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INVESTING FOR DEVELOPMENT – A BROADER ROLE FOR NORDIC BUSINESSES IN SUSTAINABLE ECONOMIC DEVELOPMENT



Liberian Minister of Planning and Economic Affairs, Hon. Amara Konneh

To increase the focus on the importance and possibilities of investments in developing countries the four Nordic DFIs arranged the conference *Investing for Development – A Broader Role for Nordic Businesses in Sustainable Economic Development* in Oslo on September 15. This was the first time such an event was organized as a joint effort between FINNFUND, IFU, NORFUND AND SWEDFUND and the conference attracted about 80 top level partici-

pants from Nordic businesses, NGOs, government officials and DFIs. The Norwegian Ministry of Foreign Affairs also used this gathering as an opportunity to host an adjacent seminar on the same topic for the Ministries of Foreign Affairs.

Among the invited speakers at the conference were the Liberian Minister of Planning and Economic Affairs, the Head of the Europe, Africa and Middle East Desk at the OECD Development Centre, execu-

tive managers from the two largest Nordic hydropower companies and entrepreneurs from African businesses. To shed light on the political efforts to support Nordic companies' and DFIs' activities in developing markets a panel debate between State Secretaries from the four Nordic countries was also part of the program.

The main outcome of the conference was the launch of an advisory council to investigate the role for Nordic business in sustainable economic development. The commission will be led by the former prime minister of Norway Kjell Magne Bondevik and consist of board chairmen and CEOs from four of the largest companies in the Nordic region. Their report will be presented at a follow-up conference in Finland next year.

All the presentations given at the conference are available at

<http://www.norfund.no>

BIO has committed USD 1.5 million to set up Fundo Fangelica (FF), a green asparagus production farm in the desert of Peru at Pisco Valley, 200 km south of Lima, producing both organic and conventional asparagus for the export market. This is BIO's first SME investment in Peru, a partner country of the Belgian Development Cooperation. The project is expected to achieve a considerable impact on the local community in terms of job creation, know-how transfer and social conditions.

FF is an extension project of an existing production company and aims to meet the increasing demand by consumers in developed countries for year round fresh asparagus. It will complement the first location in terms of extension of the supply period of asparagus, better utilisation of the packing plant, economies of scale and risk reduction due to geographical diversification.

Asparagus is the leading export crop in Peru. Peru exports 99% of its production (fresh, canned, and frozen) and ranks as second largest producer (250,000 T, of which 83% green asparagus) behind China. In the past five years, green asparagus have gained popularity to the point where most off season fresh asparagus are of green varieties. This situation has favoured imports from Peru.

Today Peruvian asparagus growers use surface irrigation which must be periodically halted to break life cycle of the gall midge, a harmful insect that uses surface water for breeding & survival. This periodic water deficiency comes at the expense of the plant yield. In the case of Fundo Fangelica, the introduction of a new irrigation technology called SDI (Subsurface Drip Irrigation) will achieve, next to the increase in yield, a reduction in water consumption by 25%, and decrease expenditure on pesticides and insecticides by 25%.

Local banks are reluctant to finance start-up SMEs in Peru and to provide long term loans in general. The global financial crisis has worsened this situation. With the provision of an USD 1.5 million loan to FF, BIO will make the resources available to set up the business (in particular irrigation equipment and

land investments). The project is expected to create around 120 jobs and will bring along a technology & know-how transfer (SDI irrigation & organic asparagus production). The salaries will be above the minimum wages and at least 50% of employees will be women.

"This first investment in Peru reasserts our commitment to develop our portfolio in Latin America. Our goal is to provide long-term finance to companies who lack the necessary resources to expand their business but have a strong potential and can contribute to a sustainable economic growth within their local community or region", says Hugo Bosmans, CEO of BIO.

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FINANCES HEALTH INSURANCE COMPANY IN MEXICO

Long-term loan of 15 million euros for Grupo Maxasem, S.A. de C.V.

Mexico's public insurance systems do not suffice to secure the population against the risks of daily life. For the sustainable development of the country, insurance companies are, however, indispensable. This is why DEG provides Grupo Maxasem, S.A. de C.V. (Maxasem), a Mexican insurance group, with a long-term loan to the amount of 15 million euros. With Maxasem DEG

supports an important provider of insurances and enable the extension of the company's offer by health insurances. Insurances are a future market in the context of development policy. Because it is particularly in developing countries where people are exposed to a great number of risks threatening their existence since they are incapable of compensating for poten-

tial risks on their own. Expanding the offer of relevant insurance services is therefore a strategic aim of DEG.

