

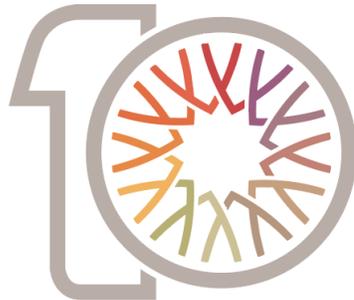
**ITFC PROGRESS REPORT ON ENHANCING
INTRA-OIC TRADE**



ITFC report to the 34th Session of the COMCEC

26 – 29 November 2018

Istanbul, Turkey



١٠ سنوات في تعزيز
التجارة من أجل حياة أفضل

10 years in advancing
trade and improving lives

Contents

| | |
|--|-------------------------------------|
| Contents..... | 1 |
| A. Introduction | 2 |
| Message from ITFC CEO | 2 |
| Brief about ITFC..... | 3 |
| Key Achievements in 2017 | 4 |
| Excerpts from Resolution of the 33 rd Session of the COMCEC | 5 |
| B. ITFC Trade Finance Operations for Development..... | 6 |
| Sustaining access to Energy | 7 |
| Figure 1: ITFC Energy Financing Top 5 Beneficiary Countries in 2017 | 7 |
| Figure 2: ITFC Energy Financing Portfolio 2008 - 2017 | 8 |
| Agriculture & Food Security..... | 8 |
| Figure 3: ITFC Agriculture Financing Beneficiary Countries for 2017 | 9 |
| Access to Finance for SMEs..... | 9 |
| Mobilizing resources for funding Trade..... | 10 |
| Mobilizing resources for Trade Development | 10 |
| C. Trade and Business Development | 11 |
| Aid for Trade Initiative for Arab States (AfTIAS) | 12 |
| Youth Training and Employment for International Trade – an example under AfTIAS.. | Error! Bookmark not defined. |
| Medina Dates Program – an example under AfTIAS..... | Error! Bookmark not defined. |
| Arab-Africa Trade Bridges Program (AATB) | Error! Bookmark not defined. |
| Reverse Linkage Initiative in Guinea: “Recovery of the Private Sector” | 12 |
| Export Launchpad – International Trade Capacity Building and Market Access Support Program in Senegal..... | 13 |
| Indonesian Coffee Export Development Program (ICEDP) | 13 |
| Cotton Program..... | Error! Bookmark not defined. |
| West Africa SMEs Program | 14 |
| Aflatoxin Mitigation Program in the Gambia..... | 14 |

A. Introduction

Message from ITFC CEO

It is my pleasure to present to the 34th Ministerial Session of the COMCEC this report on the progress achieved by ITFC to enhance trade and trade cooperation among OIC Member Countries and to support the implementation of the relevant resolutions of the 33rd Ministerial Session of the COMCEC.

ITFC was established in 2008 with a mandate to enhance trade among OIC Member Countries through providing trade finance and trade-related technical-assistance. Pursuant to this mandate, ITFC aims to be a recognized provider of trade solutions for OIC Member Countries' needs. During the first decade, the Corporation achieved commendable results in both trade finance and trade development. Total cumulative approvals and disbursements reached US\$40.2 billion and US\$31.01 billion, respectively. Total cumulative funds mobilized from partner banks and financial institutions reached US\$24.4 billion, reflecting ITFC's critical role as a catalyst to attract funding for large-ticket trade transactions for the benefit of Member Countries. Despite the recurring global financial and economic slowdown, ITFC succeeded to increase its trade finance approvals, while focusing on creating impact on Member Countries' trade and economic development. In this regard, I am pleased to inform that ITFC continues to measure the development impact of its interventions through its Development Impact Framework (DIF).

This report also elucidates how supporting trade development and cooperation amongst OIC Member Countries remained the primary focus of ITFC. In this regard, ITFC expanded its partnerships with international, regional, and national institutions to design and deliver trade related technical assistance to Member Countries through its various Flagship Programs. The interventions fall under the domain of capacity building, trade promotion, trade facilitation, development of strategic commodities and trade mainstreaming.

ITFC has, like always, worked closely with the OIC Institutions to create the required synergy for developing and implementing programs and to further capitalize on mutual strengths and experiences to contribute to the accomplishment of the objectives set by the OIC Plan of Action-2025 and COMCEC Strategy.

