agricultural sub-sector.
3. In its interventions in the agricultural sub-sector, EBID will put premium on the realization of the Community Programmes on agriculture, climate resilience, livestock, fisheries and protection of forests. Thus, special emphasis will be placed on the realization of basic infrastructure and on the attainment of food security.

Section 2 – Rural Development

4. The rural development sub-sector comprises:
 - a. Agricultural entrepreneurship;
 - b. Warehouse facilities and the distribution of agricultural products;
 - c. All other activities covered by the rural development sub-sector.
5. In its interventions in the rural development sub-sector, EBID will put emphasis on building the capacities of rural communities, and on the development and improvement of storage facilities, the commercialization and distribution of agricultural products.

Section 3 – The other sub-sectors of agriculture and rural development

6. The interventions of EBID will encompass all activities which relate to the development of agriculture, the modernization and improvement of the living conditions of rural communities. EBID will, in general, will contribute to the search for solutions to the problems of lack of infrastructure in rural areas and rural-urban drift.

CHAPTER 2

WATER SUPPLY AND SANITATION

7. Adequate and regular supply of quality water to domestic and industrial consumers poses a serious challenge to ECOWAS Member States in view of their high population growth.
8. The water supply and sanitation sector will contribute to strengthen social resilience and is sub-divided into (i) water supply (ii) sanitation (iii) other activities under the sub.

Section 1 – Water supply

9. The water-supply sub-sector covers:
 - a. Sources of water;
 - b. Treatment of water;
 - c. Distribution of water;
 - d. Other activities under water supply sub-sector.

Section 2 – Sanitation

10. The financing to be provided by EBID for water sanitation will cover:
 - a. Treatment of wastewater;
 - b. Treatment sites;
 - c. Drainage;
 - d. Treatment of solid wastes;
 - e. Other activities under the sub-sector.

Section 3 – Other sub-sectors under water

11. The interventions of EBID in the water supply and sanitation sector will cover the other sub-sectors which relate to the provision of water to meet the needs of domestic and industrial consumers.

CHAPTER 3

ENVIRONMENT

12. EBID will ensure that its interventions are strictly based on its sustainable development policy. This explains why the issue of environment, apart from being a specific sector of intervention of the Bank, is omnipresent in all the sectors of operations of EBID.
13. The interventions of EBID under the environmental sector will cover the following sub-sectors (i) climate and the management of ecosystems (ii) bio-diversity and desertification (iii) other environmental issues.

Section 1 - The climate and the management of ecosystems

14. The interventions of EBID in the sub-sector of climate and management of ecosystems will cover the following:
 - a. Protection of the ozone layer/atmosphere ;

- b. Persistent organic pollutants;
- c. Vulnerability and adaptation ;
- d. Mitigation;
- e. Carbon market;
- f. Waste management.

Section 2 : Biodiversity and desertification

15. The interventions of EBID in the sub-sector of bio diversity and desertification will cover the following:
- a. International waters;
 - b. Disasters;
 - c. Environmental conflicts;
 - d. Mitigation;
 - e. Emissions dues deforestation and degradation (EDD);
 - f. Utilization and allocation of land.

Section 3: Other sub-sectors of environment

16. EBID will also focus on other aspects of economic and social life that could have environmental impact or which could affect the environment. The activities include:
- a. Agriculture and Climate Resilience;
 - b. Industry;
 - c. Technology transfer.

CHAPTER 4

SOCIAL SECTOR

17. The interventions of EBID in the social sector will support social resilience and will cover (i) education, (ii) health, (iii) community development (iv) and other sub-sectors under the sector.

Section 1: Education

18. The interventions of EBID in the education sub-sector will cover:
- a. education infrastructure;
 - b. education equipment;
 - c. training;
 - d. other activities under the sub-sector.

Section 2: Health

19. The interventions of EBID in the sub-sector of health will cover:
- a. health infrastructure;
 - b. health equipment;
 - c. other activities under the health sub-sector.

Section 3: Social Welfare and Water

20. The interventions of EBID in the social welfare sub-sector will relate to:
- a. Social welfare infrastructure;
 - b. Access to potable water;
 - c. Social welfare equipment;
 - d. Other activities under the sub-sector.

Section 4 – Community-based development

21. EBID will contribute to the development of local communities by supporting decentralization programmes and by financing infrastructure for local communities such as markets, lorry parks, and socio-educational facilities.

