

Credit enhancement for African infrastructure

Converting guarantees into investable project pipelines

Africa does not lack announcements about private capital. It lacks enough projects whose risks are allocated, priced, monitored and disclosed well enough for private capital to stay. A new EUR500 million financing for Benin, South Africa's planned credit-guarantee vehicle, Nigeria's InfraCredit model and a multi-country renewable-energy framework show four different ways public institutions can strengthen a transaction - and four different tests of additionality.



FLAGSHIP RESEARCH

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DESK RESEARCH · NO PROPRIETARY
DATA

RELEVANT SDGs

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Classification by direct relevance; no UN affiliation or endorsement.

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EXECUTIVE THESIS

Credit enhancement is moving from the margins of African infrastructure finance towards the centre of the development-finance agenda.

On 29 September 2026, the African Development Bank Group announced that Benin had completed a €500 million international bank financing for priorities spanning water, renewable energy, infrastructure, agriculture, health and education. The transaction, completed on 18 September, was supported by an African Development Fund partial credit guarantee and second-loss insurance from the Islamic Corporation for the Insurance of Investment and Export Credit.[1]

The numbers are important, but the architecture matters more. Benin did not receive €500 million from the African Development Fund. A smaller amount of public risk capacity improved the credit proposition offered to commercial lenders. The original operation contemplated an ADF guarantee of up to UA156 million, approximately €195 million, with a maximum 15-year duration to support mobilisation of up to €500 million.[2]

That distinction is the promise of a guarantee: public capital absorbs or reallocates a defined risk so that a larger pool of private or commercial capital can participate. In May 2026, the World Bank Group said it intended to more than double annual guarantee issuance in Africa to US\$6.4 billion by 2030 and expected the programme to mobilise US\$23 billion of private capital over four years.[7] South Africa's new Credit Guarantee Vehicle is expected to mobilise about US\$10 billion over ten years from a US\$350 million World Bank-supported capitalisation programme and contributions from other partners.[5]

Those are mobilisation ambitions, not realised development outcomes. The critical questions begin after the ratio is announced. Did the guarantee address a risk that the private party could not control? Did it lengthen tenor, reduce refinancing pressure, open a new investor class or make a replicable portfolio possible? Was the underlying project economically and operationally sound? Who bears the loss if the guarantee is called? Is the exposure priced, capped, disclosed and monitored? And can the state prove that the public risk taken created more value than a loan, grant, reform or direct investment would have created?

STONECOMMS ORIGINAL SYNTHESIS

STONECOMMS ORIGINAL SYNTHESIS A guarantee should be treated as a piece of infrastructure in its own right: a governed risk-allocation system connecting projects, public balance sheets and private capital. Its performance should be measured through additionality, service delivery and fiscal resilience - not by mobilisation volume alone.

StoneComms proposes a five-part Guarantee-to-Asset Chain. A credible transaction needs: an eligible project or expenditure programme; a diagnosed risk that can be allocated; a guarantor with capital and claims credibility; investors whose constraints are genuinely eased; and a monitoring system connecting financial mobilisation to physical delivery and contingent exposure. Break any link and the guarantee may produce cheap funding without better infrastructure, investor interest without financial close, or investment without durable public value.

The strategic implication is not that Africa needs more guarantees for every project. It needs a more selective guarantee market. The scarce public balance sheet should cover risks that are public, systemic or transitional; commercial sponsors should retain construction, operating and demand risks they can manage; ministries of finance should record the exposure as seriously as debt; and development institutions should publish evidence of what changed because the guarantee existed.

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WHY THIS MATTERS NOW

Guarantees are being asked to carry more of the infrastructure agenda

African governments face a difficult combination: large infrastructure needs, constrained fiscal space, high financing costs, volatile currencies and investors that often require stronger credit protection than a project can provide on its own. The African Development Bank has estimated an annual African development-financing gap of around US\$400 billion.[18] No guarantee programme can close that gap. Guarantees can, however, change which part of it becomes financeable and from whom.

