



Case Study 2: Infrastructure Development in Kenya

Overview

Client: Infrastructure Contractor

This case study examines how UA Specialty helped an infrastructure contractor in Kenya overcome financial hurdles to successfully undertake a US\$ 50 million infrastructure project. By facilitating the issuance of Bonds and Guarantees, UA Specialty enabled the contractor to secure necessary financing with reduced collateral requirements.

Country: Kenya

Transaction Type: Off Balance Sheet Trade Finance and Leasing

Maximum Sum Insured: US\$

12 million

Challenge

The contractor required Bonds and Guarantees to support the US\$ 50 million infrastructure project. However, they encountered significant difficulties in meeting the stringent collateral demands typically associated with such financial instruments. This posed a major threat to the project's viability.

Solution

UA Specialty intervened to facilitate the issuance of the required Bonds and Guarantees. This innovative approach allowed the contractor to secure Letters of Credit and financing with significantly reduced collateral. This off-balance-sheet solution proved crucial in overcoming the collateral hurdle.

Impact

The solution provided by UA Specialty had a multi-faceted positive impact:

Reduced Collateral Burden: Minimized the collateral requirements, enabling the project to proceed.

Enhanced Financing: Strengthened the contractor's ability to secure essential financing.

Infrastructure Development: Directly contributed to critical infrastructure development in Kenya, benefiting the region's economic growth.

Conclusion

This case study exemplifies how UA Specialty's expertise in trade finance and leasing can unlock opportunities for infrastructure development. By providing innovative solutions that address collateral challenges, UA Specialty empowers contractors to successfully execute vital projects and contribute to economic progress.