Additionality of Development Finance Institutions in Syndicated Loans Markets in Africa

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Key Points

- A review of Development Finance Institutions’ (DFI) roles in mobilizing funding for private sector projects in Africa has highlighted cases where they can bring high value addition helping unlock financing and catalyze investments.
- Additionality is assessed to be strong when DFIs’ participation in a syndicated loan facility addresses market failures. In the absence of such market failures, DFIs playing the mandated lead arranger role have equally strong value added when able to induce commercial banks’ participation in the syndicate.
- Further value addition could stem from unique roles that DFIs can play in syndicated loan markets given their privileges in African member states. This type of additionality is clearly present in the case of an A-B loan structure, where a DFI’s preferred creditor status is extended to commercial co-lenders.
- Finally, in syndicated loan markets adequately served by commercial banks, DFI-led syndications accrue no financial additionality unless when bringing substantial improvements to the debt terms available on the market. This is often the case for long-term debt in local currency.

1 Introduction

For nearly a decade before the 2008 financial crisis, global capital markets were characterized by increasing liquidity, and capital flows to Africa were on the rise (Figures 1a and 1b, Annex). Similar trends were observed in the syndicated loans market, where the volume of loans benefiting African borrowers increased by 60 percent between 2005 and 2007. As the crisis hit in end-2008, syndicated lending fell by 40 percent worldwide, and by about the same magnitude in Africa (Figure 2a, Annex). This trend reflects lower liquidity and flight to quality in global capital markets.

In that context, Development Finance Institutions (DFIs) played a counter-cyclical role. Boosted by capital increases, most were able to step up overall funding commitments. Participation in loan syndications were no exception. In Africa, both the frequency and share of syndicated lending with DFIs’ participation increased during the crisis (Figure 2b, Annex).

These interventions were undertaken in light of DFIs’ mandate to be “additional”, i.e. participate in markets not adequately served by the private sector because of high risk and weak...
or missing institutions needed for the enforcement of financing arrangements (Buitert W., and Fries S., 2002). In times of crisis and uncertainty, investors’ risk aversion adds to the already existing perceived risks in developing markets, e.g. political risk, and macroeconomic risks arising from factors such as unstable currencies and interest rates. As a consequence, the role of DFIs in terms of additionality gains importance.

This brief reviews the concept of additionality in DFIs’ interventions through loan syndications, highlighting the counter-cyclical role of DFIs, as well as their role in bridging financing gaps. Taking an operational focus, the brief intends to bring out certain transaction characteristics that could strengthen the case for DFIs’ participation and ultimately feed into fine-tuning DFIs’ decision making tools in the project selection process. It should be borne in mind that DFIs’ additionality does not pertain only to one dimension: it is a function of a combination of factors (e.g. liquidity situation, sector of intervention, risk appetite) that can bear different weights according to the timing and structure of the syndication, as well as according to the environment in which it is formed.

The brief takes the following outline. In section 2, we discuss additionality and its application in syndicated loans. Section 3 discusses DFIs’ roles which yield financial additionality. DFIs also have a role to play when it comes to other additionality dimensions such as political risk mitigation as highlighted also in section 3. As with other forms of financing, when DFIs lead syndications, additionality may arise from the adoption of special features in the transaction that enhance development outcomes. This brief does not go into details on this dimension, but acknowledges potentially significant benefits from DFIs’ involvement in areas such as compliance with international best practices on governance, and environmental and social impact management, which are not unique to syndicated loans. We conclude in section 4 with a summary of the sources of potentially strong additionality from DFIs’ participation in the syndications market in African countries.

2 Background on Syndications and Additionality

2.1 A primer on syndications

Syndications are loans in which at least two lenders put forward a joint lending proposal to a borrower. From a lender’s perspective, one can be a lead arranger, bookrunner or a “participant”. While the classification grid is finer in principle, lenders’ roles generally pertain to these broad categories. The first two have a more direct relationship with the borrower. This special relationship allows the lead arranger to do most of the negotiation work and due diligence, and consequently take arranging fees for mobilizing the syndicate. More specifically, the arranger performs commercial, financial and legal checks for creditworthiness on the borrower on behalf of the participants. It also gives the bookrunner responsibilities to run the books: issuing invitations, disseminating information to interested banks and periodically updating the borrower and underwriters on progress towards closing the syndicate. These roles could be performed by the same bank or by multiple lenders. Participant lenders are responsible for providing a share of the total debt. The financing terms are often similar for each of the syndicate’s participants, and each will usually receive a participation fee in addition to interest charged.