The Maxasem insurance group was founded in 2006. At present, it encompasses three companies, which operate in the fields of liability and vehicle insurance as well as life insurance. The group will use the DEG loan to establish the new in-

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DEG FINANCES HEALTH INSURANCE COMPANY IN MEXICO

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insurance company Prevem, which will offer health insurances.

People in Mexico today pay more than 50 per cent of all medical expenses out of pocket. Prevem makes an offer to all strata of the population: to people with low incomes, who will thus be able to secure their living in the event of illness and to employees of small and medium-sized enterprises. This type of health insurance for all strata

of the population is new to Mexico.

The Maxasem Group excels by high Corporate Social Responsibility offering its staff, amongst others, a share of the profit, favourable loans and various types of training. DEG is supporting the company's efforts to introduce a reporting system.

DEG has been active in Mexico for 25 years and has run a representative office in Mexico City since

2003. The institution has committed more than 400 million euros for 90 investment projects in this country ever since. Only recently has DEG provided Agroindustrias Unidades de Mexiko (AMSA), a trading firm for agricultural products, with a long-term loan for the construction of a factory for instant coffee. The facility in the Chiapas region secures the incomes of up to 5,000 local smallholders living on the cultivation of coffee.

BM HELPS IBA TO EXPAND ITS RADIOPHARMACEUTICAL **SBI** DISTRIBUTION NETWORK IN ASIA



IBA is a Belgian listed company which develops and markets leading edge technologies, pharmaceuticals and tailor-made solutions for healthcare with a focus on cancer diagnosis and therapy. The company is a worldwide leader in the production & distribution of radiopharmaceuticals used for positron emission tomography (PET), i.e. one of the most advanced imaging technologies for oncology with also applications in neurology and cardiology.

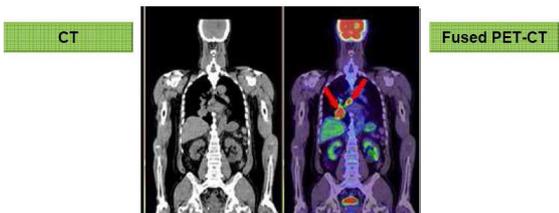
IBA is the only company with a global network of 51 centers producing PET radiopharmaceuticals for use in cancer diagnosis. Most of this network is still located in the US and Europe but as about 45% of new cancer cases worldwide occur in Asia it is clear that this advanced technology is also rapidly expanding in Asia.

IBA is therefore, with the help of SBI, developing an Asian network of PET radiopharmaceutical production centers. After a first successful joint venture in Delhi (India), IBA and SBI recently joined forces again to set up a PET radiopharmaceutical

production and distribution facility in Kuala Lumpur, Malaysia. Third shareholder in this project is the local partner, Malaysia Steel Works.

The facility is expected to start commercial production begin 2011 and will seek to supply the increasing number of Malaysian cancer hospitals equipped with PET/CT cameras with a reliable source of PET radiopharmaceuticals. This will help in meeting the needs of physicians and patients in Malaysia in their battle against cancer.

Several additional joint IBA/SBI projects are in the pipeline for setting up similar facilities in China and India.



CT

Fused PET-CT

DEG FINANCES SUBMARINE CABLE TO WEST AFRICA

Capacity for data transfer more than ten times higher

With support of DEG the submarine cable "Main One" to West Africa commenced operations at the beginning of July 2010. Thereby the communication options via internet and telephone in the region are considerably improved. DEG provided Main One Cable Company (Main One) a quasi-equity loan to the amount of 20 million US-dollars to lay and operate the cable. The African Development Bank (AfDB), which contributed 55 million US-dollars, arranged the joint financing of the two development finance institutions. Further lenders are two Nigerian commercial banks providing 45 million US-dollars. The total investment volume comes up to 240 million US-dollars.

The owners of Main One are Main Street Technologies, a Nigerian start-up, which was founded in 2006 for the purpose of this project, and four further investors.

