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European Development Finance Institutions

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bio Development through Investment

The first « Single Origin Made in Vietnam » chocolate

Grand-Place Vietnam (GPV), a company funded by BIO, is about to market the first chocolate made entirely in Vietnam, from the cultivation of the cocoa to the final product. GPV is to date the first producer in this country to integrate the cocoa sector with its production. The use of cocoa cultivated locally will replace the importation of raw materials required for the chocolate-making process. It will also enable GPV to bring down its ecological footprint and to maintain full control of quality at all the production stages.

Operating in Vietnam since 1994, Grand-Place is a manufacturer of Belgian chocolate specialised in chocolate covering and chocolate decorations. In 2007 GPV received a loan of 650,000 Euro from BIO to finance the construction of a new factory, to purchase a second chocolate covering production line used exclusively for chocolate made with cocoa butter and lastly, to broaden the range of chocolate decorations, high-end products bringing much added value especially for exportation. Opened in 2009, the factory produces 3000 tons of chocolate per year for sale to hotels and restaurants, bakeries, confectioners and ice-cream manufacturers. In addition, GPV exports part of its production to North America and Asia.

Revival of the cocoa sector

Although cocoa has been cultivated in Vietnam since 1954, it never really took off because of the absence of market prospects. Recovery came about following an ambitious programme set up in 2004 by the Vietnamese government to relaunch the sector in response to a shortage in world production. Cocoa cultivation in Vietnam is still in its infancy as it takes 4 years for a cocoa tree to produce beans. Besides, cocoa beans as raw material are difficult to work with and they require a particular skill.

As a matter of fact, they cannot be used by the chocolate industry immediately after harvesting. They must then follow a particularly long and strict process. Usually it is the producers or small cooperatives who take charge of this post-harvest work. Each stage influences the final quality of the product.

A technical assistance grant allocated by BIO to GPV has allowed it to study the quality of the beans and to train its technical team for management of the cocoa sector. The results of this study have given rise to the establishment of a programme aimed at improving the quality of the beans.

The team of experts collaborate

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THE FIRST « SINGLE ORIGIN MADE IN VIETNAM » CHOCOLATE

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with the local farmers at all stages of production, from harvesting to drying and fermentation. This collaboration allows the producers to acquire new skills and to learn modern techniques, thus contributing to the viability of the sector.

Positive effects on the producing country

By launching a "Made in Vietnam" chocolate, GPV creates extra added value by developing local skills by means of a transfer of Belgian knowledge and technology in the production process.

The project has a positive double impact on the country's economy. On the one hand, by entering the cocoa sector, GPV is going to reduce its imports of raw materials needed for the production process and on the other, the export of part of its chocolate production will contribute to generating hard currencies. The project will also lead to the creation of new jobs. Finally, the vertical integration of the sector will foster and develop the growing of cocoa and improve techniques and yield. The support given to this sector might serve as an incentive for producers to resume farming of other subsistence crops.

The success of this project shows the importance of access to finance for private companies in developing countries. By helping companies to invest in the expansion and consolidation of their activities by long-term financing and by supplying them with grants for technical assistance, BIO is contributing to the stimulation of innovation and the development of new skills. Supporting the private sector contributes to the strengthening of the local economic fabric, the diversification of markets and the promotion of entrepreneurship. The agri-food sector, that is to say the growing of subsistence crops, export crops, livestock farming and the processing industry, is a priority for BIO because it generates a direct impact on the local economy and the living conditions of the population.

bio Development through Investment *INVESTS USD 5 MILLION IN SACEF*

Closing the gap between energy supply and demand

On 11 November 2010, BIO committed USD 5 million in equity to South Asia Clean Energy Fund (SACEF), a limited partnership fund targeting a total capitalization of USD 175 million. The Fund will be managed by the Global Environment Fund (GEF), a manager with 20 years of successful investments in the environment sector and services around the world. SACEF will invest in SMEs providing environmental products and services, energy efficiency technology and services and renewable energy generation. India will be the main target country. The Fund will also invest opportunistically in Bangladesh, Sri Lanka, and Nepal.

