

2. Refinancing

Refinancing is intended for the total or partial repayment of debt service installments on investment loans granted to companies. The amounts advanced by the ASF, within the context of the refinancing in favor of the companies, will be repaid either after the total repayment to the credit institution, or concomitantly, if the financial inflows of the company allow it.

3. Interest rate subsidy

Interest rate subsidy is a support from the ASF, in the form of disbursements, in order to make concessional the interest rates on loans mobilized by member states and their bodies for concessional development financing.

4. Third Party Fund Management

The ASF partners with other development actors and the donor community to establish trust funds for activities related to the Fund's mission of contributing to development in general and promoting investment in particular. These resources will be held in the accounts of the African Solidarity Fund, who will manage them in line with specific management contracts under which the ASF will administer the resources on behalf of the participants.

5. Financing Arrangement

The ASF deploys, on the basis of a duly signed mandate, its expertise to support enterprises in member states, especially SMEs/SMLs in structuring and seeking financing.

REFERRAL TO THE FUND

Applications for interest rate subsidies and refinancing of domestic public debt.

Applications for interest rate subsidies and refinancing of domestic public debt must be submitted by the Minister of Finance.

Application for equity participation

Applications for equity investments are submitted to the Fund by the duly authorized officers of the applicant entity.

The intervention of the Fund may also be at the initiative of the African Solidarity Fund within the framework of the strategic partnership.

AFRICAN SOLIDARITY FUND

MULTILATERAL FINANCIAL INSTITUTION

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CREATION

The creation of the African Solidarity Fund (ASF) is a decision of the African Heads of State taken in Bangui (Central African Republic) in March 1975. The ASF became operational in September 1979. It is headquartered in Niamey (Republic of Niger).

MISSION

The mission of the ASF is to contribute to the economic development and social progress of its African member states by facilitating, through its various intervention techniques, access to the financial resources necessary for the realization of investment and other income generating activities.

MAIN PARTNERS

- Member States;
- Banks and Financial Institutions;
- Micro Finance Institutions (MFIs);
- Management and Intermediation Companies;
- National Guarantor Funds;
- Enterprises.

VISION

The vision of the ASF is to become, by 2025, a strong and innovative Pan-African institution at the service of the structural transformation of member states' economies.

OBJECTIVES

- Continue the transformation of the ASF into a leading international institution on the African continent with an optimal organization and flexible, scalable, and responsive governance;
- Strengthen the Fund's capacity to meet stakeholder's requirements by supporting value creation and productive employment in support of member states and the private sector.
- Increase financing and intervention capacities in member countries by strengthening the capital of the ASF and developing alternative financing mechanisms.

MEMBER STATES

As of June 30, 2023, the ASF, acting as a driver of integration, has twenty-one (21) member states and includes seven (7) out of the eight (8) Regional Economic Communities (RECs) on the African Continent, namely:

EAC: Burundi and Rwanda ;

ECOWAS: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Senegal and Togo;