The submarine cable "Main One" stretches over almost 7,000 kilometres between Portugal and Accra in Ghana and Lagos in Nigeria. The fibre optic connection is accessible to all mobile network operators as well as internet service providers. So-called "branching units" offer the possibility of connecting Côte d'Ivoire, the Canary Islands, Morocco and Senegal to the net, which is planned to be realised within the course of the project. For a second phase of the project it is further-

more intended to extend the cable onto South Africa.

The communication infrastructure in West Africa has so far been little developed. Low-priced broadband connections are one of the major catalysts boosting economic growth and the success of African enterprises. The project will step up the capacity for the international and regional data transfer by more than ten times and thus lower the cost for telephone calls and internet use. In recognition of the developmental and economic significance of the project, the magazine Project Finance distinguished the financing as the "African Infrastructure Deal of the Year".

PROMOTES PRIVATE SECTOR IN AFRICA

New commitments: Africa Joint Investment Fund and German film producer

Africa is a continent on the move: the political and economic framework conditions have taken a positive development. There is, however, a lack of capital for private investments. This is why DEG takes an equity participation to the amount of 12.8 million US-dollars in Africa Joint Investment Fund (AJIF). "Our commitment as an anchor investor contributes to providing urgently required capital for private investment in Africa," said Dr Michael Bornmann, member of DEG's Management Board, on the occasion of the signing ceremony, which took place during the visit of Dirk Niebel, Federal Minister for Economic Cooperation and Development to Egypt.

The Fund is established by Citadel Capital S.A.E. (Citadel), a leading private equity firm in Middle East

and North Africa (MENA). AJIF will invest in fast-growing regional enterprises in both North Africa and selected regions of sub-Saharan Africa with a focus on industries such as agribusiness, logistics, manufacturing and financial services. The financed companies will create employment, generate governmental revenues and boost good corporate governance as well as high environmental and social standards.

The DEG investment is part of the first closing with a Fund volume of more than 85 million US-dollars. On the whole, AJIF strives for a target size of 150 million US-dollars. The Fund is managed by Citadel Capital Africa Joint Fund Management S.A.

The investment into AJIF was the second DEG commitment in Egypt

during the visit of Federal Minister Dirk Niebel. Shortly before, DEG provided a long-term loan to the medium-sized film producer RKW SE (RKW) for the set-up of its production in Egypt. For RKW, a leading producer of polyethylene films for various sectors based in Frankenthal in Palatine, this is the first project carried out as sole shareholder in a developing country. The DEG loan finances, amongst others, the purchase of the property and the construction of a production hall and warehouse. "With our commitment we accompany a German medium-sized, family-run enterprise wishing to open up new markets in North Africa. At the same time, we contribute to securing jobs in Germany," said Dr Michael Bornmann.

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North Africa and the Middle East are still lagging behind when it comes to the supply of hygienic articles, and demand is growing correspondingly. "The demand for swaddling clothes in Egypt (80 million inhabitants) is currently growing by binary percentage rates a year," says Roland Roth, Chairman of RKW SE. "The set-up of the new production facility is a strategic step for RKW towards Africa and the Near East." The biggest purchaser of RKW films, a leading international producer of consumer goods in the field of hygienic products, toiletries and household products, is further expanding its production in this region. With the new

film production facility, RKW is following as a supplier with new film production facilities and is going to establish its internally developed, resource-saving technology in Egypt. The regional demand for high-quality hygienic articles can thus be covered by local production.

The new production site will create around 100 direct jobs. RKW offers its local staff intensive trainings, for example with the parent company in Germany thereby assuring a transfer of modern technology and know-how to Egypt. Moreover, the investment project can generate net foreign-exchange income to

the amount of over 10 million euros and governmental revenues of 650,000 euros a year.

DEG has been promoting the private sector in Egypt for more than 45 years. With over 100 million euros, it has to date made possible more than 30 private investment projects. They include projects of the Sekem company, which was awarded the Alternative Nobel Prize in 2003, and which closely liaises with German companies via joint ventures and cooperation. In 2009, DEG also financed a German-Egyptian joint venture aimed at manufacturing steel towers for wind parks at the Red Sea.



