

OVERVIEW:

EURIZ GUARANTEE

11TH EDF INTRA-ACP PRIVATE SECTOR DEVELOPMENT PROGRAMMES AND FACILITIES

Title of facility or programme (Reference) EURIZ GUARANTEE

Implementing partners Agence Française de Développement (AFD)
Swedish International Development Agency (SIDA)

Budget **Total budget: €829.8 million**

- Lead EFI (European financial institution): €150 million (AFD)
- Other EFI (European financial institution): €31 million (SIDA)
- Other contributions: € 623 million (private; Guarantee: 100 M, Loans: 418M; Equity: 103M)
- **Intra-ACP/EDF: € 25.8 million** (TA €6.8 million + Guarantee €19 million) plus € 0.62 million lead fees

Duration 72 months: 2019-2024.

Program description

General Description:

EURIZ is a risk-sharing facility which aims to target the financially under-served Micro, Small & Medium Enterprises (MSMEs) in the African, Caribbean and Pacific (ACP) countries. Euriz consists of a two-fold approach:

The first which targets all MSMEs in fragile states where there is a lack of financing for all sectors and no guarantee.

The second, covering both fragile and non-fragile countries, but which targets financially under-served MSMEs (such as green, agricultural, women-owned, MSMEs owned by youth, start-ups, MSMEs operating in the health sector...).

Programme Components:

Guarantees (Mainly portfolio guarantees) to cover the loans issued by the partner financial institutions to the MSMEs

- **Counter-guarantees to the local guarantee funds** which cover the loans issued by the financial institutions to the MSMEs.
- **Technical Assistance** to reinforce the capabilities of the financial institutions, the guarantee funds and the MSMEs.

Expected PSD Outcomes & Development Results:

1. Tangible ACP PSD and development results:
 - Make available 523 Million EUROS of new financing/investment mobilised from financial institutions
 - Financing of 6 200 MSMEs (1 200 MSMEs served in the fragile states and > 5 000 high developmental impact MSMEs served)
 - Capacity of MSMEs
 - Create or maintain more than 25 000 jobs.
2. ACP guarantee/financial institutions and PSD intermediary capacity development:
 - Innovative, additional and long term finance capacities in ACP
 - Strengthen ACP local financial institutions.
 - Capacity of enterprise support organizations (such as incubators and accelerators)

No exchange risk for the Financial Institutions nor the MSMEs

Contribute to 7 SDGs

Governance

Project Steering Committee (including at least the contracting authority - European Commission- as well as the **OACPS** Secretariat, AFD and SIDA) will be held every year during the investment phase.

Geographic coverage and beneficiaries

Geographic coverage: All OACPS countries (Africa, Caribbean, Pacific)

Beneficiaries:

- **Fragile ACP states** where there is a lack of financing for all sectors and there is no guarantee, EURIZ will target all MSMEs.
- **Other countries of the ACP region**, EURIZ will target the high developmental impact MSMEs (green, agricultural, women-owned, youth, start-up, health, education...).

Access conditions for TA facility

Technical assistance available for:

- Financial institutions to develop relevant offer for MSME or targeted segment
- Capacity building of MSME

Access conditions for financing facility

Target:

- Green MSME (renewable energy, environment protection, energy efficiency...),
- Women-owned (>51%) MSME,
- Youth-owned (>51%): less than 25 years,
- Start-up: created less than 3 years ago,
- MSME in following sectors: Health, education, agriculture, digital
- Social business

Term of guarantee:

- Loan maturity from 1 to 12 years

Size of the loans:

- Principal amount of the loan (in local currency) from €5 000 to €1000 000

Extent of risk covered:

- 70% of the final loss of every defaulting loan

How to apply / contact details

Send a request for support to the program management unit at AFD or SIDA. **Contact details:**

AFD: Mr. Xavier Echasseriau:

echasseriaux@proparco.fr

or Mr. Yann Masurel:

masurely@proparco.fr

SIDA: Mr. Erik Korsgren:

erik.korsgren@sida.se

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