Issue 002 - October 2020

OUTFRONT

A newsletter focused on credit, investment, political and trade risks in Africa

In this issue:

ati | aca

Retooling to better support Africa

In this second edition, our focus remains squarely on supporting our partners during and post COVID-19. We hope this quarterly publication provides useful information to help all our stakeholders through the pandemic and beyond.

In this issue, Dr. Robert Besseling, the renowned Africa risk intelligence analyst and Executive Director of EXX Africa, provides an overview on and how the pandemic may reshape the landscape in the coming year(s).

On the business front, ATI remains committed to provide a more coordinated multilateral response to the pandemic. Our aim is to deliver, together with our partners, comprehensive solutions that incorporate financing, guarantees and credit enhancements to a package of options for African countries.

Now, more than ever, it is critical for regional bodies to pull together to provide more efficient support to the continent. To this end, we remain committed to working with regional development finance institutions such as the Africa Finance Corporation (AFC), Afreximbank, the African Development Bank (AfDB) and Trade & Development Bank (TDB), among others.

This is an important time for ATI as we take this opportunity to retool in order to better support our member governments and clients and remain a reference partner in the region.

Among the other critical shifts within ATI is the appointment of our new CEO recently announced by ATI's Board Chair. Manuel Moses, an IFC veteran, will assume the role of CEO as of 1 November, 2020.

Second, ATI is expanding its front, middle and back-office teams to support its growth. In line with staff expansion, ATI is also upgrading its offices in Dar es Salaam, Kampala and Lusaka and plans to move into a new Headquarters in Nairobi in the coming year.

To cap all of this momentum, our rebranding project is now in full swing with the unveiling anticipated to take place at our 20th anniversary celebrations next year in 2021. To ensure this is an inclusive process, we plan to reach out to some of you, our valued stakeholders, for your insights.

These initiatives, which ATI is now implementing, are expected to reboot the institution to make it an even stronger partner to our member governments, clients and other stakeholders during this critical period.

Toavina Ramamonjiarisoa, Ag. CEO

Toavina Ramamonjiarisoa was appointed CFO of ATI in 2011 and Acting CEO in August 2020. She has more than 20 years of experience in the insurance and finance industries. Prior to joining ATI, Toavina was the CFO, Chief Compliance Officer and member of the Board of Directors of a UK-based asset manager with €1.2 billion fixed income assets under management. Previously, she was also the Group Financial Controller at Coface, and the Financial Auditor of Mazars, an international audit firm – both based in France.

Murchison Park, Uganda

About ATI

The African Trade Insurance Agency (ATI) is a Pan-African multilateral institution established in 2001 with a mandate to facilitate trade and investments in Africa by providing Political Risk, Credit and Surety Insurance. ATI has 29 sovereign and institutional shareholders and continues to proactively expand its membership base. ATI is rated 'A/Stable' by S&P and 'A3/Stable' by Moody's.

ATI currently supports, on average, 2% of GDP in its member states. By the end of 2021, ATI is expected to facilitate another US$2 billion worth of investments into the continent.

In the first half of 2020, ATI's profits increased by 31% compared to the same period in 2019. This reflects a near decade-long growth trend.

www.ati-aca.org

Contents

Nigeria prepares to 'Bounce Back' post COVID

At the onset of the COVID-19 pandemic, experts predicted that Nigeria, Africa's largest economy and most populous country, could suffer hundreds of thousands of deaths and possibly become the worst hit country in Africa. After five months of living under the cloud of COVID-19, Nigeria appears to have dodged this fate.

With just 59,000 reported cases and 1,000 deaths, Nigeria's public health success may be down to an experienced and world class team of health professionals, who have successfully managed many infectious disease outbreaks over the years.

While Nigeria may have skirted a more dismal public health outcome, the economic impact has been more significant. With a simultaneous drop in oil prices, owing in part to a price war between Russia and Saudi Arabia, Nigeria, an oil-dependent economy, has seen its revenues from crude oil exports drop by about 60%, according to Nigeria's Vice President Yemi Osinbajo while speaking at a recent webinar hosted by The Africa Report.

To tackle the economic impacts, President Muhammadu Buhari appointed Vice President Osinbajo to chair the Economic Sustainability Committee tasked with developing a plan that would place the country on a more sustainable growth path. The US$6 billion plan will be financed through budget resources and structured loans guaranteed by the Central Bank of Nigeria. A US$3.4 billion emergency financial assistance loan from the IMF will also help to plug gaps.

