

 Early Warning System

FMO-31640

SCHULZE GLOBAL ETHIOPIA GROWTH AND



### Quick Facts

<b>Countries</b>	Ethiopia
<b>Financial Institutions</b>	Netherlands Development Finance Company (FMO)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2017-01-02
<b>Borrower</b>	Schulze Global Ethiopia Growth and Transformation Fund I
<b>Sectors</b>	Agriculture and Forestry, Construction, Education and Health, Finance, Industry and Trade
<b>Investment Amount (USD)</b>	\$ 3.44 million



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## Project Description

According to the FMO, there will be an excellent impact on the Ethiopian private equity fund market, in which the fund is a first mover, since risk capital is still scarce in the SME segment. In addition to providing capital, the fund will actively support the growth strategy of the SMEs in which it invests (for example, by playing a role in the companies' boards of directors and supporting management).

This fund is a solid opportunity to create impact in a low-income country. We will work confidently with a strong team of investment professionals based in Addis Ababa with local networks, deal experience and deep knowledge of the business and political environment in Ethiopia, backed by a sponsor with a track record in emerging markets private equity bringing the requisite operational support.



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## Investment Description

- Netherlands Development Finance Company (FMO)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Schulze Global Investments](#) (Financial Intermediary)



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### Private Actors Description

As stated by the FMO, Schulze Global Ethiopia Growth and Transformation Fund I is the first private equity fund established to focus on investments in Ethiopia. The fund's preferred sectors will include agriculture and agro-processing, manufacturing, real estate, healthcare, education and eco-tourism.

As stated by Addis Standard, Schulze Global is an American private investment firm focused on the world's most dynamic frontier markets. Schulze Global manages several hundred million dollars of investments across various markets in Asia, Latin America, and Africa and works in partnership with some of the world's most prestigious institutional investors. Schulze Global is the pioneer of private equity investing in Ethiopia having raised the first country-focused private equity fund in 2013 and has had a local team operating since 2008. The firm has made growth equity investments in Ethiopia across a variety of industries including food-processing, construction, pharmaceuticals, coffee, education, and dairy.



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## Contact Information

*No project contact information provided at the time of disclosure.*

### **FMO South Africa:**

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## **ACCOUNTABILITY MECHANISM OF FMO**

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>.



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## Bank Documents

- [Project Information](#)

## Media

- [Schulze Global Investments acquires a 45% stake in Family Milk](#)