



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

EDFI members co-financed project towards the construction of one of Africa's biggest fertilizer plants



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

The EFP members* have granted a \$30 mln loan to build and operate a fertilizer production facility near Port Harcourt, Nigeria, along with an 84km pipeline to transport gas to the plant. The total project cost is budgeted at USD 1.2 billion, of which USD 800 million will be financed by debt. FMO, DEG and CDC will participate, on a parallel basis to the EFP financing, for the respective amounts of USD 30 mln, 35 mln and 40 mln.

The loan to Indorama Eleme Fertilizer & Chemicals Limited, Nigeria (IEFCL) is part of a wider financing package to create what will be the world's largest urea fertilizer manufacturer. The project will allow Nigeria, which is currently heavily dependent on imported fertilizer, to become self-sufficient and eventually a net exporter.

As well as being a major job creator in the region, the investment will contribute to improved farm yields and agricultural productivity, which are critical to Nigeria's long-term food security.

The new plant will produce up to 1.4 million tonnes a year of granulated urea, for sales to international and domestic markets.

The investment will also back the development of a pipeline that supplies the feedstock gas required for fertilizer production - gas which is currently flared. As much as 5% of Nigeria's flared gas could instead be used by IEFCL in its production process.

* **EUROPEAN FINANCING PARTNERS (EFP)** is a co-financing facility between 12 EDFI members: **BIO** (Belgium), **CDC** (United Kingdom), **COFIDES** (Spain), **DEG** (Germany), **FINNFUND** (Finland), **FMO** (the Netherlands), **IFU** (Denmark), **NORFUND** (Norway), **OeEB** (Austria), **PROPARCO** (France), **Sifem** (Switzerland), **SWEDFUND** (Sweden) and **the European Investment Bank (EIB)**. **For more information**

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

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



EDFI members in the press in March 2013

EFP members and CDC, DEG, FMO: *Indorama plant in West Java* **The Jakarta Globe**

EFP members and CDC, DEG, FMO: Indorama to set up \$1.2 bn fertilizer plant in Nigeria, Newstrack India

Cofides: *Cofides financia*

about EFP, please visit the EDFI website.

For more information about the project, please visit **CDC's website** and **FMO's website**

Swedfund invests in I&P Capital to support growth of African SMEs

For ten years I&P Capital has successfully invested in small and medium-sized companies (SMEs). By partnering with I&P Swedfund will contribute to the development of SMEs in Western Africa and the Indian Ocean region.

I&P Capital (III) is targeting investments in SMEs across different sectors with financing of between MEUR 1 and 10. Investments will be spread across West Africa, mainly Ghana and Cote d'Ivoire, and the Indian Ocean countries, such as Madagascar and Comoros. I&P Capital (III) will invest across different sectors, but emphasize investments in tourism and hospitality, financial services, agribusiness, information technology and telecommunications sectors – sectors with huge potential for development impact.

I&P Capital (III) is expected to have significant development impact by:

- encouraging economic and private sector development in local communities by providing much needed equity capital and management advice for SMEs which will promote job creation;
- implementing best-practice corporate governance and social and environmental standards at the fund and investee level; and
- supporting regional integration by expanding investee companies into neighboring countries to build 'regional champions'.

la entrada de Gestamp Solar en Sudáfrica, El Economista

Cofides: *La inversión de las empresas españolas en Latinoamérica crecerá en 2013, Dirigentes*

FMO: *\$15m African project development facility launched, Engineering News*

Norfund: *NMB, investors seal US\$4,8 million deal, Zimbabwe Independent*

OeEB: *Oesterreichische Entwicklungsbank: Neue Perspektiven durch Direktbeteiligungen, Der Standard*

Proparco: *Uruguay deal boosts S. America wind power, UPI*

Sofid: *Portuguese investment support fund in Mozambique ready to support Portuguese farmers, Macauhub*

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

Norfund makes its first investment in Zimbabwe



Norfund signed an agreement on March 11 to invest just under \$ 5 million (30 million NOK) in equity in NMBZ Holdings in Zimbabwe. The investment in NMBZ Holdings, will primarily go to capitalizing its largest subsidiary, Bank NMB Bank in Zimbabwe. This represents a 9 percent stake in NMBZ Holdings, and is the first Norwegian direct investment in the country following the difficult economic and political situation that has characterized Zimbabwe over the past 10-15 years.

Norfund will also invest USD 1.4 million in subordinated debt in NMB Bank, which will facilitate additional liquidity to the bank as the bank will on-lend this capital to the market that is starved for liquidity.