Section 5 – Other sub-sectors

22. EBID will place special emphasis on gender issues, integration programmes, reversal of brain drain, solutions to the issue of massive youth emigration, population and nutrition issues, and in general on social peace and poverty reduction.

CHAPTER 5

ARTS AND CULTURE

23. EBID will put premium on the promotion of arts and culture in the ECOWAS sub- region.
24. The art and culture sector comprises (i) the art sub sector, (ii) the culture sub-sector (iii) and the other sub-sectors under art and culture.

Section 1: Art

25. The interventions of EBID in the art sub-sector will cover:
- a. Art and craft;
 - b. Plastic arts;
 - c. Fashion;
 - d. Other artistic activities.

Section 2 : Culture

26. The interventions of EBID in the culture sub-sector will cover:
- a. Production and distribution of films and audio-visual works;
 - b. Film, audio-visual and music industry;
 - c. Theater;
 - d. Music;
 - e. Cinema hall and entertainment centers;
 - f. Live shows;
 - g. Publishing, production and dissemination of books, tapes and compact discs;
 - h. Publishing and production of culture based multimedia programmes;
 - i. Print media;
 - j. Other cultural activities.

Section 3: The other sub-sectors of art and culture

27. EBID will support the policies of Member States aimed at promoting all aspects of art and culture.

CHAPTER 6

TOWN PLANNING AND HOUSING

28. In line with its sustainable development policy, EBID will pay special attention to the town planning and housing sector which has been developing at phenomenal rate in recent decades.

29. The town planning and housing sector comprises (i) the urban planning sub-sector, (ii) the housing sub-sector (iii) and the other activities under town planning and housing sub-sector.

Section 1: The town planning sub-sector

30. The interventions of EBID under the town planning sub-sector will cover:

- a. Urban planning;
- b. Urban sanitation;
- c. Other aspects of town planning.

Section 2 : Housing sub-sector

31. The interventions of EBID in the housing sub-sector will cover:

- a. Detached housing projects;
- b. Group housing projects;
- c. Other aspects of housing.

Section 3: The other sub-sectors of town planning and housing

32. EBID will pay attention to all issues relating to living environment and support the policies of Member States in that regard.

CHAPTER 7

INDUSTRY, MINES AND QUARRIES

33. The interventions of EBID in the industrial, mining and quarry sector will be based on the industrial policy of ECOWAS and NEPAD. To this end, EBID will put premium on value addition by promoting the production and export of manufactured and other finished products in preference, as much as possible, to the export of raw materials so as to help address the issue of deteriorating terms of trade and ensure the emergence of more equitable international economic relations.

34. The industrial, mining and quarry sector is made up of the following sub-sectors (i) mining and quarry, (ii) agro-industry, (iii) other manufacturing industries and (iv) all other sub-sectors of industries, mines and quarries.

Section 1 – Mines and quarries

35. The mining and quarries sub-sector comprises (a) mining industry, in the strict sense of the word (b) quarries (c) other industries under the mines and quarries sub-sector.

36. Within the framework of the present Statement of General Policy, mining industries shall refer to the industrial exploration of all types of mineral or fossil substances found in the sub-soil or on the surface of the soil with the exception of fossil sources of energy such as oil, gas and coal,.
37. Quarry industries shall refer to the industrial exploration of construction materials found in the sub-soil or on the surface of the soil.
38. In financing mining and quarry industries, EBID will pay particular attention to the preservation of the environment.

Section 2 – Agro-industry

39. The industrial processing of agricultural produce is one of the major components of the ECOWAS Industrial Policy. It contributes to efforts to address the deteriorating terms of trade and to reduce poverty.
40. Under agro-industry EBID will finance all types of projects involving the processing of agricultural produce, cash crops, fish and other products of the agricultural sub- sector.

Section 3 – Other manufacturing industries

41. Within the framework of its industrial policy, EBID will support all manufacturing industries, especially those engaged in the processing of raw materials.

Section 4 – The other sub-sectors of industry, mines and quarries

42. EBID will support Member State to finance activities under all the sub-sectors of industry, mines and quarries.

CHAPTER 8

TRANSPORT AND INFRASTRUCTURE DEVELOPMENT FOR GROWTH AND ECONOMIC INTEGRATION

43. Improvement in transport is vital to the development of other sectors such as agriculture, rural development, industry, mining and quarries, hotel and tourism, and the social sector.
44. The transport sector encompasses (i) transport infrastructure, (ii) transport facilities (iii) and the other transport sub-sectors.

