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CORDAID

A PARTNERSHIP BETWEEN THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC), WEST AFRICA TRADE AND INVESTMENT HUB, DUTCH POSTCODE LOTTERY, AND CORDAID TO ENHANCE CREDIT TO AFRICAN BUSINESSES

The potential for private sector growth in West Africa is enormous. With improving economies and a youthful workforce hungry for success, the stage is set for economic growth. However, access to finance that is competitive and sustainable remains a major setback, and is even more pronounced among the smaller economies.

The CORDAID project is a four year activity led by the West Africa Trade and Investment Hub in partnership with the U.S. International Development Finance Corporation (DFC) and Stichting Cordaid, managed by Cordaid Investment Management B.V. (CIM), to increase access to finance for small and medium sized enterprises and microfinance institutions in Burkina Faso, Guinea, Mali and Sierra-Leone.

This partnership will attract investments into CIM's West Africa Bright Future Fund and create a low-risk framework that encourages private capital to invest along with other impact investors in West Africa. This activity aligns with DFC's 2X Initiative, and at least 30 percent of CIM's lending targets women owned/led businesses or those offering products or services that deliver tangible benefits to women. It is also noteworthy that CIM will increase its focus on youth to integrate the region's growing population of youth into local economies.

HOW THE PROJECT WORKS

Partners will develop beneficiary pipelines from multiple sectors notably agriculture, agri-processing, fisheries, renewable energy, other small and medium enterprises (SMEs) and micro finance institutions (MFIs) in the four target countries. Catalytic capital will be raised from bilateral donors and NGOs to mitigate perceived risks, thereby motivating other private investors to invest in the fund. It is envisaged that these efforts will generate up to \$37 million in new private investments into the four target countries and increase the value of exports to about \$30 million. Over the duration of the project, the portfolio investments are expected to achieve the following objectives:

OBJECTIVES:

- Open up fragile markets in West Africa to external investments.
- Support sustainable economic development through job creation.
- Catalyze the creation of economic opportunities for women and youth in West Africa.

EXPECTED RESULTS

When the program closes, the following key deliverables are expected, with an emphasis on sustainable employment for women and youth:

1,100 jobs created through investments in SMEs.

8,000 indirect jobs supported through investing in MFIs and **50,000 indirect jobs** through SME investments.

20,000 new economic opportunities created for women and youth.

Increased access to finance for SMEs and MFIs in the region.

PROGRAM INFORMATION

GOAL:

Open up fragile markets in West Africa to external investment, support sustainable economic development through job creation, and catalyze the creation of economic opportunities for women and youth in West Africa.

LIFE OF PROGRAM:

March 2021 - 2025

TOTAL FUNDING:

DFC: \$14.75 million

West Africa Trade and Investment Hub: \$2 million

Cordaid Investment Management BV (CIM): \$1 million

GEOGRAPHIC FOCUS:

Burkina Faso, Guinea, Mali and Sierra-Leone

www.usaid.gov/west-africa-regional