



Newsletter of the

www.edfi.eu

European Development Finance Institutions

EDFI, 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

EDFI and Interact AGMs in Madrid



institutions of the European Union.

2012 figures

The consolidated portfolio of the EDFI members at the end of 2012 was €26 billion, invested in 4 705 projects.

In geographical terms, 30% of the global portfolio was in the ACP region and South Africa, 27% in South-East Asia, South-Asia and China, 20% in South and Central America and 23% 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 **15 EDFI institutions** met for their annual meeting in Madrid, hosted by **Cofides**, the Spanish member of EDFI.

The meeting starting on Thursday, May 23 with the welcoming address of Mr. García-Legaz, Spanish State Secretary for Trade. The day was dedicated to the **EDFI AGM** where the EDFI Board of Director representatives were elected: **Bruno Wenn** (DEG), Jaakko Kangasniemi (Finfund), Claude Periou (Proparco), Claude Barras (Sifem) and Mikael Wancata (OeEB). **Bruno Wenn** was elected Chairman for the next 12 months at a subsequent BoD meeting.

Interact members met on Friday 24. **OECD Development Center** representatives led by Mario Pezzini (Director) made a presentation of the key findings of the report “Perspectives for Global Development 2013”, to which the EDFI members have contributed(see article below for more information). **ECDPM** led a discussion about EU blending.

For more information about **EDFI** and **Interact**, please visit **the EDFI website**. Read the Cofides press release about the EDFI/Interact AGM.



May 24, EDFI AGM



May 25, Interact AGM

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

EDFI INSTITUTIONS:
Madrid acoge la reunión anual de la Asociación de Instituciones Financieras de Desarrollo Europeas, Empresa Exterior

BIO and PROPARCO:
ORAGROUP lève 9 Milliards de FCFA pour

=Left to right= Jaime García-Legaz (Spanish State Secretary for Trade), Salvador Marin (CEO of Cofides), Nanno Kleiterp (CEO of FMO and Chairman of EDFI)

=Left to right= Jan Rixen (General Manager of EDFI), Bruno Wenn (CEO of DEG and newly elected EDFI Chairman), Salvador Marin (CEO of Cofides)

EDFI participates to the OECD report on Perspectives for Global Development 2013

"Perspectives on Global Development" is a new OECD Flagship launched by the OECD Development Centre, in partnership with EDFI. The report has been conceived to stress the change in the global economic landscape and the gradual movement of the centre of gravity of the global economy towards the East and the South. This "Shift in Wealth" is opening up new opportunities for development and it is posing new challenges to developing economies, thus calling for renewed approaches in development policy and strategies. This new annual OECD report aims at flagging emerging issues in the development debate by highlighting new economic and policy trends in developing countries.



Claude Periou, CEO of Proparco was a guest speaker at the launching

*son expansion en
Afrique, Ici Lomé*

CDC: *CDC names Africa
investment head,
Financial News*

COFIDES: *COFIDES
financia a TECVASA en
la concesión para
gestionar el ciclo
tributario de Santo
Domingo Este, Empresa
Exterior*

COFIDES: *Financiar el
sector exterior, Cinco
Dias*

DEG and PROPARCO:
*NRPPL gets \$60 million
investments from a group
of investors, The
Economic Times*

FMO: *FMO invests in Peru
Port, Trade Finance*

NORFUND: *Scatec Solar
to assist South Africa's
growing PV infrastructure,
Renewable Energy
Magazine*

OeEB: *Development
Bank of Austria Partner to
Hike up the Sustainable*

of the report in Paris on May 15, together with Ángel Gurría (OECD Secretary General), Mario Pezzini (Director of the OECD Development Center) and other key stakeholders.

For more information about the report and the launching event, please visit the [OECD Development Center website](#).

The European Development Finance Institutions (EDFI) provide €100 million additional funding to the INTERACT CLIMATE CHANGE FACILITY to finance climate change and energy efficiency projects.



EDFI members will provide additional funding for the INTERACT CLIMATE CHANGE FACILITY (ICCF), committing an additional €100 million to the co-financing investment facility. The additional funding will be provided by the following EDFI

members: CDC (United Kingdom), COFIDES (Spain), DEG (Germany), FINNFUND (Finland), FMO (the Netherlands), NORFUND (Norway), OeEB (Austria), PROPARCO (France), SIFEM (Switzerland) and SWEDFUND (Sweden). The total financing capacity for ICCF has been increased to €406 million, of which AFD is participating with €100 million and EIB with €50 million.