Section 1 – Transport infrastructure

45. Transport infrastructure comprises installations, surface or underground structures that are used by transportation equipment. They are made up of:
 - a. Road infrastructure :
 - i. roads,highways,toll booths and bridges;
 - ii. feeder roads;
 - iii. vehicle parking lots etc;
 - b. Airport infrastructure:
 - i. Terminal buildings and landings trips;
 - ii. Aircraft maintenance workshop;
 - c. Port infrastructure:
 - i. Ports and jetties;
 - ii. canals;

- iii. drydocks;
- d. Rail infrastructure:
 - i. Railways;
 - ii. Underground railway;
 - iii. Train maintenance workshop;
- e. Gas and oil pipelines.

Section 2 – Transportation equipment

46. Transportation equipment is the mobile means of transport for carrying persons and carting goods which rely on transport infrastructure in their operations. They are:
- a. Road transportation equipment:
 - i. car,bus,truck;
 - ii. other road transportation equipment;
 - b. Air transportation equipment:
 - i. Aircrafts;
 - ii. other air transportation equipment;
 - c. Rail transportation equipment;
 - i. Locomotives and wagons;
 - ii. other rail transportation equipment;
 - d. Ocean and river transportation equipment:
 - i. Ships and boats;
 - ii. Other maritime transportation equipment.

Section 3 – The other transport sub sectors

47. EBID will provide funding to assist Member States in the implementation of their respective transport development and modernization policies.

CHAPTER 9

ENERGY

48. The availability of energy is an indispensable factor of development. The access of urban as well as rural economic operators to efficient and affordable energy is of major concern to EBID.
49. The energy sector comprises the sub-sectors of (i) electric energy, (ii) thermal energy, (iii) hydro-electric energy,(iv) wind energy, (v) solar energy, (vi) bio fuels (vii) and other sub-sectors of energy.

Section 1 – Electric energy

50. EBID will finance electric energy for industrial or domestic use in urban or rural areas. EBID will promote electricity grid interconnection projects among Member States based on the policy of pooling energy resources together.
51. The electric energy sub-sector encompasses the generation, transmission and distribution of electric energy.

Section 2 – Thermal energy

52. EBID will finance thermal energy based projects.
53. The thermal energy sub-sector comprises the generation, transmission and distribution of thermal energy.

Section 3 – Hydro-electric energy

54. Among the renewable sources of energy, EBID will finance hydro-electric energy projects, especially those that involve several Member States that engage in concerted management of river bodies.
55. The hydro-electric energy sub-sector involves the generation, transmission and distribution of hydro-electric energy.

Section 4 – Wind energy

56. The development of wind energy, which is another source of renewable energy, will be encouraged by EBID. The financing of this sub-sector cover the large-scale manufacture as well as the importation and installation of wind turbines and other wind-energy equipment.
57. The wind energy sub-sector involves the generation, transmission and distribution of wind energy.

Section 5 – Solar energy

58. EBID intends to contribute to ensure optimum exploitation of the immense photovoltaic energy potential of ECOWAS Member States, especially with regard to their excellent sunlight ratio. The financing of the sub-sector will cover industrial production as well as the importation and installation of solar panels and other photovoltaic energy equipment.
59. The solar energy sub-sector covers the generation, transmission and distribution of solar energy.

Section 6 – Fossil fuels

60. EBID will finance all activities relating to the exploration and extraction of fossil fuel such as oil, gas and coal.
61. The fossil fuel energy sub-sector encompasses the generation, transmission and distribution of fossil fuels.

Section 7 – Bio-fuels

62. Since most ECOWAS Member States are net importers of petroleum products and other fossil fuels, EBID will encourage the diversification of sources of energy including the development of biofuels. In financing the development of biofuels, EBID will accord special attention to the preservation and development of food crops.
63. The biofuel sub-sector involves the generation, transmission and distribution of bio- fuels.

Section 8 – Other subs-sectors of energy.

64. To support the diversification of sources of energy that will enable Member States to reduce their dependence on a particular form of energy, EBID will promote the development of the other energy sub-sectors that contribute to the harmonious and sustainable development of Member States.

CHAPTER 10

FINANCE

65. The finance sector comprises (i) the bank sub-sector, (ii) non-bank financial institutions sub-sector (iii) and the other sub-sectors under finance.

Section 1 – Banks

66. The interventions of EBID in the bank sub-sector will cover:
- a. development banks;
 - b. commercial banks;
 - c. other banking institution.