From left to right: Alaa El-Afifi, Managing Director of Citadel Capital S.A.E., Dirk Niebel, German Minister for Economic Cooperation and Development, and Dr Michael Bornmann, member of DEG's Management Board, during the signing ceremony of the Africa Joint Investment Fund

FMO AMERIABANK CJSC SETS EXAMPLE WITH IMPLEMENTATION OF ESMS SYSTEM

Ameriabank CJSC, with the support of the Netherlands Development Finance Company (FMO), and DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH, successfully completed the introduction and implementation of an Environmental and Social Management System (ESMS). It is one of the first banks in

the region to have developed and implemented an ESMS. As a result of this, FMO and DEG grant Ameriabank a certificate of appreciation, as well as a reduction in the interest rate of the facility signed between FMO, DEG and Ameriabank in December 2009. The facility is a long-term USD 30mln loan (out of which

USD 20mln is for small and medium enterprise financing and USD 10mln for renewable energy financing), equally shared between FMO and DEG, and represents FMO's first financing in Armenia. By implementing the ESMS, Ameriabank commits to comply with local and international environmental and

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social regulations and worldwide best practices applicable to its operations and business services.

April 2010, Ameriabank started exploring the principles of environmental and social risk management: the development of an internal ESMS policy, procedures and tools, training of staff and the realization of a pilot running of the System. By July 2010, Ameriabank had adopted and integrated environmental and social risk management in all ongoing corporate lending/finance operations. Ameriabank was supported by the international consultant FI Konsult s.r.o (Czech Republic) and FMO's Capacity Development (CD) Program.

As Artak Hanesyan, Director General of Ameriabank said: "Ameriabank regards sustainable development as a fundamental aspect of sound business management. The bank's objective is to responsibly manage the environmen-

tal and social risks associated with its operations in order to minimize impacts on the environment and our stakeholders, and to enhance long term returns to our shareholders. The purpose of the bank's Environmental and Social Risk Management Policy is to create a framework and culture for understanding and managing our direct and indirect environmental and social impacts, risks and opportunities."

Jurgen Rigterink, Chief Investment Officer of FMO stated: "This is the first time a margin reduction as incentive scheme has been implemented by FMO, together with our partner institution DEG. It will bring about improved management of Environmental and Social Risks to world class standards, by fully integrating this in the daily Risk Management of the bank. Ameriabank has shown exemplary commitment in bringing about this change so soon after signing the Loan Agree-

ment with DEG and FMO. Our institutions are committed to adding value to our clients through Sustainability Development, as demonstrated by both the ESMS and the Renewable Energy component to this loan. A true 'example transaction' that will change the way we, and our partners, approach E&S."

About Ameriabank:

Ameriabank is one of the most dynamic banks in Armenia and ranks among the country's most stable financial institutions. It is the first investment bank in Armenia, and since 2007 has been providing an extensive list of innovative banking products. It focuses mainly on corporate and investment banking. Ameriabank is owned by TDA Holdings Limited, an investment company affiliated with Troika Dialog, a leading Russian investment banking group. For more information, visit <http://www.ameriabank.am>.

FMO **SEMI-ANNUAL RESULTS. WELL PERFORMING DEVELOPING COUNTRIES LEAD TO PROFIT GROWTH**

Finance for Development

FMO made a profit of EUR 52 million in the first half of 2010 (first half year 2009: EUR 17 million). Its investment portfolio grew to EUR 5.2 billion (EUR 4.6 billion end 2009). This growth is in part due to a stronger US dollar and new investments. Nanno Kleiterp, FMO's CEO, on the semi-annual accounts: "We are very satisfied with the results of the first half of 2010, taking into account the still challenging market situation. It has proved that there are still excellent investment opportunities and results possible in developing countries. Therefore we will continue our investment policy in line with our strategy

which is based on investing in the financial sector, (renewable) energy and housing in low income countries in particular. These sectors are essential for sustainable growth in developing countries."

In the first half of 2010, FMO focused on supporting existing clients. Together with a recovery of the economic growth in developing countries, this approach has resulted in a limited number of clients that are hit by the market situation and in low value adjustments for FMO. "Despite the worldwide financial and economic crisis, the current situation in developing

countries is better than in the western world. We see many strong and professionally managed companies in developing countries that were able to withstand the crisis. These companies are essential for poverty alleviation, which underlines the importance of private sector development. There are many investment opportunities in Africa, Asia and Latin America. More investors should recognize these opportunities", according to Nanno Kleiterp.