The strategic framework of ITFC in the coming years will focus on several objectives including building partnerships to create sustainable development impact through providing integrated trade finance and trade development solutions to Member Countries. Furthermore, as an active player on the global front, ITFC remains committed to efforts at achieving the SDGs.

ITFC will continuously make efforts to develop customized Shariah compliant trade solutions programs, facilitate knowledge & experience transfer between Member Countries, diversify ITFC's trade finance, and support OIC trade development and cooperation initiatives. Finally, ITFC is

pleased to note the confidence reposed by the member countries and its development partners in the attainment of its vision and mission.

Brief about ITFC

| | |
|--|---|
| Commenced Operations on | January 10, 2008 |
| Headquarter | Jeddah, Saudi Arabia |
| Member | The Islamic Development Bank Group |
| Mandate | Contribute to economic development of Member Countries through trade advancement |
| Authorized Capital | US\$3 billion (2017) |
| Subscribed Capital | US\$856.2 million (2017) |
| Paid- Up Capital | US\$735.0 million (2017) |
| Cumulative Approved Trade Finance Operations (2008– 2017) | 603 operations, totaling US\$40.2 billion |
| Cumulative Disbursements (2008 – 2017) | US\$ 31.01 billion |
| Cumulative Approvals by Sector (2008 – 2017) | Energy Sector = US\$ 29,709 million Agriculture Sector = US\$ 4,875 million Industrial Sector = US\$ 2,131 million Line of Financing (SMEs) = US\$ 3,588 million |
| Cumulative Approvals by Region (2008 – 2017) | ASIA/CIS = US\$ 23.03 billion MENA = US\$13.41 billion Sub-Saharan Africa = US\$ 3.81billion |
| Total Number of Clients Served (2008 – 2017) | 455 |
| Total Number of Member Countries Served (2008 – 2017) | 42 |
| 2017 Approved Trade Finance Operations | US\$ 4.9 billion |
| 2017 Number of Operations | 53 |

Key Achievements up to October 2018

- Launch of ITFC 10 Year Strategic Plan – ITFC new 10 Year Strategic Plan highlights the vision to become ‘The Leading Provider of Trade Solutions for OIC Member Countries Needs’.
- Implementation of Business Process Reengineering (BPR) – The BPR project reviewed and assessed all core business processes, and a detailed gap assessment was conducted to validate, align and enhance processes to ensure they are relevant to the future operating model of ITFC.
- Implementation of Transformational Strategy – ITFC reached another milestone achievement with the start of the implementation of a 3 Year (2017 -2019) transformational roadmap. The move aims to build a structurally new business model capable of generating sustainable returns, growth across trade finance markets, development of new products and new lines of business, good visibility on global platforms and achieving organizational excellence.
- Assignment of Credit Rating by Moody’s – Moody’s Investor Service assigned a first-time long-term issuer rating of A1 to ITFC with a stable outlook. The credit rating is a stellar achievement, which will enable ITFC to gain better access to borrowing on the external markets at attractive rates. At the same time, this will facilitate the mobilization of resources from financial institutions. Moody’s also assigned first-time short-term issuer rating of P-1. This historic milestone reflects ITFC’s strong capital position, moderate leveraging scenarios, prudent treasury investment practices and adequate liquidity management policies.
- Introduction of Development Impact Framework – ITFC has taken a leap forward in fulfilling its mandate of Advancing Trade and Improving Lives in alignment with the Sustainable Development Goals through ITFC’s in-house Development Impact Framework.
- Adoption of Integrated Trade Programs - ITFC is innovating in the way operations are structured through the introduction of Integrated Trade Programs. The Projects are defined as an approach that includes trade financing with a soft intervention component such as capacity development.
- Launching of Arab Africa Trade Bridges (AATB) Program – ITFC launched a flagship trade development program, which is designed to enhance trade as a tool to expand economic opportunities and support inclusive and sustainable growth across the Arab and sub-Saharan OIC member countries.
- Launching of the West Africa SMEs Program – ITFC has launched this flagship program aiming at building the capacity of the SMEs in selected Member Countries to enable them to benefit from the lines of financing extended by ITFC to partner banks in those countries.
- Building on its achievements of the first 10 years, ITFC this year, as at end of Q3 2018, reached Approvals and Disbursements of US\$3.7 billion and US\$3.5 billion respectively, which are in line with annual targets set at US\$5.1 billion and 4.1 billion respectively.

