Newsletter of the
EDFI
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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

New African fund launched with FMO and CDC

The first dedicated African credit and debt capital markets fund of its kind globally has just been launched: the Investec Africa Credit Opportunities Fund 1 is a dedicated closed-ended fund aiming to raise USD 350 million.

The fund aims to provide growth capital to African companies, thus offering an alternative to traditional bank funding, encouraging growth and employment, and fuelling the long-term development of Africa’s debt capital markets. This is done by landmark investments from both FMO and CDC, who committed USD 60 million to the fund. Other global institutional investors have shown strong appetite for the fund.

European Union.

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

Over an 8.5 year term the fund will look to deliver its dual aims of both development and return, primarily through investment in a diversified portfolio of corporate debt. The investment approach aims to provide access to the broadest opportunity set available, locking in high yields and capital appreciation. Risk is minimised through sector, country and counterparty diversification.

For more information, please consult **FMO's website** or **CDC's website**

BIO’s first investment in Mozambique

BIO has granted a USD 15m senior loan to Banco Comercial e de Investimentos (BCI), a commercial bank in Mozambique. The loan has been extended in local currency through a swap with TCX , and will be used by BCI for on-lending to SMEs. This is the first sizeable local currency transaction by a foreign lender, and also BIO’s first investment in Mozambique (a partner country of the Belgian Development Cooperation).

For more information, please consult BIO's website

Lomé Port: DEG, FMO and Proparco co-finance a container terminal in Togo

PROPARCO—France
SBI-BMI—Belgium
Sifem—Switzerland
SIMEST—Italy
SOFID—Portugal
SWEDFUND—Sweden

Full contact details are available on http://www.edfi.eu

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Lomé Container Terminal (LCT), a container terminal operator at the Port of Lomé in Togo has signed a EUR 225m financing arranged by the International Finance Corporation (IFC) and cofinanced by several international financial institutions, including Germany's DEG, the Netherlands' FMO, the African Development Bank and the OPEC Fund for International Development.

In recent years, the Port of Lomé has been playing a major economic role for landlocked countries in the region, such as Burkina Faso, Niger and Mali. This project will allow large containerships to enter the Port of Lomé and will therefore develop the activity of transshipment towards sub-region countries by vessels with a smaller capacity. It will contribute to reducing transport and export costs for goods for the region and to partially decongesting existing ports.

For more information, please consult Proparco's website

EDFI, FMO, DEG & Proparco attended the Annual DFI Corporate Governance meeting in Manila

Over February 6-7, 2013, EDFI, Proparco, FMO and DEG attended the 7th Annual DFI Corporate Governance Meeting in Manila. The conference brought together 31 development finance institutions (DFIs) from around the world for discussions on integrating corporate governance into their work and to review their progress in implementation of the Corporate Governance Development Framework, which was signed in 2011.

Representatives from DEG and FMO presented two sessions of the meeting. The conference was meant to intensify the collaboration among signatories of the Corporate Governance Development Framework. The Framework helps DFIs define a common standard and guideline to assess the quality of corporate governance of companies in which they invest, and aims to foster collaboration and knowledge sharing. By adopting a common approach, DFIs set consistent standards for due diligence and common expectations from their clients.

For more information

CDC announces new US$20m investment in housing fund for East and Southern Africa

CDC has made a new US$20m investment in the Pan African Housing Fund (PAHF), managed by Phatisa. The Fund will provide risk capital to developers building middle and lower-middle income residential housing in Kenya, Zambia, Tanzania, Uganda, Mozambique and Rwanda. It aims to catalyse finance for the construction of up to 7,500 new homes over ten years, in doing so creating an estimated 22,500 jobs.

The Fund will invest in residential developments and mixed use projects that combine residential and commercial units. All developments will be in urban areas and the housing provided will be for both sale and rental markets. The Fund will work with selected local SME developers and improving these partners' environmental, social and governance (ESG) standards will be a focus area. During the fund raising period CDC has worked with other investors, notably the African Development Bank and FMO, the Netherlands' DFI, to enhance the PAHF's ESG policies and implementation procedures.

For more information, please visit CDC website

PROPARCO, DEG and FMO support wind energy development in Uruguay

PROPARCO, DEG and FMO signed a 15-year maturity loan with Polesine S.A., a subsidiary of the French Group Akuo Energy S.A.S., to finance the construction and operation of a wind farm in Uruguay. The facility was arranged by PROPARCO.
Following the rise in the price of hydrocarbons, which occurred at the same time as one of the severest droughts the country has ever experienced, Uruguay set out to implement a national energy policy focusing on renewable energy. In 2008, the Government launched a 25-year plan aiming to diversify its energy mix and reduce its reliance on fossil fuels. Wind energy is expected to provide 15% of electricity by 2015, thanks to the construction of around twenty new wind farms. Biomass and hydropower, which are already highly developed, will complete the generation capacity.
This new wind farm, with a capacity of 50 MW and a total cost of USD 128m, will contribute to scaling up energy supply in Uruguay, in

context of high pressure demand. This project will reduce its reliance on hydrocarbon imports, especially in periods of drought. This wind project will participate in the fight against climate change by reducing annual greenhouse gas emissions by 17,000 teq CO_2.

For more information, please consult Proparco's website

The expansion of Agrovin in Romania financed by Cofides

COFIDES will finance the expansion of Agrovin in Romania. This funding of 3 million euros will allow Agrovin to settle the plant in a strategic position in a country offering many opportunities. Agrovin is currently one of the world-leading wine manufacturers and distributors.

For more information, please visit Cofides' website

FMO signs Letter of Intent for a REDD+ Business

The Letter of Intent was signed under the auspices of the Platform Biodiversity, Ecosystems and Economy (BEE), an initiative of VNO-NCW and IUCN NL. With this signing, the signatories commit to exploring investments in REDD+ (Reduced Emissions from Deforestation and Forest Degradation), a mechanism to stop deforestation and associated GHG emissions and biodiversity loss. REDD+ is a policy mechanism aimed at reducing CO2 emissions from deforestation and potentially one of the most cost-effective ways to fast track climate change mitigation. It is under development and part of the climate change negotiations of the United Nations (UNFCCC). Along with the conservation of forests, it can generate significant benefits in the form of biodiversity conservation and community development.

PROPARCO invests in private higher education in Tunisia

PROPARCO has taken an € 2m equity stake in the Private Higher School of Engineering and Technology (ESPRIT) in Tunisia. Private higher education in Tunisia attracts some 17,000 students a year. ESPRIT was founded in 2003 and is today the largest private institution in terms of student numbers, with over 3,500 enrolled in 2012-2013. ESPRIT mainly trains operational engineers in the information and communication technologies (ICT) sector.

This operation will contribute to improving the integration of young graduates and to developing employment in Tunisia. Higher education graduates are today the most affected by unemployment with an inactivity rate in the region of 26%. More generally, the project will meet the growing need for skilled engineers in order to support the economic development of Tunisia.

For more information, please consult Proparco's website

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