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# DEVELOPMENT CREDIT AUTHORITY (DCA)

September 2009 – September 2021 | Agreement Holders: International Bank, Eco Bank and Afriland Bank

Development Credit Authority (DCA) assumes a share of lending risks to encourage financial institutions to provide loans to actors sectors and segments important to development.

DCA works with missions that offer technical assistance to build the credit-worthiness of borrowers, increase the willingness of lenders to extend credit, and create linkages between borrowers and lenders

## Current Activities

- Guarantees with three local commercial banks: International Bank, Eco Bank and Afriland Bank

## Accomplishments To Date

- Increased access to finance in the agriculture and non-agriculture sectors under the DCA Loan Portfolio Guarantee with participating banks resulting in increased utilization rate from under 10 percent to over 75 percent since inception.
- Leveraged \$6.5 million of potential private sector financing for every \$1 of Mission funds since 2009.
- Disbursed \$10.5 million to 79 loans for an overall utilization rate of 75%.
- Paid out \$296,630 in claims, for an overall default rate of 5%.
- Loans are varied in sector and purpose, and interest rates range from 10%-15%.
- Utilization exponentially increased, largely due to increased Mission TA and the expansion of the DCA agreement to include various sectors.

**Planned Outcomes**

- Increased lending to key sectors without a guarantee
- Policy change - i.e. partnering with central bank to support its mandate to finance to agriculture
- Increased number of businesses benefiting from the DCA guarantee