From a borrower’s perspective, being aware of who the counterparties are gives greater oversight and room for negotiations, contrary to other markets such as the bond market. Syndications also offer a flexible financing tool that can leverage higher borrowing volumes at cheaper rates compared to obtaining several loans from different lenders. Lenders are mostly interested in syndications because they lower transaction costs, by centralizing due diligence and loan negotiations.

2.2 Additionality defined

The Evaluation Cooperation Group (ECG)\(^2\) considers that the participation of DFIs in a private sector intervention brings additionality when it:

1. Reduces exposure to political risks or provides comfort (e.g. improves the investors’ perception of the risks involved), thus encourage investors and lenders to proceed;
2. Brings about a fair, efficient allocation of risks and responsibilities, e.g. between the public sector and the private investors;
3. Improves the venture’s design or functioning in business (i.e. commercial viability), developmental, transition, social or environmental terms.

Most DFIs draw on the ECG’s approach to evaluate additionality along three dimensions:\(^3\):

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\(^2\) The Evaluation Cooperation Group was established by the heads of evaluation in Multilateral Development Banks in 1996, with the goal of harmonizing evaluation methodologies and performance indicators.

\(^3\) Draws from the Additionality and Development Outcomes Assessment (ADOA) framework of the African Development Bank, 2008.
Political risk mitigation: Private investments in certain countries (i.e., post-conflict and fragile states) or sectors are low because of high political risk. DFIs are sometimes able to participate in these markets because of (i) their higher tolerance for risk in transactions with strong development effects (ii) their privileged relations with governments. DFIs’ participation in these markets is additional if it catalyzes private investment by reducing the transaction’s exposure to political risk either explicitly (e.g., through political risk insurance) or implicitly (by extension of their privileges in beneficiary countries).

Financial additionality: In some instances, commercial lenders are absent because the transaction is not commercially viable at the market’s lending terms. These terms are a function of market liquidity conditions or perceived commercial risk of the project. DFIs, because of their capacity to lend at longer tenure or in local currencies, or to take equity stakes, can reduce commercial risk and improve viability. DFIs may also facilitate financial close by acting as brokers, financially structuring the project, or mobilizing resources from third parties. Additionality is stronger when these efforts translate into increased participation by commercial lenders.

Improved development outcomes: DFIs improve the quality of the project when they assist project sponsors to adopt measures that would increase the project’s focus on development outcomes, or improve the likelihood that expected development outcomes will be achieved. For example, DFIs may effect changes in the contractual terms of the transaction, improving the share of benefits accruing to local stakeholders. Another way of improving the development outcomes of a private sector operation is by setting, or ensuring compliance with, environmental standards that would not otherwise be respected.

Any discussion of additionality needs to establish a counterfactual. The ECG assumes a counterfactual in which the project is wholly financed by commercial resources. In other words, additionality assessment attempts to answer the question: what do DFIs bring to the transaction that commercial lenders cannot or would not bring? In subsequent sections, we evaluate additionality arising from DFIs’ participation in syndications markets across the ‘financial additionality’ and ‘political risk mitigation’ dimensions.

3 Assessing Additionality in Syndicated Loans

DFIs’ additionality in syndicated loans is strongest when they are addressing market failure, in particular, in the case of missing markets or severe liquidity constraints. It may be significant when DFIs are (i) filling an absolute funding gap through direct lending or catalytic effects, (ii) improving borrowing terms, or mitigating political or commercial risks, in a manner that makes an otherwise un-bankable project bankable. It is weak when these improvements merely improve commercial viability without being decisive, or when a market exists which is deemed adequately liquid. This section discusses each of these sources of additionality in turn. The analysis draws on data from Loan Radar on a non-exhaustive list of 294 transactions observed in Africa over the period 2005 to the second quarter of 2011 (Q2-2011), to infer some prevalent sources of additionality on the continent.

Figure 1 Relative strength of additionality sources
3.1 Missing markets

As with commercial lenders, DFIs are involved in syndications either as a lead arranger or lender, and in secondary markets as buyer or seller of participations on existing syndicated loan facilities. A DFI-led syndication in a sector, country or region where commercial lead arrangers are generally absent has potentially strong additionality. On the contrary, a DFI that competes head-to-head with commercial leaders in performing arranger or participant roles has potentially limited additionality.

