

# BUILDING BRIDGES BETWEEN CAPITAL AND ENTREPRENEUR

**BIO's rôle**

**The funds**

**Supporting the creation and development of entrepreneurship in the Southern hemisphere and thus, contribute to sustainable development and poverty alleviation.**



investment  
charter & BoD decisions

- **Finance SME creation and expansion**
- **Invest in microfinance institutions**

In millions of €

<b>Shareholders' equity</b>	<b>5</b>
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Belgian state[BS] / BMI (each 50%)
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Development Fund	131,2
Local Currency Fund	9
SME - Fund	24

BS (pay-up in 2007 : 14,8)
BS (pay-up in 2006 : 3)
BS (pay-up in 2007 : 8)

<b>total</b>	<b>169,2</b>
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143,4 paid up
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## Off-balance sheet

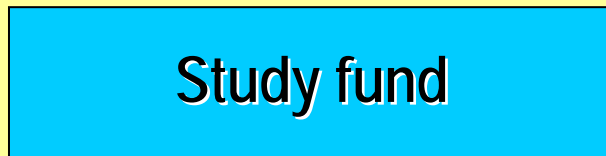
Technical Assistance Fund	1
Study Fund	1

BS
BS (pay-up in 2006 : 1)

## INVESTMENTS



## SUBSIDIES



## TARGET

- **Intermediary financial institutions** (min 70%)
  - SME
  - Microfinance  
(banks, leasing companies, investment funds, ...)
- **Direct investments SME** ( > €700.000 )

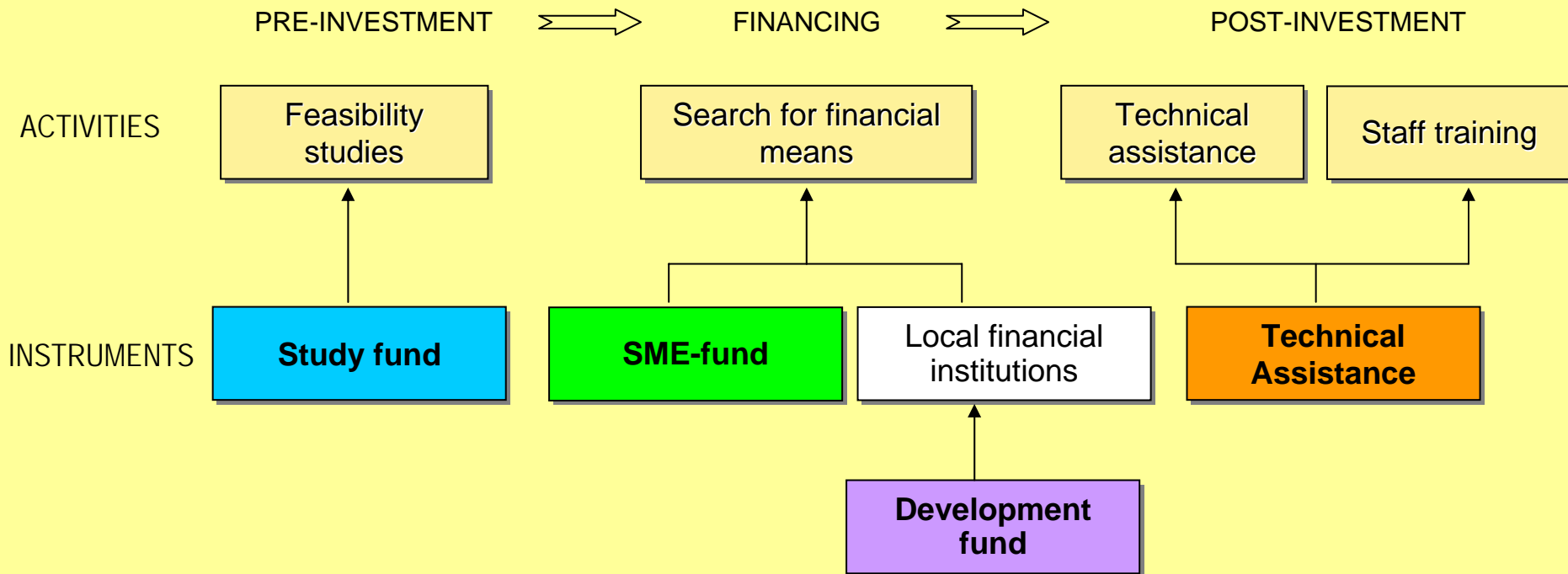
**Direct investments**  
( < €700.000 )

**Co-financing feasibility studies**  
(€ 100.000 per project)

**For Bio's investee companies :**

- Technical Assistance
- Training

These funds enable to cover the whole investment cycle of a private company.



## Instruments

- Capital
- Loans
- (Guarantees)
- Min. € 700.000  
Max. € 5 Mio

*Financing in €, \$ (or in local currency)*

*Minimum 70% in intermediary financial institutions  
(banks, investments funds,...)*

## Geographical coverage

3 country categories (*about 120 countries*):

- LDCs (Least developed)
- LICs (Low-income)
- LMICs (Lower Middle-income)

Minimum 35% towards LDCs with ‘accent’ on partner countries of Belgian Development Co-operation

## SME-fund

Financial support by means of loans  
to small and medium-sized companies

## Subordinated loans

< € 700.000 (financing in €)

- Duration : 3-12 years
- Grace period : max 3 years

## STUDY FUND

Co-financing feasibility studies for local enterprises and promoters by means of grants.

- Max 50 % of all feasibility study expenses
- Max € 100.000 per project

## Criteria

- Beneficiaries
- Geographical coverage
- Sectors
- Recommendations with regard to development impact

## Beneficiaries

- personnel : < 250 persons
- turnover : max € 40 Mio
- assets : max € 27 Mio

## Geographical coverage

3 country categories (about 40 countries):

LDCs (Least developed)

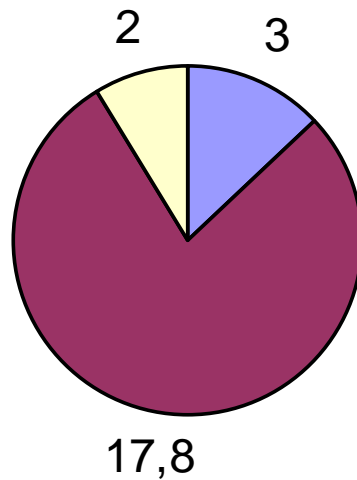
LICs (Low-income)

LMICs (Lower Middle-income)

About 2/3 in priority countries of Belgian  
Development Co-operation

# Bio's Development Fund Activities in Africa

## €Millions Committed By BIO Development Fund



- Microfinance
- Banks and Investment Funds
- Direct Investment

# SME-Fund Activities in Africa

- 3 Projects Approved
- 1,6 Million € to be disbursed

# Possible Co-operation Bio-Diaspora

- Organisations as BIO normally invest up to 50 % of a project
- Demand 50 % of promotor(s)
- For some promoters difficult to source this finance
- Diaspora could take a leading role as co-promotor

# Possible Co-operation BIO SME Fund & Diaspora

Diaspora Invests up to  
50 % in capital

BIO Invests  
50 % in loan

**bio** thanks you  
Development through Investment

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