



For immediate release

GuarantCo appoints Cardano Development as its new manager as it sets its sights on further growth

London 9th May 2016 – Local currency guarantee provider GuarantCo Limited has appointed Cardano Development to be its new fund manager, as it looks to grow its portfolio.

Cardano Development takes over the management of GuarantCo today.

GuarantCo is a public/private partnership that helps finance privately-sponsored infrastructure projects in Africa and Asia's emerging and frontier markets, providing local currency guarantees to local and regional banks so that they can raise medium and long-term debt. GuarantCo can also provide dollar-denominated guarantees in fragile and conflict affected countries.

Set up to help promote economic development and reduce poverty, GuarantCo has to date issued guarantees totalling USD 513m for 36 infrastructure projects in 14 lower-income countries, creating 275,000 jobs and giving 32.2m people improved access to infrastructure. It has an ambitious target to have outstanding guarantees of greater than USD 1 billion by 2020.

A member of the [Private Infrastructure Development Group](#), GuarantCo is funded by the governments of Australia, the Netherlands, Sweden, Switzerland and the UK.

Commenting on the appointment of Cardano Development, GuarantCo Chair Andrew Bainbridge said:

“The Board and I were highly impressed with Cardano Development’s tender. With both their strong reputation in managing risk as well as their wealth of experience working on local currency financing, Cardano Development is well positioned to help provide the support GuarantCo needs to expand. Their knowledge and expertise will not only help GuarantCo increase its impact on Africa, but will help the expansion and development of an even stronger presence in Asia. With the devaluations that have occurred over the last 18 months in parts of Africa, now more than ever is there a need for local currency funding. Over the next year our work will particularly focus on the power sector where infrastructure continues to be financed almost exclusively in hard currencies, even for smaller renewables projects that could be readily financed by the local markets in our target countries.”

Noting that the entire GuarantCo team will join Cardano Development Andrew Bainbridge added:

“Outgoing managers Frontier Markets Fund Managers Limited have done a superb job over the past decade and the Board and I would like to express our thanks to the team and their owner Harith General Partners for helping to make GuarantCo the organisation it is today. I am delighted the FMFML team in London and Nairobi that built the business, including Managing Director Chris Vermont, have elected to transfer across to Cardano.”

Chairman of Stichting Cardano Development Theo Kocken said:

“We are thrilled to be working with GuarantCo as it enters the next phase of its development. With its ambitious targets, reconfirmation of its leading international ratings and a thriving history of development, GuarantCo is at

the forefront of local currency financing, ensuring the development of areas that would have struggled. These guarantees address the gap in the market for local currency financing and also develop local capital markets.

“Through our experience with The Currency Exchange, Cardano Development not only understands the threats and opportunities associated with local currency financing, but above all we understand the real difference that local currency financing makes to the lives of those living in lower-income countries - it helps to foster development and alleviate poverty.”

Cardano Development has created a specialised subsidiary based in London, UK, to manage GuarantCo’s work. It will seek out projects, evaluate loan applications, carry out due diligence and manage the administration of transactions. It will also market GuarantCo internationally and monitor the portfolio.

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NOTES TO EDITORS:

1. Following a competitive tender process open to any business in any domicile, carried out under EU procurement laws and procedures and that generated interest from eight European, African, Asian and North American based bidders, Cardano Development took over the management of GuarantCo on 9th May 2016.
2. GuarantCo was advised by Riverhill Partners LLP and MDY Legal.
3. Established in 2006 GuarantCo is investment grade-rated as follows: Fitch AA- ; Moody’s A1; Bloomfield AAA. In January 2016 PACRA issued a long term rating of AAA for use in Pakistan.
4. The projects GuarantCo supported have made investments totalling USD 3.75bn, creating 275,000 jobs and giving 32.2m people improved access to infrastructure. Last year it supported projects in South Africa, India, Ghana, Pakistan, Cameroon and Zambia with projects in Ghana and Thailand becoming fully operational.
5. Founded in the Netherlands in 2010 as a subsidiary to Cardano Holding BV, Cardano Development was set up under a charitable foundation in 2013. Cardano Development has a core interest in understanding the causes and impact of risk in order to improve financial performance and resilience of companies and households in developing countries. Cardano Development supported the development of [The Currency Exchange Fund](#) to improve the robustness and resilience of financial systems of developing and frontier countries through an innovative approach to currency risk management.

Further information:

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