

 Early Warning System

IFC-36071

Ecobank RSF

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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### Quick Facts

<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	U
<b>Borrower</b>	ECOBANK TRANSNATIONAL INCORPORATED



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### **Project Description**

Ecobank Transnational Inc. (“ETI” or “the Group”) is the leading pan-African full service banking group, active in 36 African countries with a licensed operation in Paris and representative offices in Beijing, Dubai, Johannesburg, London and Luanda. As at December 31, 2013, the Group’s 19,546 staff served more than 10.4 million customers across Ecobank’s 1,284 branches.

Under the proposed project, IFC will be supporting ETI’s commitment to SME banking by providing risk mitigation and guarantee tools to multiple affiliates in fragile and conflict afflicted situations (“FCS”). This would enhance the participating banks’ SME lending capacity and contribute to prudently growing the Group’s SME banking business. The project entails the provision of a Risk Sharing Facility (“RSF” or the “Facility”) in the amount of US\$55 million to cover eight ETI affiliates in FCS – Burundi, Chad, Republic of Congo, Democratic Republic of Congo, Cote d’Ivoire, Guinea, Mali and Togo, together the Participating Affiliates (“PAs”) for a target portfolio of SME loans in the amount of US\$110 million. The project includes resources mobilization from the IFC’s Global SME Facility (“SME Facility”).



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### **People Affected By This Project**

**Increasing of Access to finance:** The project will make the risk/return profile of SMEs in the designated FCS more attractive to the participating ETI subsidiaries, thereby reducing financing constraints for SMEs in the targeted countries. This in turn would increase financing volumes to existing and new SME clients, ultimately contributing to bridging the wider financial access gap in FCS countries.

**Strengthening of Financial Sector in FCS:** Given the relatively small size of the real sectors in several FCS markets, the financial sector is usually highly exposed to government. Through the eligibility criteria, the RSF would support better allocation of resources across vital segments of the economy

and help the banks diversify their loan portfolios. This would strengthen the financial sector in FCS.

**Private Sector Development:** SMEs are the engine of private sector growth in developing countries, and more so in FCS. By facilitating access to finance for

SMEs, the project would support entrepreneurship, encourage investment in existing or new businesses, and promote international best practices among eligible SMEs. The medium term result would be a more vibrant private sector.

**Job Creation:** This RSF project will help generate private sector growth which in turn would create and/or maintain employment opportunities in FCS.



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**Investment Description**

- International Finance Corporation (IFC)



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### **Contact Information**

#### ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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**Other Related Projects**

- IFC-47911 ETI Investement II