

Rand Merchant Bank breaks new ground in Africa with World Bank partnership

Rand Merchant Bank (RMB) has achieved a significant milestone in Africa by partnering with the Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank, to extend short-term funding support on a trade-backed facility for the Republic of Côte d'Ivoire.



Source: Rand Merchant Bank.

Through collaboration with MIGA and the Minister of Economy and Finance for Côte d'Ivoire, RMB facilitated a short-term loan to support crucial trade-related initiatives.

Said Ben Bechet from RMB's Trade and Working Capital, Structured Solutions team: "While RMB has a proud history of supporting sovereigns on the continent with their funding and capital markets requirements, this is a first of its kind facility for an African sovereign.

This transaction will pave the way for further MIGA guaranteed short-term facilities across the continent to assist with developmental initiatives, critical projects and the importation of crucial goods such as food, fertilizer and medicines alongside other resources."

Clarine Stenfert, Global Trade Finance head and head of UK for MIGA, said: "Through deep collaboration with RMB and MIGA, the teams were able to successfully structure and execute a process we hope to scale and introduce to other African countries.

"MIGA's Trade Finance Guarantee Framework seeks to support sovereigns or sub-sovereigns across emerging markets with their trade-financing requirements, alleviating the current liquidity constraints imposed by the current high inflationary environment and the retreat from markets by private-sector players."

MIGA provides political risk insurance guarantees to private sectors and investors in a broad range of sectors in developing economies. MIGA promotes foreign direct investment into developing countries to support economic growth, reduce poverty, and improve people's lives.

MIGA fulfills this mandate by offering political-risk insurance guarantees and credit enhancement to private-sector investors and lenders.

"RMB's strategy entails forging partnerships with insurance, guarantee and export credit agency providers to extend meaningful funding support to our clients across Africa. Collaboration with development financial institutions and multilaterals remains key to truly unlocking new opportunities to support our clients," concluded Bechet.

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