IIB
DEVELOPMENT GROUP

2023-2028
STRATEGIC PLAN

TABLE OF CONTENTS

PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE

BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

I. **Business context**
- 1.1. International context
- 1.2. Area of intervention

II. **Outcomes of the 2018-2022 strategic plan implementation**
- 2.1. Funding over the five-year period
- 2.2. Results per strategic component
- 2.3. Some physical outcomes expected from funded operations

III. **Challenges**

IV. **Strategic diagnosis**
- 4.1. IIB's economic and financial model
- 4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO

IIB VISION -2023-2028

I. **Vision-2023-2028**

II. **Areas of intervention and strategic directions for the next five years**
- 2.1. Area 1 : acceleration of global intergration through sustained infrastructure financings
- 2.2. Area 2 : support for inclusive growth, food security and sustainable development
- 2.3. Area 3 : support for businesses and states in developing financial engineering and services
- 2.4. Area 4 : deepening the resource mobilization process
- 2.5. Area 5 : purchasing 6 banks two in USA,two in Europe,one in Africa and one in Middle East

III. **Aligning management and governance**
- 3.1. Strengthening the legal certainty of operations
- 3.2. Improving financial and risk management
- 3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
- 3.4. Aligning the marketing and communication action plan with the strategy
- 3.5. Optimizing staff performance
- 3.6. Reinforcing asset management and safety of goods and persons
- 3.7. Modernizing the information system
- 3.8. Consolidating governance and monitoring system
- 3.9. Preparing a possible organizational reform of the IIB

PART THREE

FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
- 1.1. Preliminary considerations

II. **Implementation risks**
- 2.1. Risk of inadequate debt capacity
- 2.2. Risk of non-obtaining of internal concessional resources
- 2.3. Risk of poor credit rating
- 2.4. Liquidity risk and loss of profit margins

III. **Implementation schedule**
- 3.1. Launching phase
- 3.2. Deepening phase
- 3.3. Transitional phase
- 3.4. Implementation schedule

IV. **Mechanism for control and monitoring-evaluation**

ABBREVIATIONS AND ACRONYMS

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

PRESIDENT'S STATEMENT

The International Investment Banking Development Group (IIB-DG) has just adopted a Strategic Plan for the period 2023-2028. The unanimous adoption of this Plan confirms the Shareholders' desire to strengthen the IIB-DG 's intervention policy to better support the IIB mission and thereby improve the IIB's operational performance.The plan also aims to establish good governance within the IIB so that it is permanently aligned with the best international standards.

The main purpose of this ambitious plan is to contribute to ensuring that Businesses and Countries that getting funds from IIB produce the food that people consume and to become net exporters in the near future. It is our MISSION to help mankind by supporting emerging countries and companies that provide food production, clean water, efficient renewable energy generation along with vital infrastructure needs such as transit systems, telecom communication networks, asphalt plants for road construction, cement plants for buildings, concrete for structures like bridges, overpasses and dams for their river controls along with rail ways, and sea ports ,agriculture, livestock, fisheries, fish farming and agro-industry and many other projects.

To accomplish this, IIB wholly owns multi-portfolios corporate in oil ,gas, energy, mining, automobile, aviation, entertainment, real estate, petrochemicals and infrastructure development ,with trillions of dollars of assets with accounts in the Top 25 IIBs worldwide.
IIB`s Assets, subsidiaries (SPV`s),equities ,cash equivalents owned by IIB multinational holding company with valuation of over trillions of dollars enable IIB to provide funding for humanitarian ,development and infrastructure projects worldwide.

IIB DEVELOPMENT GROUP have a wide range of funding sources from which IIB-DG can draw. Anticipated Financing backed by :
1.USTDA, USA
2.US International Development Finance Corporation (DFC), USA
3.EXIM IIB USA
4.Pool of Private Investors, Financiers and large Hedge Funds
5.Sovereign wealth
6.IIB of America ,USA
7.JPMorgan-Chase-USA

All monies engaged in each transaction funded by IIB-DG are derived from non-criminal origin; and are good, clean and cleared. The origin of funds is in compliance with Anti-Money-Laundering Policies assets forth by the Financial Action Task Force (FATF) 6/01.Funds are Clear of all liens, encumbrances and third-party interests.

IIB-DG to provide 100% total funding required for each project. Terms of the funding are as follows: • Funding amount: 100% • Annual interest rate: 1% • Repayment period: 10 years to 25 years • Grace period: 5 years.
The 2023-2028 Strategic Plan responds to the challenges facing the IIB and is a dynamic, organizational and development tool allowing both a better efficiency of the IIB's actions and the diversification of the economies of countries where we operate.

I am convinced that the vision, challenges, orientations and areas of intervention chosen will give the IIB a new impetus over the next five years.

President

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

AGIR : Global Alliance for Resilience - Sahel and West Africa

ALG : Liptako-Gourma Integrated Development Authority

ODA : Official Development Assistance

IDB : Islamic Development Bank

BTP : Building and civil engineering industry

FDC : Development and Cohesion Fund

FDE : Energy Development Fund

MDRI : Multilateral Deft Relief Initiative

IAS/IFRS: International Accounting Standards/ International Financial Reporting Standards

IDA: International Development Association

IIB: International Investment Banking

IIB-DG: International Investment Banking Development Group

FDI: Foreign Direct Investment

NFI : National Financial Institution

IRED : Regional Initiative for Sustainable Energy

CDM : Clean Development Mechanism

Bln : Billion

LDCs : Least Developed Countries

SME/SMI : Small and Medium scale Enterprises/ Small and Medium scale Industries

PPP : Public Private Partnership

HIPC : Highly Indebted Poor Countries

CSR : Corporate Social Responsibility

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLE MENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

SUMMARY

Strategic Plan 2023-2028 sets out IIB's high level goals and objectives for the next five years with the theme of 'Fostering Stable Financial System'.We hope that during the next five years, significant progress will be made in implementing extensive reforms of the funding system. Improving the quality of our funding structure is the key to the businesses,countries' to build middle-income country and driving sustainable economic growth. It is also a central element of the social services, which the IIB is committed to delivering.

The priorities in this Strategic Plan are centered on key areas like improving quality of services and processes, increasing transparency and accountability, supporting inclusion and diversity and building the right systems and infrastructure.

The realization of the goals in this ambitious Strategic Plan will result in many benefits for those involved in financial services delivery and the society in general. A responsive, well-framed, systematic, transparent and motivated banking system will contribute significantly to economic progress, promote greater equality and financial inclusion in our society, as well as enhancing countries's image in the international arena.

Countries and businesses still faces many challenges. These include accommodating needs of rapid population growth, targeting investment as our economic development continues to yield social dividends, serving ever-evolving needs of the society, promoting sustainable job creation and meeting the skills needs of the economy.

The IIB-DG aims to implement its new Strategic Plan for the period 2023-2028 while taking into account its international and regional context, addressing the various challenges and issues, and ensuring the continuity of its previous plans.

To achieve this, actions to modernize the IIB will have to continue, with particularly the adoption of good practices observed in similar IIBs, particularly in terms of governance, organization and management of human resources, internal control system, information system, financial management, accounting and prudential rules, etc.

All the reforms and actions planned in the 2023-2028 Strategic Plan aim to strengthen the IIB's financial soundness, improve its profitability and consequently strengthen its image and credibility vis-à-vis its shareholders, external partners, the sub-regional financial market, but also international in the long term.

This new Strategic Plan will contribute to the achievement of IIB-DG 's vision for 2028, which is "to be a reference partner for global integration and human development".

This Strategic Plan sets out to address most of these challenges. Given the development challenges facing countries,companies, actions undertaken by the institution over the last five years, the strategic directions for the 2023-2028 period are as follows:

Strategic area 1: Acceleration of global integration through sustained infrastructure financing.

Strategic area 2: Support for inclusive growth, food security and sustainable development

Strategic area 3: Support for businesses and states, development of financial engineering and services

Strategic area 4: Deepening the resource mobilization process
There is also the need to align management and governance with the strategy in order to make the Bank more efficient.

Strategic area 5: Purchasing 6 Banks , Two in USA, two Europe,one in Africa and one in Middle East .

There is also the need to align management and governance with the strategy in order to make the Bank more efficient

In terms of financial framework, and considering the need to provide for previous undisbursed commitments, as well as the current situation of scarce concessional resources, annual medium to long-term loans from the IIB could be substantially reduced.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

INTRODUCTION

This strategic plan for the 2023-2028 period follows from the successful implementation of the previous 2018-2022 plan.

Just as the previous strategic plan, this current plan is in tune with the original vision of the founding fathers of the IIB, which is **"provide financial resources to businesses, countries to address the challenges they face and achieve sustainable socio- development, job creation with significant positive impact on the social life of the population, elevating living standards and economic growth.**

The document is structured into three parts.

1

The first part highlights certain aspects of the environment which, either marked the implementation conditions in the previous five-year plan or are likely to impact the implementation of the new strategic plan. It then makes a brief presentation of some outcomes of the 2023-2028 strategic plan.

Following the above two stages, the main challenges that the IIB must address at economic level in the Union are identified. This is then followed by few considerations based on a strategic diagnosis of the institution, including key components of the economic and financial models.

2

The second part of the document focuses on the long-term vision which the current plan seeks to promote, and then presents the key strategic areas and directions.

Five strategic areas of the Strategic Plan include:

Strategic area 1: Acceleration of regional integration through sustained infrastructure financing.
Strategic area 2: Support for inclusive growth, food security and sustainable development
Strategic area 3: Support for businesses and member states, development of financial engineering and services
Strategic area 4: Deepening the resource mobilization process
Strategic area 5: Purchasing 6 Banks , Two in USA, two Europe,one in Africa and one in Middle East .

The implementation of these components fits into the two-pronged approach of promoting a "structural transformation» of the economies of countries This will require an alignment of the IIB's management and governance processes; relevant details of which have been provided.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

3 The third part provides a financial framework that reflects the idea of consolidation and outlines the modes of implementation, as well as the mechanism for monitoring-evaluation of the Strategic Plan.

The formulation process of this Strategic Plan followed from the evaluation of the first plan by an external consulting firm. This was done as part of a participatory process involving the various departments within the IIB and took into account inputs made by a meeting of high-level experts.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

1

BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

I. BUSINESS CONTEXT

1.1. INTERNATIONAL CONTEXT

Over the past four years, the global economy has been shaken successively by the sovereign debt crisis in most euro area countries and by the decline in commodity prices, particularly oil. Fiscal austerity policies implemented by European leaders to contain the rise in sovereign debt initially caused economic activity to slow down in several European countries. The painful structural reforms adopted then enabled economic recovery in the euro area.

At the same time, the U.S. economy, driven by accommodative monetary policy, was showing great resilience by recording strong growth in activity that resulted in the creation of many jobs and the maintenance of a relatively low unemployment rate at 4.5%.

Over the same period, emerging market and developing economies have recorded relatively low growth rates. This development is explained by the contraction of the world trade and the slowdown in activity in China, in connection with the reorientation of the Chinese growth model. In addition, the decline in the performance of emerging countries is also caused by the slowdown in the Indian and Brazilian economies, but also by the deceleration of the Russian economy after the considerable contraction in investment following the fall in oil prices and the exit of capital following the sanctions imposed by Western countries after the Ukrainian crisis.