Experts point to the weighty reforms being undertaken by the government to indicate that opportunities may begin to emerge. Industry analysts such as Muyiwa Oni, the Head of Equity Research, West Africa, for Stanbic IBTC (Standard Bank Group) and Andrew S. Nevin, Partner and Chief Economist, West Africa, PwC both see a potential silver lining.

ati | aca

In an interview with the CDC, the UK's development finance institution, Andrews notes *"In many ways I'm quite optimistic because what this crisis has done is accelerate decisions on a number of structural issues that have impeded Nigeria over the last few years. For example, the fuel subsidy policy – which has cost a lot of money and not been very effective in helping people, those with lower incomes – has been reversed. Discussions about market-based tariffs for electricity in Nigeria are also coming to fruition. … The government is starting to make decisions which have the potential to lead to much more investment and much more rapid, inclusive, economic growth in Nigeria."*

Muyiwa also commented on the important focus on stimulating local business by using the Central Bank to drive credit to sectors with capacity to enhance local production. He predicts that this initiative could fuel a broader-based recovery. *"Beyond the crisis there will be increased awareness of sectors like agriculture and increasing conversations around food security; and also driving credit to the healthcare sector to reduce medical tourism. These areas could lead Nigeria's economic recovery."*

The Bouncing Back plan includes:

- Multi-billion dollar investments in agriculture across all 36 states and public works and road building programme
- Mass housing programme to build 300,000 new homes a year
- Solar power systems for 25 million households
- Rapid expansion of broadband connectivity across the country to boost commercial competitiveness and educational services
- 'Made in Nigeria' drive focusing on manufacturing: shoes and textiles, ceramics, plastics, furniture, steel fabrication and building materials
- Using Africa's biggest gas reserves, the 7th biggest in the world, as feedstock for industrialization and a domestic power source

These reforms and the government's commitment to building back better can also provide an opportunity to increase investments and private sector participation.

ATI is doing its part to support banks and to pave the way for additional private sector participation. As one of ATI's newest member countries, Nigeria completed the membership process in August 2020, ATI has already supported bank transactions valued at US$400 million, which are featured in the project spotlight in this newsletter. ATI's support is freeing up much needed liquidity in the market and helping downstream SMEs, who could yet provide a lifeline to helping the country recover.

Sources:

CDC article *https://www.cdcgroup.com/en/news-insight/insight/articles/what-is-the-economic-impact-of-covid-19-in-nigeria/*

Nigeria's Bouncing Back plan with Yemi Osinbajo *https://www.theafricareport.com/41123/bouncing-back-nigerias-post-pandemic-recovery-plan/*

COVID-19 in Africa - Updates

Statistics from Africa CDC as of 1 October, 2020

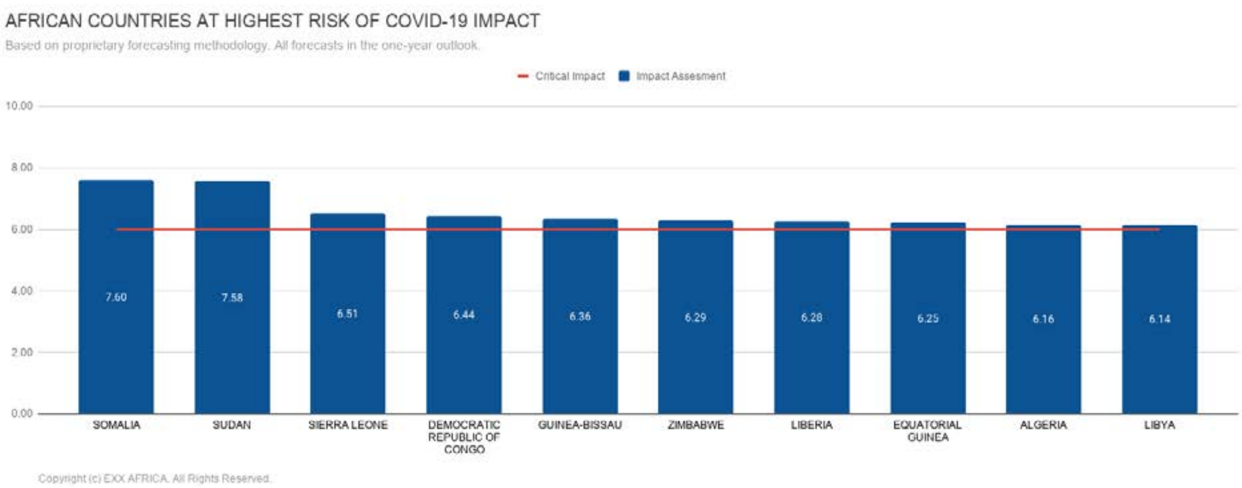
1,481,225	36,143	1,224,397
cases	deaths	recoveries

Guest Contributor: Dr. Robert Besseling, Executive Director of EXX Africa

The onset of the coronavirus in Africa has not reached the calamitous public health crisis that many analysts had initially forecast, even though there are ongoing debates over the accuracy of statistics, limited testing capacity, and important regional variations. But most analysts agree that COVID-19 has not yet fully hit the world's most vulnerable continent and the next few months will be critical for many African countries as they deal with the pandemic.