Thanks to its network, GEF aims at bringing value to its investee companies throughout technology transfer and commercial development. In addition to this, the Fund will help investee companies to professionalize and develop their corporate governance, which will make them more attractive for new potential investors.

"BIO is proud to announce this long-term partnership with GEF as it will allow us to benefit from the expertise of a long-standing and reputable specialist fund, and ensure our investment serves efficient and sustainable projects in the region", says Hugo Bosmans, CEO of BIO.

This investment will serve a catalytic role in attracting long-term investments in the environment and clean energy sector in South Asia, and promote a sustainable development in a region where energy supply-demand gap is important.

This operation once more clearly demonstrates BIO's strong commitment to contribute to the fight against climate change. SACEF is the fourth Fund to be financed by BIO in the field of renewable and clean energies, after the Central American Renewable Energy Clean Production Facility (CAREC) in Central America, the Renewable Energy Asia Fund (REAF) and the Mekong Brahmaputra Clean Development Fund (MBCDF) in Asia. BIO has also made two direct investments in hydro-energy projects in Central America.

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CDC launches Environmental, Social and Governance (ESG) Tookit

In 2010, CDC developed and launched its ESG toolkit to guide the fund managers that invest CDC's capital through the process of identifying and managing ESG business risks.

As with fellow DFIs, CDC requires all the companies in which it invests to proactively manage issues such as workplace safety, emissions, corporate governance, anti-corruption and gender equality. The ESG toolkit is available at www.cdcgroup.com and the Tool-kit has been rolled out at a series of workshops around the world, including in Shanghai, Lagos, Bogota, Sao Paulo, Johannesburg, London, Mumbai and Washington DC. In total, over 104 participants from 45 companies attended, plus representatives of other DFIs. Several European DFIs and private equity investors have also adopted CDC's ESG Toolkit for their own use.

CDC board visits Kenya and Uganda

An important part of the work CDC does is to help countries develop the skills needed to establish nascent capital markets. Without a network of skilled investment professionals, it's harder for these countries to attract commercial investors.

In November 2010, the CDC board travelled to Kenya and Uganda to gauge the success of CDC's investments in these countries, and to meet investors and entrepreneurs.

Prior to their arrival in Kenya the CDC board organised an entrepreneurship seminar in Nairobi. The seminar addressed questions about growth, access to finance, good governance, mentoring and succession planning. The event brought together over 100 delegates ranging from fund managers, entrepreneurs, established business owners, and policy-makers. As well as discussing these issues and developing the collective knowledge base, the seminar also provided substantial networking opportunities, connecting a number of entrepreneurs with potential sources of funding.

Consultation on the future of CDC

In October, the UK's Government Minister for International Development, Andrew Mitchell, proposed several reforms to CDC in a statement to Parliament. The proposed reforms seek to provide CDC with additional financial instruments and are intended to strengthen CDC's development impact. The reforms are currently being consulted on and will be reflected in a new business plan which CDC will publish early this summer.

COFIDES in conjunction with Befesa Agua, participates in China's first major project to desalinate sea water for human consumption

COFIDES, as manager of the Fund for Foreign Investment (FIEX), has financed part of this BEFESA AGUA project in China, with a 6.7-million euro indirect equity holding in the Chinese host company, Qingdao BCTA Desalination Co. Ltd.

The host company will build and operate a 100 000-m3 (daily capacity) seawater desalination plant at Qingdao, China, for 25 years to supply potable water under DBOO (design, build, own and operate) terms.

This is the first major project involving the desalination of seawater for human consumption in China and the first to be funded

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COFIDES PARTICIPATES IN CHINA'S FIRST MAJOR DESALINATION PROJECT *Continued from page 3*

under project finance arrangements. The total investment amounts to around 133.3 million euros, 30 % of which will be provided as equity and the remaining 70 % through the purchase of project bonds.