Evidence from Africa suggests that this source of additionality is not prevalent. Our analysis shows that between 2005 and Q2-2011 DFIs are more present in countries with more developed capital markets (Figures 3a and 3b, Annex). Likewise, DFIs’ participation is mostly present in the sectors such as finance, media, telecoms, and oil and gas – the same sectors with the highest number of private sector led syndications. Specifically, half of the transactions with DFI’s participation are in the top three countries (South Africa, Egypt and Nigeria, which account for 75 percent of all transactions); while 56 percent of transactions with DFIs participation are in the top three sectors (oil, gas and petrochemical; media and telecommunications; and financial, which contribute 65 percent of all transactions). We also observe that in these markets where the private sector is prevalent, DFIs are marginal players accounting for only 5 percent of the total number of transactions in the top three countries, and about 7 percent of the transactions in the top three sectors. On the contrary, DFIs’ participation in largely underserved markets is minimal. These trends suggest weak additionality on the basis of the ‘missing markets’ criterion.

It is worth highlighting a few exceptions. We find, for example, that DFIs’ presence is more pronounced (i.e. transactions with DFIs constitute a high percentage of total transactions) in frontier markets or emerging sectors. In Ghana, over 40 percent of observed transactions had development finance. In like manner, DFIs were present in a third of the transactions in utilities and infrastructure. This suggests an important role for DFIs as lead arrangers or co-financiers where markets are not entirely missing; but are nascent and have high perceived risk.

3.2 Global liquidity constraints

Financial additionality is strongly related to how well-served a market or sector is with private debt at acceptable terms. This means that it is also linked to global market liquidity and risk conditions. DFIs’ participations in underserved or otherwise well-served markets are strongly additional when responding to lower than usual global market liquidity. Gauging financial additionality in these markets requires establishing where the market lies along the liquidity cycle at a given point in time (Figure 2).

Schematically, the liquidity cycle starts with a situation of relative high liquidity and low interest rates, banks seeking assets, and taking marginally higher risks. In project finance, this induces lower margins and typically weaker covenants. Such situations pave the way for a decrease in creditworthiness of projects, and

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**Figure 2 The Liquidity Cycle**

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<tr>
<th>Tight Credit Spreads</th>
<th>Typical portfolio composition</th>
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<td>Wide Credit Spreads</td>
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<td>Tighter credit terms</td>
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<td>Increasing short term asset exposure</td>
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<td>Looser credit terms</td>
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Source: Authors
higher credit losses. This usually leads to liquidity withdrawals from the market and increased differentiation between credit risks. Lower margins also contribute to this liquidity withdrawal, as lenders can no longer justify the high capital allocation required and costs associated with putting deals together. The resulting emphasis on high quality risks leads to a shortage of assets, increases market liquidity, and the cycle is renewed.

Market liquidity can be assessed through a number of indicators including the level and direction of foreign capital flows, credit spreads or degree of subscription in ongoing loan syndications, as well as through the functioning of the secondary market for loan participations. The financing trends over the period 2008 to 2011 illustrate well these features. Following the financial crisis, the volume of syndicated loans significantly dropped in response to the low market liquidity. Since then, markets have recovered with the global syndicated loan volume reaching nearly USD 3 trillion in 2010, up 57 percent from 2009.

A similar trend was observed for Africa’s syndications market where a rebound of USD 48 percent in 2010 was experienced on the syndications market where a rebound of USD 3 trillion in 2010, up 57 percent from 2009. At the end of 2008 however, COCOBOD, Ghana’s cocoa export organization and one of Africa’s long standing syndicated borrowers, had trouble raising a syndication of export finance as five commercial banks were reported to have declined to participate in the syndication because of the financial crisis. While this presented a strong additionality case through DFI involvement to close part of the funding gap and reach the initial target, at least six more banks were reported to have joined the syndication after DFI involvement, leading to a situation where the syndication was oversubscribed. There are two candidate explanations for this increased interest in the transaction. Either DFIs crowded-in commercial banks, or the intrinsic characteristics of the transaction were sufficient to attract commercial banks. Market intelligence tended to favor the latter (Trade Finance, July 14, 2009). However gauging ex-ante which lending terms would generate sufficient interest from the market, at the peak of a financial crisis, is a complex task.

Source: Authors, AfDB Additionality and Development Outcomes database.

