

 Early Warning System

AFDB-P-BF-HAA-001

Burkina Faso - Support Project for Establishing an Agribusiness Bank
(PACBA)



Quick Facts

Countries	Burkina Faso
Financial Institutions	African Development Bank (AFDB)
Status	Active
Bank Risk Rating	U
Voting Date	2018-12-14
Borrower	MINISTERE DE L'AGRICULTURE
Sectors	Finance
Investment Amount (USD)	\$ 5.40 million



Project Description

The Support Project for Establishing an Agribusiness Bank (PACBA) was designed to address the to address the high marginalisation of this sector as regards financing. Indeed, given the importance of the agricultural sector, the structural transformation of Burkina Faso's economy will be based on the development of this sector with respect to production and processing. The project will help to create enabling conditions for more sustained and inclusive growth through better financing of the agricultural sector, which is a pillar of Burkina Faso's economy. It will improve farmers' access to credit and promote the financial inclusion of the farming population. Similarly, the project will help to reduce the proportion of non-resilient households. The PACBA is structured around two components: (i) support for improving access to agricultural financing through Government participation in the capital of the newly established Banque Agricole du Faso (Agricultural Bank of Burkina Faso) (BADF); and (ii) support for security of the agricultural financing ecosystem by establishing an agricultural insurance system and a warrantage mechanism. In addition to establishing this bank, which receives support from the project, the authorities intend, in the medium term, to strengthen the agricultural financing mechanism through the Shared Risk Facility, following the example of countries such as Nigeria, Togo, Ghana, etc.

The project goal is to help increase the growth rate of the agricultural sector and improve its productivity in order to reduce poverty and strengthen the resilience of Burkina Faso's rural environment. The specific project objectives are to: (i) improve access to agricultural financing; (ii) support the country's economic transformation through the emergence of an agro-industrial value chain that provides local employment; and (iii) help improve the attractiveness of the agricultural sector for bank financing by promoting the establishment of an ecosystem that mitigates risks in the agricultural sector, particularly agricultural insurance and warrantage.

The main beneficiaries are farmers and economic operators engaged in processing activities in the agricultural sector. The banking sector, in particular BADF, will witness an improvement in its loans to the sector following establishment of the agricultural insurance mechanism.



Investment Description

- African Development Bank (AFDB)



Contact Information

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ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at <https://www.afdb.org/en/independent-review-mechanism/>.



Bank Documents

- [BURKINA FASO - Projet d'appui à la création d'une banque d'Agrobusiness PACBA](#) [Original Source]
- [BURKINA FASO - Support Project For Establishing An Agribusiness Bank PACBA](#) [Original Source]
- [General Conditions 2009](#) [Original Source]