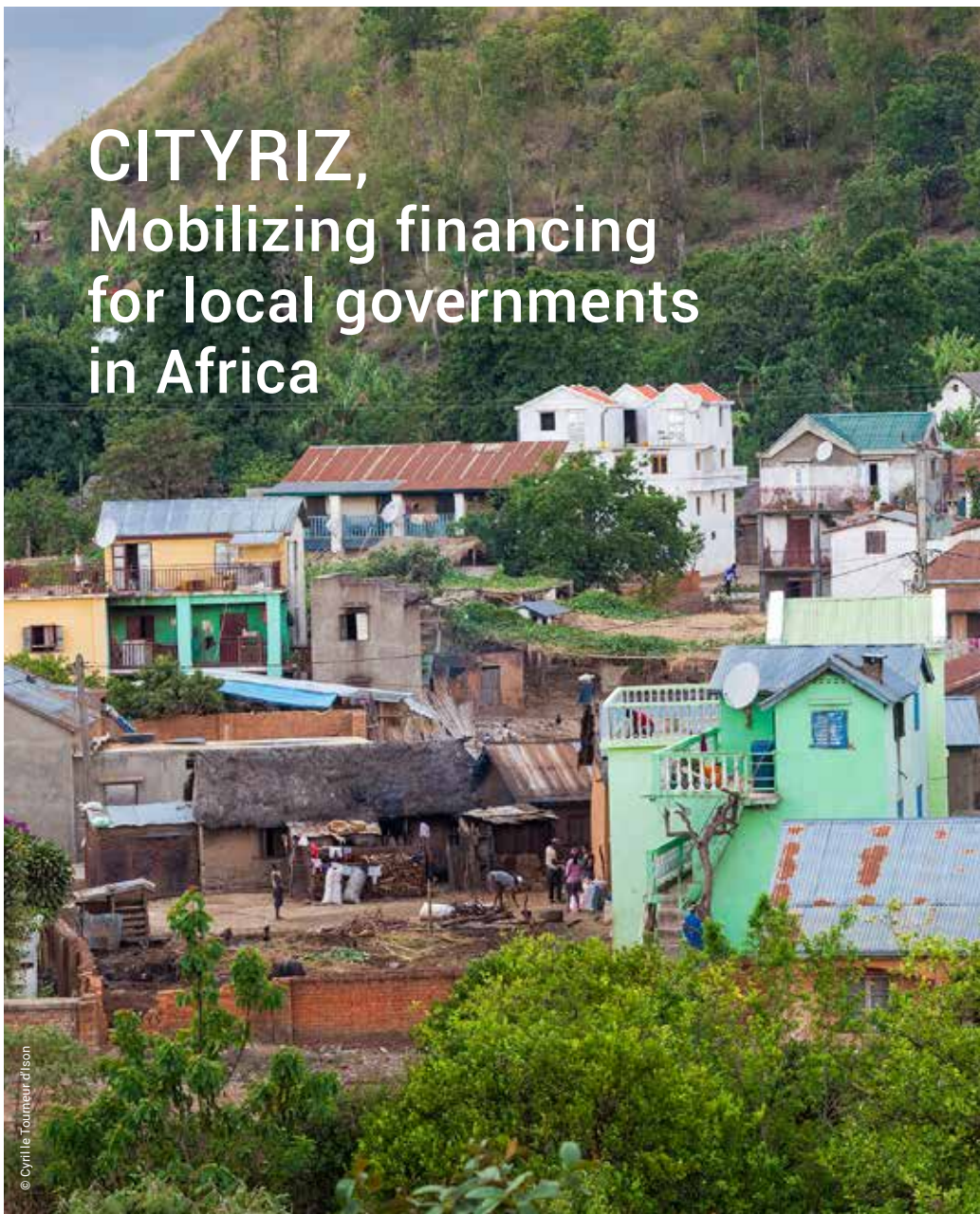


# CITYRIZ, Mobilizing financing for local governments in Africa



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Africa has the highest urban growth rate in the world.

Due to the lack of appropriate financing, urban investments fall far short of addressing the huge needs brought about by both this demographic pressure and the consequences of climate change.

When it comes to developing and transforming territories, financial institutions and local authorities are both front-line actors and it is critical for them to work together to address this situation.

Yet cities, and more generally local authorities, are still faced with reluctance by banking operators to finance their projects.

One of the objectives of **CITYRIZ** is to contribute to building and developing relations between these two types of actors. Indeed, by allocating guarantees, AFD's aim is to contribute to creating and strengthening domestic banking markets for local public debt. This will give local authorities of all sizes access to financing in local currency and with long maturities tailored to their needs.



between

**\$68 BN**

and **\$108 BN**

a year

The investment requirements for sustainable urban infrastructure in Africa

**300**

**million more people**

expected in Sub-Saharan African cities over the next 20 years

## A tool dedicated to the needs of the banking sector for financing African local governments

You are a public or private financial institution

You are operating in Africa

You are planning to develop your lending activities for the local public sector (local governments or municipal operators)?

You want to contribute to financing sustainable infrastructure

**By sharing the credit risk on your loans to the local public sector, CITYRIZ helps you to:**

- ◆ **Expand** your activity to the market of local governments and their operators
- ◆ **Manage** your large exposures limits and ease pressure on your equity constraints
- ◆ **Lend** with longer maturities in line with local governments' needs
- ◆ **Contribute** to the development of a sustainable ecosystem for financing the local public sector
- ◆ **Contribute** to financing sustainable urban infrastructure

### CITYRIZ in brief

- ▶ A framework agreement with AFD
- ▶ A "loan-by-loan" guarantee instrument
- ▶ A loss coverage of up to 50%
- ▶ An inclusion period for the guarantee until 2025
- ▶ On local currency-denominated loans
- ▶ Maximum duration of the guarantee: 15 years
- ▶ Maximum amount of underlying, individual exposure for guaranteed loans: equivalent to €40 million
- ▶ An unconditional and irrevocable first demand guarantee





## A guarantee instrument combined with technical assistance financed by the European Union

We assist you with the development of your activity to finance the local public sector by mobilizing advisory support services, with a focus on creditworthiness assessment and environmental and social risk management procedures.

### CITYRIZ technical assistance:



**Improves** your capacity to assess the credit risk of the local public sector



**Strengthens** your analysis procedures for environmental and social risks



**Helps** your client local governments prepare the technical and financial structuring of projects for resilient infrastructure



**Helps** you structure your monitoring, reporting and evaluation activities for sustainable infrastructure projects



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## Finance for development, guarantees to finance green infrastructure projects

A wide range of eligible investments to improve the quality of life of city dwellers and support urban resilience and the transition of cities

- Water and sanitation
- Urban infrastructure
- Urban and periurban transport
- Renewable energies
- Other



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## A world in common

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AFD Group implements France's policy in the areas of development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, as well as research and education in sustainable development; its subsidiary Proparco, which is dedicated to private sector financing; and Expertise France, a technical cooperation agency. The Group finances, supports and accelerates transitions towards a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.



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