Qingdao, where the desalination plant will be built, is a port in Shandong province and one of the most important cities on the northern coast of China. The project is of significant strategic interest in the framework of stimulation of the Chinese economy as a whole, and forms part of a Desalination Industry Plan backed by the Chinese National Development and Reform Committee.

While the desalination market is only just emerging in China, its prospects for growing into a large-scale business in the next few years are excellent. Spain, in turn, is the global leader in reverse osmosis desalination. With one of the largest installed capacities in the world, BEFESA AGUA it is well positioned to enter this new market.

China is faced with the need to supply 20 % of the human population with water, while it has only 7 % of the planet's hydric resources. Guaranteeing potable water to all its inhabitants is, therefore, a sizeable challenge. Supply is restricted periodically in over half of China's 661 cities, and in 100 water shortages are severe. According to the World Bank, pollution has reached such levels in one-third of Chinese rivers that the water is not even apt for industrial uses.

BEFESA AGUA, an international technology firm specialising in hydric resource generation and management, develops, designs, builds and operates infrastructure for the entire water cycle. It is wholly owned by BEFESA Medio Ambiente, the predominant company in Abengoa's environmental services business group. Over 60 years of experience and ongoing investment in R&D+i have earned BEFESA AGUA world-wide standing in technologies such as desalination. In this field specifically, BEFESA has built reverse osmosis technology plants whose total capacity amounts to over 1.3 million cubic metres of water daily, making the company one of the world's key actors in this industry.

BEFESA AGUA is present in 16 countries. The 15-25-year concessions and O&M contracts for large-scale desalination plants currently held by the company in Spain, Northern Africa, India and China together supply nearly eight million people with water.

www.befesaagua.com

COFIDES SUPPORTS FERSA BEARINGS TO ESTABLISH IN CHINA

COFIDES has extended a 2.236 million euro joint venture loan to the subsidiary established by FERSA BEARINGS in China. 25% of that sum will be drawn from COFIDES' own funds and 75% from the Fund for Small and Medium-Sized Enterprise Foreign Investment Operations (FONPYME).

FERSA BEARINGS is a SME, which since 1968 is engaged in manufacturing bearings for the automotive and other industrial sectors. Supported by COFIDES and FONPYME, the project consists in building a new factory to produce tapered roller bearings in Jiaxing. Although FERSA BEARINGS owns a technical and commercial office in Brazil, the Chinese factory is its first productive plant abroad. The first stage of the plant will be made up of 4 automatic lines, which will increase the competitiveness of FERSA BEARINGS. The total investment of the project amounts to 4.3 million euros and is expected to create 120 new jobs.

Starting operations in April 2011, the new Chinese productive plant will manufacture 4 million high quality tapered roller bearings for global manufacturers within the automotive sector located in China. Business excellence is a priority for FERSA BEARINGS in the Chinese and Spanish plants. FERSA BEARINGS was awarded the Aragon's Business Excellence Prize.

By financing viable private sector investment projects in developing and emerging countries undertaken by SMEs like FERSA BEARINGS, COFIDES contributes both to the internationalization of Spanish enterprise and to the development of local economies.

DEG SUPPORTS BANK FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN CAMEROON

Small and medium-sized enterprises (SME) are a major engine behind economic growth, particularly in developing countries. This is why the promotion of these enterprises is a special concern for DEG. Recently DEG provided Afriland First Bank in Cameroon, which specialises in SME financing, with a quasi-equity loan to the amount of 10 million euros. With this commitment, DEG will strengthen the capital basis of a long-time customer thereby enabling him to further expand its financial offer. At the same time, DEG is fostering the Cameroonian financial sector, facilitating the access to long-term investment capital especially for small and medium-sized enterprises.

With its financing DEG helps Afriland First Bank continue its growth strategy. In the future, the institute will be able to provide more loans and extend its offer onto regions which have so far not had access to financial services. While Afriland First Bank's staff of over 450 directly contributes to local employment, about 100,000 indirect jobs are additionally secured with its customers.

