

On Sunday the Rwandan government and the African Export-Import Bank (Afreximbank) signed an agreement for the establishment and hosting in Kigali of Fund for Export Development in Africa (FEDA).

The agreement was signed by the Rwandan Ambassador Alfred Kalisa with Professor Benedict Oramah, Chairman of the Afreximbank in a ceremony at Rwanda's Embassy in Cairo, Egypt.

FEDA, a subsidiary of Afreximbank, is an equity investment fund designed to provide seed capital to companies operating in Africa, with an emphasis on activities that promote and facilitate intra-African trade, trade-related infrastructure and value added exports in form of both goods and services.

It will invest across all market segments but with greater focus on SMEs which have substantial funding shortages and represent about 90% of businesses in Africa. It will also invest in mature companies and start-up businesses where there is a gap in the marketplace and where investments have a high level of value additionality and development impact in Africa.

Professor Oramah said, "The signing of FEDA Establishment Agreements is a huge milestone towards achieving Afreximbank's strategic objectives in promoting intra-African trade and export development. It is also important to fast track and attract funding that is important to the development of trade infrastructure between African countries. We are also pleased to have agreed the Headquarters Agreement with the Republic of Rwanda which is a sign of the strength of the existing relationship between Afreximbank and the Republic of Rwanda."

"The signing of these agreements today is a vote of confidence in Rwanda and its efforts to increase private equity investments in sectors critical to growing intra-African trade and export development. Rwanda is glad to host FEDA as we work together to achieve the goals of the African Continental Free Trade Area (AfCTA) on the continent. We will work together to ensure that FEDA is successful in driving and achieving its mandate." Ambassador Kalisa noted.

The fund will have an initial commitment of US\$350 million commitment from Afreximbank and is expected to grow to over US\$1 billion within a few years of operation.

Rwanda through its development agency – RDB initiated discussions with

Afreximbank in August 2020 to establish the fund's headquarters in Kigali.

The CEO of RDB, Clare Akamanzi said that, "Rwanda aspires to become a leading regional financial hub, attracting private investments in the country to drive growth. The establishment of FEDA in Rwanda is a strong boost to these efforts, and will enable Rwandan and African businesses, especially SMEs to compete favourably in export markets in Africa and beyond, create more jobs and lower the continent's trade deficit. The Government of Rwanda is proud to host FEDA, which will drive Afreximbank's mandate of ensuring the growth of intra-African trade."