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# Product Brochure





Mediterranean Sea

FRANCE ITALY GREECE

PORTUGAL SPAIN LIBYA TUNISIA MALTA TARABULUS

ALGERIA LIBYA

MAURITANIA MALI NIGER CHAD

GUINEA BISSAU GUINEA BURKINA FASO

SIERRA LEONE LIBERIA CAMEROON

SAO TOME AND PRINCE D. R. CONGO

ANGOLA

NAMIBIA

WINDHOLE

SOUTH AFRICA

Cape Town

Longitude West of Greenwich

Longitude East of Greenwich

Spring Equinox

Assens (U.K.)

St. Helena (U.K.)

Wahis Bay

Wahis Bay

Wahis Bay

Wahis Bay

Wahis Bay

Wahis Bay

Wahis Bay

Wahis Bay





# Who We Are

## **African Trade & Investment Development Insurance (ATIDI)**

is an organisation that supports trade and investments by providing comprehensive risk solutions such as trade credit and political risk insurance.

We are leading innovators in Risk Mitigation and Financial Interventions to provide relevant made-for-Africa solutions for trade and investment with the aim of unlocking development in the continent.

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### **We have Regional Presence**

With a team of skilled professionals, we are able to give you an accurate picture of the risks from offices located strategically in the four regions of Africa.

### **We offer Unique and Flexible Solutions**

Our unique insurance products are flexible. They can cover small to large exports, imports, investments and contracts on a short-to-medium or long term basis. We are also able to insure, co-insure and re-insure your transactions.

## Who We Are

### **We bring a global network of strong financial partners**

This network provides an international collection service, added reinsurance capacity, market intelligence and other benefits. Our partners are among the highest credit rated institutions in the world.

### **We help strengthen your bottom line**

We are the highest credit rated insurer in Africa, rated A/Stable (S&P) and A3/Positive. This enhances the value of your policy with financial institutions and can help you access financing at better rates.

### **We ensure that your projects will be paid**

We have a unique relationship with our member countries. First, they are shareholders in ATIDI. And second, they have an elected representative, who sits on ATIDI's Board of Directors, giving us direct access to decision makers in government. This relationship provides a mutual benefit for our member countries and for ATIDI's clients – adding another layer of security to ATIDI backed projects.

# What We Do

## **Africa offers some of the largest trade & investment opportunities.**

To successfully unlock these possibilities requires a keen understanding of the environment. This is where we come in.


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**You need us if you are planning to do any of these activities in Africa:**

- Finance a transaction;
- Invest;
- Trade (exports and imports);
- Offer credit terms to your corporate clients.

**These transactions can expose you to many risks, which we can cover. These risks include:**

- You won't be paid because your client is bankrupt;
- You won't be paid and you won't even know why;
- The money your client deposited for you cannot be converted into the currency you need;
- The host government cancels your licence unjustly;
- The host government expropriates your investments;
- The guarantee you're given is called unfairly;
- Your goods are damaged during a politically-motivated incident.



**‘Taking the  
worry out of  
business risk.’**

## **Benefits**

### **i. African Governments & Agencies**

We assist member Governments to lower their cost of borrowing and to obtain loans with longer tenures using blended finances and credit enhancement. This has helped Governments to lower their debt servicing costs by over 100%.

### **ii. Lenders**

These solutions allow you to lend more with the flexibility:

- You can insure your corporate loans against default;
- You can request your borrowers to take ATIDI cover for added protection;
- You can insure your cross-border transactions against political risks;
- You can take our insurance as a substitute for letters of credit confirmation;
- You can enhance your invoice discounting product by insuring the receivables.

# Benefits

## iii. Investors

You may be interested in an opportunity in an African country but the political risks make it difficult to convince your shareholders and bankers to agree. You can benefit from the strong relationships we've established with our member countries, which gives us direct access to decision makers, and added security for the projects we cover.

## iv. Manufacturers

We can assume your credit risk. This gives your suppliers comfort to extend credit terms to you.