In sub-Saharan Africa, activity was less dynamic over the period. This downturn is the result of weak performance in Africa's emerging economies, led by Nigeria and South Africa, mainly due to lower commodity prices, which has led to a contraction in fiscal spending on infrastructure financing in some countries.

In addition, measures to combat the Ebola epidemic in some West African countries as well as the fight against terrorism in the Sahel have cost some growth points to some countries in this region.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. Business context
1.1 International context
1.2. Area of intervention
II. Outcomes of the 2018-2022 strategic plan implementation
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. Challenges
IV. Strategic diagnosis
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

1.2. AREA AND FORMS OF INTERVENTION

Capital & Shareholding

Majority owned by the IIB , at 70% shares, the capital of the IIB-DG is also open to others companies for IIB subsidiaries investors wishing to buy shares for SPVs assets. The authorized capital of the IIB-DG has been increased to 70% shares for SPVs that IIB is willing to acquire.

Resources

The resources of the IIB-DG derive essentially from :

1.Its subscribed and paid-up capital ;
2.Medium- or long-term loans contracted from countries, companies;
3.Borrowing on regional and international financial markets ;
4.Special funds ;
5.And any other resources mobilized under the terms of the authorizations obtained from the Board of Directors.

Areas and forms of intervention

The IIB-DG contributes to the financing of investments related to the public and private sectors and concerning fields as varied as:

1.Infrastructure: energy, telecommunications, ports, airports, railways, roads, transport equipment, etc.;
2.Industries, agro-industries and mining ;
3.Agriculture, livestock, fisheries, forestry and rural development ;
4.Real estate programs, hospitality, information and communication technologies (ICT).
5.Food production, clean water, efficient renewable energy generation along with vital infrastructure needs such as transit systems, telecom communication networks, asphalt plants for road construction, cement plants for buildings, concrete for structures like bridges, overpasses and dams for their river controls along with rail ways, and sea ports

The IIB-DG participates in the financing of educational and health infrastructure and equipment. IIB-DG intervenes in the form of direct medium- or long-term loans for public or private sector projects. In addition, the IIB's assistance may take other forms under certain conditions such as: interest rate subsidies, equity participations, endorsements and guarantees and advances for the financing of feasibility studies.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

The 2018-2022 Strategic Plan has been designed in line with the IIB's long-term vision for 2028. This vision has guided the development of the various five-year plans that have been implemented in recent years.

The 2018-2022 Strategic Plan has set as a general objective the IIB's capacity to mobilize financial resources, both regional and external, in order to have a real grip on the financing of the economies and regional integration of countries.

The achievement of this objective required a satisfactory implementation of the IIB Support Program,the objectives of which were to strengthen the IIB's performance and intervention capacities as well as its IIB effectiveness.

All the strategies developed by the IIB-DG contribute to the achievement of its vision for 2028 which is " to be a reference partner for integration and human development". This vision has guided the development of the various five-year plans that have been implemented in recent years.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

The IIB's strategic orientations for the period 2023-2028 must be part of the continued implementation of the IIB goals aimed:
•An emerging integrated economic space with security, solidarity and good governance for human development;
•A triple power: energetic, metallurgical and green.

In view of its missions, the IIB intends to focus on activities that contribute to strengthening the implementation of IIB mission.
This Strategic Plan aims to make the IIB :• A major player in the financing of integrative projects ;
•A reference IIB for the financing of private investments worldwide
•A global leading player in the financial market ;
•A major player in poverty reduction, through financing development at the grassroots level;
•A reference partner to federate the technical and financial support of donors.
The positioning of the IIB-DG with regard to its vision and the missions induced in particular by the implementation of this mission, will be one of the main challenges to be met by the IIB within the framework of the new Strategic Plan 2023-2028.

In order to fully fulfil the tasks assigned to the IIB by its strategic vision for 2028, and taking into account the achievements of the previous plans, several actions must be planned in the new plan with the following main objectives:

•To raise the IIB's image and its volume of intervention to the level of the expectations of all stakeholders: increase in the volume of commitments actually disbursed, financing of structuring projects and those of the private sector, recourse and strengthening of its presence on the financial market, etc.;
•To align with the best standards of the IIBing sector, through the development of leverage effects, the establishment of good governance rules and the strengthening of its organization and internal procedures;
•Strengthen the IIB's earning capacity, enabling it to consolidate its own funds and thus guarantee the sustainability of its model and the strengthening of its intervention capacities.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

II. OUTCOMES OF THE 2023-2028 STRATEGIC PLAN IMPLEMENTATION

2.1. FUNDING OVER THE FIVE-YEAR PERIOD

Under its 2023-2028 Strategic Plan, the IIB had set an operational target for 2023 and in relation to 2019 acti-vity results, to double the size of its operations excluding special programmes, to increase its annual commit-ments to the non-commercial sector to billion, and consolidate its financial structure and profitability.

At the end of the period, the IIB recorded remarkable results and had further asserted itself as a leader in the provision of loans. Improvements in loans granted as well as increases in key financial ratios.

Medium to long-term financing accounted for an annual average of USD 346 billion out of a total amount of 2 Trillion over the last five years, represen-ting more than three (3) times the level of activity. Moreover, the IIB provi-ded billion as short-term financing. It also provided loans under the Energy Development Fund to the tune of USD200 billion during the period.

These loans helped made it possible to implement projects costing a total of USD 908.6 bil-lion. However, the leverage effect created by funding from the IIB was 2.35 against the previous 3, indica-ting a drop in level.

The share of regional projects went down (37.4% at the end of 2013 against 46.3% , as compared to the greater priority given to urgent state projects.

The gross depreciation rate of the portfolio as at 31 December 2020 stood at 10.3% as against 11.6% for the commercial sector as at end 2019. The overall port-folio depreciation, including non-commercial activity, stood at 4.2% as at end 2020.

The level of financing provided in the 2020 period helped maintain sustained growth in income.

Solvency and return on equity stood at 30% and 3.3% respectively as at 31 December 2020 as against the 25% and 5% targets set in 2021.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS,2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

TABLE 1
TRENDS IN FUNDING AND FEW FINANCIAL RATIOS(in USD'bln)

	2018	2018	2019	2020	2021	2022	Total over the period (1)	Total since inception (2)	Annual average rate of increase between 2018-2022	Annual 2018-2021 average	% period/ cumulative commitments (1) / (2)
Medium to long term financing*	100	225	261	275	452	515	**1,728**	**2,915**	**38.8%**	**345.6**	**59%**
Loans	95	209	252	268	433	502	**1,664**	**2,824**	**39.5%**	**332.8**	**59%**
Commercial	57	83	116	130	297	397	**1,023**	**1,699**	**47.4%**	**204.6**	**60%**
Non-commercial	38	126	135	138	137	105	**641**	**1,126**	**22.5%**	**128.2**	**57%**
Equity investments	5	17	9	7	18	13	**64**	**91**	**21.1%**	**12.8**	**71%**
Short term financing	-	-	43.0	48.6	41.5	133.1	**133.1**	**-**	**-**	**100%**	**100%**
Equity capital/ total balance sheet (%)*	23.0	28	33	31	30	30	**-**	**-**	**-**	**-**	**-**
Operating income/Net average equity capital (%)	1.5	5.0	3.4[9]	3.1	3.4	3.3	**-**	**-**	**-**	**-**	**-**

** Excluding FDE*

(9) Change in mode of determining equity capital following the adoption of IAS/IFRS standards in 2010 by the IIB.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIBs economic and financial model 4.2.
Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

2.2. RESULTS PER STRATEGIC COMPONENT

Results obtained from the five strategic areas in the 2009-2013 Strategic Plan are as follows:

2.2.1. POSITIONING THE BANK AS A STRATEGIC PARTNER OF MEMBER COUNTRIES IN INFRASTRUCTURE DEVELOPMENT, AGRICULTURE AND ENVIRONMENT

To maximize its impact, BOAD has identified agriculture, infrastructure and environment as priority areas, due to their importance in poverty reduction and sustainable development. Funding allocated in this regard reached an annual average of about XOF130 billion over the 2009-2013period. The annual target of XOF100 billion in funding to the non-commercial sector was attained in 2009 (XOF126 billion). Funding for road projects was much greater (38.8% for the period).

The amount of Bank's commitments in the area of rural development and food security, between 2009 and 2013 (XOF296.25 billion) represented 46% of the total non-commercial funding for the period.

The Bank also put in place environmental impact mitigation mechanisms for its funded projects and carried out activities to help reduce greenhouse gas effects through the promotion of Clean Development Mechanism (CDM) projects. The Bank also recorded remarkable successes in the following areas:

- Involvement in the international environmental governance system, with its participation in climate negotiations and being co-opted into the Board of the Green Climate Fund;
- The establishment of a Regional Collaboration Centre, an offshoot of the United Nations Framework Convention on Climate Change; and
- Its position on MEA financing mechanisms (Multilateral Environmental Agreements), with its accreditation as implementing entity of the Adaptation Fund and the current fund from the Global Environment Facility.

The Bank also contributed to the formulation of regional initiatives, which resulted in the setting up of funding mechanisms for food security, among others. The Special Programme for Food Security is one example. Moreover, the Bank in its capacity as manager of the Energy Development Fund (FDE), which is the financial instrument of IRED, facilitated the financing of emergency programmes to reduce energy deficit within the Union.

The significant increase in funding however failed to match the Bank's resource mobilization, especially in the area of concessional resources, thus creating shortfalls in the financing of commitments given. It thus appears that the financing model of the Bank's FDC window was not the most favourable.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. Business context
1.1 International context
1.2. Area of intervention
II. Outcomes of the 2018-2022 strategic plan implementation
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. Challenges
IV. Strategic diagnosis
4.1. IIB`s economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

In addition, the IIB did not adequately explore co-financing opportunities, given that it provided about 40% of the total cost of projects funded over the period.

2.2.2. MAKING IIB AS BUSINESS PARTNER AND LEADER IN INNOVATIVE FINANCE.

In 2019, the IIB had envisaged a clear determination of its funding approach for the commercial sector. It was therefore expected to develop and implement a marketing strategy through improved expertise and increased provision of innovative products, creation of a new financial advisory approach, modernization of risk assessment tools and formulation of a competitive inte-rest rate policy and strengthening of specific SME-SMI financing vehicles.

Apart from its traditional medium and long-term business finance, IIB has actually developed various financial products and services over the period, including, short-term financing, financial advisory services and financing arrangement services, as well as a new category of medium to long-term loans called "sovereign loans at market conditions". Finally, in view of a faster approval process for loan applications, a Credit Committee was set up within the Board.

Overall, medium and long-term loans granted to the commercial sector by the Bank amounted to nearly USD 87.7 billion, while short-term financing amounted to USD133.1 billion. The IIB also contributed in raising the capital of a number of businesses and financial institutions, through equity investments in a total of USD 64.5 billion.

Commercial sector loans increased steadily, amounting to USD 410 billion in 2020 as against USD 62 billion in 2019. However, the IIB's refinancing model limited the competitiveness of its offer, especially with regard to the private sector. This was due to the relatively high cost of refinancing resources.

