

OVERVIEW: EURIZ GUARANTEE PROGRAMME

Title of facility or programme (Reference) EURIZ GUARANTEE PROGRAMME

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.
As needed for the technical assistance (TA) component

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-fol approach:

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Programme Components:

- Main Objectives:**
- **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.

In this context, it is envisaged that EURIZ will work in close collaboration with the African Guarantee Fund (AGF), given its strong governance and quality track record.

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 ACP Secretariat, AFD and SIDA) will be held every year during the investment phase.

Geographic coverage and beneficiaries **Geographic coverage:** African, Caribbean and Pacific countries
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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