The current policy momentum is unusually strong. The World Bank Group consolidated its guarantee activity in the MIGA-hosted Guarantee Platform in 2024. In its first fiscal year, the platform issued US\$12.3 billion of guarantees across 77 projects in 40 countries and one regional development bank.[8] Its 2026 Africa commitment seeks to lift annual issuance on the continent to US\$6.4 billion by 2030.[7]

At country level, the models are diverging. Benin has used a sovereign partial credit guarantee to support a multi-sector financing programme.[1][2] South Africa is creating a vehicle intended to issue market-based credit guarantees to infrastructure projects and reduce reliance on sovereign guarantees.[5] Nigeria's InfraCredit provides naira-denominated guarantees designed to make infrastructure bonds investable for pension funds and insurers.[10] MIGA's framework with CrossBoundary Energy is intended to support a repeat portfolio of distributed renewable-energy projects across as many as 20 African countries.[9]

These are not interchangeable products. They operate at different levels - sovereign, platform, issuer and portfolio - and solve different constraints. Their coexistence is useful because it shows that the real unit of design is not the guarantee label. It is the specific barrier between a viable infrastructure need and an investor's mandate.

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KEY FINDINGS

1. Guarantees mobilise capital only when they target the binding risk

A credit guarantee cannot repair weak demand, incomplete land rights, an unlicensed project, an insolvent offtaker, poor construction management and currency mismatch simultaneously. The instrument works best when the underlying project is viable and a defined risk - payment, political performance, refinancing or credit quality - prevents otherwise suitable capital from participating.[15][19]

2. The most valuable outcome is often a new investor class, not a lower coupon

Nigeria's InfraCredit model is designed to raise infrastructure debt to investment grade in local currency so pension and insurance institutions can buy it. South Africa's proposed vehicle similarly targets long-term institutional and commercial capital. If a guarantee converts a project from ineligible to eligible under an investor's rules, it changes the market structure rather than merely subsidising price.[5][10]

3. Portfolio guarantees can reduce repetition cost

MIGA's US\$495 million framework with CrossBoundary Energy is intended to support more than 100 distributed-energy projects across up to 20 countries. A repeatable framework can spread diligence and documentation costs, but only if eligibility, monitoring and claims rules remain strong at project level.[9]

4. Mobilisation ratios are incomplete performance measures

A high ratio may reflect effective risk allocation. It may also reflect a narrow guarantee covering a relatively safe exposure, capital that would have invested anyway, or financing that does not translate into completed and maintained infrastructure. Mobilised capital should be reported beside additionality, tenor, pricing, investor diversity, service outputs, guarantee utilisation and claims.[12][13]

5. Contingent liabilities remain public liabilities

A guarantee may avoid an immediate cash payment, but it creates a conditional obligation. The IMF treats calls on guarantees and public-private partnership obligations as material fiscal risks. Exposure therefore needs approval rules, valuation, budget treatment, disclosure, stress testing and a clear claims-payment process.[14][16]

6. Project preparation is part of the guarantee, even when it sits outside the legal document

South Africa's programme explicitly combines vehicle capitalisation with pipeline development and implementation capacity. This is essential. Guarantees attached to poorly prepared projects can transfer risk without correcting the reasons projects fail.[5][17]

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EVIDENCE AND METHOD

This paper is a comparative public-source study completed on 5 October 2026. The research question is: under what conditions can credit enhancement convert public risk capacity into additional, investable and fiscally responsible African infrastructure finance?

The unit of analysis is the guarantee architecture rather than the sector. Four African cases were selected because together they cover distinct structures: Benin's sovereign SDG financing, South Africa's planned credit-guarantee vehicle, Nigeria's local-currency infrastructure bond guarantees and MIGA's CrossBoundary distributed-energy portfolio framework.

Evidence comes from African Development Bank, African Development Fund, World Bank, MIGA, IMF and World Bank PPP Resource Center materials. It includes transaction announcements, project summaries, institutional guidance and an independent evaluation approach. Mobilisation claims are treated as institution-reported estimates unless completed investment is explicitly evidenced. No proprietary term sheets, lender models, claims data, beneficiary interviews or project-level engineering audits were available.

