

Togo becomes 18th African country shareholder in ATI

African countries fast-tracking membership to ATI in response to expected trade and investment insurance capacity impact from COVID-19

- Togo becomes 18th African country to join ATI, with a shareholding of
- US\$12.5 million, through a concessional loan by the European Investment Bank.
- Membership in ATI provides African countries with additional trade and investment insurance capacity and improves risk rating for sovereign debts.
- Adequate insurance capacity critical component to cushioning against negative economic impacts of COVID-19.

The Government of Togo announced completion of the country's membership in the African Trade Insurance Agency (ATI), becoming the 18th African sovereign shareholder. Togo's membership, backed by the European Investment Bank, reflects a trend that has seen a record number of West African countries join Africa's multilateral guarantee agency with Ghana, Niger and Nigeria all completing membership in the last nine months. This trend is expected to continue as countries seek support to ensure investment and trade flows on the continent.

"As we ready ourselves to manage the economic fall-out from the Corona virus, African governments are focused on mitigating the short and long-term impacts. Insurance capacity is an important aspect of our ability to rebuild and to ensure that critical projects receive the funding and guarantee support they require. We see membership in ATI as a necessary component in our ability to shore up the economy and to weather this storm." said **Hon. Sani Yaya, Minister of Economy and Finance of the Republic of Togo.**

"The membership of Togo pushes ATI one step closer to achieving full pan-African membership from countries from coast to coast. The COVID-19 crisis increases the relevance of African development finance institutions such as ATI. As the world struggles to get a handle on this fast moving pandemic, the combined resources of African institutions will be needed to effectively counter this newest threat to Africa's development." said **John Lentaigne, Acting CEO of the African Trade Insurance Agency**

In tandem with the country finalising its shareholding, ATI backed Togo's first access to international financial markets, with the country obtaining a quasi-concessional 10-year loan to reprofile and refinance a portion of its short-term and more expensive public debt. Togo was able to use ATI's credit wrap to package the debt, helping the country achieve a borrowing rate in the low single digits.

Reflecting the important role that ATI plays in the region's economic growth, the European Investment Bank (EIB) provided a US\$12.5 million concessional

loan to cover Togo's shareholding in ATI. The complete US\$37.5 million financing package, finalised by EIB in 2019, covers the shareholdings of Niger, Togo and Cameroon, with Cameroon's completed membership to be announced imminently and with additional financing possible for more countries to join in 2020.

"Close cooperation between African and European partners is key to successfully reduce the unprecedented impact of COVID-19 and tackle the negative economic impact of the virus both globally and in more vulnerable economies. Regional partners such as the African Trade Insurance Agency play a valuable role supporting economies across Africa by providing the insurance that helps to maintain investment and trade flows at a time when these are most needed." said **Ambroise Fayolle, Vice President of the European Investment Bank**

Membership of ATI opens a path for countries to reduce their debt levels, it equally provides global investors and financiers with comfort that sovereign transactions and other investments are back-stopped by a highly rated and reputable insurance guarantee agency.

There is a perpetual shortage of investment insurance in most African markets and, without it, vital investments, both equity and debt, as well as cross border trade will remain sub-optimal. The onset of Corona virus is compounding the shortage of such insurance in Africa. ATI's presence is therefore now, more than ever, a key component of many countries' ability to remain attractive investment destinations.

As African countries begin to build buffers against the likely negative economic fall out from COVID-19, investment insurance capacity is seen as a critical part of the financial support that will be needed to shore up the economies of many African countries.

Background information:

About The African Trade Insurance Agency

ATI was founded in 2001 by African States to cover the trade and investment risks of companies doing business in Africa. ATI predominantly provides Political Risk, Credit Insurance and, Surety Insurance. In 2019, ATI closed the year with exposures of US\$6.4 billion and continued to post record results for the eighth consecutive year with 132% growth on the net profit over 2018 owing to strong demand for ATI's insurance solutions from the international financial sector and from African governments. For over a decade, ATI has maintained an 'A/Stable' rating for Financial Strength and Counterparty Credit by Standard & Poor's, and in 2019, ATI obtained an A3/Stable rating from Moody's.