

## PARTNER FACT



### Projected Impact



Facilitating access to \$160 million in financing for 3,000 West African small and medium-sized enterprises (SMEs) impacted by and/or recovering from the impact of COVID-19



Providing technical assistance to 3,000 SMEs to strengthen their resilience and accelerate their post-pandemic recovery



Generating \$100 million in sales and \$8 million in exports, while maintaining 20,000 jobs and creating 15,000 more.



Photo credit: African Guarantee Fund and Société Générale Ghana announce the signing of a Loan Portfolio Guarantee Agreement that will increase financing support for Ghanaian SMEs through enhanced credit facilities. (Accra, 5<sup>th</sup> July 2022)

### About African Guarantee Fund

[African Guarantee Fund – for Small and Medium-Sized Enterprises Ltd. \(AGF\)](#) is a pan-African non-bank financial institution aiming to promote economic development, increase employment, and reduce poverty in Africa. AGF provides financial institutions with guarantees and technical assistance to stimulate financing to Africa's Small and Medium-sized Enterprises (SMEs), to unlock their potential to deliver inclusive growth across the continent. AGF's guarantee products are currently utilized in over 40 African countries. As a 2X Challenge Investment, AGF is committed to support women-owned and women-led businesses. African Guarantee Fund is rated AA- by Fitch Ratings Agency.

### Co-Investment Partnership

The West Africa Trade & Investment Hub awarded the African Guarantee Fund a co-investment grant of \$3 million to support its two-part COVID-19 Guarantee Facility. Through a combination of loan guarantees and technical assistance, this facility provides partner financial institutions with the advisory services and capital they require to restructure their existing on-lending facilities for West African small- and medium-sized enterprises (SMEs) impacted by the pandemic and issue new on-lending facilities for West African SMEs recovering from the pandemic. The Trade Hub grant will allow AGF to issue up to \$80 million in guarantees to 30 partner financial institutions, leveraging an additional \$160 million in financing for 3,000 West African SMEs. Additionally, the Facility will be instrumental in creating 15,000 jobs, maintaining 20,000 jobs, and generating \$100 million in sales and \$8 million in exports.

### Partnership Opportunities

Studies have revealed small businesses in Africa often have difficulties accessing financing for growth and innovation from traditional financial institutions, which often consider SME financing to be a risky activity. But SMEs are widely recognized as big drivers of economic growth, providing a strong foundation to increase standards of living and reduce poverty. AGF assists financial institutions to partially cover the risks associated with SME financing, thus enabling SMEs to play their expected role in fostering African economic development. For each dollar of equity invested into the new COVID-19 Guarantee Facility, \$4 of guarantees will be issued to partner financial institutions and \$8 of financing will be catalyzed for the SMEs.

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