Section 2 – Non-bank financial institutions

67. The interventions of EBID in the non-bank sub-sector will cover:
- a. insurance;
 - b. non-bank financial institutions;
 - c. institutions that promote small and medium scale enterprises;
 - d. decentralized financial institutions;
 - e. other non-bank financial institutions.

Section 3 – The other sub-sectors under finance

68. EBID will work with stakeholders involved in the areas under finance by making its financial facility or expertise available to them.

CHAPTER 11

HOTEL AND TOURISM

69. EBID intends to contribute significantly to the development of the tourism industry in the ECOWAS sub-region by supporting projects that seek to make the region one of the preferred tourism destination in the world.
70. The hotel and tourism sector comprises (i) hotel and restaurant sub-sector (ii) the tourism enterprise sub-sector (iii) the other tourism sub-sectors.

Section 1 – Hotels and restaurants

71. The interventions of EBDI in the hotel and restaurant sub-sector will relate to (a) hotels and restaurants (b) the other activities under the hotel industry.

Section 2 – Tourism enterprises

72. The interventions of EBID in the tourism enterprise sub-sector will cover (a) travel agencies (b) holiday clubs (c) other tourism enterprises.

Section 3 – The other sub-sectors of tourism

73. EBID will support projects that aim at promoting and developing the other sub-sectors of tourism industry that are compatible with its texts and policies.

CHAPTER 12

INFORMATION AND COMMUNICATION TECHNOLOGY

74. EBID has been closely following the phenomenal development of information and communication technology sector over a couple of decades. The Bank will contribute significantly to the digital revolution much desired by its Regional Member States.
75. The information and communication technology sectors covers (i) information and communication infrastructure (ii) information and communication equipment (iii) information and communication service (iv) and other sub-sectors of information and communication technology.

Section 1 – Information and communication infrastructure

76. The interventions of EBID in the information and communication sub-sector will cover:
- a. Postal infrastructure (offices, sorting centers, etc.);
 - b. Computer and telecommunication infrastructure (satellites, sub-marine and underground, VSAT antennae, telephone lines, television and radio stations etc.);
 - c. Other information and communication infrastructure.

Section 2 – Information and communication infrastructure

77. The intervention of EBID in the communication and information sub-sector will cover:
- a. Postal equipment (vehicles, postal box equipment, etc.);
 - b. Computer and telecommunications equipment (servers, computers, switches, telephones, television, etc.); and
 - c. Other information and communication equipment.

Section 3 – Information and communication services

78. The interventions of EBID in the information and communication sub-sector will cover:
- a. Postal services;
 - b. Software packages and other application software;
 - c. Consultancy services in the area of information and communication technology etc.;
 - d. Publishing and production of multi-media works;
 - e. Other information and communication services.

Section 4 – The other sub-sectors of information and communication technology

79. The interventions of EBID in the information and communication technology sector will also cover the other sub-sectors of information and communication technology.

ANNEX II – EXCLUSION LIST

This annex defines the type of projects EBID does not finance. The Bank does not finance the following projects:

1. Production or sale of any illegal product or unlawful activity under the laws of the host country or under international regulations, conventions, and/or agreements;
2. Products or activities that use forced labour or child labour;
3. Trade in animals, plants or any natural products not complying with the provision of the CITES Convention (Convention on International Trade in Endangered Species of wild fauna and flora threatened with extinction – Washington);
4. Fishing activity using a drift net or more than 2.5km in length;
5. Any operation leading to or requiring the destruction of a critical habitat, or any forestry project which does not implement a plan for improvement and sustainable management;
6. Production, use or sale of any dangerous materials such as asbestos or products containing PCB (polychlorinated biphenyls);
7. Production, use or sale of pharmaceutical products, pesticides/herbicides, ozone layer depleting substances or any other dangerous substances that are banned or are being progressively phased out internationally;
8. Transboundary trade in wastes, except for those accepted by the Basel Convention and its underlying regulations;
9. Production or sale:
 - Of arms and/or munitions;
 - Of tobacco
 - Of strong alcohol intended for human consumption;
10. Gaming establishments, casinos, or any equivalent undertaking
11. Any trade related to pornography or prostitution;
12. Any activity leading to an irreversible modification or significant displacement of an element of culturally critical heritage;
13. Production and distribution, or investment in, media that racist, antidemocratic or that advocate discrimination against a part of the population;
14. Exploitation of diamond mines and marketing of diamonds where the host country has not adhered to the Kimberley Process;
15. Any sector or any service subject to an embargo by the United Nations, European Union and/or host country and with not absolute or relative restriction regarding the amount;