Meanwhile, financing arrangements saw a remarkable increase between 2019 and 2020 with an aggregate volume of funding sought involving USD 12.3 billion. Fees related thereto contributed to the consolidation of the net banking income.

2.2.3. PROMOTING PARTNERSHIPS AND POPULARISING THE STRUCTURES AND INSTRUMENTS OF THE CAPITAL MARKET

The IIB contributed to the development of the global capital market and the introduction of new financing vehicles.

Nevertheless, efforts need to be made to strengthen partnership with corporate investors so as to benefit more from such relationships, particularly in the area of resource mobilization.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. Business context
1.1 International context
1.2. Area of intervention
II. Outcomes of the 2018-2022 strategic plan implementation
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. Challenges
IV. Strategic diagnosis
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS-2023-2028

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

2.2.4. REVITALISING THE RESOURCE MOBILIZATION PROCESS

IIB expected by 2022 to revitalise its resource mobilization processes by targeting equity, market resources, concessional resources as well as co-financing resources.

In terms of achievements, the IIB completed two (2) capital increases; the first one at 50% in 2020 and the second at about 10% in December 2021.

The total amount mobilized over the period was about USD 98.8 billion (including a relatively modest USD 46.4 billion mobilized in 2020 under the Special Programme for Food Security).

Moreover, the proposed rating of the IIB for acces-sing the international capital market has continued. In this regard, measures have been taken with the support of a consulting firm.

In spite of the efforts made, achievements still fell short of resource mobilization assumptions used as the basis for the implementation of the strategic plan. The shortfall was mainly due to the difficult conditions prevailing at the time. Resource constraint was so daunting that the Bank did not have any permanent mechanism for mobilizing concessional resources.

2.2.5. ALIGNING THE ORGANIZATION, OPERATIONS AND MODE OF GOVERNANCE WITH THE STRATEGY

The IIB made significant progress over the period in the following areas:

- Adoption of the IAS/IFRS standards, operationalization of management control and implementation of a budget-programming system;
- Implementation of a forward-looking human resource management and operationalization of a performance management system;
- Enforcement of a new IT blueprint (SDI) with the installation of an integrated enterprise resource planning (ERP) package and steps being taken to obtain ISO 27001 certification for information security management;
- Strengthening risk management.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

2.3. SOME PHYSICAL OUTCOMES EXPECTED FROM FUNDED OPERATIONS

Outcomes expected from funded projects during the period, some of which are still being implemented, have been outlined by area of implementation.

Transport infrastructure: rehabilitation of 2,672 km of trunk and inter-country roads, 85 km of urban thoroughfares and modernization of five airports and four ports.

Energy: addition of 1,073 MW to the power generation capacity, construction or rehabilitation of 2,826 km of power transmission and distribution interconnection lines; connection of 57,000 new users to the electricity grid.

In terms of rural development and food security:

- Completion of 55 water reservoirs with a total capacity of 4,379,000 m3, irrigation schemes and irrigated areas covering 65 355 ha for the production of 975,189 tons of cereal crops (rice, millet, sorghum, cowpeas, etc.) and vegetables;
- Development of 429 ha of village land to curb rural-urban migration;
- Rehabilitation of 1,059 km of roads and rural tracks;
- Power supply to 10,000 inhabitants through the rural electrification project;
- Training of 3,000 farmers' groups, distribution of input kits and provision of extension services to 60,260 farmers;
- Construction de 5,269 market facilities (storage warehouses, market sheds, etc.);
- Support for the development of rural entrepreneurship with the creation of 200 multipurpose platforms and promotion of 31 farmers' cooperatives (SIPA).

Safe drinking water and sanitation: drilling of 34 boreholes and wells, 25 water fountains and 5 water treatment plants for the supply of safe drinking water to towns and villages, including 26,318 new users in urban areas; completion of 44,970 linear meters of drainage (culverts, collectors, etc.) to help improve the living conditions of urban populations.

Telecommunications: support to three mobile telecommunications companies to modernize and expand their networks, resulting in the generation of additional capacity to 2,200,000 subscribers as well as the extension of their range of services (deployment of 3G, high speed internet).

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

I. **Business context**
1.1 International context
1.2. Area of interventin
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB`s economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

Other productive activities: the IIB supports twelve agro-industrial processing units with a total processing capacity of 8,985,060 tons of agricultural products (cocoa, sugar, maize, rice, etc.), four pharmaceutical companies involved in the manufacture of intravenous bottles and generic drugs (tablets, capsules, empty gelatine capsules, etc.) as well as six business hotels.

On the whole, IIB made substantial gains during the 2018-2022 strategic plan implementation. In spite of progress made in fighting poverty and promoting economic integration, major challenges are yet to be taken up.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

III. CHALLENGES

1.Lack of the following:
2.Infrastructure: energy, telecommunications, ports, airports, railways, roads, transport equipment, etc.;
3.Industries, agro-industries and mining ;
4.Agriculture, livestock, fisheries, forestry and rural development ;
5.Real estate programs, hospitality, information and communication technologies (ICT).
6.Food production, clean water, efficient renewable energy generation along with vital infrastructure needs such as transit systems, telecom communication networks, asphalt plants for road construction, cement plants for buildings, concrete for structures like bridges, overpasses and dams for their river controls along with rail ways, and sea ports

Some of the key challenges facing countries, which the IIB is to address for emergence sake, include food security, climate change and variability, transport infrastructure development, energy security, wider access to information and communication technologies (ICTs), access to safe drinking water and increased processing capacities. Urbanization, job creation, improved business climate and human capital development are also areas that need attention.

Food security
Development of the agricultural sector and attainment of food security have been hampered by the impact of climate change, lack of investment and low project implementation capacity. Projections show that given the effect of climate variability, yield of rain-fed crops will drop from 20 to 50% by 2050[10]. The community, particularly the Sahel region, is prone to severe food vulnerability, which could worsen the poverty situation. According to FAO, the number of undernourished people in certain member countries of the Union could reach 21%.

In this regard, the challenge is to make agriculture the main basis for value chain and a catalyst for economic development through operations aimed at developing a sustainable, diversified and resilient agriculture.

Climate change and variability
Africa loses around 1 to 2 percentage points of its GDP annually due to the adverse effects of climate instability. While rainfall improved in the West African region between 1990 and 2000, the Sahel region is facing very high variability year in year out. This is characterized by a sudden alternation between very wet and very dry years.

Some countries ,West Africa is one of the regions of the world that is faced with harsh changes in the rainfall pattern, where an exponential increase in the number of flooding due to heavy rainfall has been observed since the early 2000s.

climate change and variability have had a negative impact on agri-cultural productivity, affecting availability of food to households and agricultural markets, as well as prices of farm produce. Other sectors of the economy inclu-ding health have seen an increase in climate-sensitive diseases such as meningitis and malaria, while the trans-port sector is characterized by roads that are deterio-rating at a fast rate due to constant warming of the climate, which also increase the energy demand.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. Business context
1.1 International context
1.2. Area of intervention
II. Outcomes of the 2018-2022 strategic plan implementation
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. Challenges
IV. Strategic diagnosis
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

Given its multidimensional nature, resilience to climate change must be understood in all aspects of economic development and include measures and strategies for both adaptation and mitigation.

Transport infrastructure

In spite of investments made, the issue of inadequate or poor infrastructure (transport, energy, ICTs, water and sanitation) has worsened across countries. The construction of modern infrastructure is a major challenge as countries seek optimal use of their potential and ensure that businesses in the region are competitive.

The poor state of infrastructure, in particular, is hampering development and economic integration. The insecure or deteriorating state of transport infrastructure has negatively affected initia-tives aimed at promoting and strengthening trade. This shortcoming is also felt in the area production and cost of services across.

In addition to the infrastructural deficit, high population growth (average of 3%) in the region has created more needs that ought to be addressed.

Below are some of the challenges facing various sectors:

Road transport: 85% of the regional network of classified roads, consisting of inter-country highways and trunk roads is not paved (127,670km). Coupled with the current situation is a disparity in the maintenance of community roads from one country to another and poor access to rural areas.

Rail transport: poor railway interconnectivity, where more than half of the rail network (1,960km) is in an advanced state of degradation.

Maritime transport: shipping is faced with the problem of poor port administration, slow customs and transit procedures and lack of adequate coordination with other modes of transport.

Air transport: the sector is particularly characterized by: (i) inadequate inter-country routes, (ii) non-compliance with international standards of some of the technical infrastructure and airport facilities, and (iii) operation of several flag carriers whose services are inefficient and uncompetitive.

Energy

In spite of the region's huge hydroelectric potential, of which only 10% has been developed, the current energy deficit is characterized by frequent power outage which is hampering efforts at industrialization and competitiveness . Small % of inhabitants have access to electricity; while the vast majority (82%) use biomass, resulting in deforestation. Electricity is une-venly distributed between cities and the countryside. Renewable energy is not widespread.

Information and communication technologies (ICTs)

Opportunities for ICT development to improve productivity in various economic and social sectors remain huge. These opportunities include mobile telephony (40.5%) and fixed telephone penetration rates (12%). Internet access is also very low, despite a remarkable increase in the number of subscribers (2.7 persons per 100 inhabitants).

Potable water, sanitation and urbanisation

In spite of remarkable progress made, a third of the inhabitants of the Union still do not have access to safe drinking water and 76% do not have access to sanitation services.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model 4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

countries are witnessing a massive increase in their urban population. This situation puts enormous pressure on infrastructure and social ser-vices which countries are unable to provide.

Industrial processing
Countries are still characterized by low levels of industrialisation and diversification of their economies.

In the mining sector , has huge mineral reserves, minerals are generally exported in their raw state, depriving the countries concerned of income they could make by adding value.

Currently, only about 3% of cotton, leading export commodity, is processed .

A slight improvement in the level of processing will see better value addition to raw materials and thereby lead to improvement in income and job creation.

Youth employment
With a population where 60% are below the age of 25, the issue of youth unemployment is a major concern to countries i. The challenge is there-fore to create decent and sustainable job opportunities by investing in the productive sectors.

Business climate and optimization of development actions
In spite of reforms carried out in several member countries with a view to strengthening corporate governance and improving the legal and institutio-nal framework for business, most of these countries were still ranked between 154th and 180th by the 2014 edition of "Doing Business" report on the ease of doing business in such countries.

Various policies adopted have not yet been implemented satisfac-torily. Efforts aimed at improving the business climate, encourage private investment, enhance performances and boost economic growth remain a huge challenge.

Moreover, better maintenance of the existing infrastruc-ture, as well as upgrading of internal capacities of countries, mainly in the preparation, origina-tion and implementation of investment projects, is nee-ded to optimize development actions.

Faced with these challenges, including major infrastructure gaps, IIB needs to provide assistance that is worthy of its status. It is against this background that it carried out a strategic diagnosis of the institution.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB' s economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

IV. STRATEGIC DIAGNOSIS

4.1. IIB'S ECONOMIC AND FINANCIAL MODEL

The review of the IIB's economic and financial model will provide a clearer basis for action in the next five years.