Afriland First Bank has a majority of African shareholders and, besides Cameroon, is also active in Equatorial Guinea, São Tomé and Príncipe, in DR Congo, in Zambia, in Liberia and with syndicated financing in Chad and Congo Brazzaville. The bank, which was established in 1987, accompanies its customers with special expertise in SME financing and, moreover, offers products in micro-financing and in the field of so-called Islamic Banking, i.e. specific offers for Islamic customers. Afriland First Bank liaises with more than 100 microfinance institutions thereby also reaching customers in rural areas.

DEG and Afriland First Bank look back at many years of cooperation: in the early years, DEG used to be a shareholder of the bank and also co-financed the construction of the bank's head office in Yaoundé. Later on, DEG and Afriland First Bank developed the tool of guarantees for local-currency loans in Cameroon, a product which, for instance, a transport company as well as banana and sugar plantations in the country have benefited from.

Investments in local financial markets are a focus of DEG's business. An efficient bank sector provides local companies in developing and emerging-market countries with capital thereby boosting the overall economic growth.

DEG IMPROVES HEALTH CARE IN DEVELOPING COUNTRIES

Promoting low-cost drugs and hospital in Latin America

The private-sector promotion in health care is a central concern of DEG. Therefor DEG finances, for instance, companies producing medical technology or drugs, but also private hospitals, with the aim of further developing the health care sector and improving the medical care for the population.

DEG has just provided a Latin American pharmaceutical manufacturer with a long-term loan of 10 million US-dollars. The company is a subsidiary of a group which produces high-quality generics, among them analgesics, antibiotics and anticancer drugs and distributes them in several countries of Latin America. The DEG loan will help the company extend its production and the people in Latin America will obtain better ac-

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DEG IMPROVES HEALTH CARE IN DEVELOPING COUNTRIES

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cess to low-cost pharmaceuticals.

In addition, DEG has recently provided a private hospital in Brazil with a long-term loan to the amount of 25 million US-dollars. DEG thereby supports the modernisation and extension plans of the hospital which wishes to renovate existing facilities and increase the capacity to more than 600 beds, thus duplicating it. The foundation which runs the hospital offers, among others, free medical treatment of the poorer strata of the population.

The current health portfolio of DEG is at approximately 110 million euros. Last year, for instance, DEG financed the first pharmaceutical manufacturer in Central Africa, a company in Cameroon which produces generics according to WHO standards, among them drugs against malaria, gastrointestinal diseases and antibiotics. Recently, DEG has participated in the "Africa Health Fund" which invests in small and medium-sized enterprises of the health care sector in Africa and aimes at the improvement of medical care for the poor and the provision with health care products and services. One of the first investments of the fund was a hospital for women in Nairobi. DEG is planning to further expand its commitment in the health care sector over the next years.

DEG SYMPOSIUM ON SME FINANCING IN DEVELOPING COUNTRIES

Platform for the winners of the G-20 SME Finance Challenge

In many countries, small and medium-sized enterprises (SME) account for up to 95 per cent of all companies, frequently generating more than half of the gross national product. However, it is particularly in developing and emerging-market countries that these companies face problems when it comes to raising funds for investments. Against this background, DEG initiated an international symposium on 16 November 2010. More than 120 representatives of finance institutions, companies and political circles followed DEG's invitation to Cologne to discuss possibilities, challenges and tools of SME financing. Under the headline "SME – Entrepreneurship at its best" the symposium focused on the issue of specific needs of these companies in terms of financing and consultancy.

The symposium was the third of the series "Atrium Dialogues", which DEG, member of KfW Bankengruppe, launched at its new head office in the city centre of Cologne in 2008. An important item of the programme this time was the presentation of the winners of the "G-20 SME Finance Challenge", who had only been chosen a few days before on the occasion of the G-20 Meeting in Seoul on 12 November. The group of the 20 most important industrialised and emerging-market countries (G20) had invited this competition with a view to boosting the financing of small and medium-sized enterprises in developing countries. On the occasion of the "Atrium Dialogues", the winners had the opportunity to present their suggestions and to win supporters.