**Box 1 Financial Additionality in Trade Finance Syndications in the Crisis Period**

During the crisis, the export finance syndications market rapidly declined across the world. In Africa, over 160 non-African financial institutions participated in USD/EUR African deals from 2006 to 2008. At the end of 2008 however, COCOBOD, Ghana’s cocoa export organization and one of Africa’s long standing syndicated borrowers, had trouble raising a syndication of export finance as five commercial banks were reported to have declined to participate in the syndication because of the financial crisis. While this presented a strong additionality case through DFIs involvement to close part of the funding gap and reach the initial target, at least six more banks were reported to have joined the syndication after DFI involvement, leading to a situation where the syndication was oversubscribed. There are two candidate explanations for this increased interest in the transaction. Either DFIs crowded-in commercial banks, or the intrinsic characteristics of the transaction were sufficient to attract commercial banks. Market intelligence tended to favor the latter (Trade Finance, July 14, 2009). However gauging ex-ante which lending terms would generate sufficient interest from the market, at the peak of a financial crisis, is a complex task.

Source: Authors, AfDB Additionality and Development Outcomes database.

DFIs may participate in transactions to fill a funding gap which is not necessarily structural (i.e. arising from missing markets) or crisis related. Such funding gaps can be observed in unusually large transactions, or transactions with high perceived risk arising from, say, novelty of technologies adopted. This role is fulfilled either through direct lending or catalytic effects. A DFI-led syndication with catalytic effect on commercial lending is considered more additional, as it not only frees up DFIs’ resources (i.e. for lending to transactions in other underserved sectors), but also strengthens access to capital markets for recipients. Our analysis shows that over 90 percent of the DFI-led syndications had catalytic effect.

A DFI acting as lead arranger may also target participation of other development partners in a syndicated loan facility, e.g. those arranging syndication under mechanisms for development finance pooling such as the African Finance Partnership4. This might lead to a fully DFIs–financed syndication. Under this scenario, additionality is strong only if
commercial finance could not have been catalyzed. A case in point is when the transaction is innovative and not too commercially attractive, but has potentially strong development effects (Box 2). For mainstream transactions, syndications with strong catalytic effects are preferred from an additionality standpoint.

Occasionally, a DFI could participate in a commercial bank-led syndication as a lender. We find this in 36 percent of transactions involving DFIs in our dataset. In this case, additionality is evident when the DFI's participation fills a financing gap. Additionality may also arise from the participating DFI's preferred creditor status, if this status is shared with other senior lenders. The assessment of additionality in these types of transactions is complicated by the fact that the presence of a financing gap is not easily determined. A clear indication of its absence is the realization of above average oversubscription, where DFIs' participation may have the reverse effect of 'crowding-out' commercial lenders.

There is potential additionality from DFIs' participation on the secondary market when they help fill a potential financing gap. A DFI participating as a buyer in this market brings additionality when it relieves a lender in financial distress from their lending obligations. This type of participation however can send a negative signal to global financial markets already plagued with agency problems, making the additionality case less appealing. Additionality is clearer from secondary trade when a DFI sells its interest in a syndicated loan facility to commercial lenders, as this reflects catalytic effects, i.e. a 'DFI to commercial lender' sell-down is synonymous to financial resource mobilization.

This also signals stronger counter-cyclical engagement by DFIs, where participations acquired to fill a funding gap (either risk or liquidity induced) are sold down, once there is sufficient interest from the market.

### 3.4 Financing terms

When transactions in which DFIs participate are pro-cyclical and located either spatially or temporary in well served markets, additionality can take a more nuanced form whereby DFIs provide debt at terms better than those offered by the market. Such additionality is generally weak, except when lending terms decide bankability of the transaction. To illustrate, long tenors are additional if availed to transactions whose lead times exceed average tenor on debt offered by the market, and when tenor is decisive in achieving commercial viability of the project. One way to evaluate the significance of tenor in transactions is to assess if and how similar transactions are funded in the absence of DFIs, i.e. whether debt options such as re-financing are available, or if other long term instruments such as corporate bonds could be used. Therefore DFIs’ participation in frontier markets, where such options are limited, is more additional than participation at similar terms in countries with more advanced capital markets.

