

 Early Warning System

IFC-49630

BOP2 VFMFI



Quick Facts

Countries	Ethiopia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2025-05-31
Borrower	VisionFund Microfinance Institution (S.C)
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million
Project Cost (USD)	\$ 30.00 million



Project Description

According to the Bank's website, the proposed investment under the umbrella of the Base of the Pyramid Two (BOP2) Platform, consists of a three-year senior unsecured deliverable Ethiopian Birr (ETB) loan of up to US\$30 million equivalent in local currency (LCY) to Visionfund Microfinance Institution S.C. ("VFMFI"), split as follows: (i) up to US\$20 million on IFC own account, and (ii) up to US\$10 million syndicated from parallel lenders. The use of proceeds of the IFC loan will be to on-lend to informal businesses and micro-enterprises in Ethiopia particularly women-owned business (at least 40% of the use of proceed) to help preserve and sustain low-income jobs.

Subject to approval, the Project will be supported by a pooled first loss guarantee ("PFLG") of up to US\$40 million provided by International Development Association's Private Sector Window Blended Finance Facility (IDA-PSW BFF) allocated to the BOP Envelope under the MSME Finance Platform, as well as IDA-PSW Local Currency Facility (LCF) in the form of a cross-currency swap.



Early Warning System Project Analysis

The project is a three-year unsecured senior loan for Vision Fund Microfinance Institution (Vision Fund) to provide essential local currency funding below US\$10,000 to support micro and informal enterprises. The Bank indicated exposure to sectors such as textiles, utilities, Wood Products, Food & Beverages, Construction and Real Estate. The clients are small players in these sectors such as tailors, sellers of drinks or other products. The project risk is thus considered low.

The Project has been categorized as FI-3 in accordance with IFC's Sustainability Policy.



Investment Description

- International Finance Corporation (IFC)

A three-year senior unsecured deliverable Ethiopian Birr (ETB) loan of up to US\$30 million equivalent in local currency (LCY). US\$20 million IFC own account and US\$10 million mobilization.

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.

- [VisionFund Microfinance S.C.](#) (Financial Intermediary)



Private Actors Description

Visionfund Microfinance Institution S.C. is the largest for-profit privately held deposit taking regulated microfinance institution of Ethiopia, operating 112 branches that spread across the country, serving circa 249 thousand active borrowers and 1.7 million depositors. The institution is owned by 55 private individuals that are prohibited from receiving dividends or transferring shares as per the company bylaws.



Contact Information

VisionFund Microfinance S.C.
Solomon W/Giorgis
Deputy CEO - Corporate Support Services
+251-11-673-3674
info@visionfundmfi.com
Gerji Mebrat Hail, Addis Ababa, Ethiopia
www.visionfundmfi.com

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>