Gudrun Kopp, Parliamentary State Secretary at the Federal Ministry for Economic Cooperation and Development and Chairwoman of DEG's Supervisory Board, was delighted about the success of the "G-20 SME Finance Challenge": "With this competition, the G20 chose a new and innovative path. Germany played an active role in inviting the major player in the field to come up with new ideas: the private sector. The German development cooperation is also ready to contribute up to 30 million euros to help implementing the winners' proposals." Michael Klein, former Vice President and Chief Economist of the IFC presented his study "Promoting small and medium enterprises", which he had performed by order of DEG, and stated that the promotion of successful SME was a decisive step towards poverty reduction worldwide. In his presentation, economic professor and corporate consultant Hermann Simon showed that successful SME promotion pays off: thanks to their dynamic growth innovative medium-sized companies make a contribution to positively influencing the economic development of a country.

FMO *Opening E-Power facility in Haiti*

On January 13 2011, the E-Power facility in Haiti was opened. The finance agreement for this USD 56.7 million project was signed in 2009. The main project sponsors are local shareholders (60%) and Korean East-West Power Co. (30%). The Netherlands Development Finance Company (FMO) provided USD 20.5 million. The project is crucial for the rebuilding of Haiti. After the devastating earthquake of January 12, 2010, the need for power supply was even bigger than before. Haiti has an installed capacity of 200 Mw of which only 85% is operational due to the earthquake. The E-Power plant will provide an additional 30Mw, which is crucial in restoring the electricity supply and access to electricity.

FMO strongly supports this project since it unites two of their main objectives: providing support for a country that lacks commercial finance to rebuild the infrastructure and enabling the population to improve their conditions. The impact of this investment on the local energy sector and economy are expected to be very positive, especially for the small and medium-sized enterprises. Once operational, the facility will also contribute funds for local community development; it is an entrepreneurial and developmental example. The financing for this USD 56.7 million project was signed in 2009. FMO's USD 20.5 million finance package included mezzanine and standby debt facilities: FMO's USD 12 million senior debt was arranged within an IFC-led syndication where Sogebank, a leading local bank, also joined. FMO's Access to Energy Fund, which is managed on behalf of the Dutch government, provided the FMO USD 4 million mezzanine financing and a USD 4.5 million Standby Subordinated Facility.

Besides the USD 20.5 million financing, FMO's Capacity Development program is now funding with USD 213,550 E-Power's programmes to build staff capacity by training of Haitian nationals, enabling them to sustainably manage the plant.

New Credit Facilities for Delta Brac Housing by FMO *and Triodos*

In order to boost further growth of the mortgage portfolio of Delta Brac Housing in Bangladesh, FMO and Triodos Fair Share Fund, managed by Triodos Investment Management have provided long term local currency facilities. FMO has provided USD 25 million with a 10-years tenor and Triodos Fair Share Fund will provide USD 3 million with a 5-years tenor. The agreements for the facilities were signed on 6 and 9 December 2010 respectively and the loan amounts were fully disbursed before the end of the year. This transaction is clearly combining the focus on financing institutions and housing at both FMO and Triodos Investment Management.

Delta Brac Housing ("DBH") was established in 1996, and is a well-run, efficiency focused and profitable non-banking financing institution and has been a client of FMO for more than 10 years. DBH specialises in housing finance for the middle income segment in urban areas of Bangladesh. It is the largest private sector specialised housing finance institution in the country. DBH's market position is excellent since it has a share of 50% in the market where EUR 200m new disbursement was made in 2010. DBH has over 22,000 clients, most of which bought an apartment for the first time. The average price of an apartment is EUR 45,000 but the average mortgage at DBH is much lower at EUR 15,000. DBH market potential is large since only 20% of the Dhaka population owns their own house. Each year around 100,000 new apartments are needed. There is a large unmet demand and many new construction projects are started.