Specific terms sometimes offered by DFIs (which may not be prevalent on the market) include:

- Long tenor which improves maturity matching between revenue flows and debt service for projects with a long lead time.
- Multi-currency option which allows the borrower to choose different currencies for drawdown of monies under a single loan agreement to suit their specific needs.
- Standby facilities which give the borrower the option to draw or not draw down debt without incurring additional commitment fees.
- Revolving credit facilities (in the place of long term loans) with lower interest rates and greater flexibility.
- Full underwriting could give borrowers

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Box 2 Financial Additionality in the DFI-Sponsored African Guarantee Fund

The African Guarantee Fund (AGF) is a non-banking financial institution created by a consortium of bilateral donors and multilateral development finance institutions (the African Development Bank, the Danish International Development Assistance, and the Spanish International Development Cooperation Agency) in 2010 to support African SMEs through guarantee products and capacity development programs. In addition to being a DFI initiative, AGF was wholly funded by development partners in its first financial close at USD 50 million in the fourth quarter of 2010. The Fund’s business model makes sourcing commercial financing difficult. AGF will offer different kinds of guarantee products to financial institutions involved in lending to SMEs, to cover credit risk on their SME portfolios. Development institutions are currently the main suppliers of SME guarantee products in Africa, a reflection of the riskiness of the market. In addition, the relatively low yields generated by guarantees and the lack of a track record for AGF would have deterred participation of commercial investors.

Source: Authors, AfDB Additionality and Development Outcomes database.
assurance that the credit facility will be fully subscribed at the pre-determined terms\(^6\).

Our data shows that aside from longer term debt (and provision of A-B loans, discussed in section 3.5), DFIs’ lending terms tend to be similar to those offered by the market. Notwithstanding the paucity of data on tenor\(^7\), there is some evidence that DFI-led syndications across Africa have on average higher tenors than observed in syndications led by commercial banks. Of the transactions in our database, those without DFI financing have tenors ranging from 0.25 to 17 years, with a median tenor of 3 years. On the other hand, DFI financed transactions have tenors ranging from 1 to 20 years with a median tenor of 10 years. This is a reflection of the fact that DFIs tend to be present in those transactions that require longer tenors, for example project finance investments.

Additionality may also arise from DFIs’ role as ‘first-movers’ when supporting a borrower participating in the syndications market for the first time. For new entrants, inherent information asymmetries increase risk, or its perception, for investors. This is reflected in the higher pricing on debt offered to such borrowers compared to recurrent clients (Lee and Mullineaux 2004; Jones, Lang and De Nigro 2005; Sufi 2007). By taking on the costs of the initial appraisal for such first-time borrowers, DFIs can be additional as they decrease information asymmetries and allow such firms to access the markets. DFIs are also able to lend to these borrowers at competitive rates, given their higher risk appetite for investments with potential demonstration effects.

In the post-crisis period, although lending terms improved in general, not all borrowers profited from those improvements. Average pricing for borrowers rated As, BBBs or BBs by rating agencies dropped by almost 70 basis points over the course of 2010, whereas lower rated borrowers saw a nearly static pricing compared to 2009 (Dealogic 2011). The trend reflects restoration of prudent risk-price differentials in the markets, and underscores the flight to quality by lenders in the post-crisis period. It also implies that a role for DFIs persists in underserved markets where lending terms are sticky due to risk perceptions.

### 3.5 Credit and political risks

At times additionality arises from the exclusive roles that DFIs are able to play to facilitate financial close. One way DFIs are able to do so is through the A-B loan structure. In an A-B loan, a DFI can extend loans in two parts: an A-loan provided by the DFI from its own account; and a B-loan funded by participations from commercial lenders\(^8\), with the DFI as the lender of record. A and B loans may have different pricing and maturities. It is often the case that (i) the DFI extends an A-loan with longer term than the commercial lenders’ B-loans (although maturities on B-loans are often longer than usual), and (ii) the DFI’s price is higher than commercial lenders’, reflecting its higher risk exposure.

The main benefit to commercial lenders is that the DFI is the lender of record, hence they too can benefit from the DFI’s preferred creditor status. Preferred creditor status means that DFIs are first in line in debt service, are exempt from withholding tax, and expect immunity of their assets to sovereign rescheduling. B-loans have additional benefits for participating commercial lenders. For example, under Basel II banking regulations, lenders may rate B-loans as local currency obligations in determining the amount of capital set aside to cover credit risks; while under the advanced internal rating-based approach to estimating risk components, lenders may consider country risk mitigated in their B-loans. The presence of DFIs as lenders of record in transactions is also believed to deter political interference, due to the immunities that DFIs’ assets enjoy in beneficiary countries\(^9\).