The comparison tests each case across five questions: what risk is being addressed; whose capital is expected to enter; what public exposure remains; how the structure repeats or scales; and how financial mobilisation connects to real infrastructure or services.

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1. THE GUARANTEE IS NOT THE PROJECT

Credit enhancement works on financeability, not on physical viability

Infrastructure projects fail to reach financial close for many reasons. Some are financial: the tenor is too short, the borrower lacks an investment-grade rating, a public buyer's payment record is weak, foreign investors cannot accept political risk, or the return does not compensate for currency volatility. Others are physical, institutional or commercial: demand has been overstated, tariffs cannot cover costs, the site is disputed, procurement is incomplete, the operator lacks capability, or environmental and social obligations have not been resolved.

A guarantee can be powerful against the first group. It is dangerous when used to disguise the second.

World Bank guidance describes guarantees as tools for mitigating key government-related risks and improving credit quality so clients can obtain acceptable or affordable terms. It also places structuring inside a broader process of assessing liabilities, testing market appetite, negotiating with lenders and completing documentation.[19] The ADF distinguishes partial risk guarantees, which cover political risks linked to government contractual performance, from partial credit guarantees, which mitigate default risk for sovereign and sub-sovereign borrowers.[17]

The discipline lies in matching risk to the party best able to control it. A private engineering contractor should normally retain construction performance risk. An operator should retain controllable operating risk. A government may be the only party able to manage changes in law, honour a public payment obligation or maintain a policy commitment. A development bank may be able to absorb a defined credit exposure more efficiently because of its preferred creditor status, capital strength or claims record.

Guaranteeing the wrong risk creates moral hazard. If investors are protected from risks they are paid and qualified to manage, diligence weakens. If a state covers demand that was exaggerated by a sponsor, taxpayers become the buyer of last resort. If currency risk is transferred without a plan for its cost, depreciation can transform an affordable project into a fiscal shock.

The correct test is therefore not whether a project is risky. All infrastructure is. It is whether a specific risk is blocking a socially and economically justified asset, and whether public enhancement is the least-cost way to move that risk.

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2. BENIN: USING SOVEREIGN CREDIT ENHANCEMENT TO WIDEN THE FINANCING ENVELOPE

A current transaction shows both the leverage and the governance challenge

Benin's September 2026 financing is the clearest current example of sovereign credit enhancement at scale. The African Development Bank reported a €500 million international bank financing, approximately CFAF328 billion, for priority investments across education, health, water, infrastructure, renewable energy, agriculture and jobs. The structure included an ADF partial credit guarantee and second-loss insurance from the Islamic Corporation for the Insurance of Investment and Export Credit.[1]

The underlying ADF operation was designed to provide a guarantee of up to UA156 million, approximately €195 million, for a maximum 15 years to support financing of up to €500 million dedicated to SDG-related expenditure.[2] The guarantee was approved in 2022, illustrating an important point: risk capacity does not instantly become cash. The transaction required years of programme definition, lender engagement, documentation and market timing before completion.[3]

Benin's model can widen the sovereign's financing envelope and potentially improve tenor or pricing. It can also connect borrowing to an expenditure framework rather than a single toll road or power plant. That breadth is useful for financing public goods whose cash flows are not easily separated into project-finance vehicles.

The governance burden is correspondingly high. A multi-sector programme needs an allocation framework, eligible expenditure rules, traceability, reporting and evidence that projects financed under the umbrella are implemented. The guarantee can improve the credit proposition offered to lenders; it cannot by itself assure that a water system works, a school is staffed or a renewable-energy project is maintained.

The Benin case also clarifies leverage arithmetic. Comparing a €195 million maximum guarantee with €500 million mobilised suggests more financing than guarantee capacity. But this is not a simple 2.6-times return on public money. The guarantee is a contingent exposure, not necessarily an upfront expenditure; its economic cost depends on probability of default, loss given default, duration, pricing and capital treatment. The financing must also be repaid. The relevant public-value question is what terms and expenditures became possible relative to an unguaranteed alternative.

