Early Warning System

IDBI-13381-01

MSME COVID19 Response Fund

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Quick Facts

Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	B
Voting Date	2021-05-18
Borrower	BlueOrchard Finance Ltd.
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 35.00 million

Project Description

The BlueOrchard Covid-19 Emerging and Frontier Markets MSME Support Fund (the "Fund" or "BlueOrchard MSME COVID19 Response Fund") is a new global debt fund focused on providing support financing to Micro, Small and Medium enterprises ("MSMEs") through specialized lenders (Financial Intermediaries ("FIs")) in Emerging Markets ("EMs") and frontier markets globally to mitigate the impact of COVID-19 pandemic and support economic recovery. IDB Invest is proposing an investment of up to US$35 million, or 15% of the total Fund capital, to support part of the Fund's investments in Latin America and the Caribbean ("LAC").

The Fund will be managed by BlueOrchard Finance Ltd, a global impact investment manager, with more than 20 years of track record in microfinance and financial inclusion.

With a target size of US$350 million, the Fund is expected to mobilize Development Finance Institutions ("DFIs") and global institutional investors' capital to provide much-needed funding to MSMEs through FIs (Microfinance Institutions, ("MFIs"); banks and Non-Bank Financial Institutions ("NBFIs")). Given the characteristic of the COVID-19 crisis, in an initial phase of 12 - 24 months, the Fund is expected to provide liquidity solutions to support MSMEs operations, secure jobs, and avoid business closures and disruptions in the supply chain. In a second phase, the Fund will provide funding to support the economic recovery of MSMEs through funding to expand MSME portfolios of specialized FIs to further increase financial inclusion and support economic recovery.

The Fund will be further equipped with a dedicated Technical Assistance Facility supported to fast track the recovery of MSMEs even in the most vulnerable sectors and geographies.

The project is classified by IFC as having a risk category of FI-2.

Investment Description

- IDB Invest (IDBI)

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.iadb.org/en/access-information/information-request

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IDB Invest)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IDB Invest is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).