



WE-RISE!

Women's Empowerment for Resilience,
Inclusion, Sustainability and Environment

Technical Assistance for the Development of a Cooperative Loan

BACKGROUND

As part of the **WE-RISE!** program's efforts to promote economic development and financial inclusion in Sudan, the technical assistance provided to Ebdaa Microfinance Bank has resulted in the creation of an innovative Islamic finance product. This product is tailored specifically for cooperatives and associations active in the agricultural sector in Gedaref State.

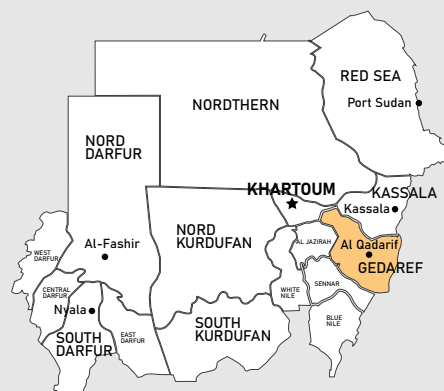
Implemented by the Italian Agency for Development Cooperation (AICS), with the support of Microfinanza srl and AVRIO Impact and IFAAS, **this initiative seeks to address the gap between the needs of small and medium-sized agricultural entrepreneurs and the services offered by financial institutions.** It places a special emphasis on businesses led predominantly by women and youth, particularly those facing greater social vulnerability.

DURATION: 13 MONTHS

From 03/04/2024 to 15/05/2024

REGION: SUDAN

Gedaref State



KEY PARTNERS

- Microfinanza Srl
- AVRIO Impact
- Islamic Finance Advisory & Assurance Services (IFAAS)

WE-RISE! - Women's Empowerment for Resilience, Inclusion, Sustainability and Environment | T05-EUTF-HOA-SD-96-02.

Project funded by the European Union and implemented by the Italian Agency for Development Cooperation (Addis Abeba), in partnership with UN WOMEN.