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3. SOUTH AFRICA: BUILDING A GUARANTEE MARKET RATHER THAN ONE TRANSACTION

A vehicle can create repeatability if the pipeline and governance mature with it

South Africa's approach shifts the unit of intervention from a sovereign financing to a domestic platform. In March 2026, the World Bank approved the South Africa Blended Finance Platform for Resilient Infrastructure Program. Its first phase supports a Credit Guarantee Vehicle that will issue market-based guarantees and is intended to reduce reliance on sovereign guarantees.[5]

The programme includes US\$350 million of IBRD financing to capitalise the vehicle through the Government of South Africa and support pipeline development and implementation capacity. Over ten years it is expected to mobilise about US\$10 billion, approximately R160 billion, from private investors, commercial lenders and institutional investors. The cited priority areas include transmission, renewable energy, storage, transport and water.[5]

This design addresses two constraints at once. First, it creates a risk-bearing institution capable of issuing guarantees repeatedly rather than negotiating an exceptional sovereign backstop for every project. Second, it acknowledges that projects do not become guarantee-ready automatically. Pipeline development and implementation capacity are part of the programme.

The institutional design will determine whether this becomes a market or a queue. The vehicle needs transparent eligibility rules, independent credit assessment, risk-based pricing, exposure limits, sector and counterparty concentration controls, claims procedures, recovery rights and public reporting. If its mandate is stretched to rescue politically important but unfinanceable projects, capital can be consumed quickly. If it prices as though it were a commercial insurer while taking only risks the market already accepts, it may add little.

South Africa brings sophisticated capital markets but also a history of large state-owned-enterprise contingent liabilities. That makes the explicit aim of reducing reliance on sovereign guarantees important. It also makes disclosure essential. Moving an exposure into a vehicle is useful only if the state's economic connection to that vehicle remains visible.

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4. NIGERIA: MAKING LOCAL-CURRENCY INFRASTRUCTURE ELIGIBLE FOR INSTITUTIONAL CAPITAL

Credit quality can be infrastructure market design

Nigeria's InfraCredit addresses a different obstacle: the mismatch between infrastructure issuers and the prudential requirements of domestic long-term investors. Established by the Nigeria Sovereign Investment Authority and GuarantCo, it provides naira-denominated guarantees intended to enable investment-grade bond issuance by infrastructure companies.[10]

This matters because pension funds and insurers do not simply choose between good and bad projects. They operate under mandates governing rating, liquidity, tenor, concentration and capital charges. An infrastructure asset may generate long-dated local-currency revenue yet remain uninvestable if its standalone credit quality falls below those rules.

A local guarantee can alter that eligibility without introducing foreign-currency debt. It can also create demonstration effects: standard documentation, a claims record, benchmark pricing and greater familiarity among trustees and asset managers. The market-development gain may persist beyond one issuer.

But the guarantee should not become a permanent substitute for issuer improvement. The objective is not to make every project look like a sovereign asset. It is to provide transitional or portfolio credit strength while projects build operating histories, issuers improve governance and investors develop sector knowledge.

Nigeria's model therefore belongs beside, not beneath, the local-currency finance agenda. Domestic savings become infrastructure capital only when securities meet investor rules and when projects can service those securities in the same currency as their revenue. Credit enhancement can bridge the quality gap; project cash flow and operating performance must still carry the debt.

5. CROSSBOUNDARY: GUARANTEEING A REPEAT PORTFOLIO ACROSS MANY MARKETS

Frameworks can lower transaction friction without removing country difference

In July 2025, MIGA executed framework terms of US\$495 million with CrossBoundary Energy Holdings for distributed renewable-energy investments potentially covering more than 100 projects in up to 20 African countries.[9] The structure is significant because small and mid-sized energy projects often face high transaction costs relative to their capital value. Repeating country, counterparty and political-risk analysis project by project can make otherwise viable assets expensive to finance.

A portfolio framework can create shared terms, eligibility rules and a repeat diligence process. It can help a developer and guarantor move from one-off negotiation to an investable programme. It may also diversify risk across customers and countries.