Excerpts from Resolutions of the 34th Follow up meeting of the COMCEC

47/ The Committee also welcomed the activities organized by the COMCEC Coordination Office, SESRIC, ICDT, IDB Group (ITFC), ICCIA, and SMIIC in the area of trade aligned with the COMCEC Strategy since the 33rd Session of the COMCEC.

50. The Committee requested the Member States concerned to actively participate in the activities to be organized by the COMCEC Coordination Office, SESRIC, ICDT, IDB Group (ITFC), ICCIA, and SMIIC in the field of trade and called upon these institutions to send invitations to the Member OIC/COMCEC-FC/34-18/REP 15 States sufficiently in advance of their meetings so as to ensure their participation.

Trade Financing Activities

66. Taking note with appreciation of the 10th Year Anniversary of the ITFC, the Committee appreciated trade finance, trade promotion and development activities of the IDB Group (ITFC and ICIEC) as well as the mobilization of funds from the international market and development partners for funding the OIC/COMCEC-FC/34-18/REP 18 trade and insurance operations in the Member States, contributing towards the achievement of intra-OIC trade target of 25 percent.

67. The Committee took note with appreciation that ITFC's cumulative approvals and disbursement in trade financing reached US\$40.2 billion and US\$31 billion respectively, and its total approvals and disbursement in 2017 reached US\$4.9 billion and US\$3.4 billion respectively.

68. The Committee commended the efforts of ITFC in financing SMEs and Least Developed Member Countries and took note of its efforts to diversify its portfolio and extend more financing for agriculture sector that has direct and prominent impact on improving productivity, job creation, increasing export revenues and alleviating poverty.

69. The Committee called upon the Member States to complete their membership requirements for the institutions of the IDB Group (ITFC and ICIEC) so that the IDB Group implements its mandate successfully.

70. The Committee took note of the trade promotion and capacity development initiatives being implemented by ITFC under its various flagship programs including Aid for Trade Initiative for Arab States (AFTIAS), Special Programme for Central Asia (SPCA), Arab Africa Trade Bridge Program (AATB), Trade Development Fund, Trade Knowledge Program, West Africa SMEs Program and Trade Development Forum to raise awareness of the private sectors on the activities of the ITFC.

71. The Committee took note of the efforts of the ITFC in implementing integrated Trade Programmes for commodity development through blending its trade finance facilities with its

trade related technical assistance interventions and requested ITFC to develop similar programs for other strategic commodities.

72. The Committee took note of ITFC's efforts for the diversification of Islamic Financial Instruments, supporting training programs on Islamic finance and promoting Islamic Finance solutions at international fora.

73. The Committee took note of the ITFC's high level Capacity Building Program provided to CIS countries and Afghanistan on Market Intelligence, as part of its trade related Technical Assistance Programs provided to MCs and calls upon the OIC Institutions to join and support these efforts.

B. ITFC Trade Finance Operations for Development

ITFC fulfills its mandate through two main lines of business: 1) Trade Finance, and 2) Trade Development. On the trade finance side, ITFC extends trade financing to sovereign governments, private & public sector companies, and Small & Medium Enterprises (SMEs) through lines of financing extended to local and regional Banks.

ITFC's achievements since its inception in 2008 (1429H) have been remarkable in both trade financing and trade development arenas. Furthermore, ITFC continues to extend financing to a number of Member Countries under the multi-year framework agreements in place for many of the large-ticket sovereign clients. Regional initiatives such as the Africa Initiative continues to make noticeable progress.

Despite numerous challenges faced in 2017, ITFC performed remarkably well. It remained resilient in the delivery of its mandate by sustaining its support, as evidenced by the impact and additionality of its intervention in Member Countries. As such, out of the total trade finance approvals, 35% was allocated to Least Developed Member Countries. In addition, 88% of approvals supported trade between OIC member countries.

In terms of year-on-year comparison, trade finance approvals were higher by 10% in 2017, increasing from US\$4.44 billion in 2016 to US\$4.90 billion, although some Member Countries from SSA and the CIS continued to face the challenge of lingering negative impact of 2015-2016 low commodity prices and foreign currency shortages. Nevertheless, the increase in trade finance approvals reflects the modest improvements in market environment, particularly the increase and stabilization of oil prices in 2017 and continuing into 2018.