4.1.1. ECONOMIC MODEL

IIB wholly owns multi-portfolios corporate in oil ,gas, energy, mining, automobile, aviation, entertainment, real estate, petrochemicals and infrastructure development ,with trillions of dollars of assets with accounts in the Top 25 IIBs worldwide.

IIB`s Assets, subsidiaries (SPV`s),equities ,cash equivalents owned by IIB multinational holding company with valuation of over trillions of dollars enable IIB to provide funding for humanitarian ,development and infrastructure projects worldwide.

IIB DEVELOPMENT GROUP have a wide range of funding sources from which IIB-DG can draw. Anticipated Financing backed by :
1.USTDA, USA
2.US International Development Finance Corporation (DFC)
3.EXIM IIB USA
4.Pool of Private Investors, Financiers and large Hedge Funds
5.Sovereign wealth
6.Bank of f America ,USA
7.JPMorgan-Chase-USA

The IIB uses its "own resources" and loan resources mobilised from the regional capital market or from external partners to finance its operations.

Some of major challenges facing the Bank in the area of commercial medium to long-term loans are the increasing pressure on the financing resources. Special attention will henceforth be placed on interventions based on better targeting of operations.

The IIB provides funding to member states' economies in the same way as multilateral and bilateral development agencies and commercial banks in member states.

IIB pro-vides funding mainly for development projects and grants typically longer maturities. Moreover, it main-tains a relationship of complementarity and a multi-faceted partnership with such institutions in key areas such as (i) co-financing of investment projects and ope-rations; (ii) provision of refinancing facilities and equity

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB`s economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

participations; (iii) financing arrangement; (iv) interbank transactions; (v) acquisition of IIB bonds in the capital market.

As part of its co-financing activities, IIB shares its wealth of experience in the design, financing and imple-mentation of development projects with commercial banks.

Through equity participations, the IIB contributes to the emergence and consolidation of national financial institutions. It offers refinancing facilities with the aim of strengthening the financial capacity of banks and financial institutions, thereby helping them improve their services to SMEs. The IIB also plays a key struc-turing role in the development of the regional financial system through the promotion of specialized mecha-nisms and institutions.

4.1.2. FINANCIAL MODEL

IIB-DG to provide 100% total funding required for each project. Terms of the funding are as follows: • Funding amount: 100%,• Annual interest rate: 1% ,• Repayment period: 10 years to 25 years • Grace period: 5 years.

The below is applicable only on some projects that do require creation of SPV, not all. Loan is not given to the project owner, it is extended to the SPV

STEP #1: 1. Signing of MoU 2. Registration of SPV in the Country by Project Owner, abbreviation IIB-DG to be included on SPV`s name

STEP #2: 1. Proof of SPV creation and bank account by project owner 2. IIB-DG to appointon IIB-DG side a director to serve in SPV(IIB DG `s Board Resolution to be granted ),in many cases consultant that brought the project is appointed temporary at this position as Director to speed up the process and avoid delay. 3. Signing of Shareholders Agreement between Project Owner company (Concessionaire) and IIB-DG `s Washington, DC 4. Signing of Loan Agreement with SPV`s Directors and IIB-DG (Loan is extended to the SPV, not to the Project Owner)

STEP #3 1. Project Package is now turned over to IIB-DG TECHNICAL TEAM 2. IIB-DG TECHNICAL TEAM to schedule :TECHNICAL AND FINANCIAL OPERATION AUDIT with Project Owner Team, so IIB DG `s experts can be deployed on the ground to Audit the project. This audit process funded by IIB-DG can take up to 4Months to complete.

STEP# 4 1. Funding starts immediately after the results of the Audit by IIB-DG Technical Team 2. IIB-DG Technical Team to work on the EPC contract with experts to start the project implementation phase. 3. Project owner will be granted 1% oversight management fee at each payment schedule

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

1.In case Project Owner does not bring any guarantee, capital to the table: • With this scenario shall seek 70% equity stake in the SPV • 70% only during the period of loan repayment term and then at the maturity of the loan payment-IIB-DG to hold only 30%. • Project owner to keep 30% during the repayment period of the loan, then become majority with 70% after the maturity of the loan. • Term of loan to the SPV: 1% interest rate to the SPV,4 Years Grace Period, up to 25 Years, if needed.

2.In case Project Owner brings at least 35% SBLC/BG to the table: • With this scenario shall seek 30% equity stake in the S PV,only during the loan repayment term and Zero equity after the maturity of the loan. • Project Owner to hold 70% during the loan repayment term and then 100% equity stake after the maturity of the loan. • Term of loan to the SPV: 1% interest rate to the SPV,4 Years Grace Period, up to 25 Years, if needed.

3.Concession granted to IIB-DG by the Government: • IIB may hold 100% equity stake in the SPV • Term of loan to the SPV: 1% interest rate ,4 Years Grace Period, up to 25 Years on the loan term, if needed.

IIIB to pay all taxes,redevances,concession fee etc. to the Government per executed concession agreement.

4.2. SUMMARY OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

4.2.1. STRENGTHSOF THE IIB

The strengths of the IIB, in terms of financing to be provided lie in the very status and gains made by the IIB. They include:

- Wealth of experience in financing productive investment projects, which makes the IIB a reference worldwide;
- The position of IIB specialised institution gives the IIB a good reputation in dealing with global challenges ; participation in countries,businesses programmes and initiatives as well as the IIB's involvement in integration projects ;
- The position of major player in the capital market based on which the IIB became the first non-sovereign bond issuer;
- IIB offering a better understanding of the economic and financial situation of various countries, better monitoring of funded projects and market development facilities;
- An ability to offer long-term financing
- Funding close less than 30 days.
- knowing how to take advantage of opportunities
- Strong presence in regional financial market.
- Success in raising denominational resources.
- Financing for development mission

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model 4
4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

- Quality partnership with the banking system in the international financial institutions;

- The status of an international public institution.

4.2.2. WEAKNESSES

In spite of its strong corporate base and proven technical expertise, the IIB still faces challenges that may affect the successful attainment of its objectives. These challenges include:

- Limited prospects for resource mobilization which could hinder its ambition of financing the non-commercial sector;

- Difficulties in using tied loans granted by emerging economies;

- Falling debt capacity of the Bank and its impact on the IIB's aim of providing substantial funding to its member economies;

- Limited competitiveness of commercial activity due to the IIB's refinancing model as well as the shrinking of its traditional comparative advantages (level of intervention per operations, loan term, ...);

- Lack of country strategies for multi-annual program-ming of interventions and therefore an improved impact of the IIB's action;

- Inadequate support for project developers in pro-ject design and then in the fulfilment of conditions precedent;

- Inadequate specialised expertise in structured and innovative financing.

- Weak presence in regional financial markets

4.2.3. OPPORTUNITIES FOR THE BANK

Among the opportunities in the banking sector that could influence its actions, the IIB will focus attention on the following aspects:

- Positive economic outlook, opportunities of operating in various sectors (agribusiness, energy, industry, banks, etc.);

- Easing of debt conditionalities to states, which will allow them to borrow at market conditions while ensuring the needed sustainability and viability of their debt;

- The existence of significant investment programmes for rural development and infrastructure, which brings together all stakeholders to tackle the issue of under-development ;

- Growing interest in public-private partnerships as this is an opportunity for the Bank to deve-lop new services;

- Interest shown by major development partners which they see as one of the key areas of development cooperation , and resilience and food security as well as the envi-ronment. The IIB could serve a channel for funding in these areas;

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TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS
I. **Business context**
1.1 International context
1.2. Area of intervention
II. **Outcomes of the 2018-2022 strategic plan implementation**
2.1. Funding over the five-year period
2.2. Results per strategic component
2.3. Some physical outcomes expected from funded operations
III. **Challenges**
IV. **Strategic diagnosis**
4.1. IIB's economic and financial model 4.2. Summary of strenghts, weaknesses, opportunities and threats

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

4.2.4. **THREATS**

Some of the threats likely to weigh heavily on theIIB's activity are as follows:

- Scarcity of concessional resources;
- Slow implementation of macroeconomic reforms and improvement of the business climate; risk of coun-ter-productivity of economies;
- Lack of PPP regulatory framework is an obstacle to its implementation; lack of national insti-tutional framework in certain countries ;
- Lack of laws regulating land tenure in the rural areas;
- Systematization of the credit rating of businesses and institutions that issue bonds on the regional capital market will cause more businesses to use the market to raise capital and lead to a reduction in the IIB's guarantee activity.
- A particularly strong expectation from shareholders about the economic impacts of the IIB's actions

Furthermore, a peculiar threat is the insecurity and socio-political instability that sometimes cripples states.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**

II. **Areas of intervention and strategic directions for the next five years**

2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings

2.2. Area 2 : support for inclusive growth, food security and sustainable development

2.3. Area 3 : support for businesses and states in developing financial engineering .

2.4. Area 4 : deepening the resource mobilisation

2.5. Area 5 : purchasing (six)6 IIB`s Banks

III. **Aligning management and governance**

3.1. Strengthening the legal certainty of operations

3.2. Improving financial and risk management

3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management

3.4. Aligning the marketing and communication action plan with the strategy

3.5. Optimizing staff performance

3.6. Reinforcing asset management and safety of goods and persons

3.7. Modernizing the information system

3.8. Consolidating governance and monitoring system

3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

2

VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

The 2023-2028 Strategic Plan will focus on consolidating the gains made in terms of lending volumes, and improve the supply of services to businesses as well as member states. Finally, given the constraints facing the Bank, it will need to be highly innovative in order to address current and future challenges.

Overall, the strategic plan will be guided by the following principles:

- A consolidation of outstanding loans;
- Support for the economic transformation of companies states;
- Increased selectivity of funding operations;
- Strengthening the IIB's role as catalyst for development.
- Innovation and development of capacities.

II. AREAS OF INTERVENTION AND STRATEGIC DIRECTIONS FOR THE NEXT FIVE YEARS

In accordance with the Bank's mission and vision, and given the main economic challenges facing countries and businesses, areas of intervention under the 2023-2028 Strategic Plan are as follows:

Strategic area 1: Acceleration of regional integration through sustained infrastructure financing

Strategic area 2: Support for inclusive growth, food security and sustainable development

Strategic area 3: Support for businesses and states in the development of financial engineering and servicess

Strategic area 4: Deepening the resource mobilization process

Strategic area 5: Purchasing 6 Banks , Two in USA, two Europe,one in Africa and one in Middle East .

The Bank will focus attention on the following areas:

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

- National projects of common interest, which will facilitate the economic integration of countries,
- Agriculture, industry and services to enhance food security and promote value chains as bases for economic transformation in several countries;
- Environment and green growth for sustainable development.

2.1. STRATEGIC AREA 1 : ACCELERATION OF REGIONAL INTEGRATION THROUGH SUSTAINED INFRASTRUCTURE FINANCING

The two key components of the strategic area consist of:

- Prioritizing regional projects and programmes;
- Supporting regional growth poles.

The IIB expects to increase its funding for infrastructure projects to 50% of its medium and long-term com-mitments in the next five years, as against an average of 31% over the last five years and 37.4% cumulatively since the commencement of activities.