Mr. Q.M. Shariful Ala, Managing Director & CEO of *Delta Brac Housing* Finance Corporation said: "I'm very happy with these new facilities that will contribute to meeting the growing demand for housing in Bangladesh. The partnership with both FMO and Triodos is strong and much needed for expanding our portfolio and providing housing solutions for our population".

Opinion article in Het Financieele Dagblad regarding the effects of BASEL III on Dutch Trade finance

The Dutch financial newspaper, Het Financieele Dagblad, recently published an opinion article of FMO's Jorim Schraven, Ruurd Brouwer and Fedja Canters on the negative effects of the Basel III requirements on Dutch trade finance. The authors state that the negative impact on financial products such as letters of credit will be severe. Also the new solvency requirements and especially the implementation of a leverage ratio will harm trade finance. As a result of the leverage ratio, financial institutions will most likely replace the relatively low margin products such as trade finance by higher yield, higher risk products. Trade finance facilitates finance more than US$ 15 billion of trade worldwide. In particular, the trade finance for emerging markets will suffer from the new Basel requirements. It is time to initiate a joint international effort by (development) banks in order to persuade the Basel Committee to adjust the capital requirements when it comes to trade finance.

Norfund and FMO acquired stake in Family Bank (Kenya)

An international consortium consisting of Norfund, FMO and Aficinvest have acquired a 22,3% stake in Family Bank in Kenya. Family Bank Limited started as a building society 25 years ago and was converted into a fully fledged bank in 2007. Family Bank focuses on the lower end of the market including junior salaried workers, small scale farmers and Micro, Small and Medium sized enterprises (MSMEs). The bank operates with more than 50 branches all over Kenya, and the bank's outreach is complemented by nearly 300 ATMs. Family Bank also target Youth and Women's Groups. These sectors make up the largest portions of the population, hence providing Family Bank with good growth opportunities. To cater to its target market, Family Bank successfully introduced a "no fee" account which increased customer deposits significantly. This product makes it possible for the low income segment of the market to have access to bank accounts, a very positive strategy with regards to development effects. The objectives of the international shareholders will be to further grow and professionalize the bank, in particular the loan portfolio. To celebrate the investment, a big event was organized in Nairobi in October, with Prime Minister of Kenya Mr. Raila Odinga as guest of honor and main speaker.

Norfund receives increased funding for renewable energy projects

The Norwegian state budget for 2011 includes an increase of funding to Norfund with 415 million Norwegian kroner (approximately 54 million Euros) for renewable energy projects. Through this, Norfund will play a key role in the Norwegian Renewable Energy Partnership initiative supported by the Government of Norway and the Norwegian Ministry of Foreign Affairs. The money will be used to develop new instruments and partnerships within green energy. The first step has been to establish a project development facility to enable Norfund to promote early stage renewable energy project development in co-ordination with Norad (the Norwegian Agency for Development Cooperation). Norfund hopes the initiatives will lead to new energy projects in 2011, but most importantly this is a long term engagement.

SME Fund investment Craft Silicon wins Africa Awards for Entrepreneurship

In 2009 Norfund established Fanisi, an equity fund based in Kenya. The fund focuses on the SME sector in East Africa. One of the first investments made by Fanisi was in the Kenyan IT-company Craft Silicon. This is a fast growing supplier of software solutions for banks, particularly microfinance institutions and Islamic banks. It provides a large range of products and services and has succeeded in an expansive export strategy particularly targeting India and the Middle East. In December 2010 Craft Silicon was awarded the Africa Awards for Entrepreneurship for its innovations and impact to the society. 2700 applicants from 15 countries entered the competition which aims at promoting the value of entrepreneurship as a driving force in today's Africa.

Next issue: The mining sector, an opportunity for growth in Africa?