ITFC continues to enhance its development impact by illustrating noticeable achievements in moving away from transaction-based model of trade support to a program-based approach, where trade finance operations are integrated with trade development and capacity building in order to multiply the development impact. In addition, the Corporation continues to deliver on

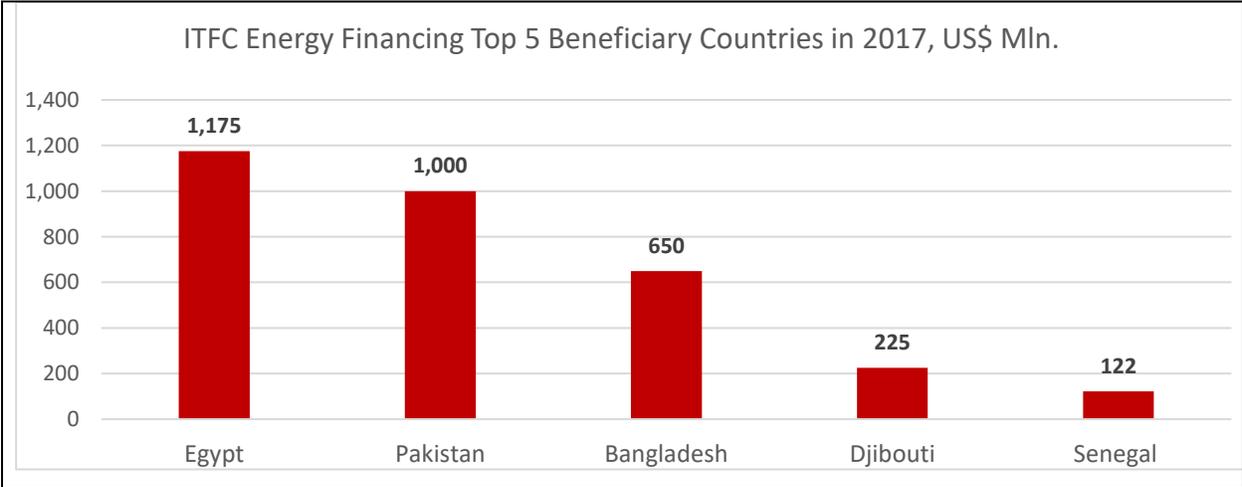
its commitments and maintain its solidarity with Member Countries on sectors that are key to economic and social development, particularly energy, agriculture and SMEs access to finance.

Sustaining Access to Energy

Access to energy is a key driver of economic and social development. The energy supply has multiple impacts on productivity, people’s health, education, food security, and so on. According to estimates, 3 billion people around the world are without electricity and more than 95% of these people are in Sub-Saharan Africa or developing Asia, and 84% are in rural areas. A lack of infrastructure and access to energy are the main reasons for the sector’s underperformance in these regions.

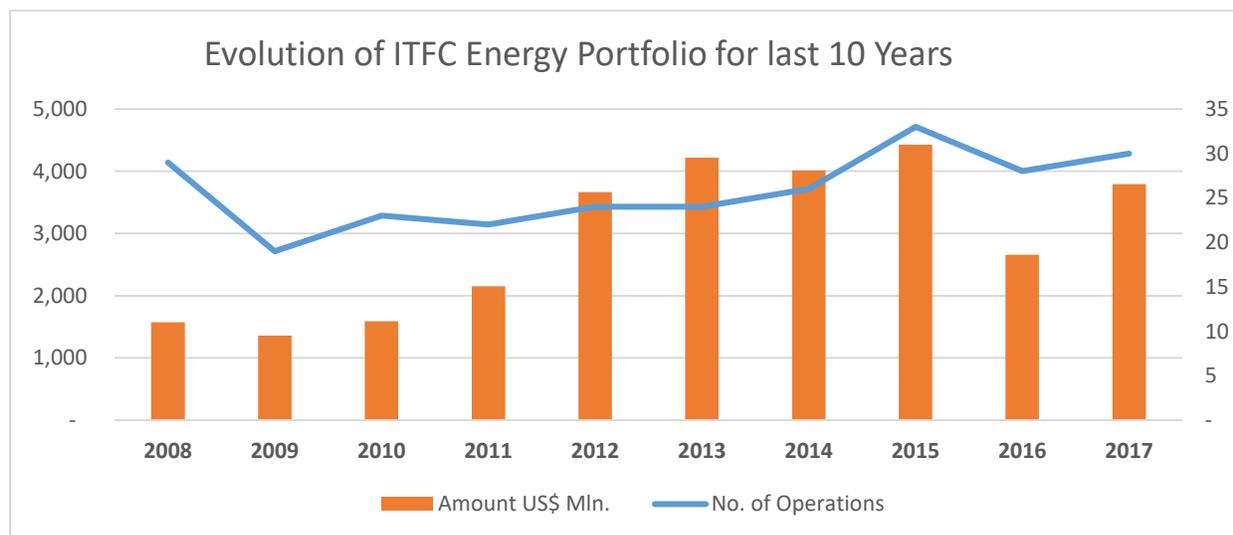
Therefore, improving access to energy is crucial to unlocking the potential for faster economic and social development. In this context, ITFC considers supporting the energy sector as one of the main pillars of its strategy in its interventions in Member Countries. As such, ITFC remains a steadfast partner for providing financing to secure fuel supplies in order to maintain stability for electricity generation and reaching large number of the disadvantaged populations. (See graph below).