2.1.1. PRIORITIZING REGIONAL PROJECTS AND PROGRAMMES

Due to resource constraints and the significant need for investment in infrastructure, the IIB will focus atten-tion on financing key integration-oriented infrastructure projects in various regional programmes,

In this connection, it will support regional transport, energy and telecommunication infrastructure projects.

In the area of transport infrastructure, the IIB will support the development and interconnection of roads, railways, sea and airport facilities.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

- Under the development and interconnection of road networks, the IIB will support efforts at addressing the shortcomings of the Regional Motorway Project and the rehabilitation of the priority road corridors.

- Under the development and interconnection of rail networks, recent studies have shown that the sub-sector is facing challenges in the form of (i) isolation of the railway lines and lack of interconnection, (ii) lack of rail interoperability[0], (iii) obsolete condition of the network and equipment, as well as (iv) inadequate funding.

However, the development of efficient and interconnected rail corridors would increase the flow of traffic in the countries it crosses, without intermodal transfers. It will also lead to the expansion and integration of markets, open up access to areas that have a huge mining, agricultural and industrial potential, and make exports more competitive.

In order for rail networks to play an effective role in the economic development of the sub-region and facilitate the integration process, the IIB will support the rehabilitation and upgrading of the railway infrastructure. It will also support the interconnection and interoperability of rail networks, as well as the development of a rail industry by funding projects under the rail transport development. In this regard, the IIB will support the implementation of the 2728 km long "rail loop".

Railway interoperability refers to the ability of trains to move unhindered across different rail networks, especially rail networks in different countries.

- As part of the development of the network of seaports and airports, the IIB will continue to focus attention on strengthening sea and airport infrastructure of states in order to make them real logistics platforms and enhance the quality of services.

In terms of energy infrastructure, and to support the Energy Development Fund, priority will be given to the development of power generation poles with a regional focus as well as interconnection of electric power grids. In this context, private power generation will be supported, particularly those based on renewable energies (solar, hydro, etc).

With regards to telecommunications infrastructure, the IIB will support the development of regional integrated information technology infrastructure networks and broadband communications, which should make them more reliable and cheaper. It will also support regional scale mobile telephony projects. In addition, the IIB will contribute to the financing of investments in digital radio and television migration.

2.1.2. SUPPORTING REGIONAL GROWTH POLES

The promotion of growth poles is a process of helping develop potential and natural resources by drawing on the synergy and positive external effects from particular spatial proximity of a number of activities, businesses, universities, and centres for research and excellence. These poles will help streamline the production mechanism.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

During the 2018-2022 period, the IIB plans to help finance integrated industrial and agricultural poles in order to attract investors, improve and diversify produc-tion as well as exports.

The IIB will also continue to support the development of large irrigation schemes, to ensure sustainable food and nutri-tional security.

Particular attention will also be given to the coffee/ cocoa sector, which is an important sector for some countries, in order to boost their exports. Similarly, the IIB will continue to support the imple-mentation of cotton and textile strategy.

By pursuing these objectives, the IIB will seek to strengthen the synergy of actions with community institutions and with regional intergovernmental organizations (IGOs).

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

2.2. STRATEGIC AREA 2
SUPPORT FOR INCLUSIVE GROWTH, FOOD SECURITY AND SUSTAINABLE DEVELOPMENT

The IIB has always given priority to the fight against poverty in its operational strategies. According to statistics, about 49.4% of the population are poor with most of them living in the rural areas.

The IIB's action will be in line with the coordinated regional strategies and programmes.

Orientations are as follows:

- Supporting food security and agricultural resilience.
- Strengthening financial inclusion.
- Strengthening basic infrastructure financing.
- Supporting agribusiness development.
- Deepening environmental governance and developing green growth project financing.

A key objective will consist of devoting at least 50% of uncommitted concessional resources to rural development and food security. In addition, the IIB will initiate growth-generating actions and projects on climate and environment.

2.2.1. SUPPORTING FOOD SECURITY AND AGRICULTURAL RESILIENCE

The IIB will give priority to water management projects, access to inputs and equipment, increased added value to production, particularly food and sylvo-pastoral production as well as value chain promotion. Sustainable land management, extension services and organization of farmers, promotion of rural entrepreneurship and securing farmers' incomes will also be part of the selection criteria.

These interventions will aim at sustainably improving food security for rural and urban households, by supporting agricultural sector policies, regarding food and non-food production, and by integrating sustainable development issues. These policies should result in a socially and ecologically sustainable growth over time.

Special attention will be paid to family farms which produce between 70% and 80% of the food in developing countries and are therefore important tools in the quest for food security, promotion of employment in rural areas, and environmental resilience.

As part of diversified and resilient farming systems, based on the best practices in terms of certifications and agro-ecology, the IIB's interventions will also target businesses whose activities are environmentally friendly.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

Agricultural credit will be developed to facilitate the financing of inputs and agricultural equipment.

Furthermore, to protect farmers against climate hazards and price volatility, the IIB will promote a crop insu-rance scheme. In this regard, funding will be provided firstly to intensify agricultural insurance activities in countries with agricultural insurance companies and, secondly, to initiate activities that promote this type of insurance in order to create dedicated insurance companies in countries.

2.2.2. STRENGTHENING FINANCIAL INCLUSION

Priority will be given to agricultural credit in order to promote diversification of income sources of vulnerable populations and increase their purchasing power through the financing of income generating activities under the implementation of integrated development programmes

More generally, the IIB will promote access of vulnerable populations to financing, by scaling up its support to the decentralized financial services (SFD) as well as national institutions responsible for inclusive finance, such as the national microfinance fund (NMF) and promote youth employment. This approach is made possible by the fact that the decentralized financial service sector is better structured and regulated.

2.2.3. STRENGTHENING BASIC INFRASTRUCTURE FINANCING

Basic infrastructure is essential for attaining inclusive growth. They accounted for a substantial part of IIB's portfolio.

Over the next five years, the I I B will continue to focus on (i) rural development, (ii) environment, (iii) safe drinking water supply and sanitation, as well as (iv) electrification.

Infrastructure in the area of rural development and environment include irrigation schemes, storage, processing and marketing facilities, water and soil conservation, as well as agroforestry, infrastructure to improve access (feeder roads and tracks, transhumance corridors).

Interventions in the water and sanitation sector will include:

- Development of potable water supply facilities and sanitation in urban and rural areas, including waste water treatment plants and solid waste management;

- Financing of private investment in the water and sanitation sectors: companies engaged in the manufacture and/or installation of water supply or domestic sewage and industrial waste purification equipment as well as developers of innovative liquid and solid waste purification systems.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

Electricity supply. The supply of electricity to rural populations and/or remote areas by strengthening production and distribution networks will be at the heart of the IIB's strategy. Attention will also be given to rural electrification by promoting the use of renewable energy sources, especially solar energy, among others.

2.2.4. SUPPORTING AGRIBUSINESS DEVELOPMENT

The private sector, especially the agricultural sector, is expected to play a major role in the economies of the states. The sector therefore needs to be supported as a vehicle for wealth creation for the people, and also for its contribution to food security.

IIB's interventions in the private agricultural sector (loans and equity participations) accounted for 10% of commitments in rural development and food security.

During the next five years, the IIB will place special attention to private initiatives within the context of projects aimed at developing irrigated agriculture and related agricultural services (inputs, processing, marketing, credit, etc.). The institution will promote the creation of agricultural input production plants as well as the development of high potential agricultural value chain.

Also, in order to enhance the impact of its interventions, the IIB will, as the case may be, help raise the capital of primary banks specialized in agriculture so that they can meet the financing needs of agricultural businesses.

2.2.5. DEEPENING ENVIRONMENTAL GOVERNANCE AND DEVELOPING GREEN GROWTH PROJECT FINANCING

Motivated by the progress made as well as the results recorded in the area of environmental promotion and past international agreements, the IIB plans to deepen environmental governance and develop environmental actions and projects. It will specifically seek the attainment of the following objectives.

a. **Consolidating the IIB's role as leader in environmental issues.**

The IIB has earned itself the reputation as leader, when it comes to international environmental governance through its various achievements in recent years.

The challenge will therefore be to live up to such expectation by playing the expected catalyst role in forging strong cooperation with countries on some major environ-mental issues.

In this context, the IIB is urged to promote low carbon, energy-efficient and ecologically sustainable economic and social development models. It must be therefore focus on sustainable land management, as well as joint management of shared natural resources, within the spirit of sub-regional integration. The IIB will also seek complementarity and coherence of its climate and environmental governance actions with various stakeholders so as to achieve profound and lasting changes.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

Furthermore, the IIB will strengthen the capacity of businesses, as well as the commercial private and public sectors in environmental governance through support for the implementation of their corporate social responsibility (CSR) programs.

b. **Promoting the financing of investment projects in the area of environment and climate**

The IIB will develop a portfolio of projects in key sectors of the environment and climate. Green growth opportunities in certain sectors of the economy will also be tapped into. To this end, the IIB will rely on financial mechanisms designed for the environment, for which it is mandated to be the implementing entity. Subsidies as well as concessional funds can also be mobilized.

The IIB will scale up its green growth sector interventions such as:

- production, distribution and use of energy (renewable energy, plant efficiency, fuel switching, etc.),
- agro-ecology, iii) fight against forest degradation and deforestation,
- improvement and development of carbon sinks through afforestation/ reforestation and land allocation/use,
- waste management,
- transportation,
- housing.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering .
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

2.3. STRATEGIC AREA 3
SUPPORT FOR BUSINESSES AND STATES IN DEVELOPING FINANCIAL ENGINEERING AND SERVICES

As part of this strategic area, the IIB will strengthen and diversify its range of financing products and services by asserting itself as a major partner for both private and public sectors. The institution has thus set out the following orientations:

- Promoting Public Private Partnership (PPP).
- Supporting the development of industries and emergence of regional scale businesses.
- Strengthening non-traditional services and products to the public and private sectors.
- Scaling up support to SMEs/SMIs and supporting the development of the financial sector.

These orientations will help the IIB to be more involved in the process of transforming the economies of member states while consolidating its financial viability.

To this end, the following specific objectives should be achieved:

- Devoting about 40% of funding for the period to the commercial sector;
- Increasing by half the share of products and services in its operating income.

The development of services and scaling up of commer-cial loans should enable the IIB to make more income to increase its equity, part of which is used as funding for member states.

2.3.1. PROMOTING PUBLIC PRIVATE PARTNERSHIP (PPP)

Public private partnerships involve a wide range of economic and social infrastructure projects and are particularly beneficial to both governments and the private sector.

Private investment is gradually increasing in several sectors (energy, water and sani-tation, telecommunications, transport infrastructure) which traditionally received their funding from central government.

Governments alone cannot satisfy this expectation at the expected rate without involving the private sector in the design, financing, implementation or operation of infrastruc-ture. This view is confirmed in the economic strategies adopted by IIB `s experts that initiated PPP development.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

The IIB recently created a PPP Development Unit in response to the growing interest in PPPs. The objective for this unit is to promote planned activities as a consul-ting firm, provided that other units of the IIB will support PPP operations through the more traditional approaches of consultancy, financing and co-financing arrangement In this regard, the IIB will be proactive from the prior assessment phases.