From an additionality perspective, an A-B loan structure is intended to mobilize resources from lenders who would ordinarily not participate in the market, or not with such long tenors. Assuming B-lenders replace DFIs in a given transaction, this credit structure also unlocks DFI funds for further lending. Further additionality can arise from DFIs playing a “broker” role between local and international banks. While local banks may not have the financial power of international banks, they can effectively alleviate agency problems linked to information asymmetries because they may have information on local firms that international banks do not have (Sufi 2007).

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\(^6\) The AfDB’s only participation of this nature was in the Ghana Cocoa Board syndication of 2009 which was structured by Standard Chartered Bank at the peak of the financial crisis.

\(^7\) 294 transactions were compiled of which 207 had data on tenor.

\(^8\) It is important to note the eligibility criteria for B-lenders, which generally excludes banks incorporated in the same country as the borrower. Export Credit Agencies and other government and quasi-government entities, as well as project sponsors and off-takers.

\(^9\) In principle, DFIs do not guarantee B-lenders against country or commercial risk. Rather, B-lenders take full exposure to commercial risk and must, like DFIs, rely on regional member-countries’ goodwill to recognize the DFI’s immunities and preferred creditor status.
The A-B loan structure has been substantially adopted by DFIs leading syndications in Africa. Among the transactions involving DFIs in our database, we find that about half (48 percent) were structured as A-B loans. This encompassed projects in mining, petrochemicals and telecommunications. Half of these transactions were located in Ghana, and the rest in Nigeria, Egypt, South Africa and Tunisia. The choice of the A-B loan structure appears to have been driven by commercial considerations for B-lenders, rather than high exposure to political or commercial risks.

4 Conclusions

This brief reviewed the concept of DFI additionality in the context of syndicated loans. Two key sources of additionality – financial and political – were analyzed to shed light on DFIs’ value addition when participating in syndications. We show that additionality is a function of the environment in which the syndication occurs, and pertains to multiple factors. Its assessments should consider the following 3 broad elements: market conditions, transaction characteristics and value added from exclusive roles played by DFIs. We argue that additionality is strongest when DFIs are responding to missing markets or unusually low global liquidity; when DFIs’ presence in frontier markets and sectors help alleviate nascent industry risks; or when there is evidence of strong catalytic effects. Additionality of varying degrees can be yielded from responding to certain transaction characteristics which dissuade commercial lenders’ participation, for example lending to first time borrowers, responding to unusually high transaction risk, or supporting ‘low-return high-development’ transactions. Some African markets, such as Egypt and South Africa, have recorded high volumes of syndications compared to the rest of the continent. Additionality in these well-served markets is low, unless justified on the basis of global liquidity conditions or other transaction-specific risks.

Recent trends in the African syndications markets were analyzed and results suggest that DFIs have sought mainly to (i) plug funding gaps, by playing a countercyclical role in high-volumes markets, and catalyzing commercial debt, and (ii) provide long tenor loans. DFIs’ participation in frontier markets has trended below that in high-volumes markets. There is almost no DFI presence in underserved markets. This suggests that DFIs have played a weaker role in creating missing markets and in supporting growing markets.

These observations led to the following conclusions. First, DFIs seeking to maximize additionality in Africa should explore opportunities to enhance their participation in frontier markets to cover funding gaps and set precedents. Second, in relatively well-served African markets, additionality could be enhanced by improving lending terms, especially in areas such as enhanced terms and cost of debt, and exploring more opportunities for local currency financing. Third, DFIs which have accumulated adequate expertise in syndications should consider playing the ‘first mover’ role in underserved markets, where there is potentially strong additionality. Finally, DFIs could yield marginal to no additionality from their participation in syndicates, when such participation is driven by reasons other than additionality; for example, developing in-house expertise in syndications, or acquiring some low risk investments to improve quality of loan portfolios.

4 References


ANNEX Graphs

Figure 1a World Capital Flows

Source: World Bank 2012 (data)
Figure 2a Syndicated volume with DFI participation in Africa, 2005 – Q2 2011 (USD million)

Source: Loan radar (data)

Figure 2b Share of syndicated volume with DFI participation in Africa, 2005 – Q2 2011

Source: Loan radar (data)
Figure 3a Distribution of transactions by country and sector (#)

Figure 3b DFI participations by country and sector (#)

Source: Loan radar (data)
Figure 4 Market liquidity and DFI participations

Source: IMF World Economic Outlook Database, Loan Radar (data)