Early Warning System

FMO-54128

ECOBANK TRANSNATIONAL INCORPORATED

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Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2017-12-20
Borrower	Ecobank Transnational Incorporated (ETI)
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Amount (USD)	$ 50.00 million

Project Description

Through this investment FMO supports small and medium-sized enterprises in some of the most underbanked countries in Africa. Although SMEs in these countries provide the majority of jobs, their access to finance remains limited. Through the syndicated facility, FMO is happy to bring new investors to these markets and help to spur economic growth where it is needed most. By helping ETI to support job growth across Africa, including in Least Developed Countries, and by crowding in partner investors, FMO aims to contribute to three of the Sustainable Development Goals: SDG 8 "Decent Work and Economic Growth", SDG 10 "Reduced Inequalities" and SDG 17 "Partnerships for the Goals".

Investment Description

- Netherlands Development Finance Company (FMO)

ETI will use the facility to provide funding to a number of subsidiaries across its network of 36 African countries. In line with the Ecobank Group’s strategic development objectives, at least 75 per cent of the loan facility will be directed to SME’s across various sectors of the economy.

ETI is classified as an E&S Category A in accordance with FMO’s Sustainability Policy. The clients in the bank's portfolio are active in sectors which have potential significant and adverse environmental and social impacts, such as oil & gas, manufacturing and construction. Overall, the E&S risk profile of the bank's portfolio is relatively moderate, but due to the size of the bank, ETI is exposed to some high risk transactions. According to an analysis of ETI over the year 2016, of the total of 2,073 transactions that were screened and managed for E&S risk, 40 transactions were identified as high E&S risk transactions. ETI is an Equator Principles signatory. The bank has developed an adequate E&S framework that can serve as a solid base on which further improvement can be build. As part of the agreement with ETI, the bank will be investing in more E&S capacity, awareness and knowledge across the different layers within the organization. In addition, ETI is required to apply the EDFI Exclusion List, local E&S laws and regulations and the IFC Performance Standards Framework for certain identified projects.

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.

- Ecobank (Financial Intermediary) **is owned by** Ecobank Group (Parent Company)

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.

Private Actors Description

The Group employs over 17,000 people in 40 different countries in over 1,200 branches and offices. Ecobank is a full-service bank providing wholesale, retail, investment and transaction banking services and products to governments, financial institutions, multinationals, international organisations, medium, small and micro businesses and individuals. Additional information on Ecobank can be found at ecobank.com.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
AngloGold Ashanti Ltd	Parent Company	Mining	owns	Geita Mine (Ashanti AngloGold)	Client	Mining
Ecobank Group	Investor	Finance	invests in	AngloGold Ashanti Ltd	Parent Company	Mining
Ecobank Group	Investor	Finance	invests in	Cocoa Touton Processing Co	Parent Company	Agriculture and Forestry
Ecobank Group	Investor	Finance	invests in	Geita Mine (Ashanti AngloGold)	Client	Mining
Ecobank Group	Investor	Finance	invests in	Ghana Cocoa Board(Ghana)	Parent Company	Agriculture and Forestry
Ecobank Group	Investor	Finance	invests in	Ihs Cote Divoire Sa	Parent Company	Infrastructure
Ecobank Group	Investor	Finance	invests in	La Societe pour le Dvlppement	Parent Company	Agriculture and Forestry
Ecobank Group	Investor	Finance	invests in	Nestoil PLC	Parent Company	Mining
Ecobank Group	Investor	Finance	invests in	Puma Energy	Parent Company	Mining
Ecobank Group	Investor	Finance	invests in	Puma Energy Corporate Facility 2018	Client	Mining
Ecobank Group	Investor	Finance	invests in	Volta River Authority	Parent Company	Energy
Puma Energy	Parent Company	Mining	owns	Puma Energy Corporate Facility 2018	Client	Mining

Contact Information

No contact information provided at the time of disclosure.

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