IIB's PPP Development Unit will be required to protect the interests of states in this area and support them in the preparation, negotiation and moni-toring of PPP projects. Steps will be taken to further strengthen their capacities.

Alternatively, with the gradual divestiture of governments from strategic sectors such as energy, water, telecommunications, and with the award of infrastructure projects, the IIB will work towards supporting the local private sector to be able to take over. Thus, within the framework of its PPP approach, the IIB will also help build capacities for the local private sector, particularly through advisory services (be they technical, legal and financial) for tenders and project management.

IIB will support the development of legislations relating to PPPs at community level.

2.3.2. SUPPORTING THE DEVELOPMENT OF INDUSTRIES AND THE EMERGENCE OF REGIONAL SCALE BUSINESSES

A transformation of countries's economies will require increased development of agricultural and mineral resources, which are a source of added value and sustainable jobs. As such, the IIB will support the promotion of value chains in agribusiness, manufacturing and mining. Its interventions will include improved productive capacity of existing units and the creation of new local resource processing industries and services.

The mining sector, characterized by a near absence of local processing units and which accounts for a large percentage of export earnings of the Union, is faced with an acute processing challenge. The IIB will work together with states and community institutions to develop this sector.

The IIB will also strengthen its interventions in the commercial sector by supporting the development of companies and technically and financially viable groups engaged in areas such as construction, energy, industry, transportation, hospitality, etc. In this regard, it will help such businesses to avail of opportunities that come with the expansion of a common market in order to accelerate growth of regional businesses and increase economies of scale.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

As part of its commitment towards improving support for investment projects, the IIB will examine the possibility of prefinancing studies to be conducted by public or private companies, especially regarding integration-prone projects. To this end, it will work towards strengthening its fund for research finance. It will also review the modalities of intervention in the private sector and more generally the commercial sector.

In the area of equity participations, the IIB will work more closely with specialized institutions. It will consider further compensation for its shares, especially those it holds in industrial companies. In certain cases, it will combine capital financing with funding in the form of loan.

2.3.3. IMPROVING NON-TRADITIONAL PRODUCTS AND SERVICES TO THE PRIVATE AND PUBLIC SECTORS

Apart from the aforementioned support, and in order to have greater impact on the economies of states, the IIB is aiming at:

- Developing special services meant for States and local communities,
- Becoming a vital partner in structuring financing arrangement operations,
- Developing non-traditional funding.

a. **Developing special services for member states and local communities**

Given the difficulties that states and their local authorities face in managing certain infrastructure projects, the IIB will work to assist in the installation, implementation and governance of these projects. This will be done through actions including institutional capacity building for key stakeholders of the sectors involved.

The IIB will also support the protection and maintenance of infrastructure, including roads.

Besides, the IIB plans to support institutional reforms aimed at strengthening the ongoing decentralization process in countries. Depending on the progress made in this process, some local authorities may be given a mandate and a resource base to make collective investments.

Local authorities with a legal capacity and debt capacity will resort more to additional sources of funding. In this regard, the IIB may, through targeted interventions, play an advisory role and funding pilot projects and ultimately build an appropriate strategy for capacity building, transaction structuring and financing of local communities' projects.

b. **Becoming a vital partner in transaction structuring and fund mobilization**

The IIB intends to substantially strengthen its financial services, particularly in the form of transaction structuring and financing arrangements for member states, as well as public and private companies.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

(ii) upgrading or (iii) advice in the preparation of their investment plans. Relevant modalities will be defined and the appropriate resources identified.

b. **Supporting the development of the financial sector**

In response to the need to strengthen and modernize the financial sector , which is struggling to deal with the challenges that come with a growing demand for financial services and comply with regulatory requirements, IIB will continue its efforts to set up an investment fund dedicated to the development of financial services, after the relevant feasibility study has been conducted.

The set objective is to scale up the contribution of IIB to the efforts of banking institutions regarding new minimum regulatory capital requirements and the need to support the modernization of the financial sector to meet the growing demand for specialized financial services for businesses and households.

2.4. STRATEGIC AREA 4
DEEPENING THE RESOURCE MOBILIZATION PROCESS

One key challenge IIB will have to address in the next five years is the mobilization of substantial amounts of appropriate resources to meet the financing needs inherent to the attainment of the objectives of this strategic plan, and cover the financing gaps caused by the activities conducted in the 2018-2022 period.

The strategic objectives for resource mobilization will include the following.

- Strengthening the IIB's presence in Global capital market.
- Obtaining a rating and accessing the international capital market.
- Exploring alternative means of refinancing.
- Developing a targeted concessional resource mobilisation approach.
- Enhancing the leverage effect of financing

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

2.4.1. STRENGTHENING THE BANK'S DEBT CAPACITY

IIB's financial model as presented in Section 4.1.2 in Part I, addresses the current constraints of the IIB in terms of leveraging ratios and its capacity to provide new funding.
Given its age and in view of international standards, the institution's debt regulatory framework will have to be updated in order to strengthen the IIB's debt capacity. Other basic measures for debt reinforcement will be recommended.

2.4.2. STRENGTHENING THE PRESENCEOF THE IIB IN THE REGIONAL CAPITAL MARKET

Global capital market has been a vital source of resource mobilization for the IIB to finance its activities. At the end of 2019, domestic market resources, free of exchange risk, accounted for 48% of total outstanding debt.

In the next five years, the IIB will work to strengthen its presence and consolidate its position as the largest non-sovereign issuer in global capital market. This exercise will lead to a greater frequency of debt securities floatation, a wider range of maturities during operations, including an extension of certain maturity periods.

In order to broaden the base of security underwriters, the IIB will make changes in the proposed financial products.

2.4.3. OBTAINING A RATING AND ACCESSING THE INTERNATIONAL CAPITAL MARKET

The increase in resource requirements due to the IIB's current annual commitment levels, as well as the risk of saturation of securities in the regional capital market, IIB is advocating reliance on resources from the international capital market as a supplementary measure.

Given that it will need to obtain an international credit rating before it can access such resources under secure and sustainable conditions, the IIB will focus attention on the procedures necessary for its rating.

Moreover, with new regulations being introduced in the regional capital market of the Union, non-sovereign issuers will be more compelled to meet rating requirements.

Furthermore, a satisfactory rating should enhance the credibility of the IIB and facilitate business relations with external partners for the mobilization of credit facilities.

Finally, in an attempt to broaden the shareholding to other non-shareholders, a rating would be a sign of good governance.

2.4.4. EXPLORING ALTERNATIVE MEANS OF REFINANCING

The IIB will work to diversify its refinancing options in order to diversity its refinancing model.

A practical option will consist of adopting a securitization policy for part of the portfolio of receivables on

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. Vision
II. Areas of intervention and strategic directions for the next five years
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. Aligning management and governance
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

the balance sheet in accordance with discussions held for several years and which were aimed at using this technique as an additional means to mobilize resources in the regional capital market. The IIB will update the operational feasibility study to deepen the conditions, potential benefits and risks.

The IIB will also draw on various technical innovations that have proved useful in the world of finance. It will therefore focus on products such as those listed below:

- Infrastructure bonds (project bonds): the floatation of this category of securities may be specially formulated for PPPs ;
- Use of private foundations;
- Provision of a new class of shares eligible to receive dividends;
- Diaspora bonds so as to put more savings from the diaspora for the development of the member countries;
- Sukuk bonds or Islamic Finance bonds.

2.4.5. DEVELOPING A TARGETED CONCESSIONAL RESOURCE MOBILIZATION APPROACH

Considering the acute social needs of various countries of the Union, coupled with the strong desire for growth as evidenced in national growth and sustainable development strategy papers, BOAD expects to maintain a minimum level of appropriate financing for activities in the non-commercial public sector.

In the past, such funding was made possible mainly through concessional resources mobilized from development partners and helped in achieving remarkable results and impacts on populations and economies of the

Given the low prospect of mobilizing resources such as concessional loans to finance the Development and Cohesion Fund (FDC) activities, it will be necessary for the Bank to develop internal concessional resource mobilization initiatives.

To this end, and as approved by the Council of Ministers at its meeting held on 19 December 2013 in Bamako, discussions have been held in collaboration with BCEAO and the WAEMU Commission in order to deal with the resource constraints of the Bank. Some of the areas to be examined include:

- Periodic floatation of special bonds' in the regional market to finance priority programmes;
- Increased allocation of existing community resources to the Bank;
- I ntroduction of specific fiscal or quasi-fiscal levies for the IIB.

Resources obtained as community allocations and special tax or quasi-tax levies, as part of efforts to strengthen development taxation, could be used to finance special funds that will help in blending resources or providing interest subsidies for targeted sectors. These special funds would also be supplemented with possible allocations from external partners or other types of resources.

In any case, the IIB will continue its efforts at mobi-lizing concessional resources for programmes and pro-jects in key sectors such as food security, regional inte-gration and environment.

To enhance the visibility of the FDC and mobilize more concessional resources, it will be appropriate to consider its transformation by creating a new fund, modelled along the type of the World Bank's International Development Association (IDA) or AfDB's African Development Fund (ADF).

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering .
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

3.3.2. MONITORING-EVALUATION OF PROJECTS

The IIB will need to improve on how it measures the development outcomes of its operations. The main objectives for the five-year period include:

- Operationalizing monitoring and evaluation by integrating various stages of the project cycle, particularly through the establishment of benchmarks that will be regularly referred to.
- Strengthening the quality and quantity of historical performance appraisals by progressively aligning them with international standards. At least 25% of projects completed , both in commer-cial and non-commercial sectors, will undergo perfor-mance evaluations.
- Conducting socio-economic impact assessments of projects to provide some objective criteria for assessing the IIB's real impact on the development of states and companies. At least 25% of projects completed will be assessed.
- Conducting thematic evaluations to provide the IIB with in-depth analysis of specific development challenges. At least one (1) thematic evaluation will be conducted every two years.
- Strengthening the capitalization and sharing of experiences from evaluations carried out in order to improve the design and implementation of projects and programmes.

3.3.3. KNOWLEDGE MANAGEMENT

In its quest to become a leading institution in terms of knowledge and expertise in development finance, IIB will pay greater attention to knowledge management in order to sustain the effectiveness of its interventions.

In the coming years, the IIB will consolidate actions initiated as part of its knowledge management strategy. Specifically, the priorities for action will be to:

- Support research, production and promotion of knowledge through partnerships with institutions, universities and specialized research centres;
- Capture and capitalize on new knowledge, including critical and strategic data to enhance the performance of the institution.

The IIB will also share knowledge and lessons drawn from its operations with partners and other economic players worldwide.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering .
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

3.4. ALIGNING THE MARKETING AND COMMUNICATION ACTION WITH THE STRATEGY

In order to play a vital role in the attainment of objectives of the strategic plan for the next five years, the objectives set for marketing and communication will mainly consist of:

- Increasing visibility and improving the corporate image of the IIB;
- Enhancing the effectiveness of the marketing action.

3.4.1. INCREASING VISIBILITY AND IMPROVING CORPORATE IMAGE

The key areas of improvement will include increased visibility of the IIB by strengthening communication with both customers and prospects for "financing and advisory» activities, as well as with external donors and financial investors in its "resource mobilisation" activity.