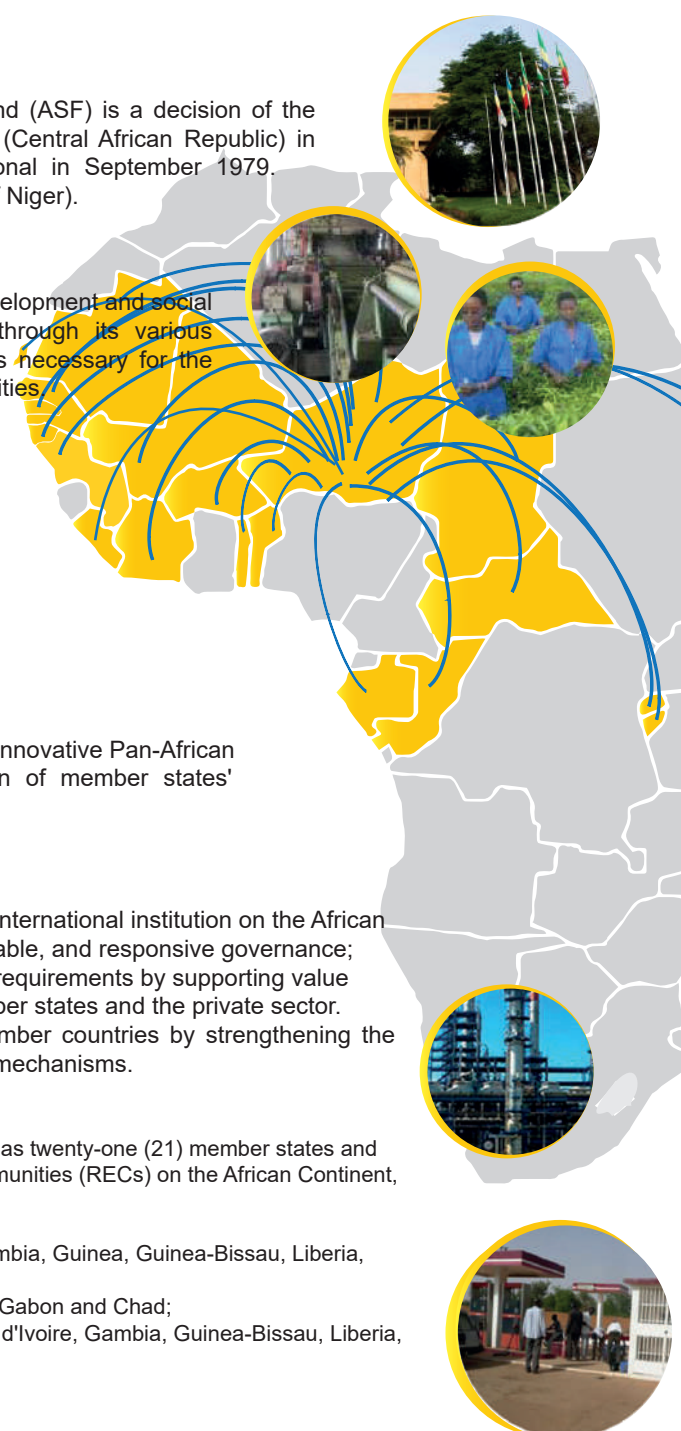
ECCAS: Burundi, Central African Republic, Republic of Congo, Gabon and Chad;

CEN SAD: Benin, Burkina Faso, Central African Republic, Côte d'Ivoire, Gambia, Guinea-Bissau, Liberia, Mali, Niger, Senegal, Chad and Togo;

COMESA: Burundi, Comores, Mauritius and Rwanda;

SADC: Comores and Mauritius;

AMU: Mauritania.



The ASF also registers as a category "B" shareholder, the Central African States Development Bank (BDEAC).

CAPITAL

As of June 2023, the ASF has a capital of CFAF 182 billion (about US \$ 295 million). This capital is revised up to the amount of the new Member's subscription for each new accession of a Class "A" or Class "B" Shareholder.

MECHANISMS OF INTERVENTION

1. Guarantees offered by the ASF :

Bank Loan Guarantee

The ASF offers a risk-sharing mechanism (of final loss or default), through guarantees, to credit institutions to facilitate the financing of companies, especially SMEs.

Guarantee for raising resources (Financial Markets)

The ASF offers a guarantee that covers the risk incurred by the investor or lender in the context of operations to raise resources on the financial market (Bonds, Interbank Borrowing, Commercial Paper, Bonds of Financial Institutions, etc.).

Portfolio Guarantee

The ASF delegates the decision to grant its guarantee to the beneficiary credit institution (bank, financial institution, SFD, FHG), after the pre-qualification criteria have been defined and agreed. The guarantee is applicable individually to the projects financed by the institution.

Coverage of Public Contracts (Construction, Delivery & Services)

The coverage of public contracts by the ASF takes two forms:

- Counter-guarantee of individual bonds;
- Counter-guarantee of bonding lines.

This is a sharing of risk between the ASF and the credit institution issuing the bond to be covered or granting a bonding line to a company in the framework of the bidding or execution of public contracts.

Import-Export Operations Coverage

ASF provides a risk-sharing mechanism, through guarantees, with a financial institution involved in an import-export transaction.