



TRADE FINANCE GUARANTEE PROGRAMME





PROPARCO'S TRADE FINANCE SOLUTION

By securing the trade-related payment obligations of approved financial institutions in emerging markets, Proparco's Trade Finance Programme supports growth and competitiveness of local companies.



Backed by its **AA rating**, Proparco provides strong risk mitigation and complements the capacity for local banks to fill market gaps for trade finance.

CHOOSE AFRICA

This programme is part of **Choose Africa**, an **AFD Group** initiative to support African entrepreneurship

KEY CHARACTERISTICS

Nature of the guarantee	Irrevocable
Primary beneficiaries	Confirming Banks members of Proparco's Trade Program
Final beneficiaries	Issuing Banks and their affiliates
Eligible instrument*	Letters of credit, Standby Letters of Credit, Bills of Exchange, Promissory Notes
Coverage	Up to 100%
Eligible goods	Soft commodities, medical goods and equipment, fertilizers, construction equipment, machinery, refined oil products**
Eligible currencies	EUR, USD
Maturity of transactions guaranteed	Up to 3 years (payment term)
Facility amount	Min 10 MEUR (or USD equiv.)
Facility maturity	Min 2 years (renewable)
Quick turnaround of guarantee issuance	Max 48 hours (from reception of the official guarantee issuance request)
Legal documentation	Proparco's Master Agreements (Term and conditions)
Fees	<p>Due by Issuing Banks:</p> <ul style="list-style-type: none">• Mandate Fee: none• Legal costs: 8/10 KUSD <p>Due by Confirming Banks:</p> <ul style="list-style-type: none">• Mandate fee: none (joining the program is only subject to the acceptance of Proparco's Master Agreement)• Guarantee Fee: 70% of the confirming fee applied per transaction covered (% p.a, due on a quarterly basis)

*Available from H2 2024 : Irrevocable Reimbursement Undertaking (IRU), Trade Loans

** On a case by case basis



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BENEFITS



The programme enables members to access a global network of partnerships. It offers maximum flexibility thanks to:

- A large range of products supported (from commodities to equipment, machinery and consumer goods)
- Various underlying trade instruments covered (letters of credit, stand-by letters of credit, bills of exchange)
- Coverage up to 100 % of the face value of the trade instruments
- From 2 months up to one year (including payment terms)
- Short response time: 48 hour maximum-turn-around (request for guarantee made by either IB or CB)

BENEFITS TO ISSUING BANKS



- Reduction of cash collateral needs
- Increased opportunities to develop new banking relationships
- Access to a wide range of financial growth support solutions offered by the group (debt, equity, products, etc).

