



FINANCING AND REINFORCING THE FINANCIAL SECTOR

Through its support to the financial sector BIO indirectly provides financial solutions in the form of equity investments or debt to local entrepreneurs. Financial institutions such as investment funds, banks, leasing companies or MFIs are essential partners to local enterprises. These organisations contribute to the emergence of a solid and dynamic local industry through the provision of finance, but also by promoting good governance principles. Their proximity and understanding of the area enables them to better comprehend business needs and offer tailored products. BIO supports their mission by providing long-term capital and assisting them in the development of skills.

MISSION

- Create a strong private sector in developing countries
- Improve and consolidate the local financial sector
- Facilitate access to long-term financing for SMEs and micro-entrepreneurs
- Play a pioneering role in underserved markets
- Act as a catalyst in capital mobilisation
- Offer innovative solutions/products

INSTRUMENTS

Medium and long-term financing in the form of:

- Debt
- Equity
- Guarantees

AMOUNTS

- Funding is granted in EUR, USD or in the local currency. Minimum amount is EUR 1 million per project.
- Loan maturity may vary between 3 to 10 years, with a maximum grace period of 3 years. BIO operates on commercial grounds.
- In the case of equity investments, BIO is never a majority shareholder. BIO generally leaves the share ownership once the business has achieved a sustainable level of maturity.

SECTORS

BIO may fund financial institutions or intermediary organisations who aim to finance small and medium-sized enterprises:

- Commercial banks
- Microfinance institutions
- Non-bank financial institutions (factoring, leasing)
- Investment companies
- Private equity funds

GEOGRAPHICAL FOCUS

- Operations in Africa, Latin America and Asia
- Least Developed Countries, Low Income Countries and Low Middle Income Countries (List of ODA-recipients of the OECD-DAC)

TECHNICAL ASSISTANCE

BIO may also grant non-reimbursable subsidies for technical assistance to help client companies increase skills and enhance professionalism through training courses or upgrading programmes.

SUSTAINABLE DEVELOPMENT AND FINANCIAL RETURN

BIO looks at each project in terms of consistency with its strategy and investigates its viability and relevance to the country's economical and social development. The institution must be headed by an experienced management; it must be profitable or, in the case of a new business, forecast profit for the near future.

Regardless of whether it is a new business or one already established, it must demonstrate the need to strengthen its own capital in order to expand its activities. In addition, its technical and financial feasibility must be clearly set out in a business plan, which is the most critical document in the appraisal process.

Finally, in order to ensure a sustainable investment, the different partners involved in the project are assessed not only in terms of their economic performance and financial commitment to the project, but also on the level of corporate governance and compliance with social and environmental standards.

HOW TO SUBMIT A FINANCING REQUEST

SEND A COMPREHENSIVE
BUSINESS PLAN TO
financial.sector@bio-invest.be

ABOUT BIO

BIO is a Development Finance Institution established in 2001 by the Belgian Development Cooperation to support private sector growth in developing countries. BIO provides long-term financing (equity, quasi-equity, debt and guarantees) to enterprises, the financial sector, and private infrastructure projects, as well as grants for feasibility studies and technical assistance programmes. BIO operates as an additional partner to the financial institutions and looks for projects with a balance between return on investment and development impact. BIO is a member of EDFI (European Development Finance Institutions).

CONTACT

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