

Strengthening financial cooperatives in West Africa: kick off ceremony with CIF

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On March 19th 2021, as part of their joint [global program to strengthen financial cooperatives](#), both World Bank (WB) and Rabo Partnerships (RP) signed a Memorandum of Understanding (MoU) on mutual cooperation with CIF¹(www.cif-ao.org), the West African regional confederation of financial cooperatives.

The financial cooperatives programme is supported by the Netherlands Ministry of Trade & Development Cooperation and Rabo Foundation. The objective is to promote financial cooperative development in selected countries by strengthening the networks, as well as improving the regulatory and supervisory environment they operate in. This with the underlying ambition to structurally improve the position of the cooperative networks, therewith enhancing financial inclusion, private sector development and food security.

CIF is the regional confederation of 6 national networks of financial cooperatives in 5 countries in West Africa: Benin, Burkina Faso, Mali, Senegal, and Togo. The combined network of credit cooperatives is widespread, operating at 800 locations and serving approximately 4 million clients. Yet, CIF expressed their strong ambitions to further strengthen the network, and believes it can achieve that with the support of RP and WB. Another important stakeholder in this cooperation is La FINAO², which is the result of a partnership established between CIF and its member networks with the Swiss group “Elephant Vert”.

On Friday 19 March, this cooperation was kicked off virtually with several presentations and a MoU signing moment.

Kick off ceremony: main takeaways

The kick off ceremony started off with heartening opening words by Mr. Mathieu Soglonou (Managing Director of CIF), expressing his expectations and motivation for the cooperation. He is convinced that the support of RP and WB through the various projects represents an opportunity for the CIF Network to comply, to strengthen the internal control mechanism. Everything that will allow it to have strong and sustainable institutions that will allow it to better serve members/clients from the base.

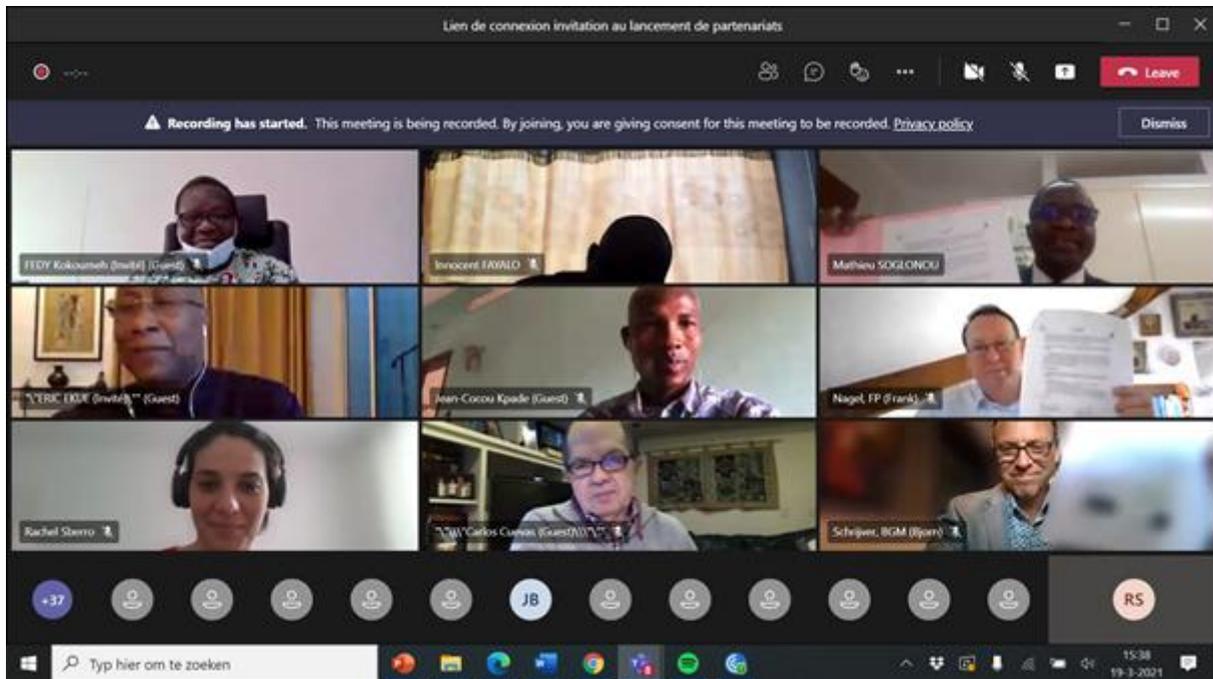
Afterwards, Mr. Bjorn Schrijver (Lead Fincoop program at RP) reflected on the overall objectives of the program, as well as the ambitions of the mutual cooperation between CIF and RP, and the phased approach towards a multi-year Technical Cooperation project. Specifically, the main opportunities and ambitions were described, which include:

