

 Early Warning System

FMO-50227

ARISE B.V.



Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Active
Bank Risk Rating	B
Voting Date	2016-07-21
Borrower	Arise
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Amount (USD)	\$ 246.68 million



Project Description

WHO IS OUR CLIENT

Arise is an investment and development company that was established by Norfund, FMO and Rabobank, under joint ownership. Norfund, FMO and Rabobank currently all hold stakes in several banks in Sub-Saharan Africa that they have agreed to transfer to Arise. Arise's aim is to contribute to the development of well-functioning and inclusive financial systems in Africa through a long-term perspective. Arise will continue to build strong locally owned financial service providers (FSPs) serving SMEs, the rural sector and clients who have not previously had access to financial services.

FUNDING OBJECTIVE

By teaming up, the three parties can ensure that more capital can be raised to support the growth strategies of the partners they invest in and that financial and agricultural expertise can be put to more effective use to enhance the impact in Sub-Saharan Africa. Arise's ambition is to become the leading and most trusted investment and development partner for private sector FSPs in Sub-Saharan Africa. It is the ambition of the three parties to create the most pre-eminent long term bank investment company. It is anticipated that Arise will grow to a company with assets in excess of USD 1 billion over five years.

WHY WE FUND THIS PROJECT

The investment in Arise fits perfectly in FMO's strategy for the financial sector. Arise will be a proactive shareholder to its investees, providing knowledgeable board members and dedicated experts to support investee strategies to become sound and sustainable FSP's. Moreover, Arise will have a sufficient capital base to be able to provide adequate growth capital when required by the targeted investee companies. This capital will also be used for acquisitions in the market fitting the investment and development profile set by Arise. Arise can leverage on the extensive banking knowledge and valuable agri-banking expertise of its founding partners. This partnership will increase the availability of financial services to small and medium enterprises. Above all it will allow the people in Sub-Saharan Africa to empower themselves by getting bank accounts and take loans and hence build a better life for their families.



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.

- [Arise](#) (Financial Intermediary)



Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.



Contact Information

FMO

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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>.



Bank Documents

- [Project Information](#)



Other Related Projects

- FMO-55878 ARISE B.V.