In the meantime, the economic repercussions of lockdowns, smaller global trade flows, and supply chain disruptions are causing a more significant backlash that imperil political stability and economic resilience in some of the poorest countries on Earth. EXX Africa's COVID-19 country risk vulnerability model forecasts that unstable states such as Sudan and DRC, as well as fragile economies like Sierra Leone, are most exposed to the longer-term implications of the pandemic.

Multilateral institutions have taken the lead in supporting Africa's response to the crisis, by quickly releasing funds for public healthcare and economic stimulus. Long-time sceptics of the Bretton Woods institutions, such as South Africa and Nigeria, have readily accepted IMF financial assistance, although such aid comes with few structural adjustment and transparency conditions. Other major economies like Egypt have returned to a formal programme with the Fund, which does include such conditionalities and will resume market-based reforms.



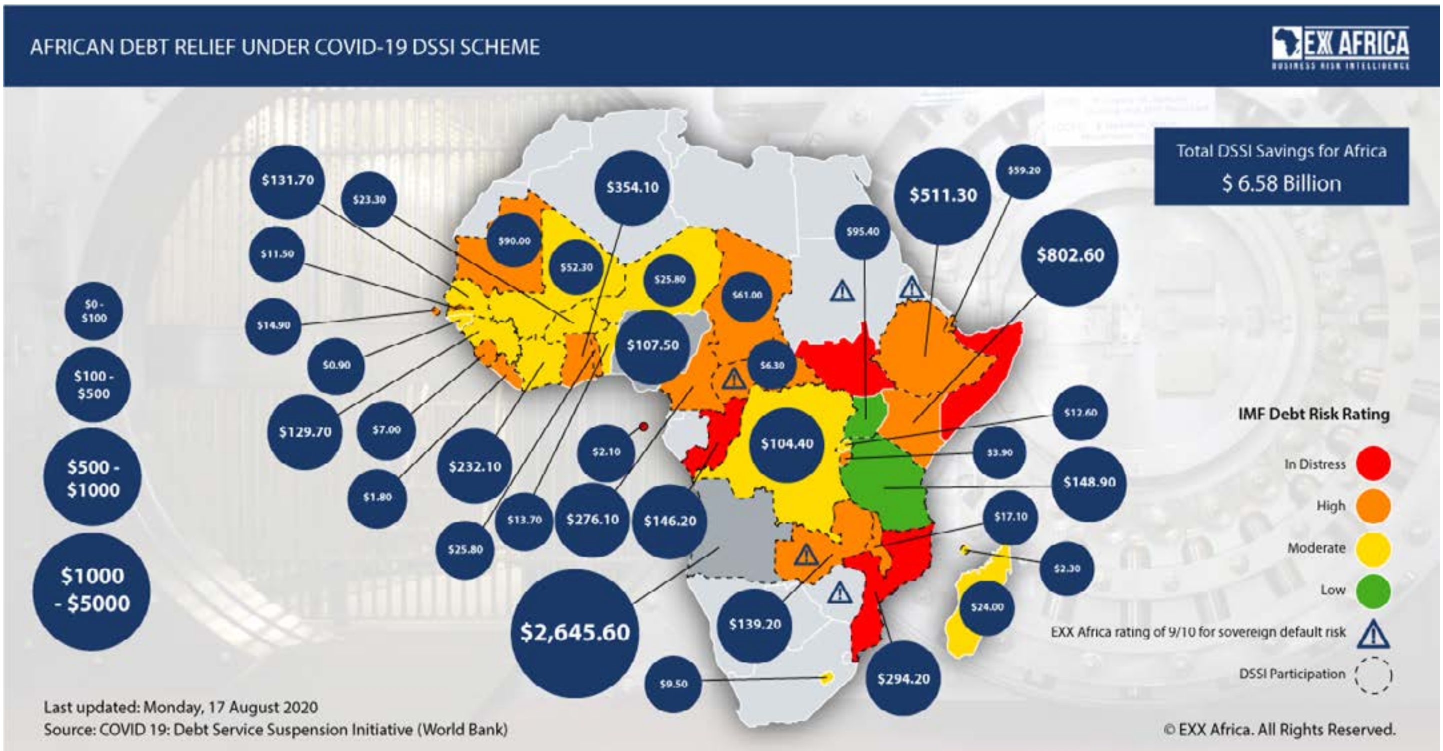
However, the G-20 debt service suspension initiative will not be sufficient to stave off a wave of defaults on interest and capital repayments towards the end of 2020 and beyond. Countries like Zambia and Republic of Congo are set to join long-time arrears offenders, such as Zimbabwe and Sudan, as state revenues dry up and local currencies collapse. To avoid such a scenario, much broader debt relief will be required to encompass commercial creditors and China; although such a prospect seems unlikely in current conditions.

