Early Warning System

DFC-2021-ABSABANKMOZAM

Absa Bank Mozambique, SA

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Quick Facts

Countries	Mozambique
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	U
Borrower	Absa Bank Moçambique, SA
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 8.25 million
Project Cost (USD)	$ 16.50 million

Project Description

According to bank provided information, the investment involves a loan portfolio guaranty to increase lending to SMEs in Mozambique’s agriculture sector.

This Project is expected to have a highly developmental impact with loans to support lending to SMEs, with a focus on agriculture SMEs. Agriculture is the mainstay of the Mozambican economy, contributing more than a quarter of GDP and employing more than 70 percent of the total labor force. The agricultural sector is dominated by smallholders, though there are some larger enterprises engaged in production and agro-processing. These loans will improve access to finance to agriculture SME borrowers, which is important for the country as the sector is an important driver of employment and food security. The challenge has been even more pronounced from the COVID-19 pandemic, which resulted in an economic contraction in 2020.

Investment Description

- US International Development Finance Corporation (DFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Absa Bank Moçambique, SA (Financial Intermediary)

Contact Information

Contact information not provided at the time of disclosure

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure