

 Early Warning System

IFC-45991

SLGP Agri Sogesol



Quick Facts

Countries	Haiti
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	FI
Borrower	SLGP RSF Sogesol
Sectors	Agriculture and Forestry
Investment Type(s)	Fund
Investment Amount (USD)	\$ 3.00 million
Project Cost (USD)	\$ 6.00 million



Project Description

A US\$3 million unfunded risk sharing facility (RSF) on a portfolio of US\$6 million to support Sogesol's lending to Agri-SMEs. The proposed project consists of an up to US\$3 million equivalent risk sharing facility ('RSF') with Société Générale de Solidarité S.A. (Sogesol) on a portfolio of up to US\$6 million equivalent. The project will support Sogesol in increasing its lending to Agri-SMEs in Haiti. The project is part of IFC's Small Loan Guarantee Program which provides risk sharing instruments to client financial institutions looking to expand SME lending in difficult to serve markets. SLGP is supported by the IDA18 IFC-MIGA Private Sector Window's Blended Finance Facility (PSW-BFF), which was created by the World Bank Group to catalyze private sector investment in IDA countries, with a focus on fragile and conflict-affected states. PSW BFF support enables IFC to rapidly roll out a program of SME risk sharing facilities to reach segments facing serious market failures which IFC could not otherwise serve. The Project is part of IFC's Small Loan Guarantee Program (SLGP) which provides risk sharing instrument to client banks looking to expand SME lending in difficult to serve markets. SLGP is supported by the IDA IFC-MIGA Private Sector Window's Blended Finance Facility (PSW-BFF), which was created by the World Bank Group to catalyze private sector investment in IDA countries, with a focus on fragile and conflict-affected states. The PSW BFF support would enable IFC to rapidly roll out a program of risk sharing facilities to reach segments facing serious market failures in IDA countries and provide access to finance to such underserved targeted market segments which IFC could not otherwise serve due to the associated high risk. The concessional support from IDA PSW, will, therefore, also enable Sogesol to expand lending to agricultural (Agri) small and medium enterprises (SMEs) in rural areas in Haiti with inadequate or no collateral or weak cash flow but with potential to grow their business initiatives. The level of concessionality (i.e., "subsidy") provided by the blended concessional finance co-investment is estimated to be up to 9 % of the total portfolio of US\$800 million for the entire SLGP. This project benefits from the SLGP and the concessionality embedded in the Program. The estimate is based on the difference between (i) a "reference price" (either a market price if available; the price calculated using IFC's pricing model, which comprises three main elements: risk, cost, and profit; or a negotiated price) and (ii) the "concessional price" being charged by the blended concessional finance co-investment under the program. This level of subsidy is considered the minimal amount of subsidy required based on the expected risk level of the overall portfolio to achieve the floor pricing for the program. Further details and historical information on estimated subsidy levels in IFC's blended finance portfolio can be found at: www.ifc.org/blendedfinance. As is the case with all IFC's blended concessional finance co-investments, this project has been assessed against the Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations adopted by IFC and more than 20 other DFIs in 2017. Further information on these Enhanced Principles and IFC's blended finance approach and governance can also be found at: www.ifc.org/blendedfinance. The SLGP is a platform approach that can be accessed by other financial institutions in Haiti and other IDA PSW markets.



Investment Description

- International Finance Corporation (IFC)



Contact Information

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