The above stated figures have not been examined by external auditors.



PROVIDES SCARCE PRIVATE EQUITY FOR CLEAN TECHNOLOGY IN MEKONG REGION

Finance for Development

FMO, together with the Asian Development Bank (ADB), BIO and Finnfund, will invest in the new Mekong Brahmaputra Clean Development Fund. The fund, with a target size of USD100m, is set up to support clean energy projects in the Greater Mekong Sub-region (GMS) and South Asia. FMO invests USD12,5m in equity through its Infrastructure Development Fund, which it manages on behalf of the Dutch Ministry of Foreign Affairs (Development Cooperation). ADB will also invest USD12,5m, BIO USD5m, Finnfund USD8m and Dragon Capital as fund manager will invest USD 5m.

The Fund will provide scarce long term capital to clean technology

companies engaged in renewable energy, energy efficiency, water conservation and waste recycling projects. Fund manager Dragon Capital Clean Development Investments Ltd. expects to invest in at least 10 clean energy and environment projects by 2014. The development impact of this fund comprises both the provision of access to renewable energy and the contribution to the development of clean energy supply as part of the economic development in the region. The investors expect to create at least 900 permanent jobs and another 7000 temporary jobs (with an average of 2 years) with this fund.

In 2008, 83% of households in Cambodia, 80% in Laos, and over 50% in

Vietnam still used wood for fuel, making it critical to increase sustainable energy investments. Strong economic growth throughout Asia has already put substantial pressure on the region's resources and is straining the environment. Further economic development in the Greater Mekong Sub-region and South Asia requires greater access to energy.

The DFIs expect that their participation in the fund will encourage other private sector players to also invest in clean energy projects that generate both attractive rates of return and a cleaner, more sustainable future.



LOCAL CURRENCY FUNDING FOR A MOBILE PHONE NETWORK IN CHAD

The telecommunications sector in Chad is one of the fastest growing in Africa. While fixed telephony is virtually non-existent, the demand for mobile phones is high (21% in 2009, which represents approximately 2.2 million subscribers) and should continue to increase in coming years (50% in 2014). This reflects first the strong appeal of GSM solutions, then the poor road network which hinders mobility and finally the very accessible price for a growing part of the population.

The Millicom International Cellular Group is one of the main companies involved in emerging markets telecoms. Millicom is mainly a "low-cost" provider of prepaid cards and focuses its activities on areas where most other telecommunication ser-

vices are inefficient. The Group has subsidiaries in 14 countries in Africa, Asia and Latin America, providing its services to more than 35 million subscribers. Millicom Chad is now the leader in its market.

PROPARCO's financing for Millicom Chad aims to support the extension and intensification of its existing network, to manage the growing number of subscribers and provide access to mobile telecommunication services to a larger customer base. PROPARCO's investment is fully integrated to the West Africa development strategy, especially considering the local currency loan.

PROPARCO alongside the IFC, has granted a loan of FCFA 8bn to finance the expansion and strengthen the infrastructure network of Mil-

licom Chad. Depending on the growth of subscribers, Millicom plans to extend its high quality network, uninterrupted, with a strong rural focus (188 additional sites by the end of 2011, 481 sites in total).

The Banque internationale du Cameroun pour l'épargne et le crédit (a subsidiary of the French Banque Populaire Group) will participate (own risks) through a direct loan of FCFA 2 bn out of the 8 bn arranged by PROPARCO. Local currency funding, the first of its kind for PROPARCO in the CFA zone, reduces the foreign exchange risk for Millicom.

As the first telecom operator in Chad, Millicom plays a crucial role in infrastructures development and supply of telecommunications ser-

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vices. The planned investments will contribute to improve coverage through grid extension and improve quality of provided services.

Like other telecom operations financed by PROPARCO (including Millicom Laos, Ghana and Tanza-

nia), the project will directly contribute to the growth of Chad' economy, especially through Investments, tax contributions and employment of local and expatriate staff (Millicom Chad currently employs 330 people full time and about 8 000 indirect jobs are created through the

stalls of resales of cards). This project also contributes to financial innovation in West Africa, as this operation is the first FCFA loan for PROPARCO (and AFD) in the area. It notably helps Millicom Chad avoid foreign exchange risks.