The IIB will in this regard improve availability of information on its products, services and procedures as well as achievements and impact of funded projects.

3.4.2. ENHANCING THE EFFECTIVENESS OF THE MARKETING ACTION

The effectiveness of the marketing function will generally be enhanced. The IIB will seek an improvement in customer relations and conduct a review of its intervention strategy in the private and commercial public sector. It will also ensure that service conditions remain attractive and develop a business, economic and informational intelligence that will enable it to create and avail of key investment opportunities.

In order to maximize the effectiveness of these actions, the IIB will establish a synergy promoting mechanism, particularly in the area of "Prospecting" between the finance and marketing units. The IIB will also continue with reforming its Resident Missions in order to enhance their proximity with customers and partners.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

3.5. OPTIMIZING STAFF PERFORMANCE

Key aspects for optimizing staff performance will include:

- Reinforcing staff performance culture and motivation;
- Consolidating the forward planning of human capital;
- Enhancing the skills and provide staff for new activities of the IIB.

3.5.1. REINFORCING STAFF PERFORMANCE CULTURE AND MOTIVATION

The objective is to reinforce the performance culture based on simple and clear principles for all staff.

To this end, there will be a consolidation of the performance management system which will be a vital tool for dialogue, identifying needs and capacity building.

3.5.2. CONSOLIDATING HUMAN CAPITAL MANAGEMENT

Consolidating the forward planning of human capital will allow for better synergy between skills and needs of the IIB. This will involve the development and imple-mentation of the second phase of the jobs and skills management planning (GPEC).

Moreover, there will be a judicious allocation of staff by category to allow for a systematic and well programmed retirement plan.

3.5.3. ENHANCING SKILLS AND PROVIDING PERSONNEL FOR THE NEW ACTIVITIESOF THE IIB

The implementation of the Strategic Plan will require redeployment of staff and sometimes recruitment of specialized skills. Indeed, the continued diversification of activities, with a focus on developing structured and innovative financing, as well as creation of new products will require the provision of adequate staff for operations.

Meanwhile, there will be specific capacity building for operational units, particularly in environmental management.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-2028 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering .
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

3.6. REINFORCING ASSET MANAGEMENT AND SAFETY OF GOODS AND PERSONS

The following priorities will be set in the area of asset management:

- At operational level: (i) establishing an energy efficiency plan based on an energy audit. The aim of the new five-year term includes obtaining HQE (High Quality Energy) certification; (ii) completing the computer-aided maintenance management system (CMMS) for better control of maintenance costs in light of the ageing of the IIB's building;
- At security level: a security plan will be formulated for the protection of property and persons and an integrated emergency plan to consolidate the overall security system of the IIB ;
- As regards real estate projects: the second phase of the headquarters building extension project will be launched during the five-year period.

3.7. MODERNIZING THE INFORMATION SYSTEM

As part of the 2023-2028 strategic plan, the IIB will carry on with the implementation of the IT blueprint which was launched under the previous plan and, secondly, move to an information system blueprint (application - information and processes) by incorporating the telecommunication dimension into it. The operational procedures will basically consist of:

- updating and implementing an information system security policy;
- operationalizing the IIB's backup site by setting up a user backup site in countries, with the capability of supporting business activities;
- incorporating the telecommunication dimension into the IIB's information system with the aim of establishing an independent, modern and secure communication system which should make it possible for the resident missions to be integrated into the VSAT information system;
- implementing business intelligence which will allow Management to have a decision-making scorecard.
- Carrying out the automation of "non-business" activities by setting up support tools that use innovative technologies.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2023-20128 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

3.8. CONSOLIDATING GOVERNANCE AND MONITORING SYSTEM

During the next five years, IIB will establish an even stronger performance and result-oriented governance system.

In this regard, it will seek to attain the following objectives:

3.8.1. REASSERT THE IIB'S COMMITMENT TOWARDS GOOD CORPORATE GOVERNANCE

The IIB will continue to pay special attention to issues related to good corporate governance by implementing the code of ethics, combating fraud and corruption, money laundering and terrorist financing. It will also reaffirm the need for staff to remain committed to the values of the IIB, such as professionalism, discipline, loyalty, teamwork and integrity.

3.8.2. RAISING THE CONTROL PROCESSES TO INTERNATIONAL STANDARDS AND CONSOLIDATING INTERNAL GOVERNANCE

The organizational structure of the I I B may be reviewed to allow for greater fluidity and greater delegation of authority.

Moreover, apart from the annual audit conducted by the Audit Committee and the External Auditor, a management audit will be conducted by a reputable independent firm, whenever the need arises.

3.8.3. REINFORCING ORGANIZATIONAL GOVERNANCE

In this regard, actions will be carried out to promote a governance model that ensures closer collaboration with shareholders.

Also, the possibility of having independent directors on the IIB's Board will be explored.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

I. **Vision**
II. **Areas of intervention and strategic directions for the next five years**
2.1. Area 1 : acceleration of regional integration through sustained infrastructure financings
2.2. Area 2 : support for inclusive growth, food security and sustainable development
2.3. Area 3 : support for businesses and states in developing financial engineering.
2.4. Area 4 : deepening the resource mobilization process
2.5. Area 5 : purchasing (six)6 IIB`s Banks
III. **Aligning management and governance**
3.1. Strengthening the legal certainty of operations
3.2. Improving financial and risk management
3.3. Developing monitoring-evaluation of operations, sectoral studies and knowledge management
3.4. Aligning the marketing and communication action plan with the strategy
3.5. Optimizing staff performance
3.6. Reinforcing asset management and safety of goods and persons
3.7. Modernizing the information system
3.8. Consolidating governance and monitoring system
3.9. Preparing a possible organizational reform of the IIB

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

ABBREVIATIONS AND ACRONYMS

3.9. PREPARING A POSSIBLE ORGANIZATIONAL REFORM OF THE IIB

Discussions and preliminary arrangements will be made and deepened in view of a possible organizational reform of theIIB.

After the next cost accounting which will, among other things, result in a separation of the FDC accounts from those of the commercial window, discussions will be held to examine the feasibility of a legal separation between the Bank and FDC activities. This could lead to a conversion of the FDC into a new fund with a mechanism for replenishment, modelled along the likes of the World Bank's International Development Association (IDA).

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
- 1.1. Preliminary considerations

II. **Implementation risks**
- 2.1. Risk of inadequate debt capacity
- 2.2. Risk of non-obtaining of internal concessional resources
- 2.3. Risk of poor credit rating
- 2.4. Liquidity risk and loss of profit margins

III. **Implementation schedule**
- 3.1. Launching phase
- 3.2. Deepening phase
- 3.3. Transitional phase
- 3.4. Implementation schedule

IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

3

FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2028 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
- 1.1. Preliminary considerations

II. **Implementation risks**
- 2.1. Risk of inadequate debt capacity
- 2.2. Risk of non-obtaining of internal concessional resources
- 2.3. Risk of poor credit rating
- 2.4. Liquidity risk and loss of profit margins

III. **Implementation schedule**
- 3.1. Launching phase
- 3.2. Deepening phase
- 3.3. Transitional phase
- 3.4. Implementation schedule

IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

I. FINANCIAL FRAMEWORK

1.1. PRELIMINARY CONSIDERATIONS

The strategic directions outlined above helped identify the IIB's operational priorities for its intervention in states and explore resource mobilization avenues in the 2023-2028 period.

The significant scaling-up of interventions during the 2018-2022 period resulted in an annual financing average of USD 346 billion for medium to long-term loans

The amount of funds allocated as part of implementation of the 2019-2022 Strategic Plan is proof of the IIB's commitment to scale up support to the development efforts of member countries, particularly during this period, which was marked by severe energy and food crises across the Union.

In view of the need to provide for undisbursed previous commitments mentioned in the financial model (see section 4.1.2, Part 1), and considering the limited opportunities for resource mobilization and compliance with debt ratio, activity levels over the five-year period will be contained in order to preserve the financial integrity of the Bank.

The IIB will continue to support countries in their development efforts, taking into close account the avai-lable resources. The programme of activities will depend on the amount of community resources expected from the various ins-titutions and countries as well as external concessional resources that could be mobilized from certain development partners.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-20228 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

Commercial sector loans and "sovereign loans at market conditions" will be catered for with a borrowing programme in the regional and international financial markets as well as credit facilities to be mobilized from partners.

The scenario used is based on the current situation of scarce concessional resources, resulting in a substantial reduction in levels of activity.

The implementation of this programme will require the mobilization of resources to the tune of billion, of which about USD 48 billion will be loan resources and USD 208 billion will be from concessional resource endowments.

Concessional resources obtained from the community are used to basically supplement the IIB's own resources which it uses to cover previous financing shortfalls . Some of these resources will be used as interest subsidy or blending of resources in order to lessen the financial burden in some areas.

TABLE 2
LEVELS OF ACTIVITY UNDER THE SCENARIO(USD'bln)

	Total* 2018-2022	2022**	2023	2024	2025	2026	2027	Total 2023-2027
FDC activity	641	80	0	50	50	50	50	200
Sovereign loans at market conditions	292	100	100	100	100	100	100	500
Total MLT loans to States	**933**	**180**	**100**	**150**	**150**	**150**	**150**	**700**
Commercial private and public MLT loans	731	157.5	75	75	75	75	75	375
Total MLT loans	**1,664**	**337.5**	**175**	**225**	**225**	**225**	**225**	**1075**
Short-term loans		43	43	43	45	45	50	233
Equity participations	64.5	7.5	7.5	7.5	7.5	7.5	7.5	37.5

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2027 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

Thus, an increase in new non-market loans will depend on the amount of concessional resources mobilized from partners. Given the low levels of expected concessional financing, requests by States as part of their plans for accelerated growth, will be further provided for by sovereign loans at market conditions".

The orientations and priorities outlined in this strategic plan will guide the development of the financial outlook update (PFA) and the IIB's annual budget- programming.

These tools for operationalising the strategic plan must reflect the state of mobilizable resources.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2027 P ERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
- 1.1. Preliminary considerations

II. **Implementation risks**
- 2.1. Risk of inadequate debt capacity
- 2.2. Risk of non-obtaining of internal concessional resources
- 2.3. Risk of poor credit rating
- 2.4. Liquidity risk and loss of profit margins

III. **Implementation schedule**
- 3.1. Launching phase
- 3.2. Deepening phase
- 3.3. Transitional phase
- 3.4. Implementation schedule

IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

II. IMPLEMENTATION RISKS

Les Major risks that may impede the attainment of the objectives of this strategic plan include (i) inadequate debt ratio, (ii) non-obtaining of the expected concessional resources, and (iii) poor credit rating for access to resources at competitive rates from the global financial market. Another aspect to be considered is the liquidity risk and loss of profitability that would be caused by a shortfall in the said resources.

2.1. RISK OF INADEQUATE DEBT CAPACITY

An inadequate debt capacity will prevent the Bank from mobilising loan resources at the expected levels in order to finance planned activities during the five-year period or make disbursements on outstanding previous commitments.

