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WEST AFRICA

SNAPSHOT

Forging new partnerships to boost agricultural lending

USAID is bridging West Africa's agricultural financing gap, creating partnerships with a West African bank and an impact lender that provided \$20.3 million in loans to West African businesses.



Photo credit: Rebecca Weaver, Abt Associates

Ms. Mariam Sidibe is one of 100 staff lenders trained over the last year by a Trade Hub senior consultant, who has provided technical assistance to bank staff members in Burkina Faso, Côte d'Ivoire, Mali, and Senegal.

“This training has helped me to understand the risks that surround agricultural products and how to price them into potential loans. After this training, I will be in a much better position to create products that meet the needs of agribusiness and approve loans to businesses in this sector.”

Ms. Mariam Sidibe
Communication and Marketing
Manager Specialist, Coris Bank
International S.A.

Telling Our Story

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<http://www.usaid.gov/results-data/success-stories>

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The Trade Hub and USAID's Development Credit Authority partnered in FY17 with a West African bank and a social impact lender, paving the way for \$20.3 million in loans to West African businesses working in agricultural value chains. In September 2016, the DCA backed and signed a \$24 million guarantee for impact lender Oikocredit International. This five-year partnership allows Oikocredit to extend more loans to small- and medium-sized West African agricultural businesses, cooperatives, and associations by sharing loan risk. The DCA backed a similar agreement with Coris Bank International, headed in Burkina Faso, with branches in Cote d'Ivoire, Mali and Senegal for \$10-16 million in August 2017.

Together, Oikocredit and Coris Bank International fill different market niches across the finance spectrum. In FY17, Oikocredit and Coris Bank approved 23 loans averaging \$1 million and \$700,000 respectively.

The Trade Hub's approach to broadening access to finance, launched in 2015, expands loan opportunities for smaller West African agribusinesses in a banking climate that tends to avoid risk. It is also three-pronged, including DCA loan guarantees, targeted training of bank and lending staff, and the assistance of Trade Hub Financial Advisors to SMEs.

As part of its technical assistance package, the project hired a senior consultant who has provided training and coaching to approximately 100 Coris Bank loan officers and Oikocredit staff and management in four countries: Burkina Faso, Côte d'Ivoire, Mali, and Senegal. The consultant focused on Trade Hub value chains like shea, cashew, and mango—all new sectors for Coris Bank—with an emphasis on better negotiating with agricultural loan applicants while evaluating risk factors.

The Trade Hub's Financial Advisors, part of a 20-person network across the region, assist small and medium-sized exporters and processors to obtain loans and/or equity investments. They also screen potential clients and serve as intermediaries between clients and banks, assisting business plan development and connecting businesses with banks and impact lenders. Financial Advisors have facilitated \$27.1 million in loans and investment since the start of the project.