

Afreximbank moves to bridge Africa's financing gap

By Dike Onwuamaeze



AFRICAN entrepreneurs, whose efforts to grow their businesses were stifled by lack of finance, can now heave a sigh of relief. The African Export-Import Bank (Afreximbank) is

now poised to assist them with the requisite fund following the introduction of the Intra-African Investment Financing Facility (IAIF).

Kanayo Awani, Managing

Director, Intra-African Trade Initiative said the IAIF is designed to boost intra-African investment flows and therefore support growth of intra-regional trade in the continent. It is also geared towards reducing the financing gap faced by African businesses.

The bank, under this facility, would enhance the flow of foreign direct investments (FDIs) into African economies by African entities as well as African entities in Diaspora.

Proceeds of the IAIF would be used to fund investments for setting up and expanding existing eligible business by an entity "from one African country in another African country." It would also be utilized in the acquisition of an existing business in an African

country by an African entity from another African country.

In addition, the facility would support joint venture activities between entities from two or more African countries in an African country provided that at least one of the joint venture partners is from an Africa country other than the host of the joint venture. Furthermore, the IAIF would offer support to a company in any African country to set up and operate a business under a concession agreement in another African country.

Eligible investments will be in the areas of export manufacturing and infrastructure, especially trade enabling infrastructures like roads, ports, and power generation.