



Belgian Investment Company
for Developing Countries

INVESTING IN DEVELOPMENT

ANNUAL REPORT
2017



Glossary

BIO development goals

- LOCAL ECONOMIC GROWTH:** Contributing to job creation, SME growth and import/export effects
- PRIVATE SECTOR CONSOLIDATION/INNOVATION:** Bringing new know-how or technologies to the country; consolidating or structuring the local market by creating upstream or downstream linkages between companies; contributing to the creation of new types of institutions or the availability of new or improved products
- FINANCIAL INCLUSION:** Providing financial, credit, savings, payment; transfer and insurance services to financially excluded segments of the populations, including micro-entrepreneurs
- FOOD SECURITY & RURAL DEVELOPMENT:** Improving economic opportunities for smallholder farmers, creating formal employment in rural areas and contributing to the availability of food on local markets
- ACCESS TO BASIC SERVICES & GOODS:** Providing access to basic services and goods for the population. These include energy, housing, water, health, education and communication, but not food & financial services, which are covered under objectives 3 & 4
- FIGHT AGAINST CLIMATE CHANGE & PRESERVATION OF NATURAL RESOURCES:** Improving energy efficiency and creating supply & access to renewable energy; preserving natural resources, in particular forest & water
- PROMOTION OF ESG BEST PRACTICES:** Providing opportunities to improve standards; or, if the investees already disposes of excellent practices, showcasing them to peers in the sector
- GENDER:** Empowering & creating business opportunities for women

DFI success criteria

- ADDITIONALITY:** Investing in underserved geographies, sectors and segments
- CATALYTIC EFFECT:** Being the first movers in underdeveloped sectors, mobilising other investors
- PROJECT SUSTAINABILITY:** Building sustainable and growing sources of tax income for governments, promoting high social, environmental and governance standards





Sustainable Development Goals

- 1. NO POVERTY:** End poverty in all its forms everywhere
- 2. ZERO HUNGER:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- 3. GOOD HEALTH AND WELL-BEING:** Ensure healthy lives and promote well-being for all at all ages
- 4. QUALITY EDUCATION:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- 5. GENDER EQUALITY:** Achieve gender equality and empower all women and girls
- 6. CLEAN WATER AND SANITATION:** Ensure availability and sustainable management of water and sanitation for all
- 7. AFFORDABLE AND CLEAN ENERGY:** Ensure access to affordable, reliable, sustainable and modern energy for all
- 8. DECENT WORK AND ECONOMIC GROWTH:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- 10. REDUCED INEQUALITIES:** Reduce income inequality within and among countries
- 11. SUSTAINABLE CITIES AND COMMUNITIES:** Make cities and human settlements inclusive, safe, resilient and sustainable
- 12. RESPONSIBLE CONSUMPTION AND PRODUCTION:** Ensure sustainable consumption and production patterns
- 13. CLIMATE ACTION:** Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy
- 14. LIFE BELOW WATER:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- 15. LIFE ON LAND:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- 16. PEACE, JUSTICE AND STRONG INSTITUTIONS:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- 17. PARTNERSHIPS FOR THE GOALS:** Strengthen the means of implementation and revitalize the global partnership for sustainable development



AFD	French Development Agency	IFC	International Finance Corporation	NGO	Non-Governmental Organisation
BDG	BIO Development Goals	LAC	Latin America and Caribbean	OECD	Organisation for Economic Co-operation and Development
BIO	Belgian Development Finance Institution	LDC	Least-Developed Country	OFC	Offshore Financial Center
CO ₂ eq	CO ₂ equivalent	MENA	Middle East and North Africa	Outstanding Investment	Part of the investment that has not yet been repaid
D4D	Digital for Development	MFI	Microfinance Institution	PE	Private Equity
DFI	Development Finance Institution	MSME	Micro, Small and Medium Enterprise	SDG	Sustainable Development Goal
EDFI	European Development Finance Institution	MSME SF	MSME Support Fund	SME	Small and Medium Enterprise
ESG	Environment, Social & Governance	NBFC	Non-banking Financial Company	TA	Technical Assistance
FMO	Dutch Development Finance Institution	NBFI	Non-banking Financial Institution	VC	Venture Capital
GHG	Greenhouse Gase	Net commitment	Total expenditure that is committed at a future date		



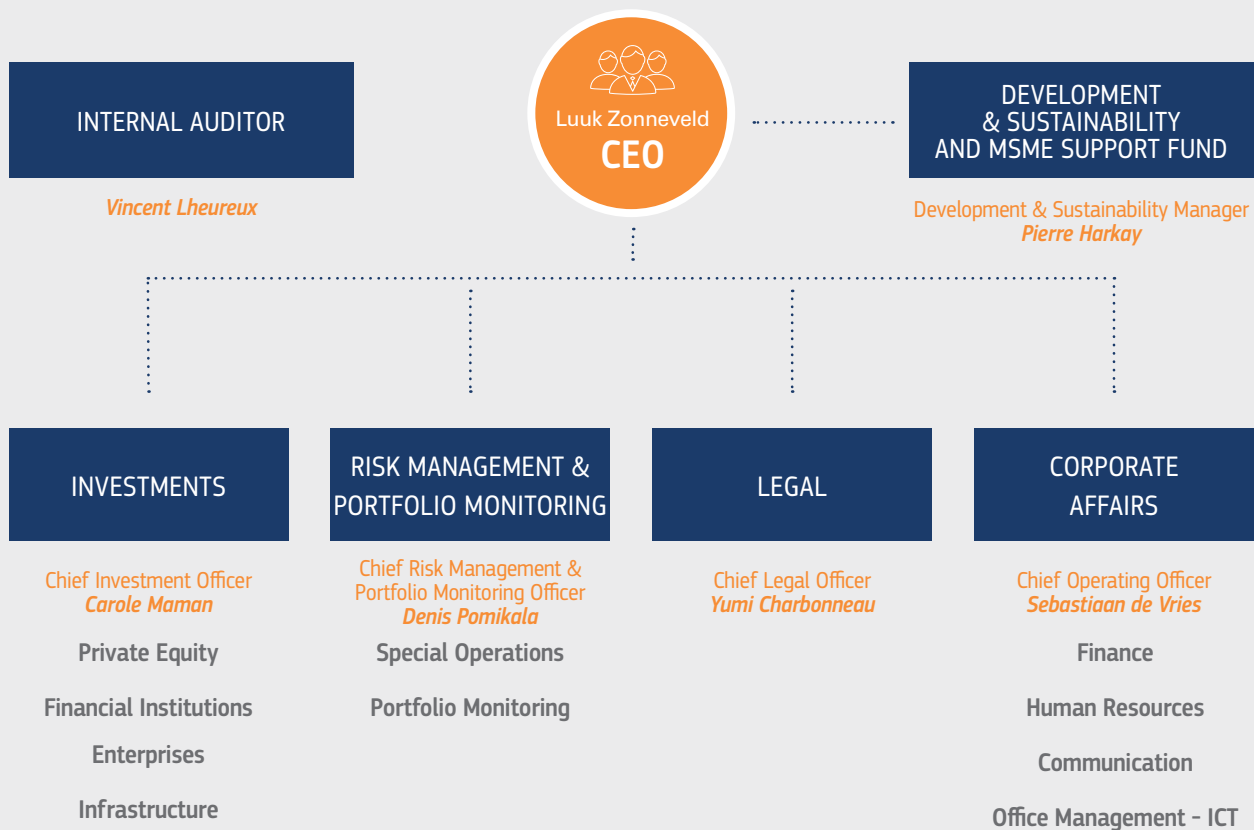
Outstanding Investments at end 2017 (amounts in M €)

		AFRICA	ASIA	LAC	MULTI	TOTAL	EQUITY	LOANS
Financial Institutions 	MFI	€ 11.2	€ 22.3	€ 19.8	€ 17.0	€ 70.2		
	Commercial Banks	€ 60.4	€ 1.8	€ 41.4	€ -	€ 103.6		
	NBFI	€ 6.9	€ 11.3	€ 7.8	€ 7.1	€ 33.1		
	SUBTOTAL	€ 78.5	€ 35.3	€ 69.1	€ 24.1	€ 206.9	31.6%	68.4%
Funds 	MFI	€ 11.6	€ 0.2	€ 3.9	€ 2.5	€ 18.2		
	SME	€ 29.2	€ 12.2	€ 5.7	€ 5.2	€ 52.2		
	Infra	€ 8.6	€ 14.9	€ -	€ -	€ 23.6		
	SUBTOTAL	€ 49.5	€ 27.3	€ 9.6	€ 7.6	€ 94.0	81.0%	19.0%
Enterprise 	Agri	€ 29.5	€ 6.4	€ 1.2	€ -	€ 37.0		
	Health & Edu	€ 2.4	€ -	€ -	€ -	€ 2.4		
	ICT	€ 0.1	€ -	€ -	€ -	€ 0.1		
	Small Infra	€ -	€ -	€ -	€ -	€ -		
	Manu & Serv	€ 7.3	€ -	€ -	€ -	€ 7.3		
	Oil, Gas, Mining & Chem	€ 11.6	€ -	€ -	€ -	€ 11.6		
	SUBTOTAL	€ 50.8	€ 6.4	€ 1.2	€ -	€ 58.4	1.5%	98.5%
Infrastructure 	Energy	€ 52.3	€ 33.1	€ 20.4	€ -	€ 105.8		
	Telecom	€ -	€ 11.2	€ -	€ -	€ 11.2		
	Transport & Log	€ 7.7	€ 1.7	€ -	€ -	€ 9.4		
	SUBTOTAL	€ 60.0	€ 46.0	€ 20.4	€ -	€ 126.4	2.4%	97.6%
TOTAL		€ 238.8	€ 114.9	€ 100.2	€ 31.7	€ 485.6	29.9%	70.1%

Total Net Commitments & Outstanding Investments at year's end 2008-2017 (amounts in M €)

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Commitments 	Total	€ 172.9	€ 261.4	€ 331.1	€ 397.7	€ 459.3	€ 547.6	€ 586.7	€ 619.7	€ 692.1	€ 712.9
	Fin Inst	€ 85.8	€ 91.0	€ 123.1	€ 157.6	€ 193.8	€ 236.5	€ 238.9	€ 248.3	€ 257.9	€ 263.7
	Funds	€ 69.8	€ 93.2	€ 113.4	€ 139.0	€ 133.7	€ 137.2	€ 139.2	€ 156.6	€ 168.3	€ 201.2
	Enterprise	€ 17.3	€ 77.3	€ 45.7	€ 59.6	€ 63.1	€ 67.7	€ 70.7	€ 70.4	€ 79.6	€ 67.3
	Infra	-	-	€ 48.9	€ 41.5	€ 68.6	€ 106.2	€ 137.9	€ 144.4	€ 186.2	€ 180.7
Outstanding 	Total	€ 120.4	€ 138.3	€ 179.7	€ 220.7	€ 283.1	€ 373.9	€ 411.4	€ 414.3	€ 463.2	€ 485.6
	Fin Inst	€ 67.9	€ 75.6	€ 95.2	€ 119.3	€ 152.9	€ 195.9	€ 182.0	€ 195.3	€ 214.0	€ 206.9
	Funds	€ 41.1	€ 44.2	€ 48.7	€ 56.3	€ 62.4	€ 77.8	€ 81.5	€ 88.3	€ 96.1	€ 94.0
	Enterprise	€ 11.4	€ 18.5	€ 22.5	€ 23.6	€ 38.5	€ 49.0	€ 51.6	€ 46.0	€ 54.0	€ 58.4
	Infra	-	-	€ 13.2	€ 21.5	€ 29.3	€ 51.3	€ 96.3	€ 84.7	€ 99.2	€ 126.4

BIO STAFF



What is BIO? What sets us apart? We are



IMPACT INVESTORS

promoting an entrepreneurial approach to development



CUSTOMER FOCUSED

Focus on the entrepreneur, the client, the project, on improving environmental and social performance



A DEVELOPMENT FINANCE INSTITUTION (DFI) COMPLEMENTARY TO OTHER DFIs

Focus on investing in SMEs directly & indirectly (starting from € 1 M)

Polyglot and multicultural (10 nationalities)

Simple and fast decision process

Strong knowledge of Central Africa



ADDITIONAL TO PRIVATE INVESTORS

Focus on SMEs

Long-term investments (5-15 years)

Technical Assistance

Expertise to evaluate/manage higher structural risk in developing countries

Focus on development effects with decent ROI

Mission

To contribute to economic growth and the elimination of poverty by supporting private sector development in emerging markets within the framework of the 17 Sustainable Development Goals, with a specific focus on some of them:

1. End poverty in all its forms everywhere
5. Achieve gender equality and empower all women and girls
7. Ensure access to affordable, reliable, sustainable and modern energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

through investment with a healthy financial return and sustainable development effects and through capacity building (Technical Assistance & Feasibility Studies)

Our values



OPEN-MINDEDNESS

We are open to the world, to new projects and ideas and we value diversity



RESPONSIBILITY

We hold ourselves accountable for everything we do; we keep our promises and deliver excellence



DETERMINATION

We have a strong desire to fulfil our ambitions, coming up with innovative solutions, daring to be bold and taking the initiative



SUSTAINABILITY

We want to create value shared by all our stakeholders, develop long-term collaboration and achieve lasting solutions

RESPONSIBILITY

"We hold ourselves accountable for everything we do; we keep our promises and deliver excellence".



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Deputy Prime Minister &
Minister of Development
Cooperation

Sustainable development calls for radical innovation



Foreword by
Alexander De Croo

The digital revolution is racing through our society and our economy. Big data, continuous connectivity of people and machines, and thorough automation are blowing away existing business models and transforming our socio-economic structures so profoundly that we can now speak of the fourth Industrial Revolution.

This digital revolution fits in perfectly with the ambitious development agenda of the Sustainable Development Goals. To implement the 2030 Agenda for Sustainable Development, we need to step up our game and tap into new technological advances. If there is one thing that is clear, it's that business as usual will not suffice. The SDGs call for radical technological innovation, with digitalisation and technology never an end in themselves, but state-of-the-art tools to actually realise the seventeen SDGs.

Internationally, Belgium is one of the pioneers of Digital for Development, D4D for short. Our country brought together seventeen European member states to put D4D on the European development agenda and launched, as one of the first countries, its own D4D platform, bringing together actors and initiatives that use digitalisation as a lever for development.

We must never fall into the trap of thinking that D4D is a one-way street, with all technological solutions coming from the West. Anyone who regularly travels to Africa will already have noticed that many African countries are forerunners in the field of mobile pay systems, and often far ahead of Belgium. Why would that not be possible in other areas too? In developing countries, the key to technological innovations lies with the people who seek affordable and accessible solutions to problems they experience themselves.

BIO has clearly understood the role of D4D as a catalyst for development. For example, last year it invested five million dollars in Ventureast II, an Indian fund that invests in SMEs so they can successfully make the digital turnaround. By investing in Ventureast, BIO promotes essential elements of sustainable development: strong local entrepreneurship and inclusive and sustainable economic growth.

Technology can save the world. For this, we cannot just depend on the Googles and the Teslas of this world, but also - and maybe even above all - on creative local entrepreneurship. As it happens, stimulating the latter is one of the strengths of BIO!

Focus on digitalisation

Early 2016, BIO launched a Digital for Development Task Force (D4D TF) to assess opportunities to support BIO's prospective and current investees in developing and implementing digital technologies, as a way to further increase BIO's impact. It is widely recognised that digitalisation-related projects as Fin-Techs, mobile connectivity and smart infrastructure projects play a strong catalytic role in strengthening the private sector. That also goes for the transformation of existing businesses through capacity-building projects with a focus on digitalisation. Although in many developing countries digitech's primary investment need is still venture capital, the sector is maturing and BIO's early-growth investment instruments are rapidly gaining pertinence.

The prospect of electricity for truly everybody



Introduction by the CEO
LUUK ZONNEVELD



Chief Executive
Officer

Whereas late February temperatures in bustling Dakar are still around a pleasant 20 degrees, once you drive out north-east into Senegal's Sahel it quickly gets searingly hot thanks to the blinding, scorching sun. Ideal conditions, in other words, for the country's biggest solar energy plant. I am driving there together with Belgium's Prime Minister Charles Michel and Vice-premier and Minister for International Development Alexander De Croo. As we leave the tarmac and rumble down a dirt track, we see thousands of solar panels looming in the distance. Covering over forty hectares, they look like undulating dark-blue waves, hovering about one meter above the Sahel sand. Welcome to Ten Marina Ndakhar, inaugurated early 2018, with twenty megawatt of installed capacity, enough to provide clean electricity to over 35 thousand rural Senegalese households. BIO contributed around one-third of the Ten Marina's total 43-million-euro budget.

We are truly impressed. As we are shown around by Ten Marina's manager, it's actually quite eerie to be walking through a huge electricity plant without hearing anything besides the soft noise of a breeze and the chatter of kids in the neighbouring village. Many villagers come to shake hands with us and tell us how happy they are with the solar plant, because over a hundred villagers were employed to build the plant, and they now have electricity in their homes for the first time ever.

Electricity seems so basic – but are you aware that some 1.2 billion people – including a quarter of the population of the developing countries – don't have access to this basic good? No electricity means no light in the evening for children to study – or paying a small fortune for candles or some lamp oil. It means no way to keep food cool, no way for businesses to run electrical equipment, no access to the internet, no window on the world – condemned to a life that for people in the industrialised world is utterly unimaginable.

It should be acknowledged that in the past two decades, major investments by national governments, the World Bank and other donors, development banks and private investors have increased the world's electrification rate from 75 to 85 percent. This was primarily achieved by building new fossil-fuel power plants and connecting people and business in the cities. But it is prohibitively expensive to build such power grids in the rural areas, and needless to explain the disastrous consequences of fossil-fuel electricity generation on the global climate. In the bush, most people continue to live in the dark – a humanitarian scandal, in my opinion.

Fortunately, there's a solution in the making: solar, mostly off-grid. Thanks to a 99 percent drop in the cost of a solar panel since the 1970s and a recent dramatic drop in battery prices, public promotion policies and hundreds of ingenious start-ups, today it is possible to provide solar-generated electric power to the world's most remote places at a lower price than the cost of fossil fuel – and up to ten times lower than that of lamp oil. A few solar panels, a small controller and a battery enable people to access the electricity and pay by mobile phone.

The critical obstacle to this solar revolution is investment capital. On-grid solar requires high initial investments with payback periods that can stretch over two decades, causing most commercial banks to shy away from such long-term high-risk investments. And off-grid solar requires financing to distributors so that they can offer the solar systems to end-customers on credit through pay-as-you-go systems, enabling households to buy them even if they don't have the cash up front.

That is why for BIO investing in solar, on-grid and off-grid, has become high-priority. In 2017, we committed to invest some 40 million euro in large-scale solar plants in Senegal, Uganda, El Salvador and the ►



161 M €
of new commitments

2017 HIGHLIGHTS OF BIO

27 new investments decided for a total of 161 million euro, including

- A participation in a micro-financing institution in the Maghreb providing capital to over ten thousand mainly women and youth to establish and develop microbusinesses
- A participation in a fund investing in projects in Africa that combine sustainable forestry management with providing jobs and income to tens of thousands of people living in and around the forests.
- A participation in a fund that enables its investees to provide micro-insurance to low-income people in South-East Asia.
- Four investments to provide 494 thousand people with renewable energy and thereby avoid 181,600 tonnes CO₂ eq Greenhouse Gas Emissions per year.

Monitoring of 145 million euro of outstanding loan investments, personal involvement in our 340 million euro of equity investments to make them successful

7 subsidies totalling 1 million euro to new capacity building and technical assistance projects of our clients, and one investment support grant

18 loans fully reimbursed and 6 equity investments exited, virtually all companies involved sufficiently strengthened to continue to develop their businesses without further BIO support

Development of BIO's agriculture strategy increasing its relevance for small-holders

Growth of BIO's investment capital by 117 million euro: 50-million-euro capital injection by the Belgian state and 67-million-euro net capital gain through the sale of our participation in a Cambodian MFI

Fundraising for a facility for institutional private investors to co-invest in BIO's projects

Dominican Republic, as well as more than 8 million dollars in two funds providing seed and development capital to start-ups and small-scale businesses that bring off-grid solar to mostly rural households and micro-businesses all over Africa. Many of these young companies create exciting jobs for Africa's youth, spread digital technologies all over the continent and enable the rural poor to imagine a better future.

We are proud to contribute in bringing solar-generated electricity to those who need it most. And I'd like to thank those who are making this possible: our public shareholder, who has been generously increasing our investment capital, in particular to fight climate change; BIO's staff, for their commitment and enthusiasm; BIO's Board of Directors, for their support to our innovative investment projects; and our strategic partners – other Development Finance Institutions, sponsors, fund managers, NGOs, experts and many others – for their collaboration and joint determination to bring electricity to truly everybody on our earth.



What is development finance?

The private sector plays a key role in creating jobs, boosting growth and fighting poverty in low and middle income countries.

Job creation is the major channel through which economic growth has uplifted the poor in countries that have escaped extreme poverty in recent decades. Indeed, the critical roles of the private sector and private capital are fully recognised in the new global goals for sustainable development which will guide us in the fight against poverty up to 2030.

BIO is a DFI, a Development Finance Institution; DFIs are government-backed institutions that invest in private sector projects in low and middle-income countries in order to promote job creation and sustainable economic growth.

Private sector investments have many direct and indirect benefits, showing both a bottom-up and a top-down effect: the creation of jobs (direct employment) leading to further job creation in supplying or supplied companies (indirect employment and the expansion of the product value chain); increased profits, leading to increased government revenues; improved environmental, social and governance standards, acting as an example (demonstrator) in the region; access to basic public goods and services, often linked with an improvement of the local infrastructure.

DFI investments are guided by three success criteria

	DFI APPROACH	WHAT IT MEANS	HOW IT WORKS
	Additionality <i>Going where other investors don't</i>	Investing in underserved geographies, sectors and segments, e.g., <ul style="list-style-type: none"> • LDCs, Africa, (post-)conflict states • Financial sector, agribusiness, etc. • SMEs 	The long-term approach enables DFIs to invest in higher risk segments in developing countries
	Catalytic effect <i>Paving the way for others to follow</i>	Demonstrating to other investors how to conduct investments in high risk environments Being the first movers in underdeveloped sectors Mobilising other investors	DFIs' expertise, standard-setting and knowledge-sharing enable others to invest in developing countries
	Project Sustainability <i>Reducing the dependence on aid</i>	Building sustainable and growing sources of tax income for governments Promoting high ESG standards	Help build sustainable sources of tax income for local governments Serve as channels for responsible policy implementation



Increasing interest in renewable energy

Global portfolio

Half of our newly approved investments are in Africa and there's a significant increase of new investments in renewable energy (40 percent of new approvals). These are the most striking aspects of our 2017 activities.

In 2017, BIO approved about 160 million euro of investments in 27 projects, leading to a total net commitment of 712.9 million euro. 2017 was a year of consolidation, that allowed BIO's team to increase their expertise, especially in equity and in renewable energy.

One of the year's highlights was the sale of our participation in the Cambodian microfinance institution Prasac, to Lanka Orix and Bank of East Asia. This sale concluded a remarkable decade of growth during which the institution took a leading role in setting microfinance standards and providing financial services to the Cambodian population in urban and rural areas (see also p 28 and 29).

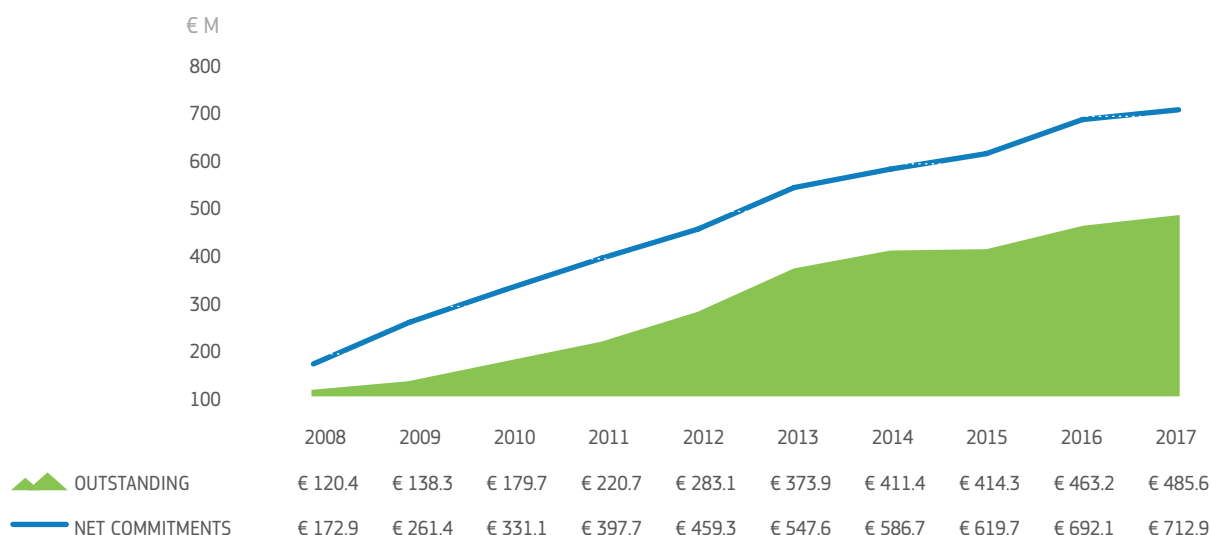
Another highlight is our entry in the capital of the Tunisian microfinance institution Enda - approved in 2017 and completed in 2018. Since its creation some 15 years ago, Enda has been paving the way for microfinance and for financial inclusion of women in Tunisia. This significant capital increase will enable Enda to further extend its services.

An interesting evolution in the markets is the significant growth of the renewable energy sector, in particular solar. In the off-grid sector, we are seeing the spread of solar home systems for

households that enable access to basic electricity: lighting, phone charging, fridge and TV-connections. Thanks to mobile technology, this evolution is leap-frogging the more conventional forms of electricity distribution. In 2017, BIO decided to get involved in the off-grid renewable energy sector through investments in two funds that promote access to financing to local companies offering such energy to people and SMEs across Africa and Asia.

Our activities remain a balance between larger investments executed in close cooperation with our European peers, and more daring and innovative projects requiring the full dedication and expertise of BIO's team.

One of these projects has been the launch of Five, an evergreen vehicle dedicated to investments in financial institutions that support micro, small and medium enterprises in Africa. This project is a first for the African fund industry. BIO played an anchor role along with FMO, both of which hope to raise momentum among peers and private impact investors for this initiative.



Our impact is felt in rural areas

Sarath Naru, founder and managing partner of Ventureast



My personal motivation to start the company was to build SMEs from an early stage in areas where they would have the maximum impact on people and in business leadership.

Today, while there is a large amount of venture capital, there is little that solves the needs of the rural areas and small businesses. The fact that these problems are faced by a majority in India, and the opportunity to be one of the few that back businesses that can address these problems, continues to motivate me.

Entrepreneurs are definitely more professional than when we started; in fact, the entire entrepreneurial eco-system in India has matured significantly in the past twenty years. Having said this, India is perhaps still the most difficult market in the world to scale

a business rapidly. Therefore, the returns to investors from venture capital (VC) and from VC funds have been slower compared to other global markets. The need to be patient as an investor in India, offers us the opportunity to create a whole new model for economic development. The business models in the USA or China, which tend to be winner-takes-all type of markets, appear to morph into a newer model in India, where there are a number of winners instead.

With our fund we look for businesses that are addressing a big problem, keeping in mind the needs of the 'underserved markets'. The ones which use technology as a 'differentiator', and not just as an enabler. The impact of the Ventureast fund will be felt directly by the rural and semi-urban consumers and small businesses, with a strong possibility of a compounding growth model which could result in a bigger bang for the buck in terms of impact.

Ventureast Proactive Fund II

Working with experienced entrepreneurs to build outsized winners

Ventureast Proactive Fund II is an Indian Venture Capital fund that specialises in providing seed-financing to early-stage companies in the tech space. It seeks to invest in businesses, addressing the needs of the underserved rural and semi-urban markets. It develops core technology products and technology-enabled services which target both Indian and global markets. At the end of 2017, it had invested in seven companies in digital sectors as diversified as FinTech, HealthTech, EdTech and Transport & LogisticsTech. The fund is the successor fund of Ventureast Proactive Fund I which closed in 2008 and invested in 18 projects across the technology, consumer and infrastructure sectors.





Facts & figures

Sector	Investment companies & funds	Subsector	SME funds
Region	India, Asia		
Instrument	Equity	Amount	\$ 5 M

Development Impact



Ventureast II contributes to the sustainable growth of the Indian Venture Capital ecosystem.



The fund plays an important role in bridging the financing gap experienced by promising business models that still lack cash flows. It enhances entrepreneurship, innovation and develops a digital-based economy.



Indus OS, an investee company of the fund, currently supports 12 major languages, empowering India's large non-English speaking population by breaching the language barrier of smartphones for first-time users. Within 18 months of launching, it has 10 million users, giving them access to the mobile ecosystem with regional language integration. Or eKincare/Celes, another portfolio company, which offers online healthcare, accessible through mobile devices, with a primary focus on women, the most underserved segment of India's population.



Other investees are expected to have a positive environmental impact, such as Zipgo, which allows users to reserve a seat on public transportation through their mobile app, offering real-time tracking and low prices. By transporting over 11,000 customers over 21 million kilometers, Zipgo reduced almost 4000 tonnes of CO₂.



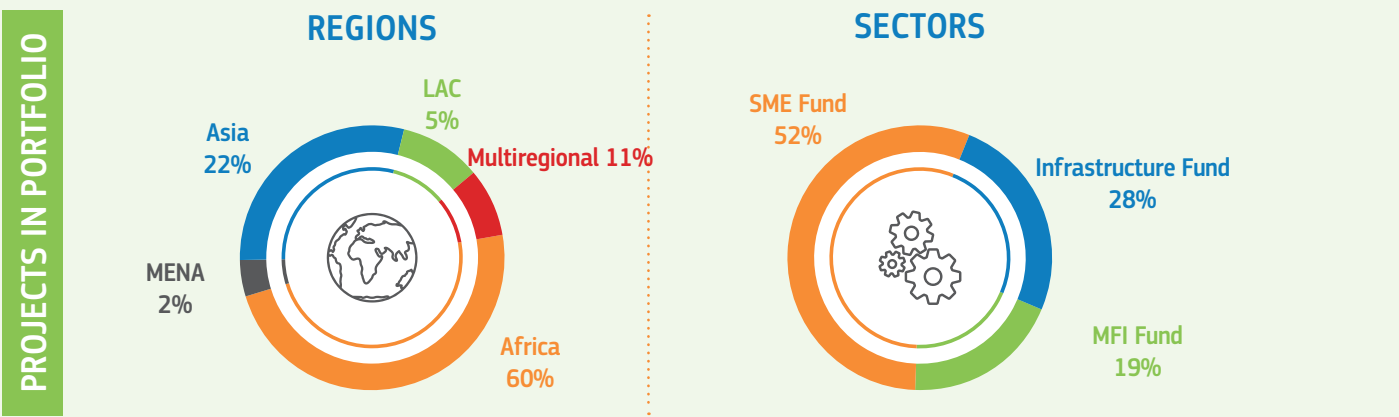
Selecting teams to play a vital role in raising standards

Investing in funds

Investment in funds remained at the heart of BIO's strategy in 2017 as a way to build a diversified portfolio.

Diversification in sectors, geography and stages of investee companies; that's what investments in funds are all about. Also: support sectors contributing to economic growth and job creation and reach more and smaller businesses.

We select active fund management teams who can play a vital role in raising environmental, social and governance standards. Currently, BIO has commitments totalling 59 million euro in nine new funds. One of them is Triple P SEA Financial Inclusion, an equity fund investing in insurance and non-bank financial services companies primarily in Indonesia, the Philippines, Vietnam, Thailand, and Cambodia. Another one is SunFunder's Beyond The Grid Solar Fund, a debt fund providing loans to solar companies active in the off-grid space mainly in Sub-Saharan Africa.



My family is my inspiration

Julissa Rojas Flores (32), entrepreneur and mother of four

I'm glad I took the difficult decision to risk my money. I want to give my family a stable future. As we keep growing I need continuous access to capital. That's where Cooperativa Pacífico stepped in.

For a woman it's difficult to be the boss when it comes to the operational part of your business. In Peru we still have a macho culture. This means that the mechanics, who must do the repair of our machines for example, are very reluctant to follow my orders. But when it comes to the other activities like accounting, sales, marketing and financing, it's accepted to do these things as a woman.

I started my business seven years ago with a friend who was experienced in the field. Now we have twelve employees and

produce cardboard boxes for shoes, for snacks and for shirts for example. Our customers are big shoe factories but also small entrepreneurs.

When I started, I was afraid my business could fail. Now I'm glad I took the difficult decision to risk my money. Through Pacífico I obtained a loan for the reparation of my machines. And as we keep growing, I have a continuous access to capital to meet my liquidity needs.

Lately the instability of the government generates constant changes in the exchange rate and this affects our revenue. We have to buy our material at a higher price. I have four children. It was a difficult decision to start my own company, because it meant that my family time became limited. But on the other hand, my family is my inspiration. I look for stability for them and I work hard to give them an education.



Cooperativa Pacífico

35 thousand people financing each other

Cooperativa Pacífico was founded in 1970 by the Japanese community in Lima, Peru's capital, and has since become the largest lending and savings cooperative in the country.

After more than forty years of operations, Pacífico has a solid position and a strong reputation in the cooperative sector, with 35 thousand members and a market share of 15 percent. It provides credit facilities to its members with a focus on SMEs, but also offers financial products for microenterprises, housing and consumption purposes. Pacífico has a loan portfolio of nearly 600 million dollar. The cooperative has five offices in Lima, and has recently started working as a second-level institution, providing loans to other smaller cooperatives, mainly located in rural areas.



Facts & figures

Sector	Financial Institution	Subsector	Cooperative
Region	Peru, LAC		
Instrument	Debt	Amount	USD 10 M

Development Impact



The primary goal of Cooperativa Pacífico is to provide access to credit for micro entrepreneurs and SMEs. In addition, BIO's funds are used to fund rural cooperatives and their clients, as Pacífico will be acting as a second-level bank. Therefore it indirectly supports the access to credit for rural or agricultural micro entrepreneurs. The SME segment has a strong impact on the development of the local economy as it employs sixty percent of Peru's total population.



Pacífico offers an alternative to traditional banking services where the clients can have a more personal approach and the possibility to obtain less standardised products. Pacífico targets SMEs and micro entrepreneurs mainly in urban areas.



Strategic contribution to local economic growth

Investing in financial institutions

More access for micro, small and medium sized enterprises to financing. This is one of the major goals of BIO. With more access to funds, BIO wants to empower entrepreneurs and contribute to local economic growth.

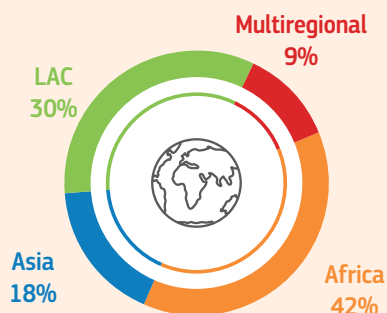
In 2017, besides financing the Cooperativa Pacífico mentioned above, BIO approved two investment projects of leasing companies in Guatemala and Sri Lanka, both focused on the financing of fixed assets for micro-entrepreneurs and SMEs, for example vehicles and machinery.

In addition, we extended our financing to Ecobank group, one of the largest banking groups in Africa, with a presence in 36 African countries. Through this investment we support small and medium-sized enterprises in some of the most underbanked countries in Africa.

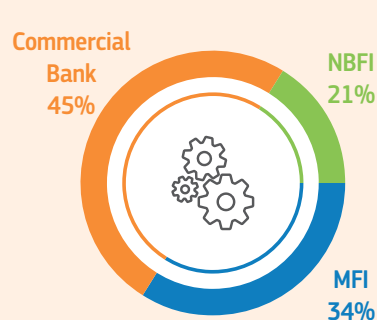
In 2017, we participated in the capital increase of Annapurna Microfinance, an MFI active in rural India. BIO has been a shareholder of Annapurna Microfinance since 2015. BIO also participated in a capital increase for Banco Popular, a leading microfinance bank in Honduras.

PROJECTS IN PORTFOLIO

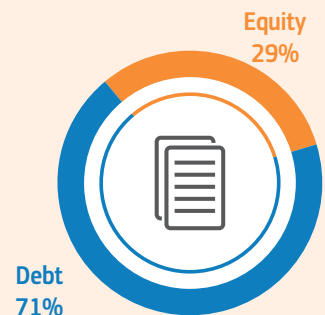
REGIONS



SECTORS



TYPE





It's a question of perseverance, willpower and maybe a bit of luck

Guy Van Kesteren, entrepreneur in Niger

In the early 1960s, my father started his own company in the poultry industry in Belgium. Since I was a student, I have always been fascinated by Africa. Having my own company in agroindustry in Africa became a dream.

As a student, I was fascinated by the nature and culture of Africa. My international career started in a large textile company in Kinshasa as internal auditor. I dreamt of having my own company in agroindustry in Africa and in 2014 I launched a green field poultry project in Niger, to produce and sell eggs in Niamey.

Our eggs are a steady and reliable food source and are affordable, so children can eat them and grow up healthily. It also gives their parents access to cheap and valuable nutrients.

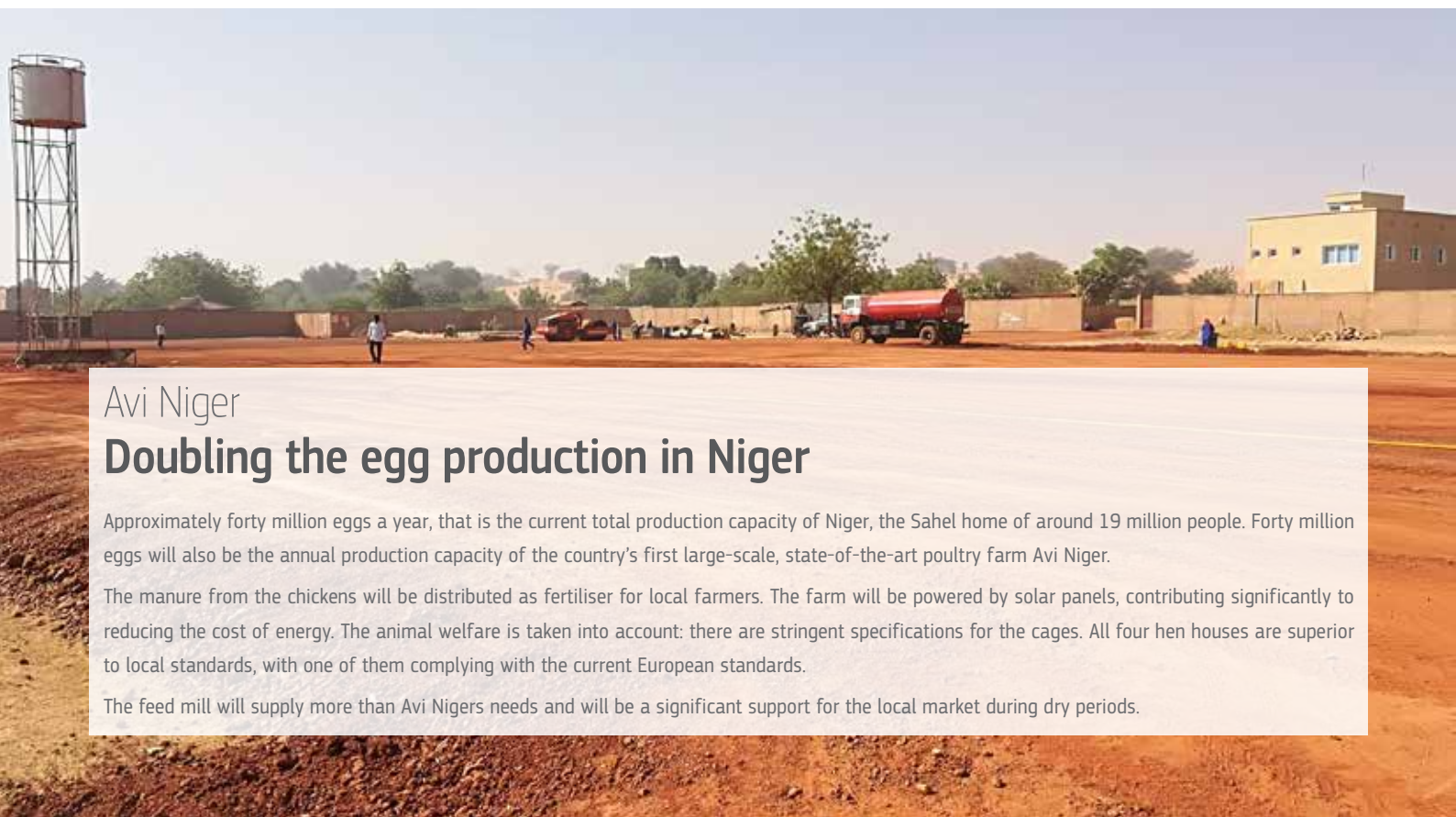
We will employ 55 to 60 workers, and we will also produce quality animal food which is currently imported from neighbouring countries. We also consider the living conditions of the chickens.

The climate in Niger is extremely hot and dry with temperatures above 45 degrees. We therefore have air-conditioned henhouses.

The project has the same age as my youngest son (4), which reminds me of the patience one must have to succeed in any project of this scale. For me it's a question of perseverance, willpower and maybe a bit of luck.

My father started his own company in the poultry industry in Belgium in the early 1960s. I'm sure he would be very proud, when he travelled to Congo he used to spend a lot of time visiting farms. He was always looking for investment opportunities

My children were enthusiastic, but sometimes doubtful before the financial contracts were signed. As my wife is Nigerien, she's of course very proud to see that we are building the largest poultry farm powered by solar energy in her country.



Avi Niger

Doubling the egg production in Niger

Approximately forty million eggs a year, that is the current total production capacity of Niger, the Sahel home of around 19 million people. Forty million eggs will also be the annual production capacity of the country's first large-scale, state-of-the-art poultry farm Avi Niger.

The manure from the chickens will be distributed as fertiliser for local farmers. The farm will be powered by solar panels, contributing significantly to reducing the cost of energy. The animal welfare is taken into account: there are stringent specifications for the cages. All four hen houses are superior to local standards, with one of them complying with the current European standards.

The feed mill will supply more than Avi Nigers needs and will be a significant support for the local market during dry periods.







Facts & figures

Sector	Enterprise	Subsector	Agribusiness
Region	Niger, Africa		
Instrument	Debt	Amount	€ 2.45 M

Development Impact



- Provide urban and rural populations with a source of protein: eggs that are affordable and fresh. By doing so, the project reduces Niger's dependency on imports and thus diminishes cash outflows. The project doubles the national egg production capacity. 
- Creation of around fifty direct jobs with benefits such as pension and health assurances. Also indirect jobs are created. 
- All four hen houses are higher in standards (surface) than local practice, with one of them complying with current EU standards. 
- Solar panels mounted onto the farm buildings will cover around 60 percent of farm's electricity needs. 



Access to credit removes growth obstacles

Investing in enterprises

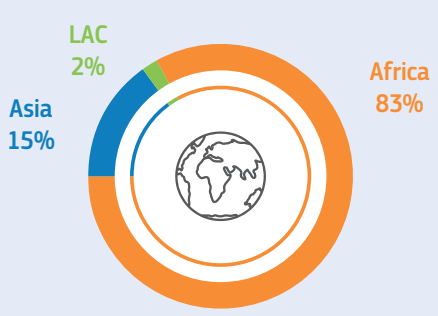
SMEs are of the utmost importance for economic growth in developing countries.

They are key in poverty alleviation, employment, knowledge sharing, social cohesion, entrepreneurship, development of local value chains and increase in government income.

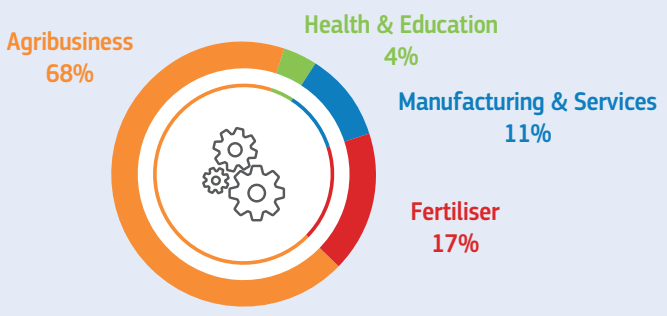
However, their main obstacle remains access to credit which really hinders them from capitalising on their opportunities. That is why BIO provides them with adequate medium to longer term financing, combined with support that will accelerate transfer of know-how and management building. In parallel, BIO puts a strong emphasis on responsible development, ethical and transparent governance and strict commitment to social and environmental standards.

PROJECTS IN PORTFOLIO

REGIONS



SECTORS



I wanted my work to have more than just a financial impact

Ignace Van Synghele, senior investment officer

I was working in corporate and investment banking. Challenging and rewarding for years. But I started pondering: do I only want to work with and for money? The answer was 'no', I wanted my work to have more than just a financial impact, to have more value and meaning on a wider scale.

One of my first projects for BIO was in Nicaragua, a hydro energy project. Afterwards I realised it was not only the hydro plant itself, but the side effects that were perhaps even more meaningful. For example, before the project the villagers were obliged to cross the river by walking over a dangerous thin telephone pole. As the project involved a bridge, villagers would be able to cross the river safely.

It's the same with San Martin, also a hydro-electricity plant in Nicaragua. In the mountains where the plant is built, people have to walk long distances, taking very small pathways, where one of

the most dangerous snakes in the world is hiding in the bushes.

Thanks to the project, there are roads

now. During my last site visit, I saw a motorbike

next to a house that was only accessible by foot before. That family can now drive to market instead of walking long distances with heavy burdens. More trade is possible between villages hence the economy grows. The plant also provides work and a steady income for dozens of villagers. This clean energy project has another positive side effect: deforestation is tackled higher upriver. Mud and rubble will clog the river. In the long term this would mean the project's death. Therefore, quite often, hydro projects employ forest guards to literally guard the forest.

Of course, the investors want to make money. Saving the world is not their principal motive. But there are several, like the investor in San Martin, who have an eye for and true concern about the social environment.



San Martin

Sustainable electricity for 14 thousand households

Two thousand tonnes of polluting oil used in outdated electricity plants less per year. That's the goal of San Martin, a small (6MW) hydro project in the Matagalpa area of Nicaragua.

The project is located on the Bijao river and will generate clean and sustainable electricity to be sold to the local distribution company. The produced electricity can provide around 14 thousand households with energy. BIO's financing to San Martin's sponsor IHC, one of the few private energy projects which have been licensed in Nicaragua, means giving more electricity capacity and network reliability to a remote area.

The project obtained the IJGlobal award as Latin American hydro deal of the year.



Facts & figures

Sector	Infrastructure	Subsector	Renewable Energy - Hydro
Region	Nicaragua, LAC		
Instrument	Debt	Amount	USD 7.6 M

Development Impact



- Access to energy. The plant will provide around 25 thousand MWh per year (14,000 households).
- It will contribute to fighting climate change by generating clean energy and save up to 20 thousand tonnes of CO₂ per year. The produced electricity is a direct substitution for imported heavy fuel which is used in outdated plants.
- The project is the equivalent of an annual 2 thousand tonnes of oil.
- There's a substantial benefit in the form of employment generated, during construction (80-100 local staff) as well as thereafter (15 staff), as San Martin employs and trains local staff only. This is particularly relevant in one of the poorest areas in Nicaragua.



High priority for renewable energy
Investing in infrastructure

Adequate access to infrastructure is a basic service to the population. It is indispensable for economic growth and sustainable private sector activities.

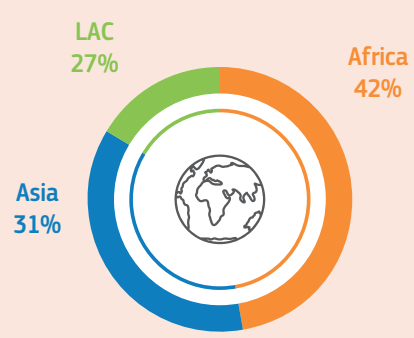
We invest in projects to increase access to energy and water, telecommunications and transport infrastructure. Over the years, BIO has supported the construction of mobile telecom infrastructure and the generation of renewable energy.

Whereas in Latin America and Asia access to electricity is increasing, the access rate in sub-Saharan Africa remains low.

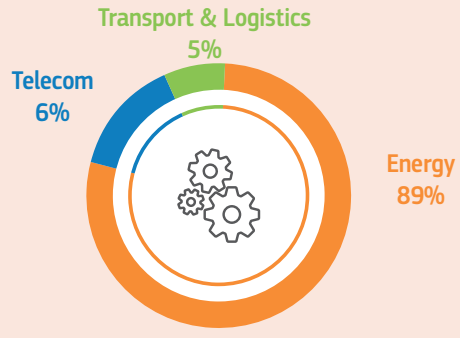
In 2017, BIO has committed 45 million euro to grid-connected renewable energy projects in Africa and Latin America. We also supported a fund, targeting the development of renewable energy projects in Africa, and committed in two debt funds to support off-grid electrification of rural areas.

PROJECTS IN PORTFOLIO

REGIONS



SECTORS



The war in Mali affects everybody

OLEWUIKE EUGENE CHIDI, owner of four shops:

I had one of the first second hand shops in Bamako on the road to Guinee. I started to import goods from Europe with my own truck. I started alone, with one shop, now I have four employees and four shops.

I came to settle in Mali in 2002. I already sold second hand televisions, furniture and fridges in Nigeria since well before 1999, so I knew the business. I repaired what was broken and sold it to my customers. I started doing the same in Mali. At one time, I had the opportunity to buy second hand goods from France and the USA. I bought a truck and container to import the goods from Europe.

When I opened my shop, I was one of the first with a shop in capital Bamako on the road that leads to Guinea. People were happy to be able to find products they could not find in their own neighbourhood.

I can say that I am successful. I started alone, with a single store and today I have four stores and four employees.

But the war situation in Mali affects everyone, including me and my company. Before the war we had plenty of tourists; business was booming. There was security, we could freely travel to do business everywhere. Now sales are a little slow.

My future? I would like to move on to something bigger and more convenient. Also, I want to introduce more and nicer products. I want to ask Microcred Mali for some credit to improve my shops and my products. I have been a customer now for three years and they have given me credit before, to buy a truck and goods in Europe. That helped me a lot.

I have children and they are interested in my activities but I do not force them. I make sure they have a good education at school.



Microcred Mali, Mali

More clients reached through digital communication

In 2017 BIO granted a subsidy of almost 110 thousand euro to support Microcred Mali (MCM) in the implementation of its digitalisation strategy and increasing its capacity to handle SME clients. The grant will support the digitalisation of the credit process, enabling MCM to standardise and organise its credit demand process more efficiently.

A digital communication strategy will be developed and customer care improved.

The grant will also be used to train the local team.

Microcred Mali is a microfinance institution offering credit products, savings and money transfers through seven branches in Mali. MCM's loan products target both microenterprises and SMEs which are underserved by the banking sector. Most of the institution's clients (about 98 percent) are active in commerce in the informal sector. By the end of December 2016, MCM had more than 23 thousand clients of which 54 percent were women. The outstanding credit amounted to around 32.5 million euro.



Facts & figures

Sector Financial Institution

Subsector Microfinance

Region Mali, Africa

Instrument Technical Assistance

Amount € 109,264 (45% of total project cost)

Development Impact



The technical assistance project is expected to improve client outreach and customer care. By supporting the ambitious growth plans of the institution, it allows them to reach more and further located clients.



Microcred Mali will provide a better SME product offer, which enables the growth of micro-enterprises.



Loan officers of Microcred Mali can view client data at any given time and place on their smartphone or tablet, allowing for a better service towards their clients. The project accelerates the digitalisation of the credit processes and MCM will be at the forefront of the digital innovations in Africa's FinTech.



Support for a strong private sector

In addition to providing loans and equity, BIO offers support services to strengthen its clients' business and to enhance their impact on sustainable development.

Through grants from the Micro, Small and Medium Enterprise Support Fund (MSME SF), BIO can contribute for example to training of staff, to knowledge transfer and to studies. The fund is available for both existing and prospective clients.

In 2017, eight support projects were approved, most of which in Sub Saharan Africa and in microfinance. At the end of 2017, we had twelve support fund projects in portfolio for a total outstanding amount of 1,081,354 euro.

The MSME Support Fund offers concessional financing for a variety of activities:

- **Feasibility studies**

Support for studies that examine if a private sector project is technically feasible and economically viable. It allows concretising a project in terms of measurable and achievable goals in a given context and outlining the means to reach them.

- **Technical assistance and training**

Support for existing clients to improve their institutional capacity.

The focus is on the transfer of knowledge, skills and experience to increase their long-term economic, social, governance and/or environmental performance. Prospective clients may also benefit from pre-investment support when a BIO investment is envisioned in the near future.

- **Pioneering and innovative projects**

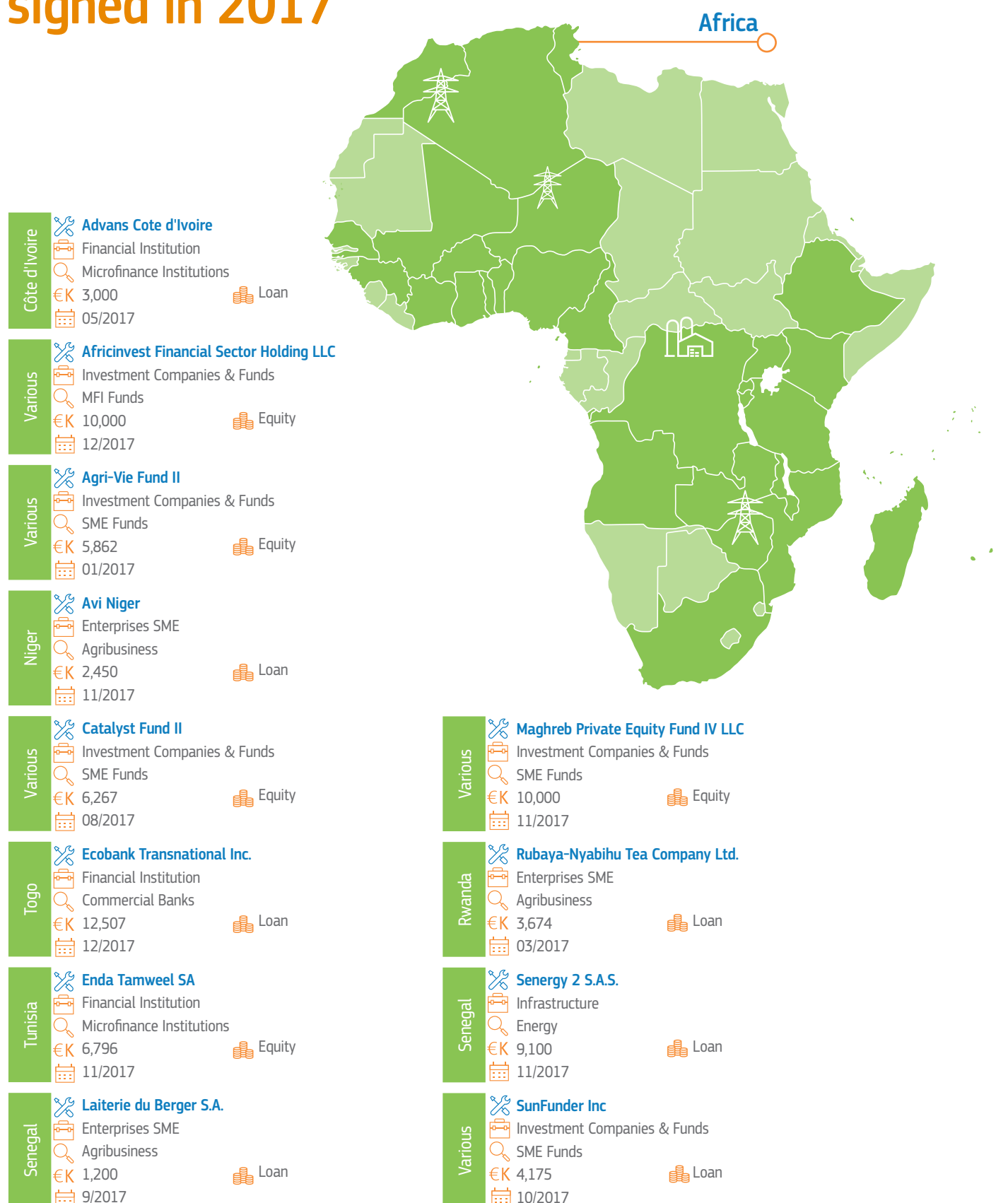
Support for projects which are still in an early development phase and have not yet sufficiently matured to benefit from BIO's conventional financing instruments. This instrument focuses mainly on financing fixed assets.

- **Direct support programmes**

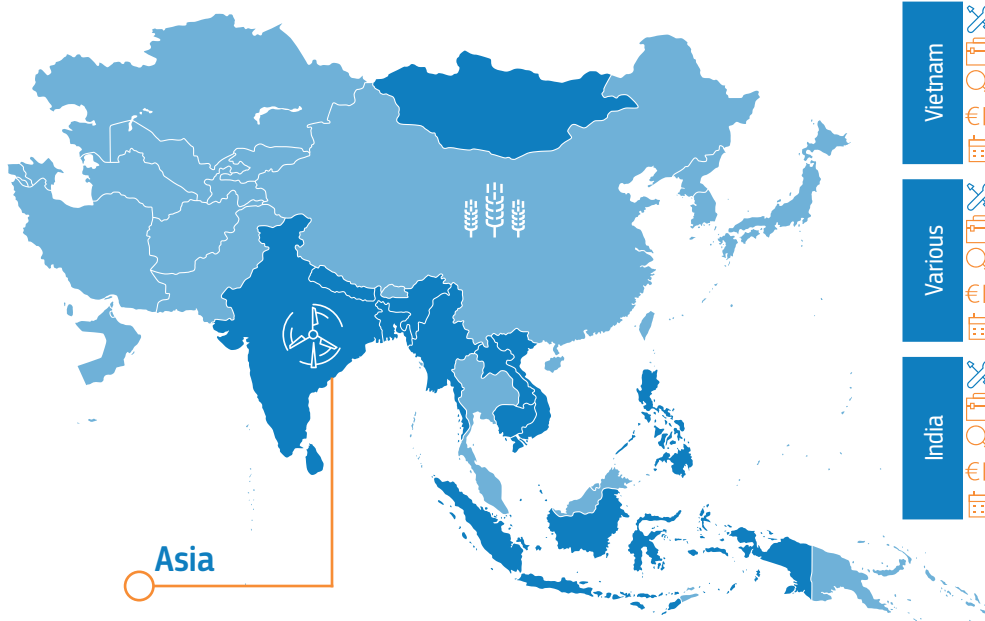
BIO staff or third-parties contracted by BIO can deliver support services to (a group of) existing clients. Direct support programmes focus on enhancing the developmental effects and/or economic performance of a company. The programmes can take the form of technical assistance or feasibility studies as well as workshops, seminars, learning events and peer-to-peer trainings.


















	2016	2017
Average size grant	€ 30,583	€ 127,083
Total committed	€ 366,992	€ 1,016,668
Projects approved	12	8
Signed projects		3
Total signed		€ 379,468

BIO investment projects signed in 2017



Honduras	 Banco Popular S.A.
	 Financial Institution
	 Microfinance Institutions
	 110  Equity
	 9/2017
Peru	 Cooperativa Pacifico
	 Financial Institution
	 Microfinance Institutions
	 8,481  Loan
	 10/2017
Nicaragua	 Financiera Fondo de Desarrollo Local
	 Financial Institution
	 Microfinance Institutions
	 3,583  Loan
	 05/2017
Ecuador	 Hidronormandia S.A.
	 Infrastructure
	 Energy
	 8,053  Loan
	 01/2017
Nicaragua	 IHC S.A.
	 Infrastructure
	 Energy
	 6,394  Loan
	 10/2017
Dominican Republic	 Montecristi Solar FV SAS
	 Infrastructure
	 Energy
	 12,507  Loan
	 11/2017



India	 Annapurna Microfinance Private Limited
	 Financial Institution
	 Microfinance Institutions
	 1,942  Equity
	 06/2017
Vietnam	 Puratos Grand Place Vietnam Company Ltd.
	 Enterprises SME
	 Agribusiness
	 1,264  Loan
	 10/2017
Various	 Triple P Advisory Pte. Ltd.
	 Investment Companies & Funds
	 MFI Funds
	 5,839  Equity
	 11/2017
India	 Ventureast Proactive Fund II LLC
	 Investment Companies & Funds
	 SME Funds
	 4,184  Equity
	 11/2017

Ending poverty

The United Nations set 17 Sustainable Development Goals, to be reached by 2030. BIO supports and contributes to all of them, both directly through its investments and indirectly through partnerships with stakeholders.



The core of BIO's mission is to invest in private sector projects and contribute in a structural and positive way to the socio-economic growth of the host countries and their population, aligned with SDG 1 No Poverty. To achieve its mission, BIO invests in SME's, infrastructure (mainly renewable energy) and the financial sector (investment funds, microfinance and SME banks) and thereby contributing to SDG 7, 8, 9 and 10. Depending on the sector, BIO's activities contribute to additional SDGs. On top of that, BIO works together with its clients to adhere to international Environmental, Social and Governance best practices and standards.

35% of BIO's new investment commitments in 2017 were for renewable energy and energy efficiency projects. These investments help increase electricity production, mitigate GHG emissions and improve energy access to households and SMEs. Reliable energy access is key for private sector development



All of BIO's investments are contributing to local economic growth, valorised through job creation, increased production, positive impact on exports and access to financial services.. The private sector plays a critical role in supporting and creating jobs as well as wages growth, thereby laying the foundation to reduce poverty.

BIO's investments contribute to this goal in different ways; amongst others by increasing the access of SMEs to financial services and technology as well as supporting their integration into value chains and markets.



BIO's direct and indirect investments in microfinance institutions (representing 23% of total new commitment in 2017) that promote and empower social and economic inclusion for all strongly support this goal.

In 2015, BIO rolled out its new development assessment framework. It assesses, prior to investing, how each investment project contributes to BIO's eight development objectives (see p22 for the ex-ante assessment of BIO's new projects in 2017). Development indicators linked with these goals are set with the client, who reports on them annually, e.g. number of (female) jobs, taxes paid to governments, power production, CO₂ emissions avoided, number of smallholder farmers reached,...

BIO is currently integrating of the 17 SDGs and their key indicators into BIO's development assessment framework to ensure a full alignment between SDGs and BIO' development goals.





New projects systematically monitored on climate impact

The fight against climate change is one of BIO's development goals. Through investments in renewable energy projects and energy efficiency projects, BIO is directly contributing to Sustainable Development Goals 7 and 13.

At the end of 2017, BIO's total commitment in renewable energy and energy efficiency amounted to 245 million euro: 172 million euro in direct projects and 73 million euro via private equity funds.

Since 2017, BIO systematically measures the Greenhouse Gas (GHG) emissions avoided of new direct renewable energy projects, with the AFD carbon tool. With this tool we measure, in a systematic and consistent way, the ex-ante GHG emissions of projects, or the avoided GHG for renewable energy projects. We use the same methodology for all projects.




Besides the GHG emissions avoided (expressed in tonnes of CO₂ eq), we also monitor the power generated (expressed in GWh) by a renewable energy project. Both indicators are monitored and aggregated manually on a yearly basis.

Also, for the first time, BIO invested in two investment funds which support off-grid solar companies: Beyond The Grid Solar Funds (BTGSF) and SIMA.

SIMA is a financial senior debt fund and provides debt funding to both microfinance institutions and off-grid solar companies, whereas BTGSF only targets off-grid solar companies such as product distributors and manufacturers, PAYGO solar companies and solar project developers. Both funds aim at increasing the access to clean electricity for households via the improved access to Solar Home Systems.

Finally, an independent consultant makes an annual carbon assessment of BIO. In 2015 and 2016 the CO₂ produced was offset by supporting a cooking stoves project in Uganda (www.savingtrees.org). In 2017, 1,027 tonnes of CO₂ eq were emitted by BIO's direct activities. This was offset through an investment in the Paradigm project, which sells improved cooking stoves and water purifiers (www.theparadigmproject.org), earning BIO the CO₂ neutral certificate for the 3rd year in a row.

ENERGY & CLIMATE CHANGE IMPACT OF DIRECT INVESTMENTS

	Portfolio projects 2010-2016 (actual data 2017)	New commitments 2017 (annual projections)
 Renewable Energy & Energy Efficiency projects	15 (9 operational)	4
 GHG emissions avoided in CO ₂ eq (tonnes/year) using the AFD carbon tool methodology	1,413,041	181,600
 GWh produced	2,771	356.8

Local economic growth scores high

In order to structure and document the development rationale of BIO's investments, we use an in-house ex-ante development assessment tool. It indicates how and to what extent the investment is expected to contribute to our Development Goals.

All investments are assessed on their expected contribution towards BIO's Development Goals (BDGs). These eight goals were set in 2015, when the new development assessment framework of BIO was implemented: local economic growth, private sector innovation/consolidation, financial inclusion, food security and rural development, access to basic services, fight against climate change, promotion of ESG best practices and the last goal, gender.

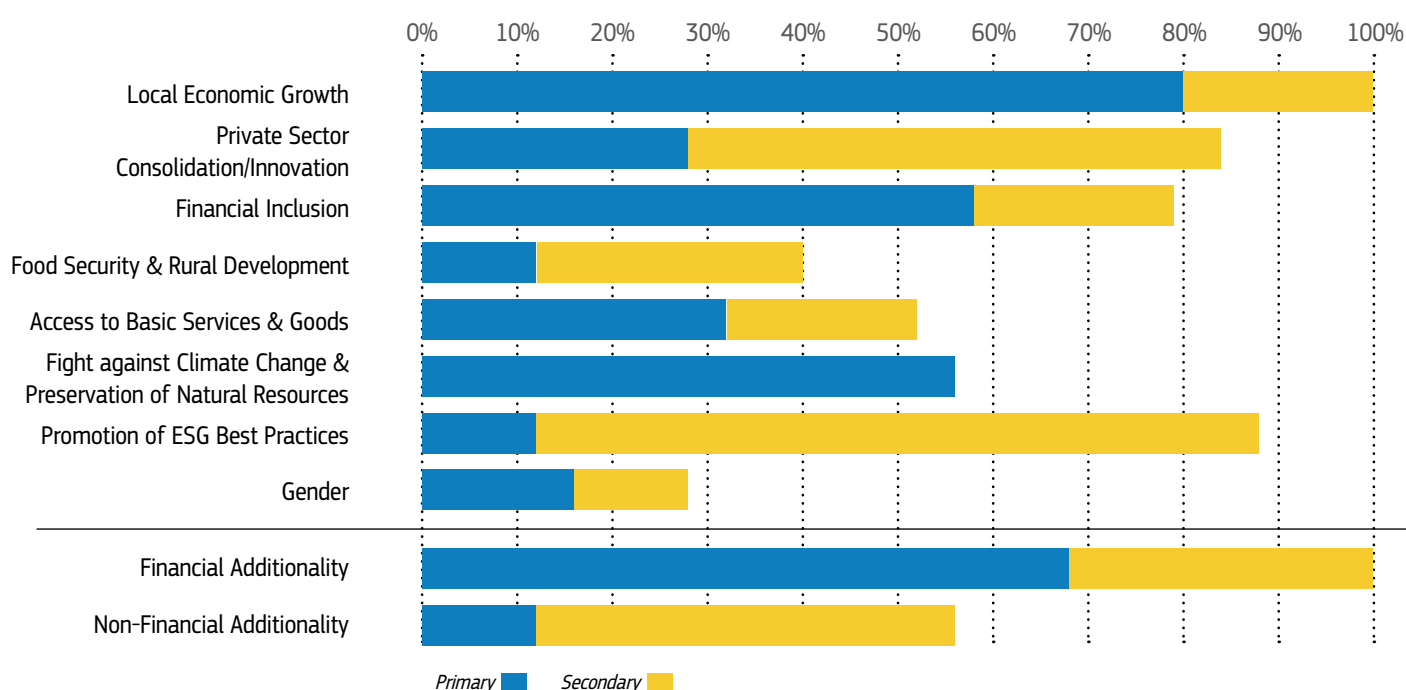
Ex-ante, the contribution of an investment opportunity to each of these eight goals is scored as a primary objective, secondary objective or as 'not an objective'. A BIO Development Goal is considered as primary when the investment is expected to have a strong contribution. A BDG is considered as secondary when it is an important - but not the principal - reason for investment.

Besides these primary and secondary objectives, BIO's financial and non-financial additionality of a prospective investments are also scored.

The table below provides a consolidated view of our expected impact on the eight development goals for those projects approved in 2017. Local economic growth and private sector consolidation are the two highest-scoring objectives, along with the promotion of ESG best practices.

This latter goal is a very important aspect of BIO's development impact. Depending on the investment, the value added of BIO can be a demonstration effect, in that if an investee company already disposes of excellent ESG practices, the investment may serve to demonstrate these practices to peers within the sector. Or, alternatively, when practices are not up to standard, there is an opportunity for improvement through our and other DFIs' investments.

Another important expected positive impact is the contribution of our investments to the fight against climate change. In 2017, BIO invested in four renewable energy projects and two renewable energy and energy efficiency funds. This will contribute to the annual avoidance of 181,600 tonnes of CO₂ eq emissions.





How to increase BIO's pertinence for food security and rural economic development?



Late 2016, BIO's Board of Directors asked for a strategic discussion on BIO's investment and MSME Support Fund activities in agriculture, agro-industry & forestry, with the general objective of increasing BIO's pertinence for food security and rural economic development. To structure the reflection, we set up an internal Agriculture Task Force, chaired by a Board Member and composed of BIO's CEO and several staff members from different departments.

As part of its reflection, the Task Force considered that food security and rural development should be understood from a wider perspective. By investing in agriculture projects (exports-oriented or not), jobs are supported and created (directly and in the supply chain), revenues increased and wealth generated. This has an indirect positive impact on poverty alleviation in general, but also specifically on food security and rural development.

In the first half of 2017, the Task Force organised three agriculture round-tables, with both Belgian NGOs, ENABEL, impact investors and other international development actors, representing in total more than twenty organisations. Thanks to this inclusive and participative process, as well as literature research, the Agriculture Task Force gained very good insights and presented fifteen concrete recommendations to BIO's Board.

The key recommendations of the Task Force and BIO's planned follow-up are:

- Focus more on smallholders inclusiveness: BIO will increasingly search for aggregation points (cooperative, out-growers scheme, Services Delivery Models) of farmers to better include them in the value chains of SMEs. During its due diligence mission and monitoring, BIO will better ensure the farmers' situation is appropriately mapped and aims for further improvements.
- Set up a new investment facility for high developmental impact projects, that are associated with either higher risk or lower return than projects which BIO can currently finance. Focus on agriculture and agro-industry projects but also on direct and indirect investments in SMEs. The set-up of this facility is currently under way.
- Pilot local presence of BIO in Eastern and Western Africa: The objective is to significantly enhance sourcing and more investing in particularly the partner countries of the Belgian Development Cooperation. Agriculture and agro-industry projects are targeted as well as direct and indirect investments in SMEs. Based on this recommendation BIO is assessing whether to launch two local liaison pilots in 2018.
- Facilitate compliance to Environment, Social and Governance (ESG) requirements: BIO's ESG requirements are based on IFC Performance Standards for direct investments with strong developmental perspective. The scope and detail of implementation of the IFC Performance Standards are often disproportional for smaller SMEs active in agriculture or agro-industry. BIO will therefore take a differentiated approach on these standards towards smaller SMEs, ensuring compliance on the essential ESG standards and providing support all along its investments aiming at continuous improvements.
- Enhanced use of the MSME Support Fund to support agro-industry projects including a strong focus on smallholder empowerment. For this purpose, the MSME Fund will be revised in 2018 and will also provide technical assistance for eligible projects of smallholders working in the supply chains of our clients.

‘I now do the banking transactions myself’

Chandrabati Raut, 3rd cycle client of Annapurna Finance

After I took out some loans, my income grew and my position in my family and society significantly changed. I have a better decision-making power in my family and my husband consults with me before making any financial decision.

I am no different than any other woman in rural India. I got married at an early age after doing higher studies, my husband stays out of home because of his regular work and I manage the household chores and take care of our two children.

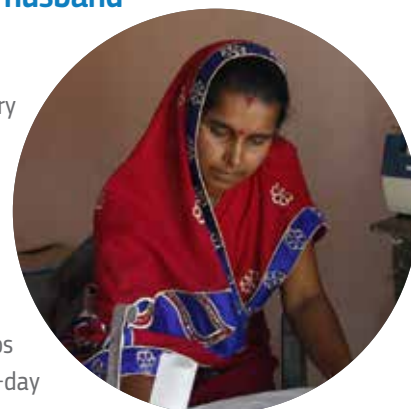
In 2015, as part of a women group, I got associated with Annapurna. With my first loan, I bought a cow, expecting a little rise in my household income, to better handle my regular needs. Realising the potential of milk business in my village, however, I bought two more cows with a second loan. Because of my group's good repayment performance, in a third cycle we got a higher amount, 55 thousand rupee each, allowing me to add another cow to my growing herd. The main advantage from passing from one to four cows was the regular milk production. Beyond my family's daily consumption, I had around 20 litres of milk a day remaining, which I started selling.

As there are many women like me in my village, I discovered a new business opportunity and eight months ago I started a milk collection centre in collaboration with Milky Moo, a local dairy product supplier. I invited all these women to be a part of my centre and currently thirty families are providing their milk to my centre, resulting in 200 litres of milk every day. The dairy company has given me a lactometer and promised to give an Analyser if the regular supply reaches 300 litres of milk. Next to this, I have

recently started a LPG delivery centre in my village as many of the villagers are shifting towards LPG cylinders instead of using traditional fuel-wood or stoves for cooking.

My 16-year-old son helps me in managing the day-to-day operations and I have recently employed one person for taking care of my livestock. Now I earn around 18 thousand rupee per month on my own, and my position in my family and society has significantly changed. I have a better decision-making power in my family and my husband consults me before any financial decision, I attend the social meetings with more confidence. There has been a remarkable change in my access to banking, as now I go to the bank 2-3 times in a month to do transactions myself. My future plan is to add a few high yielding breed cows to improve both my milk production and income generation.

I wish to give my children a secure future, where they can decide what they really want to do and, hopefully, with my savings I'll be able to support their higher education and ensure that future.





Six financial sector investments in India: Case study evaluation

Enabling loans to 2.8 million, mostly women

Every year, BIO commissions an external evaluation of at least five of its on-going or completed investment projects to gain insight into these investments' development effects and effectiveness, and implement the conclusions into our work. In 2017, BIO contracted MicroSave to conduct a case study evaluation of its six financial sector investments focused on the MSME segment in India.

- Three Microfinance Institutions (MFIs) that primarily offer credit to women: Annapurna Microfinance, Utkarsh Microfinance, and Fusion Microfinance
- One so-called Non-Banking Financial Institution (NBFI) engaged in infrastructure and equipment finance: Srei Equipment Finance Limited
- Two Private Equity Funds (PE Funds) that invest in SMEs: Ventureast Proactive Fund and BTS India Private Equity Fund.

Objectives

The primary objective of the study was to assess how BIO's investments have been able to address the financing needs of MSMEs in India and how BIO has been able to support the investee institutions to address their financial as well as non-financial challenges. The secondary objective was to assess the additionality of BIO's financing in the financial sense (complementarity) as well as non-financial sense concerning aspects such as institutional strengthening, enhancement of business practices, improved working conditions for staff, improved level of gender equality etc.

Methodology

MicroSave evaluated the six investee institutions based on a "Theory Of Change", which defines BIO's "intervention logic" by linking BIO's activities (investment, client support, Technical Assistance subsidy etc.) as "inputs" to the investees' "outputs" (income generation, job provision, taxes paid etc.) and the broader "outcomes" that these lead to. The OECD's Development Assistance Committee (DAC) criteria - including Relevance, Efficiency, Effectiveness, Impact and Sustainability - were used to assess the progress against the intervention logic. Also, the investments were assessed on additionality both in financial as well as non-financial sense.



Findings

The evaluators' general conclusion is that, regarding the six investee institutions, BIO's performance has been good. BIO selected a highly relevant set of financial institutions that served the financial needs of a wide spectrum of enterprises within the MSME sector. Highlights of their findings across the evaluation criteria:

1 - Full Relevance

Overall, BIO's investments may be considered good on the relevance criteria – "relevance" referring to the extent to which they addressed the credit gap among micro-enterprises (through MFIs) and early & growth stage SMEs (through PE funds). The choice of institutions was considered highly relevant and has contributed to the development of microfinance and the MSME sector in India.

- BIO invested in financial institutions that not only helped address the demand for credit among the microenterprise segment but also provided risk capital to SMEs to encourage innovation that had an impact on the population living in semi-urban areas.
- BIO's investee institutions focused on finance-deficient states within India. BIO's and the investees' financial product innovation was limited, largely due to regulatory constraints.

2 - Effectiveness

BIO has been able to broadly achieve its investment objectives across the six investee institutions.

- Cumulatively, the lending institutions supported by BIO provided access to credit to more than 2.82 million customers.
- BIO, through the PE funds, apart from providing equity, was able to extend non-financial support to SMEs. This included guiding the management through active participation in board meetings, helping improve their management information system, reporting systems, accounting systems, auditing functions by hiring controller level professional(s), setting up audit and statutory functions etc., and helping them raise funds.

3 - Efficiency

BIO's investment efficiency was fair.

- Similarity of BIO's investment and monitoring processes with that of other Development Finance Institutions (DFIs), and absence of additional required documents during the due diligence process helped BIO achieve higher efficiency.
- BIO was swift in executing transactions, and was able to complete most of the investment transactions within the expected timelines.
- From BIO's perspective, the efficiency was fair, as it leveraged the market insights gathered by other DFIs and participated in co-financing opportunities (wherever possible).
- BIO regularly monitors the progress of its investees on meeting the development objectives. As the development assessment tools and processes are still evolving, however, they need to be communicated effectively to the investee institutions.

4 - Impact

BIO's investments have a good impact in addressing the financing gaps of MSMEs in India.

- Through investment in new and emerging MFIs, BIO supported access to finance among women especially in the low-income and underserved states in the northern and eastern part of India. BIO's MFI investees cumulatively serve over 10% of the total microfinance customer base in India as on March 2017.
- While the financial institutions paid taxes, it is difficult to estimate the tax payment at the level of microenterprises supported by MFIs. Such enterprises are really small and informal and hence may not always be paying direct taxes to the government.
- BIO also had a significant impact on its investees in terms of ESG compliance. All its investees submit an annual ESG report and the private equity funds also prepare a report on the ESG status of all their investee institutions. Specifically, emphasis on ESG compliance helped build capacities of the General Partners of the two PE funds on ESG assessment and reporting.
- BIO, however, had limited impact in terms of increasing the proportion of women employees, especially at MFIs. This is primarily because of the nature of the business and work environment that is not conducive to women employees, because of factors such as the prevailing social and physical infrastructure as well as the safety of women.
- The investment also had an impact on encouraging entrepreneurship and innovation among SMEs. The entrepreneurship encouraged through these institutions has a multiplier effect on employment generation.



5 - Sustainability

Overall, the sustainability of the investment, in the sense of financial and non-financial performance (ESG), is fair.

- All the lending investee institutions are making sound financial returns. However, the financial sustainability of the private equity funds and their investee institutions is somewhat mixed, with one PE Fund facing difficulty in exiting from portfolio companies and having negative returns.
- BIO's focus on ESG compliance and annual ESG reporting helped sensitise the investee institutions concerning environment and social sustainability. All the lending investee institutions adhere to IFC's Exclusion List and hence do not lend to any businesses that may adversely impact the environment.

6 - Additionality

Based on the evaluation, BIO's performance on the additionality criterion – roughly defined as BIO's financial complementarity and BIO's added value through institutional building, improving business practices, working conditions, etc. – is fair.

- BIO's first investment in the microfinance sector was significantly additional. It came at a time (2013 onwards) when the microfinance sector was recovering from the 2010 Andhra Pradesh crisis (when scores of borrowers could no longer service their debts) and the MFIs were organising their business to align with the revised guidelines from Reserve Bank of India for NBFC-MFIs.
- BIO's non-financial additionality existed but it could have been more prominent. BIO – through guidance as a board member – helped an institution to conduct a thorough gender assessment exercise and also guided another institution on its Social Performance Management and Corporate Social Responsibility programmes.
- However, it is to be noted that the technical assistance grant offered by BIO was used by only one of the six investees. This is partly due to the fact that some of the investee institutions were not aware of BIO's technical assistance facility.

Lessons and Recommendations

The lessons learnt and recommendations of the evaluators towards BIO focus on key reasons for the success of the intervention, and how such success can be replicated.

- To expand the scope for investment in India, BIO should consider revisiting the investment strategy for the country and in general develop tiered maximum exposure norms for countries (instead of the current general 10% cap). In addition to the current financial sector investments, BIO may look at directly investing in start-up businesses and emerging financial institutions such as FinTechs that aim to address challenges of MSMEs.
- BIO should consider differentiating its offering by means of a more comprehensive and pragmatic technical assistance package that would not only include technical support by specialised service providers but also specialised international trainings, access to networks and forums, and knowledge management support.
- To expand access to first-hand information about the country and the sector, BIO may consider appointing a country-manager who will not only be responsible for monitoring of investment but also implementing BIO's overall country strategy for India.
- BIO should also take concerted steps to invest large amounts in the target institutions in order to have a sizeable stake in the investees to guide strategy. BIO may also consider focusing on niche aspects such as digital technologies and gender.
- BIO's current reporting requirement is aligned to those of other DFIs and should be continued. The recently introduced Development Assessment Tool needs to be discussed more frequently with the investees, to orient them about maintaining and reporting the required development indicators.



BIO's response

In its response to the evaluation, we expressed our appreciation for the thorough work done, also enabled by the fact that the India-based evaluators have intimate knowledge of the country, its culture and its languages. We broadly agree with the conclusions and recommendations. Some recommendations are already being implemented, such as a broader scope of our MSME Fund, investing in emerging FinTechs and a stronger focus on digital technologies. Others, such as enabling a higher investment exposure in India, increasing our investment amounts, and more specialised expertise on India, will be discussed when, late 2018, we will be reviewing our overall investment strategy.

Thousands of the poorest profit in rural areas of Cambodia

Largest microfinance institution continues to grow

Providing services to the lower income population, promoting entrepreneurship and allowing poor clients to develop their economic activity. Those were the goals of the two-million-euro investment in the capital of Prasac in 2006.

BIO's equity investment was meant to contribute significantly to the financial sector as a whole and came at a time when Prasac transformed from an NGO into a regulated institution and sorely needed capital to grow. Since then, Prasac has come a long way. Today, it is the largest microfinance company of Cambodia. When BIO exited early 2017, Prasac reached around 350 thousand credit customers in rural areas. Over the last ten years, Prasac's total assets grew from 37 million dollars to 1.3 billion dollars. Through its 6,400 employees in its 181 branches in 25 provinces, its activities contribute to a very large extent to financial inclusion of micro entrepreneurs in Cambodia.

At the time of exit, BIO owned 22.5 percent of the company shares.

Why the exit?

Early 2017, Prasac had become the most important microfinance institution in the country and had been preparing to obtain a commercial banking license from the National Bank of Cambodia, for which the National Bank required a commercial bank to become a strategic shareholder. Because a banking license will allow Prasac to take deposits, lower its loan interest rates and improve its services to the rural poor, BIO strongly supported this aspiration.

In March 2017, LOLC International (a Sri Lanka based financial group and existing shareholder of Prasac) and the Hong Kong based Bank of East Asia acquired a majority interest in Prasac by purchasing the shares of BIO, Dragon Capital and FMO and have become the strategic commercial partners that will allow Prasac to continue to grow and work towards the shared goals. The sale provided BIO with an added value of € 67 M.



Facts & figures

Sector	Financial sector	Subsector	Microfinance
Region	Cambodia, Asia		
Instrument	Equity	Amount	€ 1.9 M

Development Impact

The most important impact of BIO's investment was the contribution to the capital base of the company so that it could attract additional debt funding and grow its loan portfolio toward micro enterprises in a substantial and sustainable way. BIO was a patient and long-term investor that facilitated the stable development of the institution.

BIO used its role as a shareholder to encourage professionalising reporting standards, stimulate the creation of a risk management department, implement Client Protection Principles, improve governance and facilitate access to funding. BIO also aimed at capacity building through grants: BIO financed studies on operational strategy in 2010.





Investments ended in 2017

In 2017, BIO terminated twenty-three investments, for which it had initially committed a total of 87 million euro of financing.

Five funds are concerned and eighteen loans. Of these loans, thirteen expired in 2017 and were fully cleared according to the repayment schedule. Three loans were reimbursed before the final maturity date (prepayment) as BIO's counterparties managed to locally find a more attractive source of financing, attesting to BIO's catalyst role, with local institutions taking the relay. Two loans that concerned failed investment projects were written off. Regarding the funds, BIO had to exit from four of them before the final maturity date to be compliant with the company's new rules concerning off-shore jurisdictions.

In 2017, most exits were in Asia with 43 percent of the total, and in the financial sector - banking and non-banking financial institutions and microfinance institutions - also amounting to 43 percent of all exited investments.

For each of the investments ended, BIO's intervention was positive and certainly additional.

The most important development impacts concerned local economic growth and tax revenues, direct and indirect job creation and, more specifically, financial inclusion and access to basic services, for example food security and infrastructure.

In addition to BIO's purely financial investments, there was technical assistance totalling almost 700 thousand euro, granted to eight of the exited counterparties. Among others, there were subsidies for Prasac, aimed at developing staff skills, developing environmental and social management systems, developing strategy and supporting the internal reorganisation in view of the transformation of the microfinance institution into a bank.

Name	Amount (€M)	Category	Sector	Region	Instrument	Exit type	TA (€ K)
Camed	0.4	Enterprise	Healthcare	Africa	Loan	Normal	-
DSM Corridor Group	0.8	Enterprise	Manufacturing & services	Africa	Loan	Normal	45.0
European Financing Partners	3.8	Fund	Various	Africa	Loan	Normal	-
Helios Towers	11.9	Infra	Telecom	Africa	Loan	Prepayment	-
Pulse Financial Services	1.5	MFI	Microfinance	Africa	Loan	Normal	-
SUU JSC	1.5	Enterprise	Agribusiness	Asia	Loan	Prepayment	103.3
NVTS	3.9	Enterprise	Agribusiness	Asia	Loan	Write-off	27.5
Khan Bank	15.6	Bank	Bank	Asia	Loan	Normal	-
VIF II	4.7	Fund	SME	Asia	Equity	OFC exit	154.4
MBCDF	3	Fund	Infrastructure	Asia	Equity	OFC exit	-
TBEC	1.4	Infra	Energy	Asia	Loan	Write-off	-
Prasac	1.9	MFI	Microfinance	Asia	Equity	Normal	110.4
LOLC Microcredit	5.9	MFI	Microfinance	Asia	Loan	Normal	-
Xac Leasing	1.9	NBFI	Leasing	Asia	Loan	Normal	31.1
Citizens Development bank	4.4	NBFI	Leasing	Asia	Loan	Normal	-
CASEIF II	3.3	Fund	SME	LAC	Equity	OFC exit	132
CAREC	0.3	Fund	Infrastructure	LAC	Equity	OFC exit	-
Semsa Mezapa	2.3	Infra	Energy	LAC	Loan	Prepayment	-
FDL	2.9	MFI	Microfinance	LAC	Loan	Normal	-
CIFI	7.5	NBFI	Infrastructure	LAC	Loan	Normal	-
Financiera Summa FOI	1.6	NBFI	Factoring	LAC	Loan	Normal	92.2
Arrend	3.8	NBFI	Leasing	LAC	Loan	Normal	-
Rural Impulse Fund	2.4	Fund	Microfinance	Multi	Loan & Equity	Normal	-



Financial report

BALANCE SHEET

ASSETS

	2017	2016
FIXED ASSETS	456,788,191	439,346,590
Formation expenses		8,732
Intangible assets	13,241	108,448
Tangible assets		168,579
Furniture and vehicles	183,336	113,978
Leasing and similar rights	-	-
Other tangible assets	-	54,601
Financial assets	456,419,522	439,060,831
Participating interests in affiliated enterprises	-	-
Participating interests in other enterprises	134,784,081	138,610,714
Amounts receivable and cash guarantees	321,635,441	300,450,117
CURRENT ASSETS	430,435,938	333,540,002
Amounts receivable within one year	7,006,040	3,391,751
Investments	408,444,483	320,494,160
Cash at bank and in hand	8,804,992	3,180,872
Deferred charges and accrued income	6,180,424	6,473,219
TOTAL ASSETS	887,224,129	772,886,592

LIABILITIES

	2017	2016
CAPITAL AND RESERVES	873,748,235	754,396,178
Capital	4,957,873	4,957,873
Reserves	774,512,192	725,512,192
Participating interests in affiliated enterprises	495,787	495,787
Amounts receivable and cash guarantees	774,016,405	725,016,405
Profit carried forward	94,278,170	23,926,114
PROVISIONS AND DEFERRED CHARGES	39,633	3,233,854
Provisions for risks and costs	39,633	3,233,854
CREDITORS	15,256,559	15,256,559
Amounts payable after more than one year	-	-
Amounts payable within one year	8,091,199	8,091,199
Trade debt	635,825	598,665
Payments received on account of orders	-	2,174,273
Taxes, remuneration and social security	1,248,673	706,784
Other amounts payable	4,923,113	4,611,478
Accrued charges and deferred income	6,610,651	7,165,360
TOTAL LIABILITIES	887,224,129	772,886,592

INCOME STATEMENT

	2017	2016
INCOME	120,279,595	50,105,875
Income from financial fixed assets	28,903,172	28,483,003
Income from current assets	11,739,653	12,947,830
Other financial income	1,640,574	279,841
Other operating income	2,033,973	2,376,498
Extraordinary income	76,039,488	6,318,704
Write-back of amounts written down on financial fixed assets	1,679,264	
Gains on disposal of financial fixed assets	74,360,225	
CHARGES	45,004,425	43,390,706
Services and other goods	3,501,772	2,837,420
Remuneration, social security costs and pensions	5,610,730	4,918,895
Depreciation	97,803	97,218
Impairment	1,606,911	1,738,438
Provision	-	-
Capital loss realisation (in)tangible assets (non-recurring)	62,925	-
Other operating charges	387,935	325,230
Financial charges	19,028,619	24,086,799
Extraordinary charges	12,750,925	9,007,505
Taxes	2,034,074	679,201
NET RESULT	75,275,169	6,715,169



2017 was successful for BIO in many respects. During 2017, BIO has signed 21 new investment contracts for a total amount of 118.3 million euro. Although the number of signed contracts increased, the investment amount slightly decreased (15.5 percent) compared to the year 2016. The actual disbursed amount nevertheless increased in 2017, namely with 5 percent.

On top of the customary interest and dividend income, BIO realised capital gains amounting to 74.273 million euro. However, BIO was required to increase its specific provisions for projects in distress (extraordinary charges) and book

losses (minus value) on other projects. The cost impact of these specific provisions (5.07 million euro) is outweighed by the positive contribution of the capital gains.

In 2017, BIO realised a net profit after tax of 75.275 million euro of which 4.923 million euro will be paid to our shareholder as dividend. The remaining 70.352 million euro is added to the profit carried forward.

In 2017, BIO's shareholder invested an additional 49 million euro new development certificates, increasing BIO's reserves to 774.5 million euro.



How is BIO governed?

BIO is a private company.

Its capital is provided by the Belgian state, the ministry for Development Cooperation.

Its 2001 starting capital amounted to 5 million euro. Since then, the ministry of Development Cooperation has been regularly putting additional equity (development certificates) at BIO's disposal. The annual shareholders' meeting was held on May 30th 2018 at which the shareholders discharged the Board and Auditor from liability.

Board of Directors, Investment, Audit and Human Resource Committees

The Board of Directors (BoD) decides on strategy and policy, and exercises strict internal control on the basis of regular reporting. It oversees the implementation of BIO's mandate and has the final word on all investment projects. Two government commissioners, one appointed by the minister of Finance and the other by the minister for Development Cooperation, assist the Board of Directors in ensuring that the State provided funds are well-managed. They are invited as observers to all meetings of the Board and its Committees.

The remuneration of the members depends on their function (president, vice president and member) and the number of committee meetings attended.

The Investment Committee (IC) advises the Board of Directors on investment decisions and analyses and monitors the portfolio.

The Audit Committee (AC) supports the Board in its oversight responsibilities regarding internal control in the broadest sense, including internal control over financial reporting.

The Human Resources Committee (HRC) assists the Board in human resource policy matters.

Credit Committee

The role of the Credit Committee (CC) is to formulate proposals to the CEO concerning decisions on minor investments, waivers and MSME Support Fund measures delegated by the Board to the CEO.

External Control

The funds entrusted to BIO by the Belgian government are subject to particular scrutiny.

BIO is supervised by its two government commissioners.

The Belgian Court of Audit conducts an annual financial audit.

BIO accounts are certified annually by an external auditor.

BIO is regularly evaluated by the government's special evaluator: the first evaluation took place in 2007, the second evaluation in 2012/2013.

Every year, BIO contracts an external evaluator to take a closer look at at least five investments – this year with a focus on investments in SME-finance in India.



Minister Alexander De Croo, Nathalie Francken (Enabel), Bruno van der Pluijm (DGD), Luuk Zonneveld (BIO), Christophe Soil (BIO) & Carl Michiels (Enabel)

Board of Directors

Investment, Audit and Human Resource Committees

	BOD	Remuneration	IC	AC	HRC
Mr. Christophe Soil	P	€ 9,958	ob	ob	ob
Mr. Jan Kerremans	VP	€ 7,500		m	m
Ms. Els Schelfhout	VP	€ 11,979	m Ch as of 07/2017		
Ms. Laurence Christians	m	€ 5,500		m	
Ms. Françoise Demeuse	m	€ 6,000			Ch
Mr. Koen Devoldere *	ob	€ 13,239			
Mr. Jean-Claude Fontinoy	m	€ 9,500	m		
Mr. Xavier Godefroid	m	€ 5,500			m
Mr. Carl Michiels	m	€ 9,500	m		
Mr. Peter Moors **	ob	€ 13,486			
Ms. Gaëlle Smet from 11/2017	m	€ 500	m		
Ms. Florence Thys until 06/2017	m	€ 4,500	Ch until 06/2017		
Ms. Annuschka Vandewalle	m	€ 5,500			m
Ms. Hilde Vautmans	m	Voluntarily non-remunerated	m		
Mr. Pieter Verhelst	m	€ 6,000		Ch	
Mr. Bruno Van der Pluijm ***	ob	€ 10,000	m		
Mr. Yves Windelincx		€ 5,500	EE		

* Government Commissioner - Ministry of Finance

** Government Commissioner - Ministry for Development Cooperation

*** Director-General for Development Cooperation and Humanitarian Aid

Executive and Credit Committee

		ExCom	CC
Mr Luuk Zonneveld	CEO	m	P
Ms Yumi Charbonneau	CLO	m	m
Mr Sebastiaan de Vries	COO	m	
Ms Carole Maman	CIO	m	m
Mr Denis Pomikala	CMO	m	m

Legend

P	President	Ch	Chair
VP	Vice-President	EE	External Expert
Ob	Observer	m	member



What can BIO do for you?

GENERAL

Instruments: debt & equity

Financing: in €, \$ or local currency

Sectors:

• All sectors, except those on the exclusion lists of the IFC and EDFI

• www.ifc.org/exclusionlist

• www.bio-invest.be/about-us/promoting-business-standards

Preference for:

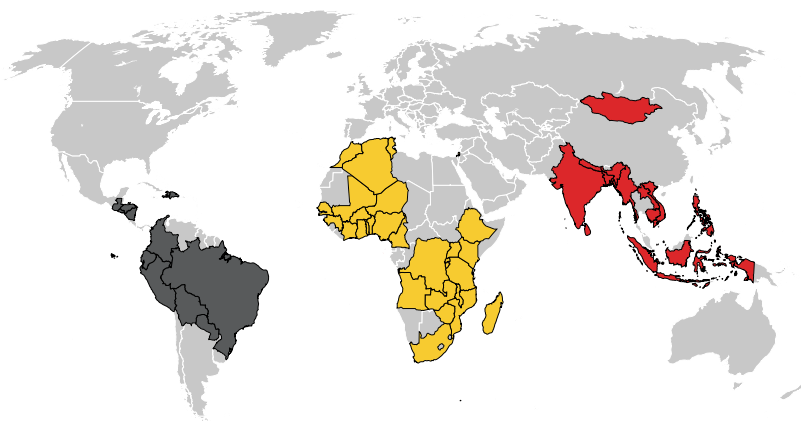
• Agriculture and agribusiness

• Financial sector targeting micro, small and medium enterprises

• Renewable energy

• Basic services to the population

ELIGIBLE COUNTRIES



Latin America

Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, Peru

Africa & other

Algeria, Angola, Benin, Burkina Faso, Burundi, Cameroon, Democratic Republic of Congo, Ethiopia, Ghana, Guinea, Ivory Coast, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Niger, Nigeria, Palestine, Rwanda, Senegal, South Africa, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe

Asia

Bangladesh, Cambodia, India, Indonesia, Laos, Mongolia, Myanmar, Nepal, Philippines, Sri Lanka, Vietnam



FUNDS



Amount:
€ 1-10 M



Target:
Private equity funds for SMEs, infrastructure and microfinance

• For more information or to apply, email fif@bio-invest.be



FINANCIAL INSTITUTIONS



Amount:
Minimum € 1-15 M



Target:
Financial institutions supporting the micro and small enterprise segment



Loans:
Maturity: 3-10 years
(max grace: 3 years)



Equity:
BIO can take minority stakes only

• For more information or to apply, email fif@bio-invest.be



ENTERPRISES



Amount:
Minimum € 1 M



Focus:
Existing enterprises in agribusiness, industry, services to the population (i.e. Health & Education), energy efficiency



Loans:
Maturity: 3-10 years

For more information or to apply, email enterprises@bio-invest.be



INFRASTRUCTURE



Amount:
€ 3-15 M



Focus:
BIO is able to support infrastructure projects providing basic services to the population and to the entrepreneurial ecosystem, including but not limited to renewable energy, telecommunications and transport & logistics.



Loans:
Maturity: up to 15 years

For more information or to apply, email infrastructure@bio-invest.be



MSME SUPPORT FUND

Who can apply?

Existing and prospective BIO clients;
Proposed projects in line with BIO's investment strategy and country eligibility criteria

Client contribution

Clients are required to contribute financially, the percentage based upon their financial capacity and is reviewed on a case-by-case basis.
For Feasibility Studies, clients are required to cover at least 50% of the eligible costs.

Eligible costs & maximum support

Eligible costs: Expert fees and expenses; specific project related cost such as workshop cost, etc...

Non-eligible: operational and capital costs

Projects that are underway and already-incurred costs

Feasibility study: max € 100,000 per client

Other support: max € 350,000 per client

For more information or to apply, email MSMESupport@bio-invest.be



BIO



Belgian Investment Company
for Developing Countries



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