Looking beyond the doom and gloom, for some smaller and more diversified markets that have long embraced foreign investment and reform, such as Senegal, Benin, and Rwanda, the economic impact of the pandemic will be limited and a swift recovery remains probable in 2021.

The crisis has also created fresh investment opportunities for some sectors, such as renewable energy and public healthcare investment, which have long been desperately needed on a continent that thrives on coal and oil, with often mediocre public health infrastructure. Foreign investors will find ample return on such projects and governments need to collaborate to ensure political risks are mitigated.

Africa's largest economies with lacklustre economies and entrenched interests will also need to move towards reform. South Africa's debt-burdened state-owned enterprises require a shake-up, while Nigeria needs to proceed with oil sector restructuring before issuing more production licenses.

The key question is whether Africa's disparate states can collaborate on battling the coronavirus, embrace economic reforms, and boost intra-regional trade by reigniting the process towards creating the world's largest free trade zone. Perhaps, the current crisis offers the most valuable opportunity to reshape Africa for generations to come.



Helping businesses navigate risks in the new COVID-19 landscape

ATI is well placed to provide accurate analysis of prospective risks in Africa. In this section, we interview a key member of ATI's operations to obtain insights into challenges and opportunities in African markets.

Toavina Ramamonjiarisoa, ATI's Acting/Interim CEO, provides an update on the current situation and potential risk scenarios that companies may face in the region.

Q: From your perspective as Acting/Interim CEO of ATI, what are the most striking changes to the business environment in Africa in light of the ongoing pandemic?

The pandemic has profoundly changed the way companies across the world operate, the way they interact with their clients/stakeholders and I would say - without minimizing the adverse social and economic effects of the pandemic - not all of it has been negative.

We have witnessed real and large-scale business continuity tests. For the case of ATI, the working-from-home policy implemented since mid-March 2020, has worked quite well owing to the technologies available. We must recognize that we have even gained efficiency on some processes and certainly have some lessons to learn from this experience.

The continent has a role to play in terms of technology and innovation. Africa should seize this opportunity to enhance its technology sector. We should not forget the success of the mobile money platform created in one of ATI's member countries, Kenya, which has since been largely replicated not only across the continent but also across the world.

But of course, technology cannot resolve everything. Some countries heavily relying on a single source of income - for instance, oil or tourism-dependent economies, could be more severely affected and could also need more time to recover from this crisis.

The pandemic also gives an opportunity to re-assess the resilience of our economies to external shocks and to re-think our models in favor of more diversified economies.

Q: What is your assessment of the impacts of COVID-19 on capital markets globally and, in turn, how will this impact Africa?

The pandemic has plunged most countries into recession, if not depression. Considering the severity of this crisis, all major central banks across the world are expected to maintain, for a while, very accommodative measures in order to support the economic recovery, which could take a couple of years.

As a result, there is a chance that market interest rates will remain extremely low in the short/medium term.

This, I anticipate, will give incentive to fixed income investors hunting for yield to look for alternative assets, including private loans and debts. In recent years, we saw increased interest in non-traditional securities. This could be an opportunity for Africa.

Assuming that the global size of assets under management is about US$90 trillion and around 15% of this amount is invested in alternative assets, i.e. US$14 trillion - if only 1% of this can be channeled towards Africa, the annual infrastructure gap of the continent will be covered. Of course, Africa would need to attract these investors. With no doubt, there are more and more concerns about increase in default rates with the economic crisis and we therefore expect investors to be much more selective on credit.

Beyond, debt sustainability, investors are paying more attention to Environmental, Social and Corporate Governance (ESG). While ATI can help countries raise funds, governments also have to do their part and showcase that they can meet investors' requirements.

Q: What risks and opportunities do you see emerging from the current COVID-19 environment – for African governments and for those doing business on the continent?

The lockdowns have created a negative demand shock affecting many sectors, specifically in the oil and tourism sectors in Africa. While recent statistics relating to the pandemic seem to be encouraging in many African countries, we can't say that the pandemic is behind us. Depending on both the length of the crisis and the speed of the global economic recovery, some actors, which have so far shown resilience, might not survive. This means the possibility of an increase in default rates within the private sector cannot be excluded.