The Interact Climate Change Facility (ICCF) supports private sector

Energy Investment in East Africa, Austrian Tribune

PROPARCO: *Cameroun : La Sfi et Proparco vont entrer dans le capital de Activa assurances, Investir au Cameroun*

SOFID: *SOFID espera aumento de capital de dois milhões, Economico*

investments in climate change and energy efficiency projects in the ACP countries, Asia and Latin America. ICCF was incorporated in Luxembourg in February 2011 with the EDFI members, the European Investment Bank and the Agence de Développement Française (AFD) as shareholders.

Since its incorporation in 2011, ICCF has successfully approved a total of 9 projects at a value of EUR 198 million. The projects are situated in Ghana, Turkey, India, Dominican Republic, Mongolia, Honduras and Ivory Coast in the following sectors: wind power (45%), solar power (31%) and energy efficiency (24%).

For more information, please visit the [EDFI website](#)

New Danish Climate Investment Fund





The Danish state has established The Danish Climate Investment Fund (KIF). Through investment in developing countries and emerging markets the fund will contribute to reducing global warming and promote transfer of climate technology.

A broad range of climate investments

The Danish Climate Investment Fund can invest in a broad range of climate projects, including wind and solar parks, biogas plants, energy efficiency projects and upgrading of power and industrial plants. Irrigation systems and climate-friendly agricultural crops are also within the investment scope.

The Danish Climate Investment Fund can invest in approx. 150 countries in Asia, Africa, Latin America and Europe, e.g. China, Brazil, India, South Africa, Turkey, Chile, Vietnam, Egypt, etc. This means that the fund can invest in countries with both high growth and great demand for climate technology.

The fund will operate on commercial terms providing advice and risk capital to projects in the form of equity, loans or guaranties.

For more information about the Danish Climate Investment Fund, please consult [IFU's website](#)

SIFEM, DEG and FMO co-invest in Falcon House Partners Indonesia Fund I

Indonesia Fund I is a private equity fund investing in mid-sized Indonesian companies. The fund focuses on consumer-related and other domestic demand businesses. By addressing the lack of risk capital and providing value add for medium-sized Indonesian companies, the fund is expected to make a significant contribution to the country's economic development and to the professionalization of business management in its consumer-driven industries. Furthermore, the fund is expected to contribute to poverty reduction and social development through job creation and support. Total fund size is USD 200m – DEG invested USD 18.6m, FMO USD 13m and SIFEM USD 12m in the fund.

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

SOFID finances a project in Mozambique to boost domestic production of chicken meat

Portuguese-owned HIGEST Moçambique has been operating for over 15 years in Mozambique as an agro-industrial producer and supplier of chicks and chicken feed. It was SOFID's first client under a risk-sharing agreement with a local bank, namely BIM Banco Internacional de Moçambique SA. The bank guarantee provided by SOFID enabled the raising of EUR 500 000 in project finance to fund an integrated chicken farming and slaughtering operation to produce and supply chicken feed.

Implementing this project enabled the company to refocus its strategy by starting to produce chicken meat, thereby boosting the contribution of domestic production in meeting Mozambique's food requirements. In addition, the project added value in terms of creating 100 direct jobs

and indirectly by involving local small-scale chicken farmers who grow the chickens prior to processing, on a contractual basis.

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

COFIDES provides fundig for the expansion of J. JUAN's production plant in China



COFIDES and J.JUAN's signed an agreement whereby COFIDES will provide 485,000 euro funding for the enlargement of a motorcycle parts factory in China.

J.JUAN's designs and manufactures control cables, brake components and systems for motorcycles. This project will serve to strengthen the presence of the firm in the Chinese market, which accounts for 57 percent of the

world's total sales. The company has extensive international experience as it exports 90 percent of its sales and this plant will allow to continue them to be leaders of this industry sector.

