Early Warning System

FMO-63584

Cooperative Bank of Oromia - Nasira Portfolio

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Quick Facts

Countries	Ethiopia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-07-08
Borrower	Cooperative Bank of Oromia
Sectors	Agriculture and Forestry, Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 8.83 million
Loan Amount (USD)	$ 8.83 million

Project Description

As stated by the FMO, COOP is considered a good partner for FMO given their unique focus on cooperatives and agriculture clients as well as their strong interest in promoting sustainable banking and agriculture practices. In addition, the bank is seen as one of the most innovative in the market, having launched the sector's first digital lending app and alternative banking channels (mobile money and agency networks), and is one of the only banks in the country to be actively lending to Micro, Small, and Medium Enterprises (MSMEs) and the agriculture sector with the bank operating primarily through rural branches and also employing circa 90 agronomists to provide capacity building and advisory support to their clients.

This will be the first guarantee under the NASIRA risk-sharing facility in Ethiopia with the guarantee covering the bank's loans to their MSME clients, making it a highly impactful transaction that will encourage more financing to MSMEs in Ethiopia and qualifying the transaction as 100% Reducing Inequalities.

Investment Description

- Netherlands Development Finance Company (FMO)

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.

- Cooperative Bank of Oromia (Financial Intermediary)

Private Actors Description

As stated by the FMO, Cooperative Bank of Oromia ('COOP') is one of the largest banks in Ethiopia. The bank started in 2004 with a focus on the agricultural sector & cooperatives. It has since expanded into a universal bank and currently operates through circa 740 branches with approximately 13 million customers across the country and with 75% of the branches in rural areas.

Contact Information

Financial Intermediary - Cooperative Bank of Oromia:

Website: https://coopbankoromia.com.et/

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism