

Empowering MSMEs with EU-Backed Guarantees

EDFI MSME and EDFI MSME Platform Plus

Who We Are

EDFI Management Company (EDFI MC) is an impact-driven financial service provider, created by the European Development Finance Institutions (EDFIs) and supported by the European Union. We manage EU-funded investment facilities and EU guarantee programmes. The latter is backed by the European Fund for Sustainable Development Plus (EFSD+), the EU's main financing arm of the Global Gateway strategy that mobilise private capital in developing and emerging markets.

What We Do

We manage a portfolio of different EU external action guarantees that reduce the EDFIs' and co-investors risk of investing in underserved markets. The EFSD+ guarantee support provided by the EU covers a percentage of the investment in case of debt default/investment loss at exit.

One of these programmes is EDFI MSME and its top up EDFI MSME Platform Plus (EDFI MSME+) a new pioneering programme that supports EDFIs and their private (including EU companies based in the eligible regions) and public co-investors to invest **debt** in local financial institutions to address **financial constraints faced by micro, small and medium-sized enterprises** (MSMEs) in Sub-Saharan Africa and the EU Neighbourhood.

Why It Matters

MSMEs are the backbone of local economies but often lack access to finance—especially in fragile contexts or among women, youth, and migrant-led businesses. Our guarantee helps bridge this gap by unlocking capital for MSMEs in Sub-Saharan Africa and the EU Neighbourhood, supporting women, youth, migrants, and rural entrepreneurs and enabling DFIs to invest in high-risk environments with confidence.



How It Works

1. A European DFI sources an existing fund or corporate which fulfils the eligibility of the EDFI MSME+ programme (eligible country/ financial instrument etc).
2. The European DFI then applies for EU guarantee cover under EDFI MSME Platforms from EDFI MC. The request is then assessed by EDFI MC.
3. Upon approval, a Back-to-Back agreement is signed between EDFI MC and the European DFI mirroring the obligations signed between the European Commission and EDFI MC.
4. If the underlying investee defaults, the guarantee is triggered—ensuring timely compensation.

Why Guarantees? Why Now?

EU external action Guarantees supported by the EFSD+ for EU Global Gateway are a powerful tool to mobilise private investment in challenging markets. Under the **Global Gateway**, the EU is scaling up its use of guarantees to:

- Drive sustainable development
- Support climate resilience and inclusive growth
- Enable DFIs to take on more risk and reach further geographies

Programme Snapshot

| Feature | Details |
|---|---|
| Total Size | €80 million (MSME) + €255 million (MSME+) |
| Type of guarantee | Unconditional, irrevocable, on-demand guarantee |
| Eligible investors covered by the guarantee | EU pillar-assessed European Development Financial Institution |
| Eligible Regions | Sub-Saharan Africa & EU Neighbourhood (64 countries) |
| End beneficiaries | Women, youth, migrants, rural MSMEs |
| Instruments | Senior/junior debt, bonds |
| Investment Period | 2023 - 2026 |
| Cover period | 12 years |