As far as the sovereign sector is concerned, before the pandemic, many African countries had increased their debt leverage ratio based on projected growth objectives. The absence of growth or even recession, at times aggravated by currency depreciation, could affect some sovereign countries' ability to repay their debts. Having said that, we have seen various measures taken by the G20 (Debt Service Suspension Initiative) and various multilateral banks (new financing packages) to support the most fragile economies.

At ATI, we remain committed to working with regional development finance institutions in order to consolidate our efforts and provide more efficient support to the continent.

Q: What role does ATI hope to play in supporting investors, businesses and governments through the pandemic?

During the past three years, ATI has helped a number of countries raise funds from the private market by playing a triple role:

1. giving member countries access to large international banks and investors;
2. providing insurance covers to not only enhance the credit quality of the issues and make them more attractive to more risk-averse investors but also to optimize the cost of funding for the sovereign issuers; and
3. attracting reinsurance capacity to enable a larger amounts of issuances and to satisfy, as much as possible, the financial needs of countries.

With the current crisis, many countries need more funding to limit the economic impact of the crisis and also to support recovery. While a number of development banks have announced their support, private sector funds are very much needed.

ATI is more than determined to pursue its key role and to go the extra mile by attracting other types of investors, helping develop blended finance or other structures that could catalyze investment flows into the continent.

Q: Where do you hope to see Africa and ATI five years from now and what does the landscape look like?

ATI's member states currently represent one-third of African countries. ATI has certainly accelerated its membership growth pace in recent years and I hope it will be able to serve two-thirds of the continent as its members and support their key development projects five years from now.

ATI has also shown its capability to develop innovative solutions for its member countries. I sincerely hope that one of ATI's next new products will help its members enhance the private sector and create more jobs to allow for more inclusive and sustainable growth. We have to keep in mind that Africa has quite a young and fast growing population and needs labor-intensive growth plans for the younger generation.

It is also important for our continent to have more diversified economies to increase resilience to external shocks.

Toavina Ramamonjiarisoa was appointed CFO of ATI in 2011 and Acting CEO in August 2020. She has more than 20 years of experience in the insurance and finance industries. Prior to joining ATI, Toavina was the CFO, Chief Compliance Officer and member of the Board of Directors of a UK-based asset manager with €1.2 billion fixed income assets under management. Previously, she was also the Group Financial Controller at Coface, and the Financial Auditor of Mazars, an international audit firm – both based in France.

Swiss Re is committed to closing the 'protection gap' in Africa

Pius Leupi

Abdeladim Bousselam

Financial partners are key to ATI's business model. Be it reinsurers or banks, without these important allies, we would not be able to support African governments to the same level – helping to secure preferential loans that translate to improved transparency, providing a pathway to better governance and projects that meet international best practice and governments' development objectives. This section highlights some of these silent heroes that are vital to ensuring African governments continue to move beyond aid.

In this issue, we feature Swiss Re and their efforts to help provide needed insurance capacity to help Africa become more resilient in the face of natural disasters and events, like the current pandemic.

Pius Leupi, Chief Underwriter Credit, Surety & Political Risk and Regional Head EMEA and Abdeladim Bousselam, Senior Underwriter Credit, Surety & Political Risk provide insights into Swiss Re's impact in the region.

Q: What role does Swiss Re currently play in the reinsurance space in Africa and what are your primary objectives?

Our role in Africa is to be a shock absorber for our clients, so we can build the societal resilience needed to close the protection gap. The Swiss Re Institute estimates that, globally, about 66% of all natural catastrophe economic losses over the past 10 years were not insured; in Africa this protection gap is even higher. You may recall Cyclone Idai led to an overall economic loss of USD 2 billion across Mozambique, Malawi and Zimbabwe, of which only 7% was insured; a staggering 93% protection gap. Our primary objective in Africa is to address this immense protection gap to make Africa more resilient.

Q: How much of your business is political and commercial risk insurance and what is the potential to do more?

Our reinsurance book in the political and commercial risk insurance has evolved over the years to support our partners. In Africa, we have allocated capacity to cover many projects across the continent where the development impact is real, and we are committed to maintain our support throughout the cycle.

Q: From your perspective, why is reinsurance important to African economies?

Our industry plays an important role in absorbing some of the pain caused by disaster, and reinsurance is key to help economies bounce back faster and stronger. But we need to boost insurance penetration if we are going to have a meaningful impact across the continent. According to global benchmarks, developed economies have penetration rates of 7-10% of GDP.