The Zimbabwe economy has improved significantly since the dollarization of the economy, but is still in dire need of foreign direct investment. The private sector must be rebuilt to create jobs and development, and local banks have a very important role in the financing of this. Norfund is very pleased to contribute to growth in the business and strengthen the financial sector in a country with great opportunities.

For more information, please consult Norfund's website

PROPARCO finances TBC Bank's first operation in Georgia



PROPARCO has signed a 5-year USD 20m credit line with the Georgian bank TBC Bank to finance the health sector. At the time of its declaration of independence in 1991, Georgia inherited a deteriorated health system. The

lack of health facilities and equipment today continues to be an obstacle to the quality of care. A privatization program launched by the Government in 2007 plans major investments to refurbish and upgrade hospitals. Banks are increasingly working to meet these needs.

TBC Bank was founded in 1992 and is Georgia's second largest bank in terms of balance sheet size, with over 27.2% of market share in 2012, and the amount of its outstanding loans. It provides universal banking services to companies, small and medium-sized enterprises

(SMEs) and private individuals via an extensive network of 106 branches.

TBC Bank aims to develop its portfolio in the health sector. It has successfully completed initial operations to support medical centers, hospitals, pharmacies and SMEs which supply medical equipment and material. This operation marks PROPARCO's first operation in both Georgia and the Caucasus region. It will support private sector development in the health industry and will more generally contribute to upgrading health infrastructure in the country.

For more information, please consult Proparco's website

OeEB: Successful business year 2012, New prospects through Private Equity

OeEB finished its fifth business year providing financing in a total value of EUR 226.45 million. With this amount OeEB made a financing of projects in developing and emerging countries to the amount of EUR 1.377 million available. The new instrument private equity was in great demand in 2012.



"The demand for private equity in our target countries is very high. We are able to support the buildup of enterprises in poor regions in consequence of equities", said the members of the executive board, Andrea Hagmann and Michael Wancata.

For more information about OeEB's successful year, please consult OeEB website

FMO arranges USD 86 million for Banco del Pais of Honduras, with BIO and DEG



FMO and Banco del Pais of Honduras closed a USD 86 million syndicated transaction to support the much needed private sector development with long term funding in Honduras. Banco del Pais is the 5th largest bank in Honduras with total assets of USD 1.3 billion and is part of the Banco Industrial group with presence in Guatemala, El Salvador and Honduras. The bank was founded in 1992, acquired by the Banco Industrial group in 2007 and currently employs over 2000 people in Honduras.

FMO was mandated as lead arranger and managed to arrange USD 26

million 3-5 years debt from 6 commercial banks from Guatemala and Panama. All banks confirmed that this is their first Honduras exposure. Furthermore, FMO introduced BIO (USD 15 million) and DEG (USD 20 million) to Banpais and took USD 25 million on its own books. This landmark transaction is a successful restart of FMO on the Latin American syndications market. In the February Latam league tables FMO showed up in the top 10 after big names such as Deutsche, Wells Fargo and BoA.

For more information, please consult FMO's website

FMO invests in micro-irrigation systems manufacturer Jain Irrigation Systems

FMO has invested in a senior debt facility and a foreign currency convertible bond that will be provided to Jain Irrigation Systems Ltd. as part of a greater financing package.



Jain Irrigation Systems Ltd. is one of India's largest integrated agribusiness players, with manufacturing operations in micro irrigation systems and piping systems, PVC sheets, agro processed products and renewable energy. Jain is the second largest micro irrigation systems player globally and is the leading market player in India. Adoption of micro irrigation systems by farmers increases farm yields and decreases the dependency on weather conditions, having a direct positive impact on farmers' income. Furthermore, it improves water management. In India, 80% of water resources is being used by agriculture and hence maximizing water usage is essential. The funds of the financing package will be used by Jain Irrigation

Systems Ltd to expand its domestic capacity in India, helping the company to remain a market leader in India, and to continue international expansion in several countries in Africa.

For more information, please consult FMO's website

DEG highly successful with its new business 2012



In 2012, DEG extended its new business: it provided around 1.3 billion euros to finance private-sector investments in developing and emerging-market countries

(2011: 1.2 billion euros). *"As a pioneer investor, DEG taps into future markets and demonstrates that private-sector commitment is possible even under difficult conditions and that it makes valuable contributions to development,"* said Bruno Wenn, Chairman of DEG's Management Board. Also in its 50th year of existence, DEG's new commitments created a substantial leverage effect, facilitating entrepreneurial investments worth 12.1 billion euros.

For more information about DEG's successful year, please consult DEG website

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