

Proparco offers a wide range of financial products tailored to the specific needs of private investors in developing countries (loans, equity, quasi-equity, guarantees).

In the Middle East, Proparco's activity is based on 4 types of operation:

Providing long-term and/or subordinated financial resources to banking systems

Proparco supports the structuring and sustainable development of banking activity by providing long-term financial products for debt, equity and quasi-equity. For example, Proparco allocated a €15M Tier II loan to a Lebanese bank which has allowed it to develop its portfolio in the SME segment.

Supporting the development of companies and using investment fund leverage

Proparco provides a range of financial products (debt, equity and quasi-equity) designed to support companies (manufacturing industries, service sectors, agribusinesses...) in their development. For example, in 2009 Proparco approved an equity investment in Egypt in a food-processing company that is exemplary in terms of quality standards. This operation was carried out via a co-investment with a partner fund. Proparco also finances investment funds, either directly or via Averroès II (fund of funds).

Financing essential infrastructure for growth

In the framework of infrastructure projects that involve specific financial structures (PPPs, private electricity producers, concessions) and require long-term foreign currency resources, Proparco allocates financing in the form of long-term and/or structured loans, equity or quasi-equity. A \$100M loan has financed a major infrastructure project in the water sector in Jordan which has considerably improved water supply to the city of Amman.

Supporting the financing of microfinance institutions

By supporting microfinance institutions, Proparco also contributes to bringing about profound changes to the economic fabric and to the fight against poverty. This financing is made via bank guarantees and subordinated financing.

Proparco is a Development Finance Institution jointly held by Agence Française de Développement (AFD) and by public/private shareholders from the North and South.

Proparco's mission is to catalyze private investment in emerging and developing countries in support of growth, sustainable development and achieving the Millennium Development Goals (MDGs).

Proparco finances operations which are economically viable, socially equitable, environmentally sustainable and financially profitable.

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www.proparco.fr



Other partners financed by Proparco

Euromena, Saint Joseph University, Club Med Taba, ITWORX, Horus Fund
Byblos Bank, Lafarge Cement Syria, Qatrana Electric Power Company,
Averroès Finance, Wadi Holdings, Fransabank...

Areas of operation

Proparco's Cairo office covers Egypt, Jordan, Lebanon, Syria, Iraq, Yemen and the Palestinian Autonomous Territories.

In 2009, Proparco allocated some €185M of financing in this region.

Proparco's financial products in the Middle East

investment funds

corporates

banks

Proparco's financial products in the Middle East

SMEs, BIG CORPORATES AND INFRASTRUCTURE PROJECTS

		Financing tools	Amount	Maturity	Rate
	Equity	Equity investment in the capital of small companies via partner investment funds	depending on fund strategy		
		Direct equity investment in the capital of companies	€1M to 20M for a minority position	5 to 7 years	min. IRR 15%
	Loans or quasi-equity (€ or \$)	Long-term and/or structured senior or subordinated financing	€5 to 50M	up to 15 years	at market rate, depending on the level of seniority
	Guarantees (€ or local currency)	Bank loan guarantee (ARIZ)* requested from partner bank Max. quota: 50% of loan	max. €2M (equivalent)	1 to 12 years	annual fees: 1.35% to 2% of the guarantee amount
Senior or subordinated bank loan guarantee		€5M to 50M	Up to 15 years	at market rate, depending on the level of seniority	

FINANCIAL INSTITUTIONS

Private equity funds	Equity	Equity investment in the capital of investment funds	€5M to 20M	8 to 12 years	expected IRR in foreign currency: 15%
	Loans or quasi-equity (€ or \$)	Refinancing foreign currency and/or equity requirements in the form of senior or subordinated loans	€5M to 50M	up to 12 years	at market rate, depending on the level of seniority
		Equity	Equity investment in the capital of banks or financial establishments	€1M to 20M for a minority position	5 to 7 years
	Portfolio guarantees (€ or local currency)	Guarantee (ARIZ)* for partner bank loan portfolios that are formed on the basis of predefined criteria and for moderate unit loan amounts Guarantee of trade finance portfolio	- annual fees based on the guaranteed outstanding amount, or; - fixed fee based on the amount of the portfolio guarantee envelope specifically designed to the needs of the bank		
Microfinance Institutions (MFI)	Equity	Equity investment in the capital of MFI	€1M to 5M for a minority position	5 to 7 years	min. IRR 15%
	Loans or quasi-equity (€ or \$)	Long-term senior or subordinated financing	€5M to 10M	up to 12 years	at market rate, depending on the level of seniority
	Guarantees (€ or local currency)	Bank loan guarantee (ARIZ)* requested from partner bank max. quota: 75% of loan	max. €2M (equivalent)	1 to 12 years	annual fees: 1.35% to 2% of the guarantee amount
		Senior or subordinated bank loan guarantee	€5M to 10M	up to 12 years	at market rate, depending on the level of seniority

*ARIZ is a guarantee mechanism managed by Agence Française de Développement. It aims to give SMEs and microfinance institutions easier access to financing.