Figure 1: ITFC Energy Financing Top 5 Beneficiary Countries in 2017



In many Member Countries where many financiers are unwilling to fund large size energy operations, ITFC’s support plays a crucial role in which it mobilizes resources from International markets to fund these large-ticket syndicated energy deals. Over the years, ITFC has gained substantial experience in this sector.

Figure 2: ITFC Energy Financing Portfolio 2008 - 2017



In 2017, the financing for the energy sector rebounded in dollar terms, reflecting the more stable oil prices, as well as increased demand for oil financing from some Member Countries. However, historically the volume of financing was much higher during the period of high oil prices (2012-2015). This environment impacted ITFC’s financing towards the energy sector with the following outcomes:

- Energy products financing represented 77% of total approval in 2017, balanced between crude oil and petroleum products financing.
- The bulk of the energy-related financing are for countries in MENA, Asia and Sub-Saharan Africa.

Agriculture & Food Security

ITFC’s interventions in agriculture continue to cover commodities that help the Member Countries to create jobs, improve productivity, alleviate poverty, and bolster food security. It is worth mentioning that ITFC provides significant support to food security in Sub-Saharan Africa, where a large portion of the trade finance portfolio is allocated to the agricultural sector, which has strong impact on enhancing food security for the countries. In fact, agriculture accounts for the largest share (59%) of ITFC’s trade financing portfolio for Sub-Saharan Africa. Although agriculture financing is primarily for cash crops (namely cotton and groundnuts), it nonetheless helps boost food security as farmers use part of the agricultural inputs funded by the financing to grow food crops. Also, the funding allows farmers to receive timely payments for their crops, thereby enhancing their household income.

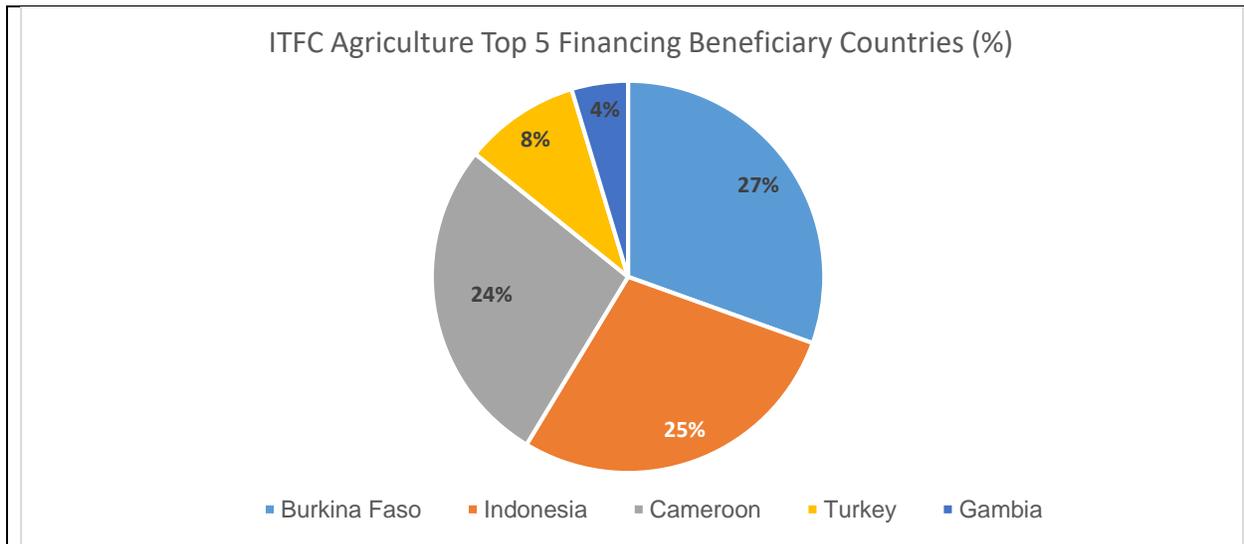
In addition to the interventions in Sub-Saharan Africa, ITFC also extended funding for sugar and palm oil (Indonesia), as well as rice and cotton (Turkey).

