

Early Warning System

AFDB-P-GM-A00-007

Gambia - Incentive-Based Risk Sharing System for Agricultural Lending (GAMIRSAL) Establishment Project

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Quick Facts

Countries	Gambia
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-11-08
Borrower	Government of Gambia - CENTRAL BANK OF GAMBIA
Sectors	Agriculture and Forestry

Project Description

According to the AfDB website:

> The GAMIRSAL Establishment Project would address a number of market failures, including: i) difficulties for actors along the agriculture value chains to access suitable financial services and products, due to lack of satisfactory collaterals and risk mitigating instruments as well as prohibitive borrowing cost; ii) reluctance of FIs to finance agriculture despite their high liquidity, due to their lack of knowledge of the agricultural sector, the agriculture perceived and inherent risks including climate risks and the lack of agriculture tailor-made financial products; iii) limited capacity of actors along agriculture value chains to develop bankable business plans and efficiently manage credit and climate change risk. Also, the project fits well into the new policy paradigm for agricultural development promoted by the Bank and the Government, which aims at transforming agriculture, through the Gambia Agriculture Transformation Program.
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> The project development objective is to increase access to lending from Financial Institutions (FIs) to actors in agricultural value chains. The project specific objectives are : i) increase access of FIs to risk mitigating instruments to crowd in investments in the agricultural sector; ii) improve FIs' knowledge of the agricultural sector and skills in analysing, financing, and managing agricultural project portfolios, including climate risk mainstreaming in investment portfolio; and iii) improve skills of agriculture value chains' actors in business governance (enterprise governance structure, board structuring and oversight, ownership structure, etc.), financial and credit risk management, climate risk management, as well as reporting. The achievement of these objectives will enable project end beneficiaries gain access to fit-for-purpose financing to increase productivity, generate greater added value and build resilience to climate change. At the national level, this will facilitate agricultural growth, increased exports, greater value addition, as well as improved food and nutrition security.

The project will intervene in all regions of the country, although concentration is expected to be in the Greater Banjul Area (GBA) where most of the commercial banks are currently located.

Investment Description

- African Development Bank (AFDB)

AFDB Investment: U.A 5,000,000

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

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