

# press release

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**Office of Press Relations**  
**For Immediate Release**  
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## **USAID and Partners Sign Single Largest Loan Guarantee to Advance Power Goals in Nigeria**

**WASHINGTON, D.C.** – The U.S. Agency for International Development (USAID), GuarantCo and Standard Chartered Bank announced today an agreement to make available \$90 million in new private sector financing for the power sector in Nigeria. A loan from Standard Chartered Bank, supported by a partial credit co-guarantee from both USAID's Development Credit Authority and GuarantCo, will provide Nigeria's Zenith Bank \$90 million in new capital earmarked for on-lending to the recently privatized distribution and generation companies. The funding will provide much-needed liquidity to the sector and support capital expenditures required by these companies to stem losses and generate revenue.

"This transaction exemplifies the strengths of the [Power Africa model](#), engaging with our development partners and private sector actors to advance meaningful power projects at scale," said USAID Administrator Rajiv Shah. "With this support, businesses and individuals will eventually have greater access to power, boosting opportunities for Nigerians and others across Sub-Saharan Africa."

This facility is expected to contribute to the sustainability of the power sector in Nigeria while creating local jobs in the assembly and installation of power equipment such as meters and switches, and in the installation of equipment in local businesses and homes. Nigeria privatized its power generation and distribution companies in 2013. This project directly addresses the capital needs of those companies while complementing ongoing efforts by the Government of Nigeria to support the sector.

"Reliable access to power is an absolute pre-condition to economic progress and inclusive growth, which unfortunately is not available in Nigeria and many parts of Africa today," said Peter Sands, Group Chief Executive of Standard Chartered Bank. "This agreement illustrates how the right partnerships and financing models can address the problem of power distribution in Nigeria. It also demonstrates our commitment to Power Africa, a catalyst that galvanizes partnerships and facilitates the delivery of efficient electricity in Sub-Saharan Africa."

"GuarantCo is delighted to partner with USAID to co-guarantee this transaction, which we believe will provide a template for how to crowd-in the private sector to enable financing of critical infrastructure in developing countries," said Dianne Rudo, member of GuarantCo's Board of Directors.

USAID's Development Credit Authority uses partial credit guarantees to mobilize local financing in developing countries. Credit guarantees encourage private lenders to extend financing to under-served borrowers in new sectors and regions. By opening up local channels of financing, USAID is empowering entrepreneurs and municipalities in developing countries at a minimal cost to the U.S. taxpayer. DCA has cost-effectively mobilized more than \$3.9 billion in private, local funds to finance development. This guarantee is one of 32 transactions closed this year by DCA, which mobilized a

record \$769 million in financing for USAID development priorities around the world. More information: <http://www.usaid.gov/dca>.

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Press Contact: USAID Press Office

Telephone: [+1.202.712.4320](tel:+12027124320)

Email: [USAIDPressOfficers@usaid.gov](mailto:USAIDPressOfficers@usaid.gov)

*The U.S. Agency for International Development is leading the U.S. Government's efforts to end extreme poverty and promote resilient, democratic societies*