Across the African continent, only South Africa's insurance penetration is significantly above this threshold, while countries like Namibia, Zimbabwe and Morocco just marginally exceed it. There is enormous potential to create economic and societal resilience across the continent.

Q: How do you work with ATI on transactions in Africa and what is your view of the partnership?

ATI has worked alongside the reinsurance industry to support their member countries attracting investments and capital. As a long-term partner, we work very closely with ATI to support some of their flagship transactions. The complexity of some deals requires leveraging ATI's existing infrastructure and the strong relationships they enjoy with their member countries. We share ATI's vision of supporting transactions that positively impact people's lives and livelihoods for a more resilient and investment-friendly Africa.

Q: What have been the greatest challenges in your ability to reinsure risks in Africa?

The ecosystem required for the good functioning of insurance and partners that are committed for the long-run are key to building a credible and sustainable re/insurance industry.

Q: How have you managed to mitigate the challenges?

The first step is always to acknowledge the specificities of the different countries in Africa. Next, to broaden the scope of insurance coverage, we have committed to a long-term perspective executed through innovative financing solutions such as debt reprofiling. Considering the countries in the continent with a below-investment grade credit rating, ATI's role is a cornerstone in this process.

Q: How has COVID-19 impacted your Africa portfolio, specifically, how has it affected your strategy in the region?

We have a long-term commitment towards Africa, and the pandemic has not changed this. The suffering from the COVID-19 pandemic has been staggering and heartbreaking, with a devastating impact on individuals, families and economies. Swiss Re is committed to supporting clients and partners in the region through our product innovations and thought leadership and by paying covered losses.

Q: What are your predictions for 2021 – what will the reinsurance landscape look like?

The pandemic taught us some hard lessons and exposed societal and economic vulnerabilities around the world. These lessons are likely to shape the future of our industry. Impacts in the way we price and, as an industry, tackle pandemic risk are some of the areas where we should see change. The crisis made it quite evident that the systemic nature and scale of a pandemic like Covid-19 is too heavy a burden for the insurance industry alone. Through public-private partnerships we have a unique opportunity to build resilience against future pandemics and systemic risks.

Critical support to banks during the pandemic: ATI ensures financing continues to flow

Lagos, Nigeria

ATI, in partnership with both regional development finance institutions (DFIs) and international banks, has continued to provide support to local banks since the economic impacts of COVID-19 began in March. By so doing, ATI helps ensure that foreign currency liquidity continues to be available to financial institutions in Africa.

During this period, ATI has covered bank transactions valued at over US$1.5 billion across 11 countries in Africa.

Nigeria, ATI's newest member country, has benefited from ATI-backed transactions of financial institutions valued at over US$400 million.

In one transaction, ATI insured a part of a DFI's US$300 million Letter of Credit (LC) Confirmation Facility. The facility was created to provide African banks with additional liquidity in the wake of the pandemic. Under the program, the DFI acts as the guarantor or confirming bank to the African issuing banks.

In another transaction, ATI, together with a panel of global insurers, covered a multinational lender for a US$95 million portion of a larger US$750 million term loan facility to another Tier-1 Nigerian bank.

"These deals are examples of how ATI is working together with its partners to provide practical solutions to a key sector during the pandemic. In addition to Nigeria, we have also supported financial institutions in Benin, Burkina Faso, Egypt, Ethiopia, Ghana, Mali, Rwanda, Tanzania, Togo and Uganda with more expected in the coming months." Noted Benjamin Mugisha, ATI's Chief Underwriting Officer.

ATI in the Power and Renewable Energy Sector

Type of cover provided by ATI: Regional Liquidity Support Facility (RLSF)
Project Supported: Gigawatt Global solar PV, Burundi
Project size: 7.5MW
Risk Counterparty: The Government of Burundi and the state owned power utility, Régie de Production et Distribution d'Eau et d'Electricité (REGIDESO)

RLSF, a joint initiative of ATI and KfW, is a revolving liquidity facility that is available to small and medium sized renewable energy power projects in ATI member countries that have signed a Memorandum of Understanding (the RLSF MoU) with ATI.

How it works:
Two contracts are entered into, (i) the Terms of Use Agreement and (ii) the Stand by Letter of Credit (SBLC). The SBLC, which is partially cash collateralized and covers an agreed number of months of REGIDESO's payment obligations, can be drawn by the Project Company following a default by REGIDESO on its payment obligations under the Power Purchase Agreement (PPA). The RLSF contracts are entered into between ATI, the Project Company and Absa South Africa as the LC issuing bank. Of note, there is no separate counter-indemnity from the Burundian government or REGIDESO required by ATI.

