



AFRICAN SMEs SET TO BENEFIT FROM USD 74M GUARANTEE

SMEs in Africa's infrastructure sector to benefit from African Guarantee Fund's increased capacity through GuarantCo's re-guarantee facility

London, March 1, 2018

The African Guarantee Fund for Small and Medium-Sized Enterprises (AGF) has today entered into a re-guarantee transaction of an amount of up to USD 74 million with GuarantCo, to increase its guarantee capacity for SME financing. SME's have a large and growing impact on GDP in emerging markets and are a key source of job creation. Strengthening Africa's infrastructure is critical for development as it is through this that African countries become more competitive at a global level. With this increased capacity, AGF will be able to support larger local currency transactions for SMEs involved in infrastructure.

Over the past 6 years, AGF has led the guarantee market in Africa by issuing financial guarantees to a tune of USD 690 million. This has enabled its partner financial institutions to issue loans estimated at USD 729 million to about 7600 African SMEs. GuarantCo is part of the Private Infrastructure Development Group, (PIDG), and is a global guarantee fund that has issued over USD 900 million of guarantees since inception in 2005 with a mandate to enable local currency finance for infrastructure.

While commenting on the GuarantCo AGF partnership, Felix BIKPO, AGF's Chief Executive Officer stated, "AGF is glad to be joined by GuarantCo in bridging the infrastructure financing gap. This partnership aims to put in place an even stronger collaboration that will work on the entire value chain of infrastructure projects in Africa. We are looking forward to supporting other SMEs that work with key players in the infrastructure sector."

Lasitha PERERA, GuarantCo's Chief Executive Officer said "We are delighted to be able to partner with the African Guarantee Fund and increase support to SMEs active in the infrastructure sector in Africa. This collaboration between two local currency focussed guarantors offers the potential for us to engage local financial institutions and investors in financing the entire value chain in an African infrastructure project."

The transaction will enable AGF and GuarantCo to explore further partnership opportunities of working together in contributing towards economic growth in Africa.

For further information

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Notes to the Editor

About African Guarantee Fund

Officially launched on 1st June 2012, AGF is a Pan-African non-bank financial institution founded by the government of Denmark through the Danish International Development Agency (DANIDA), the government of Spain through the Spanish Agency for International Cooperation and Development (AECID) and the African Development Bank (AfDB). Agence Française de Développement (AFD) joined AGF in 2015 followed by the Nordic Development Fund (NDF) in 2016. AGF aims to promote economic development, increase employment and reduce poverty in Africa by providing financial institutions with guarantees and other similar or related financial products specifically intended to support SMEs in Africa. AGF has a rating of AA- by Fitch Ratings Agency. www.africanguaranteefund.com



About GuarantCo

GuarantCo was established to mobilise local currency investment for infrastructure projects and support the development of financial markets in low income countries. GuarantCo is part of the Private Infrastructure Development Group (PIDG). GuarantCo is supported by the governments of the UK, Switzerland, Sweden, the Netherlands and Australia and is rated AA- by Fitch and A1 by Moodys. www.guarantco.com



About PIDG

The [Private Infrastructure Development Group](http://www.pidg.org) (PIDG) encourages and mobilises private investment in infrastructure in the frontier markets of sub-Saharan Africa, south and south-east Asia, to help promote economic development and combat poverty. Since 2002, PIDG has mobilised \$31.4bn from private sector investors and DFIs, supported 154 infrastructure projects to financial close and provided 222 million people with access to new or improved infrastructure. PIDG is funded by donors from seven countries (UK, Switzerland, Australia, Norway, Sweden, Netherlands, Germany) and the World Bank Group. www.pidg.org