Private Sector Development **NEXT ISSUE**

PROPARCO'S MAGAZINE

The seventh issue of *Private Sector and Development* will be available very soon:

Should tourism be promoted in developing countries?

This issue focuses on the role and impact of the tourism sector in developing countries. Developing countries used to carry little weight in international tourism, but they have been constantly gaining ground since the 1970s: today they account for 35% of revenues and almost 40% of arrivals. According to forecasts, developing countries will soon become the engines of growth in the sector. Tourism will consequently be making an even greater contribution to GDP and employ-

ment in these countries.

However, most commercial banks and development institutions do not see financing this sector as a priority. Is tourism then thought not to be a key vehicle of development that contributes to economic dynamism, poverty reduction and participates in environmental protection?

In fact, the sector seems to suffer from a kind of incomprehension, or even mis-appreciation. Whereas tourism expansion can have strong impacts, positive – on economic growth, employment, the balance of payments, fiscal revenues – and negative, particularly in terms of environmental and social issues, the negative impacts are more visible

and tend to dominate the spheres of debate and consequently eclipse its positive spillover effects, which are less visible and more difficult to gauge.

The seventh issue of *Private Sector and Development* makes a comprehensive review of developments on tourism in developing countries. It will be looking at the direct and indirect effects that tourism has on the development of a country.

More information

<http://www.bio-invest.be>

Swedfund VISITS ETHIOPIA

During the third week of September 2010, Swedfund's Board, Management and Senior Advisors visited their investments in Addis Ababa, Ethiopia. Ethiopia is Africa's largest country after Nigeria with a large and growing population of approximately 83 million people. With an annual growth rate of 11 percent, it is an interesting market for Swedfund. Ethiopia has until recently largely been unobserved by inves-

tors, however positive changes has been made regarding foreign direct investments and the Government of Ethiopia has revised its investment code in order to make it more transparent, attractive and competitive. The privatization program offers opportunities for foreign and domestic investors in agriculture, manufacturing and the hotel and tourism sectors. Furthermore, state owned enterprises are being privat-

ized through competitive bidding.

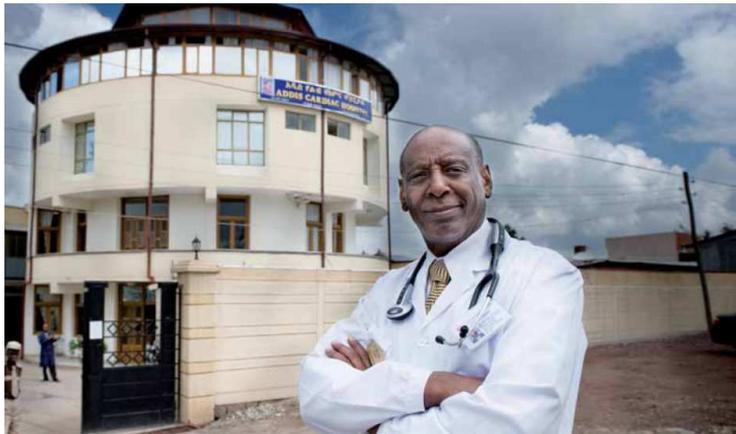
Swedfund has made three investments in Ethiopia during the past three years. Addis Cardiac Hospital was inaugurated on the 16th of June 2007 in Addis Ababa. This is the first state-of-the-art facility for cardiovascular diseases in the region and more than 13 500 patients have been treated. The hospital is the result of a co-financed investment

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Swedfund VISITS ETHIOPIA

by Fikmar Medical, Swedfund, Octopus Medical and Patrik Hjalmarsson AB. In total the investment amounts to SEK 16.5 m (approx. EUR 1.8 m).

50 km from Addis Ababa Swedfund has invested in a quarry that produces building material for the booming infrastructure in the capital and its surroundings; an indication of the overall development in the country. Lastly, Swed-



fund has invested in a Radisson Blu Hotel that is currently under con-

struction in Addis Ababa and will open in the beginning of 2011.

During the visit in Addis Ababa, meetings with the Ministry of Trade and Industry were held, as well as a seminar with representatives from the business community. Swedfund is positive there are many

more investments opportunities in Ethiopia.