This eighth issue of Proparco's magazine focuses on the contribution of the mining sector to Africa's sustainable development. Growth in demand for mineral resources, during the 2000s, coming from emerging countries has transformed Africa into an El Dorado for small and major mining companies in Europe, North America, and of course, China. But what are the benefits? Have African governments managed, and will they manage, to capture a share of mining revenues and use it to support sustainable development on the continent? Or, on the contrary, is this appetite for African mineral resources going to end up with the continent being stripped of its assets? The exploitation of mineral reserves is already the number one source of revenues for countries such as Mali and Ghana. In many other countries millions of people depend on the mining industry for their livelihood. From the perspective of a Development Finance Institution like Proparco, the question is not whether the mining industry will develop, rather how it can develop in a way which will ensure equitable distribution of wealth and contribute to poverty reduction. This issue of Private Sector and Development is hoping to make another small contribution towards better understanding of the issues.

You can download this issue on www.proparco.fr

EUROPEAN FINANCING PARTNERS REPLENISHED WITH €225 MILLION

The European Investment Bank (EIB) and the European Development Finance Institutions (EDFI) have replenished the co-financed facility EUROPEAN FINANCING PARTNERS with €225 million to finance private sector investments in Africa, the Caribbean and the Pacific (ACP).

EDFI members and the EIB signed in December a new Master Investment Agreement for EUROPEAN FINANCING PARTNERS S.A. (EFP) committing an additional €225 million to the investment matching facility. The funding will be provided by the Cotonou Investment Facility through the EIB (€100 million) and by following EDFI members (€125 million): BIO (Belgium), CDC (United Kingdom), COFIDES (Spain), DEG (Germany), FINNFUND (Finland), FMO (the Netherlands), NORFUND (Norway), PROPARCO (France), SIFEM Switzerland and SWEDFUND (Sweden).

The EFP initiative was created in 2003 with the double aim of promoting sustainable development of the private sector in ACP States and strengthening co-operation between eligible European Development Finance Institutions and the EIB. EFP is a Luxembourg-based investment company and has since approved financing to 29 private sector enterprises in Africa, the Caribbean and the Pacific at a total amount of €392 million.

An evaluation of EFP undertaken by the Operations Evaluation Department of the EIB in 2009 concluded that "the EFP initiative is

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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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clearly in line with European development cooperation polices and with a number of joint statements on aid harmonisation put forward by the international community. It has also been a concrete step forward in implementing the Framework Agreement on financial co-operation and exchange of services signed by the European Partners in 2003. This evaluation has highlighted that, while sharing the common objectives of EFP, its members participate with their own institutional agendas: larger partners focus on financial leverage and risk sharing while smaller partners focus on the exchange of experience and best practices. These diverse strategic objectives are not only coherent with the objectives of the EFP, but greatly contribute to achieve them. Through its operation, the EFP has proved to be an effective and efficient instrument in strengthening co-operation among partners.

EFP has financed projects in 15 ACP countries in the following sectors: Industry, power, financial intermediaries, communication, agribusiness, container terminal, air transport and health.

Martin Curwen, outgoing Director General for EIB Operations outside the EU, and Nanno Kleiterp, the Chairman of EDFI, expressed their commitment to the EFP initiative at the signing ceremony in Paris on December 8. Martin Curwen said, "We at the EIB have been encouraged by the manner in which the EFP initiative has been utilised to date to fund private sector projects in the ACP regions which foster economic growth and lead to an overall reduction in poverty. These are precisely the lending objectives of the EIB in the ACPs and we are delighted to show our support for this European collaborative initiative with a further injection of capital of EUR 100 m."

The Chairman of EDFI said that "EFP has contributed to increasing the visibility of European development cooperation. Extensive harmonisation of guidelines, procedures and processes among the partners has made EFP a very efficient vehicle for co-financing, which will ultimately benefit entrepreneurs in emerging markets who are looking for long-term financing to grow their businesses."

New Chairman of Board of Directors of EDFI

At the Board of Directors' meeting on 8 December 2010, Nanno Kleiterp, CEO of FMO, was elected new chairman of EDFI, replacing Luc Rigouzzo, PROPARCO.

Nanno Kleiterp, New Chairman of EDFI