



**USAID**  
FROM THE AMERICAN PEOPLE



## 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 the lending risk to encourage financial institutions to provide loans to 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 to increased utilization rate from under 10 percent to over 70 percent since inception
- Leveraged \$6.5 of potential private sector financing for every \$1 of Mission funds since 2009
- Disbursed \$10 million to 65 loans for an overall utilization rate of 70%
- Paid out \$4,630 in claims, for an overall default rate of 0.15%
- Loans are varied in sector and purpose, and interest rates range from 10%-14%

- Utilization exponentially increased, largely due to increased Mission TA and the expansion of the DCA agreement to include various sectors

### **Planned Outcomes**

- Partner bank behavior change due to the DCA
- Increased lending to key sectors without a guarantee
- Policy change - i.e. partnering with central banks to support their mandate to financing to agriculture