



Newsletter of the

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European Development Finance Institutions

The network of 15
the European
Development Finance
Institutions

Who is EDFI?

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.

The EDFI newsletter goes monthly !

Dear readers,

New year, new resolutions ! In 2013, the EDFI newsletter becomes a monthly update, with shorter articles about the projects and activities of the 15 EDFI members

We hope you will enjoy the reading and do not hesitate to contact us if you have any feedback or questions.

Best regards,

The EDFI team

Contributing to Creating More and Better Jobs

13 EDFI members and 15 other finance institutions published on January 14 a **joint communiqué** to contribute to Creating More and Better Jobs, on



2011 figures

The consolidated portfolio of the EDFI members at the end of 2011 was €23.7 billion, invested in 4,421 projects.

In geographical terms, 32% of the global portfolio was in the ACP region and South Africa, 28% in South-East Asia, South-Asia and China, 18% in South and Central America and 22% in remaining regions eligible for investments.

EDFI 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

Full contact details are available on

the occasion of the launch of **IFC job study report**. Over 200 million people are currently unemployed, most of them young people. To keep up with population growth, 600 million jobs have to be added by 2020. The IFI and DFI signatories of the communiqué renewed their commitment to do all they can to help address this critical issue by:



- Promoting an improved investment climate, helping to encourage the entry and improve the operations of private enterprise, thus contributing to the creation of formal sector jobs.
- Improving infrastructure, by helping to increase private participation and improving the availability and quality of services, which will help enterprises create more jobs.
- Improving access to finance, in particular for micro, small and medium-sized enterprises, allowing them to grow and create jobs.
- Encouraging the private sector to work with education institutions to ensure that education and training better meets their needs and to provide on-the-job training.
- Helping our private sector clients strengthen their supply chains and distribution networks and improve their productivity, thus promoting opportunities for jobs.

Read the full communiqué

FMO partners with AFC to launch early stage project development facility in Sub-Saharan Africa

FMO and Africa Finance Corporation (AFC) reached an important

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milestone by launching a project development facility. AFC is an African-led multilateral financial institution, established in 2007 in Lagos, Nigeria, whose mission is to improve African economies by proactively developing and financing infrastructure, industrial and financial assets.

The USD15 million Facility will fund early-stage equity investments in projects under development by AFC, and third party developers, including those referred to the Facility by FMO. The Facility will be managed by AFC and will typically fund technical advisory services and third party expenses. These include: feasibility assessments and market studies, environmental reviews, financial modeling services, technical design, and legal services. The geographical focus of the Facility is sub-Saharan Africa, excluding South Africa and its sector focus is: power, transportation, oil and gas infrastructure, agribusiness and social infrastructure.

For more information, please visit FMO's website

Successful exit from Accion fund

Finnfund has divested its share of Accion Investment microfinance fund to Bamboo Finance, the world's largest private microfinance private equity fund. The Accion fund was one of the first to invest in the microfinance sector and its operations have been fruitful. Investments by Accion have helped provide small loans to about 1 million people and accept deposits from 1.3 million. Within the microfinance sector, Accion Investment has catalysed other equity investors and served as a global model for good governance and commercial investments to promote social development.



Finnfund and other development finance institutions (Germany's KfW, Belgium's BIO, the Netherlands' FMO and the IFC) invested in "ACCION Investments In Microfinance" in 2002. The fund raised new capital in 2007, when private institutions BlueOrchard Private Equity Fund and responsAbility became investors. The other development finance institutions involved with Accion Investment since 2002 have also exited, and the fund is now controlled almost entirely by private investors. "Our exit from Accion's fund shows that microfinancing is gradually starting to become a normal activity for the private sector. When we made our investment in 2002 it was regarded as high-risk business that was the natural domain of development finance institutions, which were specifically able to bear the risks," says Helena Arlander, responsible for Finnfund's microfinance portfolio.

For more information, please consult Finnfund's website

Cofides finances the expansion of Rinder Group in India



COFIDES will lend 1.5 million euros for the expansion of one of Rinder Group's plants in India. This funding will allow RINDER GROUP to expand the production of automotive components in the Indian market, which has the sixth

position of world production. The plant expansion from its current 6,000 square meters, will be able to satisfy the increasing demand in this country.

For more information, please visit Cofides' website

DEG: EUR 25m for food production in Paraguay

DEG is investing EUR 25m in the Paraguay Agricultural Corporation (PAC), a subsidiary of the holding company Rio Forte Investments S.A., which is seeking to expand its commitment in the Paraguayan agricultural sector.



On a surface area of 135,000 hectares, PAC cultivates soya, wheat, maize and cotton, in addition to livestock breeding and focusing on sustainable, FSC-certified forest management. The company was the first to be certified by the Forest Stewardship Council in Paraguay in 2003. DEG's investment will be used to acquire 5,000 hectares of agricultural land, expanding irrigation systems, cultivating rice for the first time and producing timber sustainably.

For more information, please visit [DEG's website](#)

New greenfield microfinance institution launched in Karachi

Advans SA, the international venture capital company specialised in microfinance, is opening its first greenfield microfinance institution in Asia, in the Islamic Republic of Pakistan. Created in April 2012, Advans Pakistan MFB is 70% held by its founder shareholder Advans SA, and 30% by FMO, the Netherlands Development Finance Company.

As a registered microfinance bank, Advans Pakistan MFB offers a complete range of financial services to micro, small and medium-sized enterprises (MSMEs): loans to MSMEs from PKR 10,000 (about EUR 80) to PKR 150,000 (about EUR 1,200) and current and savings accounts for both individuals and MSMEs.

For more information, please consult [FMO's website](#)

TECNOCOM settles in Dominican Republic with COFIDES support

COFIDES and TECNOCOM have reached an agreement whereby COFIDES will finance a total of 7 million euros. This transaction represents an important financial support for the investment made by TECNOCOM to acquire 80 percent of Dominican



society ProceCard SA, devoted to debit and credit card processing in the Caribbean region. TECNOCOM will also employ a significant portion of the funds provided by COFIDES in the "technological renovation project" of the acquired company.

For more information, please consult [Cofides' website](#)

FMO helped finance a new mercury waste processing plant in Thailand

FMO provided a €3.6 million loan to the Thai company Begemann Mercury Technology Pacific Co., Ltd., a 100 % daughter company of the Dutch company BMT. FMO's loan to BMT help finance a new mercury waste processing plant in Thailand that was opened on Friday 18 January 2013. Located near Bangkok, the plant will use BMT's internationally-patented vacuum distillation method. It has the capacity to serve both Thai and neighboring markets, reducing international waste transports and thereby reducing the risk of accidents while transporting this dangerous material.

For more information, please consult [FMO's website](#)

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