The following are some of the measures taken to enhance food security and further support the agriculture sector:

- Synergy and partnership with IsDB Agriculture Department to collaborate on boosting financing to the agriculture sector in Member Countries
- Partnership with the new OIC Islamic Food Security Organization
- Providing Integrated Trade Solutions
- Linking of producers directly with buyers in Member Countries.

In 2017, overall approvals for the agriculture sector reached 9% of the portfolio, which received the third largest allocation after the energy and SMEs. During the year, ITFC approved 15 operations for the agriculture sector in 6 Member Countries. See figure 11 for breakdown by countries.

Figure 3: ITFC Agriculture Financing Beneficiary Countries for 2017



The following are the key features of ITFC’s financing in this segment:

- The agriculture portfolio is balanced between the important import commodities (such as raw and refined sugar, fertilizers and other agriculture inputs) and support of key export commodities (such as cotton, groundnut and grains);
- Africa and Asia accounted for the largest share in this portfolio with the main beneficiaries being Burkina Faso, Cameroon, Cote d’Ivoire, Gambia and Indonesia.

Access to Finance for SMEs

Small and Medium Sized Enterprises (SMEs) segment is considered as one of the major components of the real economy in Member Countries, particularly as SMEs play a crucial role in job creation and revenue generation. Given the obstacles faced by them to access financing and given the challenges faced by the Corporation to reach SMEs directly (lack of proximity, cost of credit due diligence and processing, monitoring, etc.), ITFC endeavors to provide trade solutions to SMEs through strategic partnerships with local and regional financial institutions by extending lines of financing. As such, partnership with the financial institutions for SMEs development has been identified as one of the cornerstones of ITFC’s 10 Year Strategy.

In order to reach a larger number of SMEs in Member Countries, ITFC provides Murabaha Financing to local financial institutions, which in turn extend the financing to SMEs and private sector clients. This not only contributes to creating needed access to finance, but it also helps promote Islamic banking as partner banks are introduced to Islamic financing instruments.

Mobilizing resources for funding Trade

The year 2017 was an exceptional year in terms of the new realities of the markets, representing emerging challenges for funding of trade finance operations with the same pace previously experienced.

The increasing demand by ITFC's large sovereign clients for "fast" financing as well their efforts to raise funds from the capital markets through issuance of Sukuk, the competition with financing offered by other financial institutions and banks, pressures on the financing costs, coupled with continuing low prices for main commodities all represented challenges that ITFC faced and resulted in difficulty to mobilize the targeted funds from its partners in the market during 2017.

Despite the above challenges, during 2017, ITFC was successful to mobilize a total of US\$3 billion from within IDBG and its Syndicate Partners in the market for funding 23 syndicated operations in favor of 12 Member Countries. This level of mobilized funds represents almost 81% of the total trade financing provided by ITFC to its clients this year.

Going forward, ITFC using its decade-long experience will further strengthen its long-standing relationship with strategic partners, explore new innovative mechanisms for raising funds from the markets, target new markets and untapped new types of investors with interest in trade finance assets.

Mobilizing resources for Trade Development

Trade Development resource mobilization sources include mobilization of resources for the Trade Development Fund, allocation of percentage of net Income from ITFC to trade development activities, other contributions from ITFC, IDB and other donors, project-oriented donations and sponsorships. Partners such as the Enhanced Integrated Framework (EIF), Arab Bank for Economic Development in Africa (BADEA) and other nontraditional partners such as think tanks and foundations will be key in the coming years to increase ITFC mobilization of funds for Trade Development interventions. In 2017, ITFC successfully mobilized resources for the Trade Development initiatives in the amount of US\$950,000.