Portfolio logic must not flatten real differences. Contract enforceability, convertibility, grid conditions, customer credit, licensing and political risk vary materially across 20 markets. A common framework should reduce repetition, not replace local underwriting. Each project still needs a credible customer, technical design, tariff or service agreement, permits and operating capacity.

The portfolio case reveals a valuable distinction. Scalability does not mean identical projects. It means a repeatable decision system capable of recognising which variations are acceptable and which change the risk fundamentally.

STONECOMMS ORIGINAL SYNTHESIS

The Guarantee-to-Asset Chain

The four cases suggest that guarantee effectiveness can be assessed through five linked tests.

1. Asset integrity. Is there a viable project, expenditure programme or portfolio with defined outcomes, capable delivery institutions and an evidence-based economic case?
2. Risk diagnosis. Is the binding constraint identified precisely, and is it a risk that the guarantor or public party is better placed to bear than the investor, contractor or operator?
3. Capital conversion. Does the guarantee change investor eligibility, tenor, currency, pricing, scale or willingness to enter? Is the capital demonstrably additional rather than relabelled?
4. Exposure governance. Are limits, pricing, claims, recoveries, concentration, budget treatment, disclosure and stress tests in place across the life of the guarantee?
5. Delivery evidence. Can the institution connect financing mobilised to assets completed, services delivered, beneficiaries reached, resilience improved and losses or claims incurred?

The analytical bridge is straightforward. Benin demonstrates sovereign leverage but requires strong expenditure traceability.[1][2] South Africa explicitly combines risk capital and pipeline capability.[5] InfraCredit addresses investor eligibility in local currency.[10] CrossBoundary shows the value and complexity of portfolio repetition.[9] World Bank and IMF guidance then establish why project selection, risk allocation and contingent-liability management are essential.[14][15][19]

The framework is a StoneComms synthesis from those sources. It has not been empirically tested across a complete dataset of African guarantees. Confidence is high that all five functions matter; confidence is lower about the relative weight each should receive in predicting financial close or development impact. A commissionable next step would test the chain against transaction-level evidence.

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6. THE METRIC PROBLEM: CAPITAL MOBILISED IS NECESSARY BUT NOT SUFFICIENT

A mobilisation number can conceal three different achievements

Institutions often report the amount of finance associated with a guarantee. That is useful, but it combines several possible effects.

The first is volume additionality: more money entered than would otherwise have been available. The second is terms additionality: similar money entered, but at longer tenor, lower refinancing risk, better currency alignment or more affordable pricing. The third is market additionality: a new investor class, issuer type, sector or geography became financeable.

These effects should not be collapsed into one leverage ratio. A guarantee that mobilises a modest amount but establishes a domestic project-bond market may be more transformational than a large transaction placed with lenders already active in the country. A guarantee that reduces cost without changing volume may still create public value if savings are material and retained by the project or users. Conversely, a large mobilisation number can overstate additionality if lenders would have participated without the enhancement.

The World Bank's Independent Evaluation Group has noted the need to test whether guarantee-supported projects attract more private capital than comparable unsupported projects.[12] That counterfactual is difficult but central. Without it, institutions risk treating association as causation.

A better scorecard would report:

- gross financing and the guaranteed portion;
- public capital committed, economic capital consumed and fees received;
- investor type, including whether the investor is new to the market or asset class;
- tenor, currency, pricing and refinancing profile against a credible alternative;
- time from approval to financial close;
- physical and service-delivery outputs;
- guarantee calls, recoveries and expected loss;
- sector, country and counterparty concentration; and
- whether the structure has been repeated without increasing hidden exposure.

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7. FISCAL RISK: A GUARANTEE IS CHEAPER UP FRONT, NOT FREE

Contingent exposure needs the same seriousness as funded debt

The political appeal of a guarantee is obvious. A government can unlock investment without paying the full capital cost immediately. That timing advantage is real. It is also the source of risk: an obligation that is conditional may receive less scrutiny than a loan even when its eventual fiscal cost could be material.