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

Norfund buys out CDC in Ugandan bank DFCU

CDC wished to reduce the stake in Uganda's 5th largest bank, DFCU, and Norfund brought in a new investor, Rabo Development B.V (a subsidiary of Rabobank of the Netherlands), to buy the shares from CDC. CDC sold 45% of the shares (retaining 15%), and Norfund and Rabo Development now each hold 27.5 per cent. Rabo Development has a number of partner banks on the African continent and is expected to further develop dfcu Bank Ltd by contributing with experience from banking, specifically within the area of agribusiness lending. Norfund has been investing in dfcu since 2004. The bank's range of products and services has broadened significantly of the last couple of years and best practice governance structures have been established. dfcu Bank Ltd has a very strong local brand and outreach.

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

FMO invests in APM Terminals Callao in Peru

FMO will finance a USD30 million project with APM Terminals Callao, Peru. The financing will be used for the expansion and refurbishment of the existing multi-use terminal in the Port of Callao. Callao serves Peru's main economic region but the lack of adequate infrastructure hinders the country's competitiveness and economic growth.



The Project is highly developmental as it will provide much needed container handling capacity for the Country.

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

CDC signs agreement with Standard Chartered to help boost trade finance for businesses in Africa and South Asia

CDC and Standard Chartered Bank have signed a US\$100 million risk participation arrangement that will help increase the availability of trade finance in developing countries, thereby boosting job creation and economic growth.

The agreement – which is expected to generate an estimated incremental trade volume in excess of US\$1 billion over the three year life of the transaction – will boost the level of trade finance in some of the poorest countries of Africa and South Asia. Under the agreement, the two institutions will bear the risks of local banks involved in supporting trade flows of Standard Chartered's clients. The local banks will be able to pass on the benefits of the facility by offering trade finance to their clients who rely on trade for growth and job creation.

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

Central Africa SME Fund reaches final close at USD 19 million, with the participation of FMO

Dutch fund manager XSML announced the final close of its Central Africa SME Fund



(CASF). With increased commitments from two of its existing investors, FMO and Lundin Foundation, the fund reached a final close of USD 19 million. To date, the fund has made 12 investments, 9 in DRC and 3 in CAR, in a wide variety of sectors including agri-business, education, healthcare, information technology, manufacturing, pharmaceutical production, telecom and transport. CASF expects to make a total of 35 investments over the life of the fund.

CASF is a fund investing in small and medium-sized enterprises in the Democratic Republic of Congo (DRC) and the Central African Republic (CAR). The fund believes in achieving sustainable economic development by encouraging entrepreneurship in the fast growing frontier markets of DRC and CAR.

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

Norfund mobilizes first Norwegian institutional investor for direct investment in Africa

KLP is Norway's largest life and pension company, and thus an important institutional investor in Norway. In 2012, KLP entered a co-investment agreement with Norfund, and now the first investment through this agreement has been committed: KLP and Norfund invest NOK 35 million each in Scatec Solar's two new PV projects in South Africa. Norfund has negotiated the agreement with Scatec Solar, a Norwegian based solar power company expanding rapidly in Africa. The combined annual production from the two farms will be in excess

of 225 million kWh per year, enough to cover the electricity demand of 53 000 South African households.

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

UK Development Finance Institution Reports Annual Results Including Highest-Ever Level of Jobs and Businesses Supported



CDC Group plc, the UK's development finance institution, has announced that the total number of businesses worldwide being supported by its capital rose from 1,126 in 2011 to 1,250 in 2012. The total jobs provided by these businesses rose from 976,000 to over 1,109,000, an increase of 14%.

This is the first time in CDC's history that its capital has supported

businesses providing over one million direct jobs. In 2012, CDC also invested £397m in businesses, an increase of £33m over 2011. 43% of those investments (totalling £171m) were invested in Africa.

For more information, please visit [CDC's 2012 annual report](#)

COFIDES finances TECVASA activities in Santo Domingo

COFIDES will fund TECVASA International S.A. to perform the concession for Santo Domingo Este City Hall's tax cycle management in the Dominican Republic. The 408,000-euro transaction will be paid by COFIDES' own resources, which will be made available to the Valencian company through a joint venture loan.

TECVASA's main business lines zeroes in on water concessions and sanitation, revenue management and municipal taxes in the Dominican Republic. Thus, this project will allow TECVASA to consolidate its position in the Caribbean country.

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

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EDFI office
Rue de la Loi 81A
1040 Brussels, BELGIUM
www.edfi.eu

