



GRAND DUCHY OF LUXEMBOURG  
Ministry of Foreign Affairs

Directorate for Development Cooperation



European Union Africa  
Infrastructure Trust Fund

# Regional IXP Operations and Technical Recommendations

## Benefits of Establishing a Regional IXP Revolving Loan Fund



# Revolving Fund Objectives

- The objectives of the Revolving Loan Fund will be to;
  - i. Provide a “zero interest-rate” or low interest rate loan facility to resource national IXP growth requirements to become regional IXPs.
  - ii. Provide a long-term replenished central funding pool for regional IXP development.
  - iii. Propel participating national IXPs to develop self-sustaining business models that enable them to repay the loan
  - iv. Support the emergence of more than one regional IXP in each African Union Region
  - v. Serve as a reserve fund to support national IXPs from slower regions as they come onboard, as not all regions will progress at the same pace.

# IXP Revolving Fund Eligibility Criteria

- One of the objectives of the mentorship and capacity building exercise will be to develop a strategic plan to become a regional IXP.
- IXPs interested in implementing their business strategic plan would be eligible to apply for support from the Regional IXP Revolving Loan fund provided that they can;
  - i. Provide a strategic development plan to become a regional IXP
  - ii. Identify their resource requirements to become a regional IXP
  - iii. Provide a sustainable business plan
  - iv. Provide a funding request and repayment plan
  - v. Show support from both local public and private sector stakeholders.

# Conclusion

- The loan approach will encourage the applying IXPs to develop internal structures and capacity in order to better manage and repay the resources.
- The financial management of the fund could be implemented in partnership with regional financial institutions such as the African Development Bank amongst others.
- These institutions have well-established systems and procedures that are known to support Infrastructure development programs in the region.
- Their expertise would bring value in simplifying the management of the proposed loan fund.



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**END**