The IMF identifies calls on government guarantees and obligations in public-private partnerships as sources of fiscal risk.[14] World Bank guidance recommends institutional arrangements for approval, exposure measurement, budgeting, accounting, disclosure, pricing and debt-sustainability analysis.[15]

Good governance begins before issuance. The ministry responsible for a project may focus on service delivery; the ministry of finance must test total portfolio exposure and correlations. Several individually reasonable guarantees can become dangerous if they all respond to the same currency shock, drought, utility-payment problem or recession.

Risk-based fees matter, even when subsidised. They reveal the expected cost and create discipline around scarce capacity. Caps and expiry dates prevent open-ended exposure. Recovery rights clarify what happens after a claim. Public registers allow legislatures and citizens to understand what has been promised. Stress tests show whether a guarantee programme remains affordable when the exact shock it covers actually occurs.

The central principle is simple: off-budget must not mean off-record.

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8. IMPLICATIONS FOR POLICY, CAPITAL AND IMPLEMENTATION

For governments: build a guarantee policy before building a guarantee portfolio

Governments should define which risks may be guaranteed, who approves them, how exposures are valued, what information is disclosed and how calls are funded. A central register should cover sovereign, state-owned-enterprise, subnational and PPP guarantees. Sector ministries should not negotiate support independently of portfolio oversight.

For development-finance institutions: publish the counterfactual

Every major guarantee should state what would not have happened without it: the investor excluded, tenor unavailable, currency mismatch unresolved, project size unfinanceable or policy risk the market could not take. Post-close reporting should revisit that claim. Mobilisation targets without additionality evidence can encourage volume over value.

For guarantee vehicles: protect underwriting independence

Vehicles need professional credit assessment, transparent eligibility and freedom to decline projects. Their credibility depends on claims-paying capacity and on not becoming warehouses for politically difficult risks. Boards should monitor concentration, expected loss, recovery and the quality of the project pipeline.

For institutional investors: invest in capability as well as securities

Credit enhancement does not eliminate the need to understand infrastructure. Pension trustees, insurers and asset managers need sector, project and covenant capability. Otherwise they may depend indefinitely on the guarantor's rating rather than price the underlying asset.

For project sponsors: use enhancement to improve the capital structure, not to avoid reform

A guarantee should sit beside credible cash flows, reporting, maintenance, governance and contract enforcement. Sponsors should explain how the business becomes less dependent on enhancement over time.

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9. RISKS, COUNTERARGUMENTS AND LIMITATIONS

Counterargument 1: the urgency of Africa's infrastructure gap justifies aggressive leverage

The gap is large and conventional public finance is insufficient. But a high mobilisation target can encourage weak underwriting if institutions are rewarded for volume. The answer is not low ambition; it is a dual mandate for mobilisation and portfolio quality.

Counterargument 2: strong safeguards will make already slow transactions slower

Poorly designed approval processes can delay projects. Standard eligibility, model documentation, delegated authorities and portfolio frameworks can reduce delay while preserving discipline. The CrossBoundary structure illustrates how repetition can be built into the product.[9]

Counterargument 3: public guarantees are justified because governments ultimately bear infrastructure risk anyway

Governments often do bear implicit risk when essential utilities fail. Making part of that risk explicit can improve accountability. It does not follow that every implicit exposure should be formalised. Explicit guarantees should be selective, priced and connected to reforms that reduce the underlying risk.

Research limitations

The paper relies on public institutional reporting. It does not have access to final transaction documents, guarantee pricing, lender credit models, expected-loss calculations, claims histories or complete project pipelines. Reported mobilisation is not independently audited here. The four cases differ in country, currency, sector, beneficiary and legal form, so the comparison identifies design principles rather than producing a ranked performance table.

The paper does not assess whether Benin's financing terms are cheaper than a specific alternative, whether South Africa's vehicle will achieve its ten-year targets, whether all InfraCredit-supported issuers have performed as expected, or how individual CrossBoundary projects affect customers. Those are empirical questions for follow-on research.

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10. COMMISSIONABLE RESEARCH AGENDA

From mobilisation claims to transaction evidence

A serious institutional commission could build the first comparable public evidence base on African credit enhancement across sovereign, sub-sovereign, utility, corporate and project-finance transactions.

