Early Warning System

IFC-600585

SME V - CASF&ARF

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Quick Facts

Countries	Congo, Democratic Republic of
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Voting Date	2016-07-27
Borrower	XSML
Sectors	Finance
Investment Type(s)	Advisory Services
Project Cost (USD)	$ 1.65 million

Project Description

The Central Africa SME Ventures Project is to provide integrated technical assistance to SME Ventures funds - CASF/Prj #28784 and ARF/Prj #35343 - through the fund manager - XSML. XSML will be supported to upskill their capacity to add value to their SME portfolio as it grows out of DRC and CAR to 3 more FCS/IDA countries - Burundi, Congo Brazzaville and Uganda.

CASF is a vintage 2010 fund ($19.19m) with just under 90% of capital invested to 32 SME investees. With 29 in DRC and 3 in CAR, the investment period ended in November 2015 and XSML will begin harvesting the fund from this year forward. XSML will need technical assistance support in value addition to the Portfolio companies for continued performance and on track exits by end of the investment period in FY 2020.

ARF is a Vintage 2016 Fund targeting $50m to SMEs and XSML needs technical assistance support to focus on sourcing, due diligence as well as value add to ensure the investees remain on track for performance and exits. Leveraging on lessons learned from CASF, ARF will focus value add on technical expertise for competitiveness and upgrading of investees financial and management systems. In addition, the project will support XSML to develop its pipeline through risk capital training to SMEs, business planning and to achieve E&S and Governance compliance.

The program focus is at the following three levels:
1. Financial Intermediary - XSML: Supporting the fund manager capacity to add value to its investees, to enhance performance and exits of the Funds;

2. SMEs - pipeline and portfolio investees: Pipeline SMEs need to demonstrate their ability to utilize risk capital to realize investment opportunities and generate return for investors. SMEs will be guided on funds investment criteria for entry, what it means to be a performing portfolio company and the realities of planning an eventual exit of CASF or ARF.

3. Enabling Environment : to open-up targeted challenging environments to Private Equity industry in general and, specifically to facilitate a smooth roll out of XSML operations. This entails: i) supporting the development of a PE/risk capital conducive environment, including the drafting and enactment of a legal, regulatory framework; ii) contributing to the development of relevant communication channels to portray investments opportunities to Funds and other risk capital vehicles.

Investment Description

- International Finance Corporation (IFC)

Contact Information

No project contacts available at the time of disclosure

ACCOUNTABILITY MECHANISM OF IFC

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/

Bank Documents

- Project Information