- **Grow the physical contact points of the CIF network** through agency banking
- **Increase product and services offering** via the cooperatives, to include asset products, liability products, transaction products, but also insurance products
- **Enhance digital service delivery** in order to create additional outreach, convenient banking services, and decrease transaction costs
- **Ensure long term financial health of the network** by strengthening the capital base, increase funding, strengthening financial management and risk management

¹ Confédération des Institutions Financières en Afrique de l’Ouest

² Financière de l’Afrique de l’Ouest

- **Strengthen the network characteristics** such as marketing, common regulatory reporting, policies and procedures – to optimize efficiency and quality of services for the benefit of the affiliated cooperatives and their members



After signing of the MoU, Mr. Frank Nagel (Director RP) emphasized that RP is honoured and overjoyed to start its engagement with CIF and to leverage on this partnership to further financial inclusions, and to closely work together in improving agricultural finance and digitisation.

From WB's side, Mrs. Rachel Sberro-Kessler (Financial Sector Specialist) explained their role and vision in this cooperation. She highlighted the importance of responsible financial inclusion for development, and how access to diversified and suitable financial services can help low-income people seize opportunities and manage risks. In particular, financial cooperatives can play a key role to advance financial inclusion given that they are governed by their members and that these are generally low-income segments, often in rural areas. Given the scale and scope of CIF's activities in West Africa, a partnership with CIF has great potential to improve financial inclusion in the region. In the coming months the World Bank will support CIF on two workstreams: CIF supervision mechanisms as well as a CIF safety nets.

Other important stakeholders were given the floor as well: the president of La FINAO Mr. Eric Ekué, network managing director representative, network staff representatives, and other partners from CIF such as the Swiss Capacity Building Fund, ADA (Appui au Développement Autonome), and KfW.

What is next?

Now that the MoU is signed, it is time to start working on the next steps. For RP this means to first conduct an operational review of both CIF and La FINAO with a team of Rabobank experts. The objective is to obtain a thorough understanding of the current state of affairs within the network, of any pain points and opportunities. After the Review RP and CIF will organise a strategy workshop, in order to arrive at a shared vision going forward, and identify any gaps that may need to be overcome.

to realise the strategy. This will set the development agenda for the coming years, and RP will draft a project proposal to support execution of the development agenda. It is expected that this will trigger specific activities in the expected areas of commercial development, channel management, risk management & compliance, IT & operations, finance, and organization. As soon as all parties are aligned on the scope, this automatically marks the start of the next phase: executing the activities.

Meanwhile, and as detailed by the Inspecteur Général of CIF, Mr. Basile Kousagou N'Dah, WB will support two diagnostics in the coming months to support CIF. Under the “delegated supervision” model, CIF is in charge of supervising its affiliates on behalf of BCEAO and is also in charge of setting up a solidarity fund to support its affiliates. In the coming months, the World Bank will support two diagnostics: (1) **The first will assess the existing supervision mechanisms, and identify drivers for its improvement.** The study will comprise an analysis of current supervision procedures, their foundations, and their effectiveness. Recommendations based on international experience will be formulated. (2) **The second diagnostic will focus on the existing safety net mechanisms (security or solidarity funds, deposit protection), and identify options for improvement.** This study will analyze the different mechanisms currently in use by CIF and its affiliates, and will formulate recommendations based on international experience that would make the mechanisms more effective, and more affordable, than the ones currently in place.

Working side by side, RP and WB aim to strengthen each other's activities, the network of CIF, and ultimately CIF's member/client base.

The closing word was delivered by the Vice-President of the CIF, Mr. Alain Ousmane ZIDOUEMBA thanked, on behalf of the CIF Network, to the RP and WB partners for their confidence in engaging with the CIF Network in the various projects.