The core dataset would record instrument, provider, beneficiary, sector, country, currency, guaranteed amount, financing mobilised, tenor, fee, risk covered, investor class, financial-close date, project status, claims, recoveries, service outputs and disclosure quality. A matched comparison, where feasible, would test terms and mobilisation against similar unguaranteed transactions.

Four workstreams would add decision value:

1. Investor interviews: pension funds, insurers, banks and asset managers on the exact rules that guarantees change.
2. Claims and recovery analysis: how African guarantee portfolios behave when risks materialise, including time to payment and recovery.
3. Project-delivery tracking: whether guaranteed finance produces completed, operating and maintained assets.
4. Fiscal-risk mapping: how finance ministries value, disclose and stress-test exposures across institutions and sectors.

The output should be a transaction database, country diagnostic, guarantee-policy template and investment-readiness tool. That would allow governments and development institutions to decide not merely whether to offer a guarantee, but which design produces the greatest additional capital per unit of public risk.

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CONCLUSION

Africa's infrastructure problem is not solved by moving risk from a project model into a public guarantee. It is solved when a well-prepared asset, an appropriately allocated risk and a suitable investor are connected on terms the public balance sheet can sustain.

Benin's €500 million financing shows how sovereign credit enhancement can widen access to commercial funding. South Africa's vehicle shows the ambition to create a repeat domestic market. Nigeria's InfraCredit shows how guarantees can convert local savings into eligible infrastructure debt. CrossBoundary's MIGA framework shows how repeat structures can support distributed assets across many countries.[1][5][9][10]

The next phase should be judged by a higher standard than capital announced. Governments and development institutions should show which constraint was removed, which investor entered, what service was delivered, what exposure remains and what happened when the risk was tested.

That is the difference between a guarantee as a financing accessory and a guarantee as infrastructure: one improves the appearance of a transaction; the other builds a durable bridge between public purpose and investable assets.

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KEY METRICS

EUR500m Benin international bank financing completed [1]	EUR195m approximate maximum ADF partial credit guarantee [2]	US\$10bn South Africa vehicle mobilisation target over ten years [5]
US\$6.4bn targeted annual WBG guarantee issuance in Africa by 2030 [7]	US\$495m MIGA distributed-energy framework terms [9]	

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METHODOLOGY

This desk study compares four credit-enhancement architectures: Benin's sovereign partial credit guarantee, South Africa's planned infrastructure Credit Guarantee Vehicle, Nigeria's local-currency InfraCredit model and MIGA's CrossBoundary distributed-energy portfolio framework. The research was completed on 5 October 2026.

The analysis uses transaction and programme documents from the African Development Bank Group, African Development Fund, World Bank, MIGA, IMF and the World Bank PPP Resource Center. It distinguishes approved guarantee capacity, completed financing, targeted mobilisation and realised investment. Institution-reported projections are described as expectations rather than outcomes.

Cases were assessed against five analytical dimensions: asset integrity, risk diagnosis, capital conversion, exposure governance and delivery evidence. The Guarantee-to-Asset Chain is StoneComms original synthesis from the cited evidence. No fieldwork, proprietary term sheets, interviews, financial modelling or claims-database analysis was conducted.

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LIMITATIONS

Public disclosures do not provide consistent data on guarantee fees, expected loss, capital allocation, lender pricing, investor counterfactuals, claims or recoveries. Mobilisation methods can differ across institutions and may include capital associated with a guaranteed transaction rather than capital caused solely by the guarantee.

The selected cases have different legal forms and objectives. They support analytical comparison, not a league table. South Africa's vehicle remains a programme expectation; its eventual mobilisation and portfolio performance cannot yet be assessed. The report does not provide investment, legal or fiscal advice.

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SOURCE NOTE

Public-source research completed on 5 October 2026. Primary institutional sources were prioritised. Mobilisation estimates and expected jobs or beneficiaries are attributed to the issuing institutions and are not independently verified by StoneComms. The Guarantee-to-Asset Chain and the distinction between volume, terms and market additionality are StoneComms original synthesis.

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