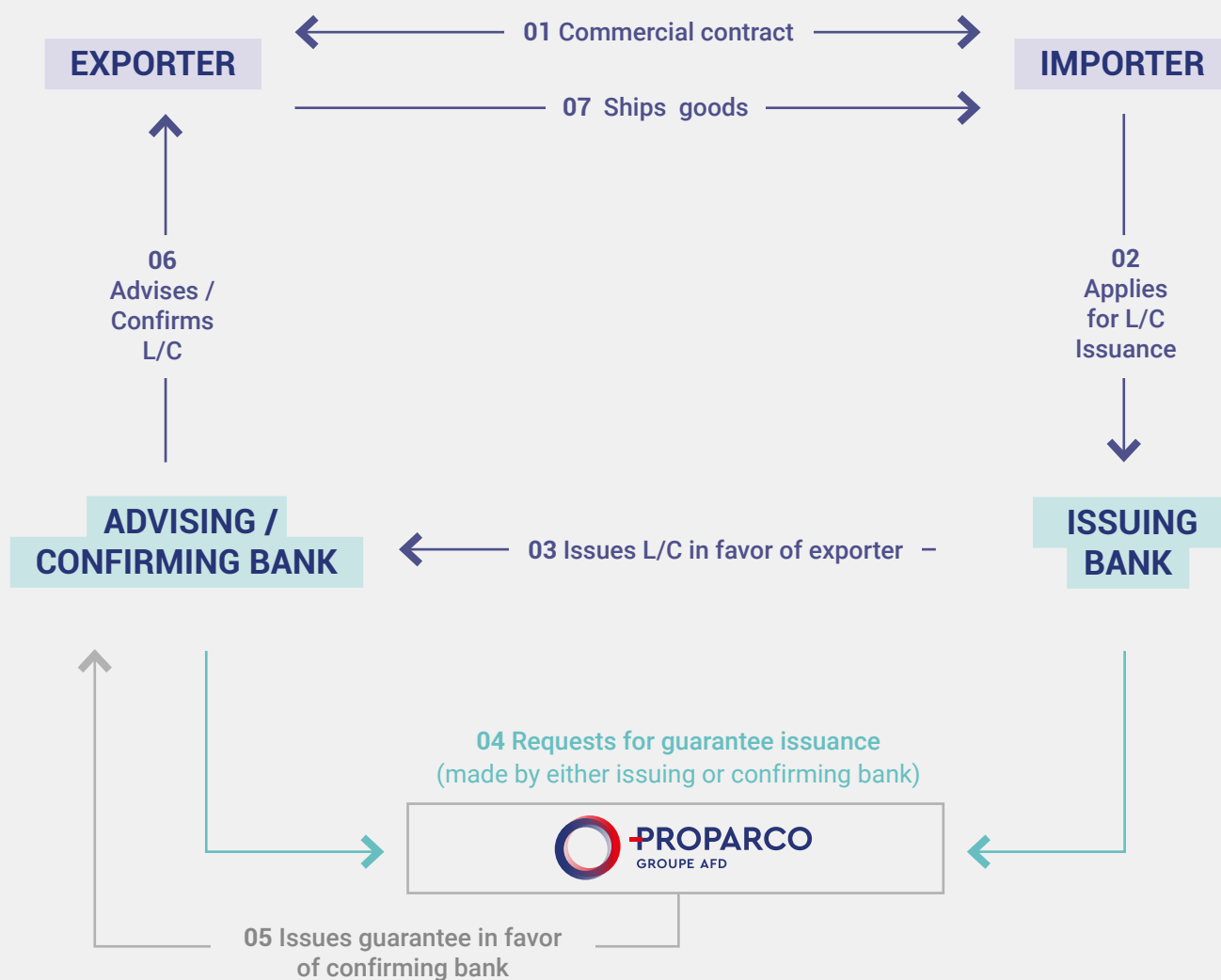
BENEFITS TO CONFIRMING BANKS



- Access to new or challenging markets on a low-risk basis
- Opportunities to develop new banking relationships
- Mitigation of Basel capital requirement
- Larger geographical coverage for servicing export clients



HOW DOES THE PROGRAMME WORK?



The programme is governed by master agreements for issuing and confirming banks that ensure a fast and efficient process.

HOW TO JOIN



AS AN ISSUING BANK:



AS A CONFIRMING BANK:



PROPARCO AT A GLANCE

COMPANY BRIEF

EUR 8.2bn balance sheet at 31/12/2023
Standards & Poor's: AA/A-1+



450+ employees

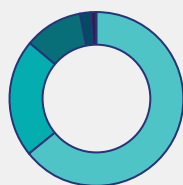


13 regional offices and
10 local branches around the world



150 countries of operation

NORTH AND SOUTH SHAREHOLDING



79.76% Agence française de
développement (AFD)
8.24% French financial
institutions
10.03% International financial
institutions
1.37% Companies
0.60% Ethical funds and
foundations



OUR MANDATE

Proparco contributes to financing and supporting companies and financial institutions in Africa, Asia, Latin America and the Middle East.



OUR TOOLS

- Loans • Equity • Quasi-equity
- Investment funds • Guarantees
- Technical assistance
- Delegated funds
- Concessional financing



OUR ACTION

Proparco focuses on key sectors for development: infrastructure with a focus on renewable energies, agro-industry, financial institutions, health, education.



OUR ASSETS

- + Multi-sectoral and geographical expertise
- + International presence
- + Financial strength (AFD Group)
- + Advice for structuring complex projects
- + Mobilization of third parties
- + Risk management

CONTACT US

If you are a bank interested in participating in Proparco's Trade Guarantee Programme, please contact the Trade Finance team based in Paris.

PROPARCO

**Headquarters
PARIS**
151 rue Saint-Honoré
75001 Paris, France
Tél. : +33 1 53 44 31 08
www.proparco.fr
proparco@proparco.fr

Emmanuel HAYE
Deputy head -
Financial Institutions and Inclusion
hayee@proparco.fr

Abdoulaye DIALLO
Principal Investment Officer FI
Trade Finance
dialloa@proparco.fr

Valentine LE CLAINCHE
Financial Institutions & Inclusion
Investment Officer - Trade Finance
leclainchev@proparco.fr

Margaux CHEVRIER
Investment Officer FI
Trade Finance
chevrierm@proparco.fr

PROPARCO - Regional offices

AFRICA

Regional Office WEST AFRICA

- ABIDJAN
proparcoabidjan@proparco.fr
Local branches:
- DAKAR afddakar@afd.fr
- ACCRA afdaccra@afd.fr
- OUAGADOUGOU afdouagadougou@afd.fr

Regional Office NORTH AFRICA

- CASABLANCA
afdcasablanca@afd.fr
Local branches:
- CAIRO afdlecaire@afd.fr
- TUNIS afdtunis@afd.fr

Regional Office CENTRAL AFRICA

- DOUALA
proparcodouala@proparco.fr
Local branch:
- KINSHASA
afdkinshasa@afd.fr

Regional Office EAST AFRICA

- NAIROBI
proparconairobi@proparco.fr

Regional Office SOUTHERN AFRICA & INDIAN OCEAN

- JOHANNESBURG
proparcojohannesburg@afd.fr
Local branch:
- ANTANANARIVO
afdtanatanarivo@afd.fr

Regional Office NIGERIA

- LAGOS
afdlagos@afd.fr

LATIN AMERICA & THE CARIBBEAN

Regional Office CENTRAL AMERICA & THE CARIBBEAN

- MEXICO
proparco_mexico@afd.fr

Regional Office SOUTH AMERICA

- SÃO PAULO
afdsaopaulo@afd.fr
Local branch:
- BOGOTA
proparcobogota@afd.fr

Regional Office DOMINICAN REPUBLIC & HAITI

- SANTO-DOMINGO
proparcosantodomingo@afd.fr

ASIA

Regional Office NORTH AND SOUTH EAST ASIA

- BANGKOK
afdbangkok@afd.fr
- BEIJING
chenj@afd.fr

Regional Office SOUTH ASIA

- NEW DELHI
afdnnewdelhi@afd.fr

MIDDLE EAST, TURKEY, CENTRAL ASIA & CAUCASUS, EASTERN EUROPE

Regional Office MIDDLE EAST

- BEIRUT
afdbeyrouth@afd.fr
Local Branch:
- JERUSALEM
afdjerusalem@afd.fr

Regional Office TURKEY, CENTRAL ASIA AND CAUCASUS, EASTERN EUROPE

- ISTANBUL
afdistanbul@afd.fr

Proparco, a leading player in development finance, supports the private sector in Africa, the Middle East, Asia, and Latin America. As a subsidiary of the AFD group, it leverages its expertise, a comprehensive range of financial tools, and technical support to assist its partners in sustainably addressing environmental and social challenges.



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