Funded by
the European Union



ITALIAN AGENCY
FOR DEVELOPMENT
COOPERATION

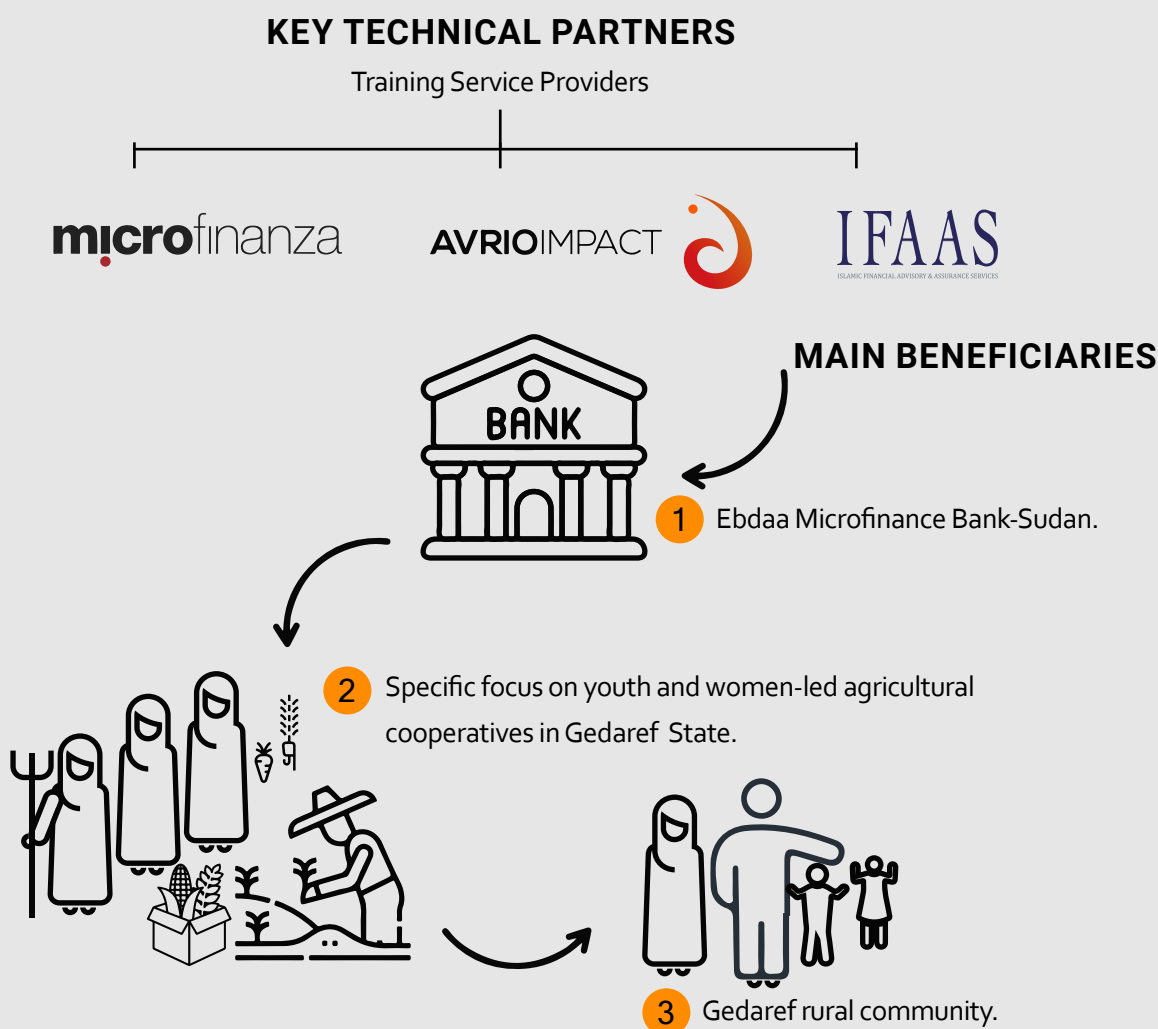


WHAT HAS BEEN DONE?

Creating and implementing an innovative cooperative loan to help vulnerable micro-entrepreneurs and cooperative members access fixed assets, grow their savings and income, start new businesses, or expand existing ones.

Building the skills to empower Ebdaa staff to offer innovative cooperative loans aimed at supporting women-led agricultural cooperatives. This will help strengthen their businesses, improve their livelihoods, and enhance the living conditions of their families.

WHO ARE THE PROJECT STAKEHOLDERS?





WHAT HAS BEEN DONE?

Starting from **comprehensive market research**, conducted through surveys and focus groups with key stakeholders to identify the needs of cooperatives and agricultural associations, and analyzing Ebdaa Bank's ability to address these needs, the following steps were carried out:



Staff training: Ebdaa Bank's staff underwent intensive training on Islamic finance principles and the operational management of the new financial product, with a focus on credit assessment and customer service.

New Cooperative Asset Financing Product: Based on the research findings, an innovative Islamic loan product was developed to finance cooperative activities, supporting the acquisition of agricultural and industrial equipment and promoting the economic empowerment of their members.

Legal Documentation: Legal documents, such *Murabaha*¹ agreements and terms of service, were reviewed and updated to ensure they comply with national regulations. This protects both Ebdaa Bank and its clients amid periods of uncertainty.

Marketing strategy: A marketing strategy was developed to promote the product among cooperatives and agricultural associations, with particular emphasis on social inclusion and financial sustainability.

¹ *Murabaha is an Islamic financing structure that works as a sales contract, fixing the price of goods or items as required by a customer, inclusive of a pre-agreed profit margin.*



Images 1, 2, 3, 4: Cooperative Lending Training sessions for Ebdaa Bank management and field staff, provided by AVRIO Impact and IFAAS.

Participants provided overwhelmingly positive feedback on the training program, praising its comprehensive coverage and tailored approach to the materials. Many expressed appreciation for how the program addressed their specific needs and learning styles. They highlighted its effectiveness in deepening their understanding of Islamic finance principles and the cooperative finance product, noting that the practical examples and interactive elements significantly enhanced their learning experience. Overall, the program was seen as a valuable resource that equipped them with the knowledge and skills necessary to apply these concepts effectively in their work.

IMPACT AND SUSTAINABILITY

For Ebdaa Bank, the introduction of a new cooperative financing product based on Islamic finance has opened up significant growth opportunities. Intensive staff training has enhanced its expertise in cooperative credit, positioning the bank as a key player in the local microfinance sector while expanding its customer base. This product has also strengthened the bank's ability to meet the needs of cooperatives and small businesses, particularly in the agricultural sector.

For the cooperatives, the project provided access to credit aligned with their principles, enabling investments in agricultural equipment and boosting productivity. This access improved living conditions, particularly for women and youth, and promoted financial inclusion, enhancing economic sustainability and resilience while contributing to poverty reduction and social inclusion.

Looking ahead, this product is expected to have a significant financial impact, with an anticipated share of total financing reaching **11% by 2026**, amounting to **EUR 8,600,000**. We also expect improvements in our internal legal framework, strengthening the bank's structure and positioning in the microfinance sector.

These developments will help consolidate our reputation as a leader in financial inclusion and significantly contribute to the sustainable development of the communities we serve.



Images 5 Nawal Magzoub Abdalla, Deputy General Manager, Ebdaa Bank.

“The technical support received through the WE-RISE! program has sparked significant regulatory restructuring and financial product upgrades at our bank. Our team’s active involvement has facilitated a valuable transfer of expertise in Islamic finance, allowing us to tailor our services to the needs of cooperative members and smallholder farmers.”

This initiative has fostered group discussions with various cooperatives in Gedaref State, resulting in the development of a financing product specifically designed for them. With the training we have received, we can effectively assess the creditworthiness of agricultural cooperatives, conduct economic feasibility studies for requested financing, and provide the most suitable services. This approach enhances our ability to support agricultural cooperatives and promote economic development within our community.”

Nawal Magzoub Abdalla
Deputy General Manager of Ebdaa Microfinance Bank-Sudan