C. Trade and Business Development

Regarding the trade development area, and within its newly adopted strategy 2016-2025, ITFC offers Trade Integrated Solutions, combining trade finance with trade development components, designed to address some of the trade development challenges of its Member Countries. In this regard, ITFC blends its trade development interventions, including its Trade Related Technical Assistancess (TRTAs), with its trade finance solutions in designing and implementing thematic and regional trade integration and development programs.

Some examples of the trade integrated programs include, (i) the Indonesian Coffee Export Development Program, (ii) Arab Africa Trade Bridge Program, (iii) the Aflatoxin Mitigation Program in the Gambia, (iv) the West Africa SMEs Program. All projects incorporate trade development and trade finance components, with the aim to address twin challenges of the sectors and countries such as limited access to finance and international markets, development of sectorial and regional competitiveness through implementation of capacity development programs and trade facilitation measures.

Below is an overview of the initiatives and projects currently in the Trade and Business Development portfolio.

Arab-Africa Trade Bridges Program (AATB)

The intra-regional trade between Arab States and African Member countries of OIC does not reflect the trade potentials between both regions. As a result, ITFC, Saudi Export Program (SEP), Arab Bank for Economic Development in Africa (BADEA), and the Islamic Corporation for the Insurance of the Investment and Export Credit (ICIEC), agreed to form a partnership platform to address this issue by developing a regional trade promotion program to boost intra-trade between the two regions.

Following the official launch during 22-23 February 2017, the emphasis was given to establish a sound governance structure at IsDB Group level to integrate different programs and initiatives of the Group Members under this Program. In this regard, IsDB President has created the IDB AATB Steering Committee to coordinate IDB entities and complexes' interventions under the AATB Program. Moreover, the 1st meeting of the AATB Governance Board was held on 1&2 November 2018. In addition and since the launching of the program, ITFC has been leading the efforts for the implementation of various projects and activities. The following activities are examples, while other activities are being designed and/or implemented:

- 1st Edition of Sectoral B2B Meeting for Pharmaceuticals and Medical Equipment,
- Sectoral B2B Meeting for food products,
- ECOWAS – Agadir Technical Unit (ATU) Business Forum,
- Forum on “Promoting Arab Exports to Africa”,

- 1st Afro-Arab Trade Finance Forum,
- 2nd Edition of Sectoral B2B Meeting for Pharmaceuticals and Medical Equipment (Dec 2018).

Aid for Trade Initiative for Arab States (AfTIAS)

With a view to enhance the trade cooperation & integration among Arab States and with the rest of the world, ITFC has taken the initiative to design and implement a Regional Trade Development Program with a particular focus on “enhancing regional integration” to fuel the economic growth and development. The AfTIAS Program was prepared and launched in December 2013. More specifically, AfTIAS Program objectives are:

- Enhance regional competitiveness through trade policy reforms and strengthening Trade Support Institutions (TSIs) institutional capacities;
- Strengthen trade supply side and value chain integration;
- Strengthen regional and sub-regional trade cooperation organizations’ capacity to better administer trade integration policies & programs.

Five UN Agencies (ILO, ITC, UNCTAD, UNDP and UNIDO), The League of Arab States (LAS), the Permanent Missions of Arab Countries in Geneva, the Arab Regional Organizations, Islamic Corporation for Private Sector Development (ICD) and Foreign Trade Training Center (FTTC) of Egypt had been selected as implementing agencies of the Program. Projects proposed and executed aim to help Member Countries develop their national export strategies and improve their institutional and human capacities in the area of trade promotion and trade facilitation.

To date, 28 projects were adopted for 19 Arab countries, (4 Least Developed Countries, 9 Middle Income Countries and 6 Higher Income Countries). The program, which just came to an end, is currently undergoing an independent evaluation, following which a second phase will be designed.

Reverse Linkage Initiative in Guinea: “Recovery of the Private Sector”

Reverse Linkage is IsDB Group’s Technical Assistance design and delivery modality, whereby the IsDB Group facilitates knowledge, and experience transfer from one Member Country to another. Tunisia, with its extensive experience in supporting private sector development through various government policies and programs was chosen as the provider country, represented in this project by Tunisian Agency of Technical Cooperation (ATCT). The project will tackle 4 areas in the Guinean agricultural export sector: Institutional support, product development, trade infrastructure and access to finance.

