Early Warning System

FMO-55073

EASTERN AND SOUTHERN AFRICAN TRADE

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Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2018-11-15
Borrower	Eastern and Southern African Trade and Development Bank
Sectors	Finance, Industry and Trade
Ring Fence	Trade Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Loan Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 15.00 million

Project Description

The Eastern and Southern African Trade and Development Bank (TDB) and previously PTA Bank, is a specialized African regional financial institution established in 1985 that provides short, medium and long-term financing, across a wide set of sectors, both private and public-sector clients, on sustainable and commercial principles.

According to bank documents, the funding involves provision of a USD 15 mln Trade Facility Limit to TDB under the FMO Trade Enhancement Program to further support trade finance activities.

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.

- Eastern and Southern African Trade and Development Bank (TDB) (Financial Intermediary) **is owned by** Trade and Development Bank (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 Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
FM Sociedade de Controlo SGPS	Parent Company	Construction	owns	ENGENHARIA E	Client	Construction
FM Sociedade de Controlo SGPS	Parent Company	Construction	owns	MOTA-ENGIL	Client	Construction
Hakan Mining & Elecity	Parent Company	Energy	owns	Akanyaru Valley Peat-Fired	Client	Energy
Lloyds Banking Group PLC	Parent Company	Communications	owns	EDM Group Ltd	Client	Communications
Power Construction Corp of	Parent Company	Energy	owns	Kariba South Hydropower Plant	Client	Energy
Trade and Development Bank	Investor	Finance	invests in	Akanyaru Valley Peat-Fired	Client	Energy
Trade and Development Bank	Investor	Finance	invests in	EDM Group Ltd	Client	Communications
Trade and Development Bank	Investor	Finance	invests in	ENGENHARIA E	Client	Construction
Trade and Development Bank	Investor	Finance	invests in	Finasifroko Constr Spv Ltd	Parent Company	Construction
Trade and Development Bank	Investor	Finance	invests in	FM Sociedade de Controlo SGPS	Parent Company	Construction
Trade and Development Bank	Investor	Finance	invests in	Hakan Mining & Elecity	Parent Company	Energy
Trade and Development Bank	Investor	Finance	invests in	Kariba South Hydropower Plant	Client	Energy
Trade and Development Bank	Investor	Finance	invests in	Lloyds Banking Group PLC	Parent Company	Communications
Trade and Development Bank	Investor	Finance	invests in	MOTA-ENGIL	Client	Construction
Trade and Development Bank	Investor	Finance	invests in	Power Construction Corp of	Parent Company	Energy
Trade and Development Bank	Investor	Finance	invests in	Samburu Ltd	Parent Company	Transport
Trade and Development Bank	Investor	Finance	invests in	Zimbabwe Power Company	Parent Company	Energy
Trade and Development Bank	Investor	Finance	invests in	Zimbabwe Power Company (ZPC) Power Plants Expansion and Rehabilitation	Client	Energy
Zimbabwe Power Company	Parent Company	Energy	owns	Zimbabwe Power Company (ZPC) Power Plants Expansion and Rehabilitation	Client	Energy

Contact Information

Contact information not 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