The RLSF insurance provided by ATI for this project will cover the payment risk in support of partners that include the UK government-funded Renewable Energy Performance Platform (REPP), the United States International Development Finance Corporation (DFC) (formerly the Overseas Private Investment Corporation – OPIC) and the Inspired Evolution II Fund.

The 7.5MW solar project will add nearly 15% to Burundi's total energy-generation capacity and it will provide electricity to 87,000 people and businesses placing a significant dent in the country's energy deficit, where less than 5% of the population has access to power.

In addition to the positive impact on the climate, this project will also demonstrate that green energy can provide economic benefits as it is expected to create 300 temporary jobs during the construction phase and up to 50 permanent jobs during the facility's 25-year operational phase. The project will have a substantial positive impact on Burundi and exemplifies the important role that the private sector, with the support of multilaterals such as ATI, has to play in boosting Africa's electricity supply with affordable renewable energy.

QUOTE from Michael Fichtenberg, Managing Director, Gigawatt Global Burundi SA and Vice President of Finance and Business Development of Gigawatt Global Cooperation

"We accomplished this pioneering project together with supporters from across the entire development spectrum, including innovative financial products being deployed for the first time with this project," he said, citing the support of the ATI's innovative RLSF. "We believe this demonstrates how solar power can be implemented in other developing markets, while decreasing dependency on costly and polluting diesel generators."

QUOTE from Geoff Sinclair, Managing Director of Camco Clean Energy, REPP's Investment Manager

"The announcement that the Mubuga project has moved to full construction is a landmark moment for Burundi's energy sector and for the people of Burundi. REPP is very glad to have supported the project and its sponsors, Gigawatt Global and Evolution II Fund. We are especially pleased to be partnering with the ATI to deliver an innovative risk mitigation solution for IPPs in the region. We congratulate ATI on the first application of the RLSF product and look forward to working together with them again in future."

Announcement of the appointment of Manuel Moses as ATI's new CEO

The Board of Directors concluded the year-long recruitment process with an announcement to shareholders at ATI's virtual Annual General Meeting held in July. Manuel Moses has been appointed to the position of CEO. Mr. Moses is a Zimbabwean national, who brings 15 years of experience from the IFC, where he most recently held the post of Country Manager of Kenya. He holds an MBA from the University of Leicester in the UK and a BSc in Civil Engineering from the University of Zimbabwe. He assumes office on 1 November, 2020.

Other interim senior level changes

- Ms. Toavina Ramamonjiarisoa, ATI's Chief Financial Officer, will fill the position of Acting CEO in the interim until Mr. Moses assumes office.
- While Ms. Ramamonjiarisoa is Acting CEO, Mr. Rodgers Siachitema has been approved as the Acting CFO.
- Following the retirement of Mr. Cyprien Sakubu, effective 31 July, Ms. Elizabeth Mutafungwa, the current Legal Expert, has been appointed Acting General Counsel during this recruitment period.

ATI launches a rebranding initiative

In September, 2020, ATI launched a re-branding project with an aim to better position the institution in the coming years. ATI expects to launch its new brand in 2021. In the interim, the team leading the effort plans to include inputs from ATI's broad network of partners and stakeholders in order to ensure an inclusive process.

Private sector acquires a taste for African power

Published in African Business Magazine on 3 September, 2020

According to the EIB, energy projects in Sub-Saharan Africa often face high real or perceived public counterparty risks that deter private sector investments. Insurance offers a way to hedge against such risks, making investments more attractive. The Africa Energy Guarantee Facility (AEGF) is an attempt to respond to this gap, as a form of guarantee initiative, and is expected to play a catalytic role in unlocking private sector investment. The EIB says it has been critical in attracting other partners and is on track to catalyse up to $1bn in reinsurance capacity to support the financing of green energy projects.

The African Trade Insurance Agency (ATI), a pan-African institution that provides risk mitigation solutions to companies, investors and lenders interested in doing business in Africa, is also doing its bit to help energy schemes attract investments.

"In the power sector we have built up capacity over the last few years largely in partnership with European DFIs such as EIB and KfW, offering our traditional political risk insurance for the benefit of equity and debt in projects as well as liquidity cover," says Obbie.

Obbie says liquidity cover is a key requirement for investors looking at power projects in Africa, while PRI is also an essential component.

"Most on-grid power projects are structured in a way that they will exclusively deliver power to a state-owned utility. But most power utilities don't have great credit profiles, so providing liquidity cover allows us to bridge that gap and cover some of the risk of non-payment."