This project is one of the first examples of IsDB Group’s trade related technical assistance interventions to be implemented under the AATB Program, which is in line with overall objective of the program of facilitating establishment of new trade and business partnership among the countries of the targeted region.

As a result, the project is expected to upgrade the Mango and Cashew nuts value chains in the Country, and enhance business and marketing capacities of selected SMEs, by offering them quality and product development support on one side, and also share Tunisian experiences and know-how in SMEs support services and programs offered by the Tunisian Trade Support Institutions.

Export Launchpad – International Trade Capacity Building and Market Access Support Program in Senegal

Export Launchpad is a Training of the Trainers Program prepared in cooperation with Trade Facilitation Office (TFO) of Canada to support development of human capacity in the domain of international trade. As a result of this program, a customized training program was designed and implemented. The first component aimed at establishing an exporter training platform for ASEPEX (Agence Sénégalaise de Promotion des Exportations) and other Trade Support Institutions (TSIs) in Senegal, and to train the trainers that can ensure the sustainability of the program. It is also intended to enable the ASEPEX to deliver trade related training and support services to Senegalese exporters in various sectors to help them grow their export activities. In this regard, the first 30 companies formed by the trained trainers was graduated in August 2018.

The second component of the proposed initiative is currently was implemented in 2018 and focused on preparing and strengthening the capabilities of the Senegalese SMEs. This component aimed at equipping them with the necessary tools and knowledge that can contribute to introduce their products into the Canadian market, in an efficient and effective way, in order to position them against other competitors and allow them to take advantage of new potential export opportunities.

Indonesian Coffee Export Development Program (ICEDP)

Under its new strategy to offer trade integrated solutions to member countries, ITFC's Indonesian Coffee Export Development Program (ICEDP) addresses the twin challenges faced by the Indonesian Coffee Industry. Within the scope of the program, ITFC will extend US\$100 million financing to exporting SMEs in 3 years period that will enhance their competitiveness in global markets and make cash ready for small farm holders as return for their crop.

In 2017, ITFC started to work closely with its local partners to prepare “Five Years Business Plan for Coffee Farmers Training”, which is based on the stakeholder consultation phase conducted by a contracted local NGO. As part of this program, ITFC started the implementation of an ambitious training program for the coffee farmers in September 2018.

The Training, which is being implemented in phases, will provide the opportunity to the farmers to acquire the best farming practices in coffee farming, with the final aim to increase the production of Coffee. For this purpose, ITFC is partnering with the related NGOs and cooperatives in the country.

West Africa SMEs Program

The West Africa SME Program is an integrated program between Trade & Business Development (T&BD) and Trade Finance (TF) designed to offset the trade finance gap for SMEs and facilitate access to finance. ITFC conducted an exploration and fact-finding mission to West Africa in August 2017 to get a clear understanding of the reasons why SMEs do not benefit as much as expected from the lines of finance provided to Banks. During this fact-finding mission, ITFC delegation met with over twenty (20) stakeholders in Togo, Benin, Burkina Faso, Senegal and Cote d'Ivoire to better understand the needs of SMEs in the region and how ITFC's interventions could be relevant to add more value. The key findings of the mission have indicated a clear need (business as well as development wise) to design and launch an ITFC's West Africa SMEs Program.

The program, which was launched on 5 September 2018 in Burkina Faso, includes dissemination of tools such as capacity building for partner financial institutions as well as SMEs, support in loan acquiring procedures, and placement of trade finance lines in partner banks. With the recent approval of a line of finance to CORIS Bank Senegal, a pilot project will now be executed with CORIS in Senegal and Burkina Faso.

Aflatoxin Mitigation Program in the Gambia

This project, which the pilot phase is being implemented since June 2018, is an integrated project combining trade finance with technical assistance to support The Gambia's groundnut sector. The project concerns the purchase of 100 tons of Aflasafe and application on 5,000 ha of groundnuts fields during planting seasons 2018-2019. When verified as aflatoxin-free, the harvested groundnuts will be purchased from the farmers with a 10% premium on the declared farm gate price. The processed groundnuts—about 20% of the total volume harvested—will be exported to the EU for a price per ton 30% higher compared to 2016.

The project development objective is to improve the livelihoods of The Gambian groundnuts farmers through increase in the export value of groundnuts revenues thanks to reduction in aflatoxin contamination along the groundnut value chain.