

MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES

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Cabinet  
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REPUBLIC OF CONGO  
Unité\* Travail\* Progrès  
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**PROJECT SHEET ON THE CREATION OF A BANK FOR THE FINANCING OF AGRICULTURE**

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| <b>Country</b>                | REPUBLIC OF CONGO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Duration</b>               | 4 years, from 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Location</b>               | All departments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Estimated cost</b>         | 15,000,000,000 FCFA or 22,867,352.59 Euros<br>In search of funding.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Justification</b>          | Promote agricultural development by creating financing mechanisms tailored to the specific attributes of the agricultural sector.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Sector and sub-sectors</b> | Rural/Agriculture, Livestock and Fisheries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Overall goal</b>           | Help accelerate economic and social self-promotion of all rural players and agricultural value chains actors through easy access to diversified financing tailored to their needs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Specific goals</b>         | <ul style="list-style-type: none"> <li>• Promoting the development of the agricultural sector;</li> <li>• Offering rural agricultural players a range of local financial services;</li> <li>• Financing agricultural value chains;</li> <li>• Increase the rate of banking in Congo, through a gradual geographical coverage of the national territory, with the opening of agencies.</li> </ul>                                                                                                                                                                                                                                                                            |
| <b>Development strategy</b>   | <p>This will involve the establishment of a mechanism for subsidized loans, which are loans granted at a lower rate than the market through a government contribution.</p> <p>The mechanism of these subsidized loans occupies in the context of the implementation of the Government's strategy, a central place as a reference mechanism for state economic aid for agriculture, livestock and fisheries, the main pillars of the diversification of the national economy.</p> <p>The State would pay a portion of the interest on the loan (subsidized) for a period to be determined (5 to 10 years maximum), with an interest rate to be determined with the bank.</p> |
| <b>Actions to be taken</b>    | <p>Actions to be taken include:</p> <ul style="list-style-type: none"> <li>• Feasibility study on agricultural financing;</li> <li>• Study on the structuring of financial products related to: <ul style="list-style-type: none"> <li>○ Incentives for investment;</li> <li>○ Subsidy to production</li> </ul> </li> <li>• Study on how to establish a climate of trust and assurance among agricultural producers;</li> <li>• Study on the implementation of more effective credit collection mechanisms;</li> <li>• Creation of a guarantee and insurance scheme with financial institutions to depreciate credit for agricultural investments.</li> </ul>               |
| <b>Expected results</b>       | <ul style="list-style-type: none"> <li>• Rural production is increased;</li> <li>• Rural agricultural producers have access to a wide range of financial services;</li> <li>• The financing of the value chains is assured;</li> <li>• The increase in the rural bank rate is increasing.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Actors of the Channel</b>  | Producers, suppliers of agricultural inputs and equipment, traders of agricultural products, processors and carriers of agricultural products.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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| <b>Components</b> | <ol style="list-style-type: none"><li>1. Financial services;</li><li>2. Support - advice.</li></ol> |
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