Read more: *https://africanbusinessmagazine.com/africa-energy-yearbook-2020/private-sector-acquires-a-taste-for-african-power/*

Upcoming Events

GTR Africa 2020 Virtual: 20 - 23 Oct

Global Trade Review (GTR) hosts this annual premier trade and export finance event for Sub-Saharan Africa. This new virtual format offers comprehensive market coverage and industry connections through a mix of live-streamed and pre-recorded content and targeted networking.

Fully supported and endorsed by Africa's leading financial institutions, DFIs, multilaterals and various governments, participants will benefit from opportunities to connect with a wider audience and do business in 'the new normal'.

Learn more:
jando@gtreview.com
https://www.gtreview.com/events/virtual/gtr-africa2020/

Africa Energy Forum: 20 Oct - 13 Nov

ATI is sponsoring and speaking at the Africa Energy Forum (aef), the global investment conference & exhibition for Africa's energy, infrastructure & industrial sectors. This year, aef is joining forces with the African Utility Week & POWERGEN Africa plus Oil & Gas Council's Africa Assembly to host a month-long 'Digital Africa Energy Festival' - the largest ever energy event for the African continent.

Learn more:
Marketing@energynet.co.uk or
www.africa-energy-forum.com

ATI's Annual Roundtable on Investment and Trade Risks in Africa (Virtual): 1 Dec at 1400hrs EAT

We are transforming our annual event into a digital experience that will provide valuable intelligence on the current investment and trade risks across the region while still providing a platform for the private sector to engage government decision makers. As norms continue to evolve as a result of the pandemic, the way we do business and the risks involved is also expected to change so this year, our theme will be *beyond COVID* as we all begin to look at emerging opportunities in the post-COVID era.

Learn more:
sherry.kennedy@ati-aca.org or
events@ati-aca.org

Global reach. Financial Strength. Proven Impact.

We provide investment and credit risk insurance solutions with the objective of reducing the cost of doing business in Africa. Our main goal is to help increase investments into our African member countries by reducing the risks, real and perceived.

Our Products

Political Risk/Investment Insurance

Protects against any unfair action or inaction by a government that would negatively affect business or investments

Trade Credit Insurance

Covers non-payment or delayed payment to a supplier of goods or services by a public or private buyer or bank borrower.

Surety Bonds/ Counter Guarantees

Provides Bid, Advance payment, Performance and Customs & Warehousing bonds.

Off-taker Guarantees for Energy Projects

Insures against the non-honouring of sub-sovereign obligations by a public utility.

Current Members & Shareholders

Membership in ATI is open to all African Union member countries, non-African countries, private corporations and other regional and international institutions.

African Member Countries

- Benin
- Burundi
- Côte d'Ivoire
- DR Congo
- Ethiopia
- Ghana
- Kenya
- Madagascar
- Malawi
- Niger
- Nigeria
- Rwanda
- South Sudan
- Tanzania
- Togo
- Uganda
- Zambia
- Zimbabwe

Non-African Member Country

- India (Represented by the Export Credit Guarantee Corporation of India – ECGC)

Institutional Shareholders

- African Development Bank (AfDB)
- African Reinsurance Corporation (Africa Re)
- Atradius Participations Holding
- Chubb
- Kenya Reinsurance Corporation (Kenya Re)
- SACE SpA
- The Common Market of Eastern and Southern Africa (COMESA)
- The PTA Re Insurance company (Zep Re)
- Trade & Development Bank (formerly trading as PTA Bank)
- UK Export Finance (UKEF)

ATI HEAD OFFICE KENYA
Kenya Re Towers, 5th Floor, Off Ragati Road, Upperhill
Mailing Address: P.O. Box 10620, G.P.O. 00100,
Nairobi, Kenya
Tel. (+254) 20 272 6999 / 271 9727
Mobile. (+254) 722 205 007
Email. info@ati-aca.org

CÔTE D'IVOIRE
Abidjan, Côte d'Ivoire
Mobile: (+225) 77 571 448
Email: cotedivoire@ati-aca.org

SOUTHERN AFRICA REGIONAL OFFICE
Lusaka, Zambia
Tel: (+260) 211 227 745
Mobile: (+260) 978 778 545
Email: zambia@ati-aca.org

TANZANIA
Dar es Salaam, Tanzania
Tel: (+255) 22 260 1913 / 1938
Mobile: (+255) 782 390 531
Email: tanzania@ati-aca.org

UGANDA
Kampala, Uganda
Tel: (+256) 312/393 908 999
Mobile: (+256) 776 966 900
Email: uganda@ati-aca.org

WEST AFRICA REGIONAL OFFICE
Cotonou, Benin
Mobile: (+229) 62 33 52 52
Email: benin@ati-aca.org