Early Warning System

FMO-58648

CASEIF IV

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Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-12-11
Borrower	Central America Small Enterprises Investment Fund (CASEIF IV)
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Loan Amount (USD)	$ 15.00 million

Project Description

WHO IS OUR PROSPECTIVE CLIENT?

The Central America Small Enterprises Investment Fund (CASEIF IV) aims to provide growth capital to small and medium companies (SMEs) in Central America, Panama, Dominican Republic and Colombia. CASEIF IV targets to raise USD 75m in commitments and will be managed by Lafise Investment Management (LIM), a fund management company resulting from a joint venture between NORFUND and LAFISE Group. This represents a continuing relationship for FMO, having committed to the predecessor fund managed by LIM, CASEIF III, in 2014.

WHAT IS THE FUNDING OBJECTIVE?

LIM intends to promote development and fight poverty by enhancing sustainable growth of private sector businesses. The investment strategy of CASEIF IV will be in line with the successfully implemented strategy of CASEIF III. CASEIF IV will provide mainly mezzanine and to a smaller extent equity financing to a diversified portfolio of SMEs in Central America, Panama, Dominican Republic and Colombia. This geographical focus is in line with the presence of LAFISE Group's local offices. While LIM targets a multi-sectoral portfolio, the key focus will be on sectors such as agroindustry, food and beverage processing where LIM has gained considerable expertise. CASEIF IV will target a portfolio of 10-12 investees with an average ticket size of USD 6m.

WHY DO WE WANT TO FUND THIS PROJECT?

An investment in CASEIF IV aligns strongly with FMO's strategy to deepen relationships with existing partners and contribute to improving access to finance for SMEs in the Central American region.

ENVIRONMENTAL AND SOCIAL RATIONALE

The E&S categorization of CASEIF IV is B based on the pipeline and on LIM's strategy. LIM has demonstrated a proven commitment towards E&S, undertakes rigorous ESG due diligence on its investees and ensures risk mitigation through an action plan aligned with the IFC Environmental and Social Performance Standards.

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.

- CASEIF IV LP (Financial Intermediary)

Contact Information

ACCESS TO INFORMATION

As part of FMOÕs Òex-ante disclosureÓ (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

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