TALLERES ZB: FIRST INVESTMENT PROJECT IN PANAMA FOR COFIDES

As fund manager for FONPYME, COFIDES has extended a 300,000-euro joint venture loan to the Talleres ZB's subsidiary in Panama to design, build and operate a sand-grave treatment plant in Buena Vista (Colón).

The total investment in the project amounts to 3 million euros and it is

estimated that the new investment will create 6 new direct jobs. Talleres ZB is the first project supported by COFIDES in Panama.

Established in 1983, Talleres ZB is a small-medium sized enterprise that specializes in the field of design and manufacturing turnkey projects and machinery for crushing rocks and

minerals.

Since COFIDES began to conduct business in 1990, COFIDES has committed more than 48 million euros in 12 investment projects approved in Central America – Costa Rica, El Salvador, Nicaragua, Ecuador and Panama .



Association

EDFI is the Association of European Development Finance Institutions, a group of 15 bilateral institutions which provide long-term finance for private sector enterprises in developing and reforming economies. Since its foundation in Brussels in 1992, EDFI's mission has been to foster co-operation among its members and to strengthen links with institutions of the European Union.

2009 figures

The consolidated portfolio of EDFI stood at €18.5 billion at the end of 2009, invested in 3,968 projects.

In geographical terms, 28% of the global portfolio was in the ACP region and South Africa, 30% in South-East Asia, South-Asia and China, 17% in South and Central America and 25% in remaining regions eligible for investments.

Members

BIO—Belgium
 CDC—United Kingdom
 COFIDES—Spain
 DEG—Germany
 FMO—The Netherlands
 FINNFUND—Finland
 IFU—Denmark
 Norfund—Norway
 OeEB—Austria
 PROPARCO—France
 SBI—BMI—Belgium
 Sifem—Switzerland
 SIMEST—Italy
 SOFID—Portugal
 SWEDFUND—Sweden

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PROVIDES FINANCIAL SUPPORT TO 12 PROJECTS IN THE FIRST HALF OF 2010

A total of 12 operations were formalized by COFIDES in the first half of 2010 for an overall commitment of 80.05 million euros, up 78% from the first half of 2009. The more Spanish companies are looking for new markets to operate in, the more COFIDES provides them financial support to establish in emerging markets.

As fund manager for FIEX and FONPYME, COFIDES provides cost-effective medium and long-term financial support for viable private direct investment projects in foreign countries where there is a Spanish interest. The ultimate aim is to conduct a profitable business that contributes both to host country development and the internationalization of Spanish enterprise and the Spanish economy.

In the first half of the year, seven countries were the geographic target for COFIDES' investments - Brazil, Ecuador, Chile, Mexico, Algeria, India and Panama -. It is estimated that the new investments will be significant in terms of the development

effects resulting from the creation of more than 1,600 direct jobs. The industry breakdown of operations formalized by COFIDES in the first half of 2010 shows that agribusiness has been the primary target. Energy, capital goods, transport infrastructure, water supply, chemicals and pharmaceuticals, automobile, iron and steel making followed.

In the present context of crisis and financial constraints, COFIDES is even more committed to supporting the internationalization strategies of Spanish enterprise geared to the implementation of foreign investment endeavours. This commitment highlights the strategic importance of the FIEX and FONPYME funds as financing instruments for Spanish investment projects with international ambitions. In addition, COFIDES and the Funds it manages consolidate their utility as economic policy tools to foster the Spanish company competitiveness and to contribute to the host countries development.



New Investment Financing Facilities For Private Projects In ICT, Renewable Energy And Infrastructure

COFIDES has implemented three new facilities to provide financial support to private and viable projects undertaken by Spanish companies in developing and emerging countries in the ICT sector (FINTEC), in the renewable energy industries (FINER) and the infrastructure sector (FINCONCES).

By these new facilities, joint ventures as well as Spanish firms' subsidiaries in eligible countries undertaking to create a new company, purchase an existing concern or expand their own business in the three aforementioned sectors can obtain financial support from COFIDES.

Many Spanish companies have achieved a

high level of competitiveness in the ICT sector, the infrastructure sector and the renewable energy industry. Thus, these three sectors have become a source of business opportunities in foreign markets. With the new facilities, COFIDES looks for taking a leading position in providing financial support to private investment projects in high tech sectors.

For further information:

<http://www.cofides.es/>