Early Warning System

FMO-62975

SDG Loan Fund S.C.A SICAV-SIF

Early Warning System

SDG Loan Fund S.C.A SICAV-SIF

FMO-62975

Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Voting Date	2023-07-10
Borrower	SDG Loan Fund S.C.A SICAV-SIF
Sectors	Agriculture and Forestry, Energy, Finance, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 111.11 million
Project Cost (USD)	$ 1,111.11 million

Project Description

According to the Bank’s website, the Fund builds on a growing range of efforts to mobilize capital from private sector investors for investments in emerging and frontier markets towards the Sustainable Development Goals (SDGs). Overall, capital deployed by the Fund will focus on economic growth (SDG 8), reduced inequality (SDG 10) and climate action (SDG 13). The Fund capital will be invested as participations in FMO-originated loans across all of FMO's sectors: Agribusiness, Food & Water, Energy, and Financial Institutions. Once fully invested in approximately 100 loan participations, the Fund aims for its investments to support close to 60,000 jobs and to avoid approximately 450,000 tCO2eq of greenhouse gasses per annum according to FMO's historical experience and analysis.

Early Warning System Project Analysis

The Fund is labelled as C since the fund participates in FMO loans and therefore will follow FMO’s guidelines & procedures. E&S risks will be covered and addressed under each individual FMO loan by FMO.

Investment Description

- Netherlands Development Finance Company (FMO)

The capital structure is as following:
- Class A (Preference Shares) - USD 1 billion (Institutional investors), including anchor investment from Allianz SE
- Class B (Ordinary Shares) - USD 111 million first loss (FMO), wrapped with a USD 25 million unfunded guarantee from MacArthur Foundation

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.

- SDG Investment Fund S.A. (Financial Intermediary)

Private Actors Description

The SDG Loan Fund (hereafter the Fund) aims to increase institutional investor exposure to SDG-aligned investment opportunities, while delivering appropriate risk-adjusted returns. The Fund will invest in a portfolio of FMO-originated loans, thereby granting senior investors access to FMO’s investment pipeline. Investors in the Fund, including Allianz, FMO and Skandia, are providing capital. Allianz Global Investors is managing the SDG Loan Fund and FMO Investment Management will manage the loan portfolio. The MacArthur Foundation has committed an unfunded guarantee for credit enhancement.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Allianz	Investor	-
-	-	-	-	Skandia	Investor	-

Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (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