

 Early Warning System

IFC-608449

Improving credit reporting systems in Mauritania



Quick Facts

Countries	Mauritania
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-05-10
Borrower	Borrower information not provided at the time of disclosure
Sectors	Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services



Project Description

According to bank provided information, the project has three components:

COMPONENT 1: Inception Assessment of the credit reporting system in Mauritania

The initial activity will consist of an inception study, that will assess the viability of operating a standalone private credit bureau (with the different available options) and conduct a gap analysis of the public credit registry, which will identify current gaps, benchmark the infrastructure with international best practices, and recommend needed enhancements capable to satisfy CBM's future needs.

COMPONENT 2: Improve the credit reporting legal and regulatory framework in Mauritania.

The project will support CBM to develop a new credit reporting legal framework that would address the current constraints and put clarity on the respective roles of the credit bureau and the public credit registry.

1. High-level assessment of the overarching legal and regulatory environment for the operation of a private credit bureau: IFC will conduct a review of the legal and regulatory framework governing credit and financial sector operations in Mauritania. The activity will include a detailed analysis of the laws and regulations pertaining to data privacy, confidentiality, and data sharing (data sharing by financial institutions with third-party entities such as private credit bureaus).
2. Support CBM (and the Ministry of Finance) in the drafting of a standalone credit reporting legislation that would address the issues identified in the legal assessment. The new legislation will be conducive to strengthening the evolving credit reporting environment, define the authority and role of CBM in supervising the credit reporting sector, establish norms for non-regulated entities to participate in the credit bureau, and ensure the establishment of borrowers' rights and protection of their data.
3. Assessment of the economic and financial viability/sustainability of a standalone privately operated bureau in the Mauritanian context (considering the small market size). If the assessment suggests that a separate private sector operation may not be viable, other approaches will be considered, that create a different mix of public/private contributions.
4. Capacity-building program for CBM and financial sector players: for CBM personnel, the plan is to build skills on the regulation and supervision of private credit bureaus (including in-class training sessions, as well as study tours). IFC will also organize study tours for CBM personnel in Morocco for in-depth learning about the delegation model and lessons learnt, so that replication to Mauritania can be facilitated. For financial sector players, the capacity-building efforts will aim at preparing them to be active contributors of reliable and complete data to the bureau. The objective is to encourage lenders to utilize the bureau services further with a view to improve access to credit in Mauritania.

COMPONENT 3: Enhance CBM's public credit registry.

The project will provide technical assistance in the following areas:

1. Support CBM to develop a strategy for increasing the coverage of the public credit registry, e.g., the capacity to collect, process and disseminate – in a reliable and fully automated way – all types of loans, and publish complete, detailed credit histories/reports for longer periods (3–5-year history).
2. Build the capacity of CBM and users of the public credit registry. For CBM, the focus will be on training and building capacity of relevant departments on the use of the new services and functionalities developed. For the financial institutions, capacity building will target credit departments to enable them to integrate data collected from the public credit registry into their lending decisions.
3. In the event the initial feasibility assessment suggests that a standalone private sector bureau might not be viable from an economic and financial standpoint, the new public credit registry might be restructured to serve both the purpose of Central Bank supervision and the market as well.



Investment Description

- International Finance Corporation (IFC)



Contact Information

Contact information not provided at the time of disclosure

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