

AFD: YOUR PARTNER TO FINANCE SMEs



In Sub-Saharan
Africa, SMEs
generate some

60%

of employment and
a third of GDP.

90%

of microenterprises
and SMEs in
Sub-Saharan Africa
do not have access
to credit or do not
use it.

Small and medium-sized enterprises (SMEs) make up the bulk of the economic base in developing and emerging countries. To create and develop their activity, they need medium and long-term financial resources. However, they are often perceived as risky clients and they continue to have very limited access to financing. AFD's solution is to offer financial institutions a risk-sharing mechanism: ARIZ.



ONE TOOL, TWO PRODUCTS



You are a lending institution,



You are in Africa, Latin America
or Asia,



You want to develop your
microenterprise/SME activity
in all sectors,



We share the risk related to this
financing with you.

	SILENT RISK SUBPARTICIPATION	MAXIMUM AMOUNT OF LOANS GUARANTEED	QUOTA GUARANTEED
SINGLE DEAL GUARANTEE ALLOCATED ON A LOAN- BY-LOAN BASIS		€4m or the counter value in local currency	50% of the loan for SMEs 75% of the loan for MFIs
GUARANTEE ALLOCATED FOR A LOAN PORTFOLIO		between €10,000 and €300,000 or their counter value in local currency	50%

The advantages of ARIZ risk sharing



Coverage in **local currency**
or in the loan currency (no
exchange risk)



Regular dialogue with AFD's
local agency



Rapid two-phase
compensation

**Thanks to the loan
from BoA,
guaranteed by ARIZ,
we were able to
acquire Niger's first
MRI in 2014. 153
people have now
benefited from an
MRI scan.**

Ali Ada,
Director of the Magori
polyclinic in Niamey



MATURITY OF ELIGIBLE LOANS	RISKS COVERED	TRIGGERS	APPRAISAL	COMMITMENT
2 to 12 years for SMEs			swift appraisal by AFD's local agency based on the financial institution's credit file	communication of information on the guaranteed loan: signing, disbursement, unpaid debts
1 to 12 years for MFIs	final loss after recovery of the collateral taken by the lender	acceleration declared by the lender, insolvency proceedings		
between 1 and 7 years. Time period to build the portfolio: 2 years			delegation of risk analysis to financial institution	communication of six-monthly reporting on the loans guaranteed

ARIZ IN 3 WORDS



CONFIDENCE

a local team by your side,
a close relationship



SIMPLICITY

a standard, simple
and rapid to use tool



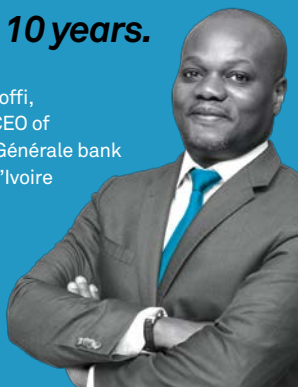
ACCELERATOR

a tool to develop your
SME activity



***ARIZ is a
stimulating product
for the bank: it has
allowed us to
support over 300
Ivorian SMEs in the
past 10 years.***

Harold Coffi,
Deputy CEO of
Société Générale bank
in Côte d'Ivoire
(SGBCI)



WHAT IS ARIZ ?

ARIZ is a final loss guarantee offered to financial institutions by AFD to cover 50 to 75% of an individual loan or a loan portfolio for SMEs and microfinance institutions (MFIs). It allows:

Companies, from small businesses to structured SMEs

- to access term loans.

Microfinance institutions

- to finance their operations and deploy their lending activity.

Our financial partners

- to share the credit risk,
- to reduce the level of collateral required,
- to be assisted in the development of a strategy and products for SMEs,
- to increase their lending capacity thanks to the improvement in their solvency ratio and AFD's signature.

10 YEARS OF ARIZ



+1,500
guarantees signed



75 MFIs
supported



+6,000 SMEs
supported



100
partner
banks



37
countries
(90% of activity
in Africa)



€1,8 Bn
of loans guaranteed

Agence Française de Développement (AFD), a public financial institution that implements the policy defined by the French Government, works to combat poverty and promote sustainable development.

Together with its private sector-financing arm (Proparco), it has a wide range of financial and non-financial instruments: grants, loans, credit lines, guarantees, equity investments, technical assistance. The diversity and complementarity of these tools allow it to tailor its operations to the specific situations of each counterparty, country or region. AFD Group operates on all the continents via a network of 85 offices. In 2016, it earmarked EUR 9.4bn to finance public and private projects in developing and emerging countries, as well as in the French overseas territories.

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