CÔTE D’IVOIRE IS EMERGING FROM A DECADE OF INSTABILITY AND ECONOMIC DISLOCATION, AND IS AT A CRITICAL STAGE IN ITS POST-CONFLICT RECOVERY. AGRICULTURE IS A KEY SECTOR IN THE COUNTRY’S ECONOMIC DEVELOPMENT, AND ACCESS TO CREDIT IS NECESSARY FOR THE SECTOR TO GROW.

Investment in new technologies and sustainable production methods for crops, along with improvement of farm practices, can help transform farmers from subsistence and semi-commercial producers into commercial farmers, thereby increasing both livelihoods and food security.

IFC is guaranteeing up to $40 million of loans made by Societe Ivoiriene de Banque (SIB), which will support overall new lending of about $80 million to small- and medium-sized enterprises, focusing on women and agribusiness. SIB, which is Côte d’Ivoire’s fifth largest bank by loan book, has historically targeted less risky cocoa firms, but its objective is to diversify into other sectors, such as cotton, cashew nuts, and citrus fruits, where perceived risks are higher and access to finance for smaller firms is limited.

EXPECTED RESULTS:

This project provides incentives for SIB to invest in growing its agricultural SMEs portfolio and targeting new customers with little access to finance, such as women-owned businesses and re-activated businesses and agribusinesses. Without IFC and GAFSP guarantees, the higher perceived risks of these enterprises would likely result in market-based pricing that would be too expensive for SIB and their agri-SME clients.

This enhanced access to financing will, particularly in the case of women-owned SMEs, increase women’s economic power and contribute to poverty reduction, improved nutrition, and availability of school tuition. In the case of family-owned or cooperative-managed farms, financing will allow farmers to expand existing operations through equipment lending and/or farm extension.

IFC’s advisory services in the areas of SME banking and environmental and social management will be a key part of this project, supporting overall economic development in Côte d’Ivoire. As Côte d’Ivoire accounts for 40 percent of the GDP of West Africa, its recovery will have positive spillover effects within the region.