Early Warning System

IFC-604977

OHADA Strengthening Credit Infrastructure Project

Early Warning System

OHADA Strengthening Credit Infrastructure Project

IFC-604977

Quick Facts

Countries	Burkina Faso, Congo, Democratic Republic of, Gabon, Ivory Coast
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Voting Date	2021-04-27
Borrower	Clients not available at the time of the snapshot
Sectors	Industry and Trade
Investment Type(s)	Advisory Services
Investment Amount (USD)	$ 3.00 million
Project Cost (USD)	$ 3.00 million

Project Description

According to the Bank's website, the OHADA Strengthening Credit Infrastructure for MSME Growth Project is a follow-on IFC Advisory Services project to the OHADA UA I project (2007-2011) and OHADA UA II (2012-2017) that seeks to strengthen digital credit infrastructure to increase access to finance and minimize the impact of COVID19 on MSMEs, especially women owned firms. The project will also support activities that promote optimal usage of credit infrastructure, catalyze financing to MSMEs and crowd in additional private sector investment. This program aims to support and leverage the reach of regional central authorities such as BCEAO (West African States Central Bank), BEAC (Central African States Central Bank) and the OHADA Permanent Secretariat, as well as similar activities being implemented under different programs within OHADA.

In line with the IFC SME Finance long-term business plan on leveraging technology and innovative models to deliver greater scale and impact, the project will leverage on partnerships with industry players to gain an understanding of the market characteristics to develop and pilot innovative products aimed at expanding access to credit by MSMEs.
The project scope will cover four OHADA countries - Burkina Faso (BF), Cote d'Ivoire (CdI), DRC and Gabon - but certain reforms/activities will impact on the rest of the countries across common markets. Upon successful completion of this phase I project, a follow on program will be considered as appropriate. The choice of countries was made in agreement with the OHADA Secretariat, based on a combination of criteria including the need to have a regional balance between West and Central Africa, as well as client commitment/willingness to adopt reforms.

Component I: Enhancing the Credit Reporting Environment

The objective of this component is to enhance the credit reporting environment in the region through the review of legal frameworks, modernizing the credit information sharing systems and the development and deployment of value-added services. This component is aimed at promoting access to credit by MSMEs with thin or no credit files. This component will support policy and infrastructure development work in CEMAC and DRC, while the activities in UEMOA will support the implementation of value-added services.

1.1 Enhancing policy and regulatory framework

1.2 Support the establishment of credit reporting system

1.3 Expand information sharing through onboarding of non-bank financial institutions

Component II: Enhancing Regulatory and Institutional Frameworks for Movable Asset Lending

The objective is to promote movable asset-based lending by enhancing the effectiveness of the movable asset financing system established in CdI and Gabon under previous IC projects and support the establishment and sustained operation of a movable asset collateral registry in BF and DRC. It will also support market creation activities to boost access to credit by MSMEs that do not have real estate/immovable assets, often preferred by FIs as security for loans and create upstream investment opportunities for IFC.

2.1 Promote the Adoption of Regulatory and Supervisory Frameworks that will facilitate Asset-Based Lending

2.2 Operationalization and digitalization of the commercial and collateral registry (RCCM)

Component III: NPL Management and COVID Response

The objective of this component is to assist the region in dealing with a potential surge in NPLs due to the COVID pandemic. Although an effective NPL strategy involves several responses at a prudential, regulatory and legislative level, strengthening the insolvency framework and distressed asset market will assist the region in resolving potential NPLs in a manner that aims to maximize creditor recovery.

Investment Description

- International Finance Corporation (IFC)

Contact Information

No contact information provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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 You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org