

 Early Warning System

FMO-63043

SPE PEF III LP



Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-05-27
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million
Project Cost (USD)	\$ 350.00 million



Project Description

According to the Bank's website, FMO's commitment aims to support the SPE PEF III Fund in achieving its first close in a challenging fundraising environment and attract new commercial investors in subsequent funding rounds. By partnering with SPE, FMO aims to support a seasoned and experienced private equity fund manager who has been on the ground and investing in African PE for over a decade. SPE will work with portfolio companies to improve competitiveness and create sustainable value, thereby contributing to the resilience of financial markets and the development of private equity as a viable funding source in Africa.

SPE's approach towards investments is to add value and grow the companies responsibly and efficiently, which aligns well with FMO's commercial and impact objectives. SPE's senior investment team is present in key markets, and its in-house ESG and impact team uses a proprietary impact management system to support portfolio companies in meeting ESG standards and achieving positive multi-dimensional impact. As a signatory to the Operating Principles for Impact Management (OPIM), SPE further underscores its commitment to responsible investing. SPE has also developed a robust gender strategy, reinforcing its commitment to promoting gender diversity and supporting the economic participation of women in its markets.



Early Warning System Project Analysis

SPE PEF III is categorised as B+ fund, considering the E&S risk profile of the currently identified pipeline companies and their investment mandate. The pipeline companies are predominantly in the manufacturing, services, healthcare, and education sectors, for which the former (manufacturing) has some higher risk in relation to occupational health and safety and potentially pollution related aspects. Other sectors have predominant risk for adverse labour and working conditions, resulting in the likelihood that the pipeline companies trigger IFC PS1-4 related risks. The Fund has the mandate to invest in Category A projects, although the likelihood given the pipeline and their ambition is considered low. Organisational capacity on E&S and their Environmental and Social Management System (ESMS) are considered of good quality.



Investment Description

- Netherlands Development Finance Company (FMO)

Funding: FMO NV

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.

- [SPE Capital Partners](#) (Financial Intermediary)



Private Actors Description

SPE PEF III ("the Fund") is a USD 350m sector-agnostic, North Africa focused, private equity fund managed by SPE Capital ("Fund Manager" or "SPE"), which was formed in 2016 as a spin-off from a MENA-focused investment bank. The Fund will pursue control-oriented growth stage equity and equity-related investments in mid-cap companies, primarily in Egypt, Morocco and Tunisia, with the objective of achieving long-term capital growth. Opportunistic investments in Sub-Saharan Africa (SSA) will be capped at 25% of total commitments.



Contact Information

Website customer/investment: <https://spe-capital.com/>

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>