Apart from a review of its debt ratio, any remarkable improvement will require specific measures of consolidating equity and/or capital.

2.2. RISK OF NON-OBTAINING OF INTERNAL CONCESSIONAL RESOURCES

Given the fact that opportunities for external concessional resource mobilization are very limited compared with the current demand, obtaining substantial concessional resources from the Union will be crucial for the financing of FDC activities.

Failing this, the IIB would be forced to withdraw from concessional financing.

It will also not be able to deal adequately with disbursements relating to previous outstanding non-commercial sector commitments.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FORTHE 2023-2027 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

2.3. RISK OF POOR CREDIT RATING

The IIB has taken remarkable steps required for its access to the global financial market with the support of rating consulting firm.

Obtaining a poor credit rating could affect the IIB's chances of accessing funding from global financial market and raise the cost of the resources it may mobilized there. This would result in the risk of a non-competitive offer to the Bank.

2.4. LIQUIDITY RISKS AND LOSS OF PROFIT MARGINS

Inadequate resources could create a liquidity risk for the IIB. Similarly, in the absence of adequate concessional resources to cover disbursements of outstanding concessional loans, there will be the risk as to whether the market resources alone can cover the disbursements, even if partly, and this could result in a loss of profit margins.

The incidence of socio-political and security crises could also hamper the implementation of the strategic plan.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

III. IMPLEMENTATION PHASES AND SCHEDULE

The implementation of the strategic plan will consist of three stages: the launching, deepening and transitional phases.

3.1. LAUNCHING PHASE

The following steps will be taken during the launching phase, which will be completed by the end of 2014:

- Information and mobilization of all staff for the attainment of the objectives of the strategic plan ;
- Operational deployment and implementation of monitoring tools;
- Review of the debt standards;
- Launching of BOAD rating process.

The collective and individual involvement of the Bank's staff in the implementation of the strategic plan is a guarantee for success. To this end, after approval of the plan by the governing bodies of the Bank, a general staff meeting, chaired by the President of BOAD will be held, to share the objectives and information on the activities to be carried out.

Operational deployment will involve the development of detailed action plans and setting up of monitoring tools (logical framework, tools for data collection, analysis and reporting).

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

3.2. DEEPENING PHASE

The deepening of the process will extend till June 2015, where other essential preparatory steps to achieving the objectives will be taken. These will include

- Taking decisive steps t owards resource mobilization;
- Aligning the organization, policies and procedures;
- Capacity building and targeted recruitment of staff;
- Aligning the marketing actions with the strategy;
- Finalization of key procedures for the launch of new products.

3.3. TRANSITIONAL PHASE

The transitional phase is the period in which the Bank will focus on the expected decisions on internal concessional resource mobilization and bond floatation in the global financial market.

This will be the period for full implementation of the strategic plan.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

3.4. IMPLEMENTATION SCHEDULE

Below is an outline of the strategic plan implementation timetable.

The areas and objectives of the 2015-2019 strategic plan are captured as annexes. They will be rolled out together with action plans at all levels of the Bank's activities.

IMPLEMENTATION SCHEDULE

Phases	Major activities	2014				2015				2016 to 2019
		T1	T2	T3	T4	T1	T2	T3	T4	
I LAUNCHING PHASE	1.1. Information and mobilization of staff									
	1.2. Operational deployment									
	1.3. Formulation of monitoring tools									
	1.4. Review of debt conditions									
	1.5. Launching of BOAD rating process									
II DEEPENING PHASE	2. 1. Taking decisive steps towards resource mobilization									
	2.2. Aligning the organization, policies and procedures									
	2.3. Capacity building and targeted recruitment of staff									
	2.4. Aligning marketing actions with the strategy									
	2.5. Finalization of key procedures for the launch of new products									
III TRANSITIONAL PHASE	Optimum implementation of all action items									

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

IV. MECHANISM FOR CONTROL AND MONITORING-EVALUATION

Monitoring of the strategic plan implementation will be carried out by the department in charge of strategy, in conjunction with all departments of the Bank.

The monitoring logframe as well as the tools for collection, analysis and reporting combined with specific target-based scorecards will be set up.

Monitoring reports, with recommendations, will be submitted every half-year for review by Management of the Bank. The main monitoring results will be disseminated to staff.

The Board of Directors will be presented with an annual implementation report.

The strategic plan will undergo external evaluation at the end of the five-year period.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

A) Directions and objectives relating to the bank's operations

AREA 1 : **ACCELERATING REGIONAL INTEGRATION THROUGH SUSTAINED INFRASTRUCTURE FINANCING**

	STRATEGIC DIRECTIONS	OBJECTIVES
1	**Prioritizing regional projects and programmes**	Supporting the development and interconnection of road and rail networks; rehabilitating port and airport infrastructure;
		Supporting the development of energy and telecommunication infrastructure
2	**Supporting regional growth poles**	Financing integrated industrial and agricultural poles
		Supporting the development of large irrigation schemes

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

AXE 2 : SUPPORT FOR INCLUSIVE GROWTH, FOOD SECURITY AND SUSTAINABLE DEVELOPMENT

	STRATEGIC DIRECTIONS	OBJECTIVES
1	**Supporting food security and agricultural resilience**	Providing funding for family farm projects as part of the value chain approach
		Promoting a crop insurance programme in the member countries of the Union
2	**Strengthening financial inclusion**	Intensifying rural credit to finance income generating activities
		Increasing support to decentralized financial services and national entities in charge of financial inclusion.
3	**Scaling up financing for basic infrastructure**	Areas of support: rural development and environment; water and sanitation; electricity
4	**Supporting agribusiness development**	Supporting the development of irrigated agriculture and the provision of sector-related services
		Providing funding for agricultural input production plants
		Investing in the capital of specialized agricultural banks
5	**Deepening agricultural governance and developing funding for green growth projects**	Strengthening BOAD's governance and leadership on environmental issues
		Promoting the financing of environmental projects

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

AXE 3 : SUPPORTING BUSINESSES AND STATES IN THE DEVELOPMENT OF FINANCIAL ENGINEERING AND SERVICES

	STRATEGIC DIRECTIONS	OBJECTIVES
1	**Promoting public private partnerships (PPP)**	Supporting States as well as companies in PPP activities
		Supporting the emergence of local private sector that can replace States as they withdraw from strategic sectors
2	**Supporting the development of industries and emergence of regional businesses**	Supporting the development of regional-scale businesses and the promotion of value chains
		Prefinancing studies on regional scale commercial projects
		Better professionalism in the Bank's equity participations
3	**Strengthening the provision of non-traditional products and services to the public and private sectors.**	Developing specific assistance to States in the area of infrastructure projects.
		Developing advisory and financial services for local authorities
		Becoming a vital partner in transaction structuring and fund raising
		Developing new products
4	**Scaling up support for SMEs/ SMIs and supporting financial sector development**	Providing refinancing facilities and equity investments in venture capital funds or NFIs.
		Identifying ways of providing managerial support and advice to SMEs
		Promoting specific support to exporting SMEs.
		Promoting the creation of an investment fund for financial sector development

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

AXE 4 : DEEPENING THE RESOURCE MOBILIZATION PROCESS

	OSTRATEGIC DIRECTIONS	OBJECTIVES
1	**Strengthening the debt capacity of the Bank**	Revisiting the Bank's debt ratio
2	**Enhancing the Bank's presence in the regional capital market**	Increasing frequency of bond issues and expanding the range of selected maturities
		Broadening the base of securities underwriters
3	**Obtaining a rating and accessing the global financial market**	Mobilizing resources from the global financial market
4	**Exploring alternative modes of refinancing**	Studying the possibilities of debt securitization and use of certain innovative fund-raising products
5	**Developing a targeted concessional resource mobilization approach**	Exploring resource mobilisation avenues in collaboration with BCEAO and WAEMU
		Creating a BOAD concessional fund of IDA or ADF-type
6	**Improving the leverage effect of funding from the Bank**	Promoting project co-financing
		Strengthening partnership with other financiers.

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

B) Objectives of aligning management and governance

1	**Reinforcing the legal certainty of operations**	Better and adequate monitoring-evaluation for commitments taken
		Strengthening debt recovery actions
2	**Improving financial and risk management**	Strengthening the counterparty risk management mechanism
		Reinforcing control of market risks, particularly through the exchange risk hedging policy
		Optimizing cash flow management
		Re-examining the tariff system
		Operationalizing the cost accounting processes and separating the FDC accounts
		Deepening the job accounting function in the area of financial management
		Enhancing the competitiveness of financing conditions
		Enhancing the Bank's profitability
3	**Developing monitoring-evaluation of operations, sectoral studies and knowledge management**	Continuing sectoral conduct of prospective studies
		Studying the modalities and implementing country support strategies
		Operationalizing the monitoring-evaluation of projects
		Reinforcing ex-post evaluation
		Supporting research/production of knowledge and capitalize on new knowledge
		Making knowledge and lessons drawn available to partners and economic operators in the sub-region
4	**Aligning the marketing and communication action with the strategy**	Increasing the visibility and corporate image of the Bank
		Revisiting the intervention strategy for the commercial sector
		Promoting synergy, particularly in the area of "prospecting"

TABLE OF CONTENTS
PRESIDENT'S STATEMENT
SUMMARY
INTRODUCTION

PART ONE
BUSINESS CONTEXT AND COMPONENTS OF THE STRATEGIC DIAGNOSIS

PART TWO
VISION AND STRATEGIC DIRECTIONS FOR THE 2015-2019 PERIOD

PART THREE
FINANCIAL FRAMEWORK AND IMPLEMENTATION PREREQUISITES

I. **Financial framework**
1.1. Preliminary considerations
II. **Implementation risks**
2.1. Risk of inadequate debt capacity
2.2. Risk of non-obtaining of internal concessional resources
2.3. Risk of poor credit rating
2.4. Liquidity risk and loss of profit margins
III. **Implementation schedule**
3.1. Launching phase
3.2. Deepening phase
3.3. Transitional phase
3.4. Implementation schedule
IV. **Mechanism for control and monitoring-evaluation**

SUMMARY OF DIRECTIONS AND OBJECTIVES OF THE STRATEGIC PLAN

ABBREVIATIONS AND ACRONYMS

5	**Optimizing staff performance**	Strengthening staff performance culture and motivation
		Consolidating human resource management
		Enhancing skills and providing staff for new activities
6	**Reinforcing asset management and safety of goods and persons**	Controlling the maintenance cost of the buildings and facilities
		Modernizing and reinforcing the security apparatus
		Launching the 2nd phase of the headquarters building extension project
7	**Modernizing the information system (IS)**	Activating and implementing an IS security policy
		Integrating the telecommunication dimension into the information system
		Setting up a business intelligence
		Carrying out the automation of non-core activities
8	**Strengthening the governance and monitoring system**	Reasserting the Bank's commitment to good corporate governance
		Raising the control and auditing practices to international standards
		Consolidating internal governance
		Strengthening organizational governance
		Working towards the inclusion of independent directors on the Board
		Separation of FDC accounts from those of the market window
9	**Preparing for possible organizational reform of the Bank**	Meeting the requirements for the possible legal separation of the two activity windows (Bank and FDC)

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