AN ACCELERATOR FOR THE ECONOMIC RECOVERY OF BUSINESSES IN AFRICA
SUPPORTING THE ECONOMIC RECOVERY OF BUSINESSES IN AFRICA

Through the Choose Africa initiative launched in 2019, Agence Française de Développement Group (AFD and its private sector financing arm Proparco) is mobilizing all its tools to finance and assist start-ups, microenterprises and SMEs in Africa. In response to the economic crisis triggered by Covid-19, AFD Group is stepping up its action by deploying a new component of the initiative: Choose Africa Resilience.

Africa is expected to face its first recession for 25 years

AFD Group is scaling up the presidential Choose Africa initiative with a mechanism to support microenterprises and SMEs affected by the crisis.

1. Go beyond the macroeconomic response of governments and international organizations
2. Take specific action to support the formal and informal private sector in Africa
3. New financing and support tools adapted to strengthen the Choose Africa initiative
4. A mechanism to catalyze financing for Africa’s private sector, working with our counterparts, development banks

An additional €1bn for the Choose Africa initiative, which will bring it to €3.5bn

Initial commitment
Resilience component
Enhanced initiative

€2.5bn
€1bn
€3.5bn

for African start-ups and SMEs between 2018 and 2022
added to support the recovery
for African start-ups and SMEs

In response to the needs of businesses and entrepreneurs on the ground

NEEDS

FINANCIAL SUPPORT TO SMES

Meet the financing requests of SMEs
Increase the capital base of companies
Encourage microfinance institutions (MFIs) to lend to their clients
Strengthen the financial inclusion sector weakened by the crisis
Help companies manage the impacts of the crisis

FINANCIAL SUPPORT TO SMALL BUSINESSES AND MICROENTERPRISES

Meet the liquidity needs of MFIs
Strengthen the financial inclusion sector weakened by the crisis
Help companies manage the impacts of the crisis

TARGETED TECHNICAL ASSISTANCE

- Loans to local partner banks to finance MSMEs
- Direct Proparco loans to companies
- Enhanced risk-sharing tools for local banks that lend to SMEs weakened by the crisis:
  - Guarantee of up to 80% for loans with a maturity ranging between 1 and 4 years
  - Guarantee of up to 50% for loans with a maturity of less than 1 year
- Equity investments in companies:
  - Via partner funds
  - By Proparco
- Direct loans and guarantees to MFIs
- Guarantees to local banks that lend to MFIs
- Equity investments in MFIs
- Support for the management of the crisis and adaptation of business models
- Support for performance
- Strengthening sustainable and inclusive practices

NEW FINANCING AND SUPPORT TOOLS ADAPTED TO STRENGTHEN THE CHOOSE AFRICA INITIATIVE

Take specific action to support the formal and informal private sector in Africa
A mechanism to catalyze financing for Africa’s private sector, working with our counterparts, development banks

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