

Mali: 90,000 smallholders and entrepreneurs to benefit from EIB backed expansion of leading microfinance institution



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- EUR 10 million local currency support for Kafo Jiginew welcomed by Prime Minister Cissé
- Increase in financial services adapted for needs of rural smallholders, artisans and stallholders
- Partnership to unlock economic opportunities and greater economic inclusion of women
- Technical assistance to further strengthen banking skills of Kafo Jiginew staff

Rural smallholders and low-income entrepreneurs across Mali will benefit from improved access to finance and local currency loans essential for expanding business activity or agriculture following EUR 10 million support from the European Investment Bank, the world's largest international public bank, formally agreed in Bamako today.

The new support will enable significant expansion of financial services provided by Kafo Jiginew, a leading microfinance institution in Mali. The new support is expected to enable around 60,000 microfinance loans to be provided to smallholder farmers and provide financing for more almost 15,000 people.

“Expanding access to finance is key to sustainable development in Mali. Kafo Jiginew has an impressive track record supporting new investment by private

entrepreneurs and farmers that enables job creation, increased production and social progress. I welcome the new support from the European Investment Bank for private investment in Mali. Sharing technical experience with leading international partners, such as the Bank of the European Union, and strengthening local currency financing contributes to stability and generates economic opportunities here in Mali and across Africa.” said Prime Minister Boubou Cissé.

“Kafo Jiginew is committed to enabling new small-scale investment by its members across Mali. Our microfinance activity helps businesses to grow, farmers to modernise and jobs to be created. The new support from the European Investment Bank will enable Kafo Jiginew to significantly expand activity to benefit people across Mali who cannot access bank finance. Increased microfinance will contribute to economic and social development in Mali and stability in the Sahel.” said Mr David DAO, Chief executive officer of Kafo Jiginew.

“The European Investment Bank is committed to supporting transformational private sector investment with leading financial partners across Africa. We are pleased to once again work with Kafo Jiginew to help expand the impact of their engagement across Mali. The new EU Bank support confirmed today will benefit vulnerable communities vulnerable to climate change and ensure that farmers and entrepreneurs can harness their full potential to contribute to economic and social growth. The impact of the successful partnership that combines the local understanding and expertise of Kafo Jiginew with the strength of the EIB is a model for the Sahel region and Africa. This partnership with Mali reflects the European Investment Bank’s firm commitment to supporting sustainable new investment across the Sahel,” said Ambroise Fayolle, European Investment Bank Vice President.

“This new EIB support to increase the high-impact microfinance provided by Kafo Jiginew demonstrates the broader European Union engagement in Mali and across the Sahel. Enabling farmers and entrepreneurs to access finance contributed to economic growth and stability.” said Bart Ouvry, Ambassador of the European Union to Mali.

The new EUR 10 million support for Kafo Jiginew from the European Investment Bank was formally agreed at a signature ceremony at Kafo Jiginew headquarters in Bamako earlier today. The European Investment Bank was represented by Jane Feehan, EIB Regional Representative in West Africa.

The new financing follows successful expansion of microfinance activities using the first EIB funding of Kafo Jiginew agreed in 2001.

Unlocking economic and social opportunities

Kafo Jiginew currently provides microfinance loans, adapted to the specific needs of vulnerable low-income groups who cannot access banks, through more than 400,000 members of 19 cooperatives across Mali. Kafo Jiginew has played a key role in helping farmers recover from cotton price changes. Ensuring that smallholder farmers and entrepreneurs can access finance has supported significant social and economic development across the country in recent

years.

Strengthening investment by communities vulnerable to climate change

The new financing will strengthen resilience of agriculture communities and support investment by smallholder farmers whose livelihoods are extremely vulnerable to heavy rains and drought.

Ensuring access to finance is not held back by currency costs

The EIB will provide long-term funding to Kafo Jiginew in local currency, CFA Francs. This will avoid costs and uncertainties of managing a foreign currency loan for local currency lending.

Technical assistance to further strengthen financing across Mali

In the coming months the EIB will also work with provide Kafo Jiginew to strengthen financial risk management and improve skills of Kafo Jiginew banking staff.

EIB commitment to support public and private investment across the Sahel

The EIB has supported public and private investment across the Sahel since 1967. Later this week the EIB is expected to join the Sahel Alliance that will enable increased cooperation with local and international partners to support public and private investment.

In recent years the EIB has supported new water and wastewater investment in Ouagagoudou, Niamay and Bamako, as well as supporting private sector investment in the region.

Last year the European Investment Bank provided more than EUR 3 billion for new public and private investment across Africa.