## v. Contractors

We can find solutions for some of the risks you face. These include non-payment or delayed payment and unfair cancellation of your contract during its term.

## vi. Exporters or Importers

You face the challenge of being far from your buyer or seller and being exposed to payment problems. On the financing side, you may have to use expensive Letters of Credit to support your transactions. This ties up your working capital and forces you to trade on cash terms rather than on a more competitive credit basis. Trade credit insurance can help you to overcome some of these obstacles.

## vii. Credit & Political Risk Insurers

You can expand your product line and capacity with ATIDI's as a reinsurance partner. ATIDI offers both facultative and treaty reinsurance for trade credit and political risk insurance.





# Products Menu

## **Non-honoring of Sovereign or Sub-Sovereign Obligations**

This insurance covers the public buyer/borrower's credit risk and unfair calling of bonds. This includes cover for non-honoring of sovereign or sub-sovereign guarantees. This insurance protects lenders, investors and suppliers against non-payment

## **Political Risk/Investment Insurance**

Pure Political/ Investment Risk policies cover specific perils, with political risk being defined as the risk of a loss arising from any actions or inactions of governments or a loss following political events outside the control of the contracting parties. Such policies may also include the default (non-payment) risk of the sovereign or other public entities. Political (investment) risk has different sub-risks, such as embargo, currency inconvertibility, unfair calling of bonds, breach of contract, arbitrary award default and expropriation that may materialize due to different events. ATIDI's insurance policy can combine several sub-risks and insured events, depending on the nature of the transaction, the needs of the client and the risk assessment of ATIDI.

## **Pricing**

We price to the risk assessed in a particular country but we strive to keep our rates competitive and to consider your needs first. Our country risk assessment is based on a number of factors including political stability, exchange rate regulations and legislation governing areas such as expropriation.

# Products Menu

## Credit Risk Insurance (CRI)

It insures commercial buyer credit risk. The following sub-products are offered under CRI:

- i. Lenders all risk - insures bank facilities including: loans (also bank-to-bank), letters of credit (LCs), invoice discounting and factoring, bonds and bank guarantees provided by a bank to SME / corporate clients or to another bank.
- ii. Bank master policy - covers a portfolio of small sized bank facilities including: loans, letters of credit (LCs), invoice discounting and bonds provided by a bank to corporate clients.
- iii. Single obligor (SO) - insures the risk of default by one specific buyer, often restricted on one specific transaction. Occasionally, this policy is also used to insure a selected number of buyers.
- iv. Whole turnover (WTO) - insures sales made by a corporate (in exceptional cases also a bank) to a portfolio of clients against losses arising from credit risks. Since a portfolio of clients is insured several parties are involved (one supplier and multiple buyers) and several transact.

## Key Features

ATIDI offers flexible and competitive costs to meet your needs. We base our costs on factors such as the payment history of your buyer/debtor.

	Whole Turnover	Single Obligor
Credit terms (tenor)	Up to one year	Average 1-12 years
Price range	0.4 - 1.5% of turnover	1.8 - 5.0% of exposure
Minimum size of the risk insurable	No minimum**	No minimum**

\* We can combine our products to find a flexible solution that covers the risks you are most concerned about

\*\* Subject to Minimum Pricing

\*\*\* Some restrictions apply

# Products Menu

## Counter Guarantees

This product protects employers, which include government agencies and contracting companies, to ensure that contracts are completed according to mutually agreed terms. ATIDI's role is to support issuers (banks and insurance companies) with counter guarantees, in the event that guarantee is called and the contractor is unable to perform or reimburse the issuer.

## Current Offerings

- Advance Payment Bonds;
- Bid Bonds;
- Customs and Warehousing Bonds;
- Performance Bonds;
- Retention and Maintenance Bonds.

## Regional Liquidity Support Facility (RLSF)

RLSF provides liquidity to Independent Power Producers (IPPs) by covering the delayed payment risks of their off-taker (frequently a state owned entity). ATIDI partnered with the KfW Development Bank on behalf of the Federal Republic of Germany and the Norwegian Agency for Development Cooperation (Norad) to launch the Regional Liquidity Support Facility (RLSF), that was created to help tackle climate change by supporting renewable energy projects in ATIDI's member countries.

RLSF supports small and mid-scale renewable energy projects with an installed capacity of up to 100 MW by protecting the developers against the risk of delayed payments from public off-takers to ensure more projects reach financial close by providing guarantees directly to IPPs. These guarantees will cover up to twelve (12) months worth of revenue for the IPP and allows IPPs to continue to benefit from ATIDI's positive credit rating of A/A3 positive (S&P & Moody's, respectively).



# Products Menu

## **The Transparency Tool**

This is an online platform that collects, tracks and provides information on how national utilities make payments to operational IPPs. The Tool matches the invoices issued by IPPs with payments received and produces reports that enable IPPs to compare their payment experience with that of other IPPs, to see how the payment behaviour evolves over time with different levels of granularity, and to compare the track record of different state owned offtakers in the region.

The Transparency Tool is part of the RLSF project.

## **The African Energy Guarantee Facility (AEGF)**

AEGF is a reinsurance platform that allows ATIDI to have access to up to USD1 billion of additional underwriting capacity for energy access, energy efficiency and renewable energy projects that are in line with SDG7 objectives. The facility was initiated by the European Investment Bank (EIB), Munich RE and ATIDI; more recently, additional support and underwriting capacity has been provided by KfW Development Bank.

The political risk perils that can be covered under AEGF include Confiscation, Expropriation, Nationalization and Deprivation (CEND); Transfer Restrictions and Currency Inconvertibility; War, Civil Disturbance or Civil Commotion; and Arbitral Award Default. Eligible projects across any of ATIDI's member countries can benefit from cover.

[www.aegf.net](http://www.aegf.net)



# Guidelines

## Socially Responsible

We follow a simple philosophy in our business practices – *“anything we produce should add value to the community we live in.”*

As a member of the global community, we follow international environmental best practices on every project we underwrite. Our policies ensure that our projects do not cause harm to people or the environment. They also screen and exclude any project using child labour, supporting money laundering or corrupt practices.

For a copy of our policy wordings, which lists all our exclusions, contact us.

## Main Terms

### We Offer:

- Policy periods of up to 10 years (including pre-shipment periods of up to 12 months). 15 years possible for unique project finance and energy projects;
- No minimum transaction size but the minimum premium is USD10,000;
- Premium is calculated based on the creditworthiness of the risk.

We can support any size of transaction provided the risk is acceptable.

## Policy Indemnity

	Political Risk	Commercial Risk
Sovereign	up to 95% (incl. non-payment)	
Public	up to 95%	up to 95%
Private	up to 95%	up to 85%

# Guidelines

## Eligibility

### **For Political Risk Insurance or Re-Insurance:**

The investment/project must be located in at least one of our African member countries (visit our website for a current list of our member countries).

### **For Credit Insurance Involving Trade Transactions:**

- Either the seller or buyer must be located in one of our African member countries.
- Whole Turnover: The seller must be from one of our African member countries.

### **For Trade Credit Insurance Involving Financial Transactions:**

- The risk must be located in one of our African member countries (for international and domestic trade).

## Application

The first step is to submit an insurance by filling an inquiry form, which is available on our [website](#) or by sending us an email. Once the enquiry is approved, we will issue a Non-Binding Indication (NBI). If the terms and conditions quoted on the NBI are acceptable to you, we will ask to receive an application for insurance which we will review together with other documents, including an Environmental Information Note (EIN), where applicable.

Once we receive all relevant documents, we strive to underwrite deals and issue policies promptly.

To submit an enquiry email: [enq@atidi.africa](mailto:enq@atidi.africa)





# Contacts

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