

BUA Cement Secures 500million Dollars Facility From IFC to Create 12,000 Jobs

BUA Cement Plc said that it had secured a \$500 million facility from the International Finance Corporation (IFC) and partners to develop energy-efficient cement production capacity and strengthen its equipment and logistics capabilities in northern Nigeria. The company, in a statement, said this investment, marked the largest-ever investment by IFC, will create up to 12,000 direct and indirect jobs and contribute to economic and infrastructural development within Nigeria and the greater Sahel region.

According to the statement, IFC's \$500 million financing package includes a \$160.5 million loan from IFC's own account, a \$94.5 million loan through the Managed Co-Lending Portfolio Programme (MCLPP) the, and \$245 million in parallel loans from syndication partners; the African Development Bank (AfDB) \$100 million, the Africa Finance Corporation (AFC) \$100 million, and the German Investment Corporation, Deutsche Investitions- und Entwicklungsgesellschaft (DEG) \$45 million.

It said the financing, announced during the Africa CEO Forum in Abidjan, Côte d'Ivoire, will allow BUA, Nigeria's second-largest cement producer, to develop new production lines in northern Nigeria's Sokoto State. The company said the plants will run partly on alternative fuels derived from waste and solar power. Each will produce about three million tons of cement annually when complete, serving markets in Nigeria, Niger, and Burkina Faso. "Investing in northern Nigeria is integral to IFC's strategy to promote sustainable development in underserved regions.

"This includes areas with limited opportunities and a need for increased private sector engagement. The new plants will provide local developers with a reliable and affordable source of cement, and bolster the construction of essential infrastructure, fostering economic growth and prosperity for the region," it said.

The project is expected to create about 1,000 direct and 10,800 indirect jobs. Direct jobs include those in manufacturing, engineering, and advanced automation systems. Indirect jobs include those in the cleaning, maintenance, mining, and transportation sectors.

Abdul Samad Rabiu, Chairman and Founder of BUA Group, said, "BUA is delighted to partner with IFC and other esteemed institutions in securing this \$500 million facility to develop energy-efficient cement production capacity and strengthen our equipment and logistics capabilities in northern Nigeria. "In line with our commitment to sustainability and ESG principles, this investment will create jobs and contribute to economic and infrastructural development within Nigeria and the greater Sahel region. "We are particularly pleased to have successfully gone through the rigorous process with IFC, AfDB, AFC, and DEG, which validates our responsible business practices. By focusing on greener fuels and enhancing our equipment and logistics platform, BUA Cement is building a foundation for

sustainable infrastructure growth and a more inclusive society." "We are pleased to join our partners to support BUA with an investment that will boost industrialisation, create jobs and deliver economic growth in northern Nigeria, a region with significant economic potential," said Makhtar Diop, IFC's Managing Director.

The financing package announced by IFC and its partners will also allow BUA to replace some of its diesel trucks with vehicles that run partly on natural gas, over time producing fewer emissions. As part of the project, IFC will also advise BUA on developing a gender-inclusive workplace strategy that creates more opportunities for women across its operations. Samaila Zubairu, CEO & President of Africa Finance Corporation (AFC), said, "Following an initial \$200 million investment in BUA Group in 2021, we are proud to play another key role in this landmark manufacturing project set to transform the construction sector in northern Nigeria and the entire country. "By investing in this project, we are sustainably building Nigeria's local manufacturing capacity, empowering local communities and creating employment opportunities. "AFC is committed to working with our partners to accelerate development impact through infrastructure solutions that support value addition, industrialisation, and job creation throughout Africa."

Also, Solomon Quaynor, Vice President – Private Sector, Infrastructure and Industrialization of the African Development Bank (AfDB), said: "The African Development Bank is pleased to be partnering with IFC and BUA on this expansion project as it is aligned with our priority strategies of industrialising Africa and improving the quality of lives of Africans through the increase in cement production which will lead to the development of additional affordable housing and critical infrastructure in Nigeria and neighbouring West African countries, while supporting the use of cleaner energy at BUA's Sokoto facility."

"DEG's mission is to be a reliable partner to private sector enterprises as drivers of development and creators of qualified jobs. We are pleased to contribute to this transaction together with our development finance partner institutions. Together we support BUA in its transformation towards a more sustainable production by implementing innovative technology. The significant reduction of CO2 emissions and the creation of decent jobs in a region with many vulnerable households are key factors for DEG's financing," said Gunnar Stork, Senior Director at DEG.

The investment in BUA is part of IFC's strategy to promote diversified, inclusive growth and job creation in Nigeria, where IFC supports the manufacturing, agribusiness, healthcare, infrastructure, technology, and financial services sectors. IFC has an active investment portfolio of \$2.3 billion in Nigeria. IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets.