Proparco

GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT

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Annual Report 7013

investing in a sustainable future



Operations in 2013

Sustainable development	16
Energy	18
Social issues	20
Agribusiness	22
Banking and financial markets	24
Telecommunications	26
Microfinance	27

The Institution

Shareholder base	30
Governance	32
Network	34
Partnerships	36
Executive team	38

28



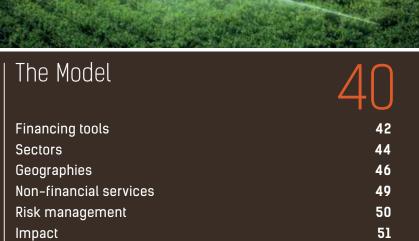
Highlights

Joint interview Profile Key strengths Key events in 2013 Key figures in 2013











Appendices

Operating results	54
Financial results	56
Project commitments in 2013	58
Publications	60
Credits	62

JOINT INTERVIEW

A joint interview with Anne PAUGAM, President of PROPARCO and Chief Executive Officer of the AFD, and Claude PÉRIOU, Chief Executive Officer of PROPARCO.

A year dedicated to **sustainable development**

You took leadership of the AFD Group this year. What is your ambition for PROPARCO?

Anne PAUGAM: For almost 40 years, PROPARCO has been performing a vital function for the AFD: supporting the emergence of a strong, vibrant and innovative private sector. Through its work, PROPARCO has a powerful impact on economic growth, job creation, access to essential goods and services, and more broadly the reduction of poverty. In spearheading the AFD's efforts to support the private sector in our target countries, PROPARCO is a key contributor to the development mission assigned to us by the French government. What's more, its results give us a more solid capital base. So PROPARCO is a major asset that we need to put to the best possible use, by leveraging synergies between our teams. The AFD and PROPARCO already work together. We have successfully launched the Investment and Support Fund for Businesses in Africa (FISEA) and are taking on a growing number of co-financing operations. But my aim is to go even further. I'd like for us to craft a genuine "Group offer" to develop more public-private sector projects with high social and environmental impact - in areas ranging from infrastructure to health and education.

How do you view PROPARCO's performance in 2013?

A.P.: Last year, the AFD Group's commitments reached a historic high we made €7.8bn available for development in the Southern Hemisphere and French Overseas Territories. In other respects as well, 2013 and the first months of 2014 have been eventful in terms of strategic milestones. The CICID (Interministerial Committee for International Cooperation and Development) recast French development policy last July, and this shift was subsequently reflected in the Development and International Solidarity Policy bill. The result has been a major decision to strengthen the AFD's capital resources, and a new Performance and Resources Contract is being finalized with the government. What stands out for me, this means that the AFD's pivotal role in France's development cooperation work has been reaffirmed and that we now have the framework and the visibility we need to operate efficiently in the medium term. Our governing bodies have shown just how strongly they trust us. To offer just two examples, the AFD and PROPARCO are expected to play a major role in preparing the COP21 climate change conference and continuing to support development in Africa. On this last issue, President Hollande has announced that France will be investing €20bn over the next five years via our Group.

Claude PÉRIOU: PROPARCO had a very good year in 2013. With \in 850m in signed commitments – up 15% compared with 2012 – and \in 1.029bn in approved commitments, we consolidated our standing among the leading

bilateral development finance institutions. This year provided further confirmation of our major involvement in Sub-Saharan Africa, where we have nearly half of our operations, chiefly in agribusiness, the financial sector and infrastructure. In 2013, we also accomplished a quantum leap in Latin America, with commitments in 12 different countries, including first-time operations in Uruguay and Chile. A full 26% of our financing (€225m in 2013) went to Latin America. That's more than the double of our commitments in 2012. In addition, we resumed our operations this past year in a number of fragile states, including Zimbabwe, Liberia, the Democratic Republic of Congo and Haiti. Another salient feature of our work in 2013 is that close to one third of the projects we financed were part of the AFD Group's efforts to tackle climate change.

How would you summarize PROPARCO's work in 2013?

A.P.: The first thing that comes to mind is variety. We made loans, some of them in local currency, as well as direct and indirect equity investments in both emerging economies and the poorest countries, where PROPARCO is increasingly active. In Benin, Cambodia and Haiti, for example, the funding we provided has increased access to financial services and improved living conditions for the population, while supporting sectors that are vital to economic development. Elsewhere in Asia and Latin America, PROPARCO has helped enhance the ability of private sector organizations to address the environmental and social challenges facing high-growth, rapidly emerging economies.

C.P.: In 2013, we devoted almost one out of every four commitments to renewable energy and energy efficiency – the two pillars of our work against climate change. PROPARCO has stepped up its support for solar and wind power, from Chile to India. We have also financed energy efficiency projects in the Ivory Coast, Turkey and Panama, either directly or through financial intermediaries.

To deal with the food security issue affecting Africa in particular, PROPARCO has given priority status to developing agriculture and agribusiness. In 2013, we backed a number of projects designed to upgrade farming equipment, increase yields and offer new markets to producers and farmers in the South.

Likewise, the financial sector, a leading driver of economic growth and business development, has continued to receive significant support from PROPARCO. As in the previous year, it accounted for almost half of our new commitments in 2013. By funding microfinance organizations, banks and other financial institutions, we facilitate access to credit for the most disadvantaged populations and help make a broader range of financing available, above all to smaller businesses.



PROPARCO has made responsible financing the cornerstone of its work. How exactly did that play out in 2013?

A. P.: In providing such a large volume of financing, we are primarily concerned with development impact, with how the population will benefit. Another feature of the projects financed by PROPARCO in 2013 is our pursuit of climate co-benefits, which are essential to reducing a major threat to existing and future development programs. In numerical terms, our efforts will help create or preserve nearly 380,000 jobs, generate €430m in tax revenue, reduce greenhouse gas emissions by 870,000 teq CO_2 per year and produce 2,800 GWh of renewable or recovered energy – these are the *ex ante* impact estimates for projects we financed or co-financed in 2013. Harder to quantify but no less important are the improvements from our counterparties in environmental and social (E&S) practices, as well as in governance. We at PROPARCO are particularly committed to this issue.

C.P.: Over the last four years, we have expanded our staff and technical resources to be able to assist our clients in enhancing their E&S performance and contributing more to local development. PROPARCO has consolidated its E&S risk management system, moved to more effective tracking of commitments by counterparties and improved the measurement of project developmental impact. The same determination to promote best practice was also what led us in 2013 to develop a framework for assessing governance among clients. And finally, we have continued to uphold the highest financial security standards.

PROPARCO has just adopted a new strategy for the period from 2014 to 2019. What are the key features?

A. P.: This is a particularly good time to rethink strategy. Although employment was left out of the Millennium Development Goals (MDGs), it now figures prominently on the post-2015 international development agenda. And more generally speaking, the private sector is recognized today as a key driver of development and the fight against poverty. PROPARCO has been a forerunner of this underlying trend for a long time. Our new strategy for the coming five years involves two main goals that fully reflect the institution's overall purpose: promoting low-carbon, job-rich economies and supporting growth trajectories that make essential goods and services available to the entire community. While Sub-Saharan Africa will remain a priority target, PROPARCO will be further building its presence in Asia and Latin America, as well as in the Mediterranean area and the Middle East. Stepping up our action in the lowest-income countries and countries emerging from conflict situations to roughly a quarter of our work will be a special focus for us.

C.P.: With differentiation among Southern Hemisphere countries on the rise and an expanding range of financing available (new donors, foundations, local and regional banks), development finance institutions will be called upon to provide fine-tuned responses to an increasing variety of private sector needs. PROPARCO will therefore be focusing on the quality of its offering and on the added value it can deliver, based on controlled expansion of its balance sheet by roughly 5%. This will entail greater risk-taking in innovative projects and/or troubled countries, along with a shift in our portfolio toward more equity and quasi-equity investing. We will also be funding more companies that are active in the inclusive economy and continuing with local currency financing to protect our counterparties more effectively against exchange rate risk. At the same time, PROPARCO will be strengthening its efforts to provide long-term, end-to-end project assistance to its clients, particularly through greater support and monitoring of E&S performance and the developmental impact of projects.

To meet the demand for large-scale projects requiring major funding and achieve enhanced leverage, we will also be increasing our capacity to mobilize funds from private sector or institutional third parties (through deal arrangement, loan syndication and credit facility management) and optimizing our comprehensive "Group offer".

A. P.: PROPARCO also has a role to play in partnerships that the AFD Group may establish with a variety of organizations, first and foremost with French companies. Due to their know-how, expertise and technological sophistication, French businesses can make a substantial contribution to development in our target countries. With this point in mind, we will be developing synergies with other public sector organizations like Bpifrance that are involved with supporting French companies abroad. I know I can count on the dedicated, highly professional people at PROPARCO to make our ambitious new strategy for 2014 to 2019 a reality. After all, they work every day to help imagine, finance and support the growth trajectories of private sector participants in the South.

PROPARCO is a subsidiary of the Agence Française de Développement (AFD) devoted to private sector funding. It serves private sector organizations in emerging and developing economies with a complete range of financial and technical solutions.

Partnering with the South

FINANCING AND CO-FINANCING PROVIDED BY PROPARCO IN 2013* WILL CONTRIBUTE TO:	Increasing tax revenue by €429m per year.	Improving the environmental and social performance of 27 COMPANIES AND FINANCIAL INSTITUTIONS.
*N.B.: These indicators show the expected aggregate outcomes for projects signed in 2013.	Reducing or avoiding greenhouse gas emissions by 870,000 TEQ CO₂ per year.	
Producing 2,748 GWh of renewable or recovered energy per year.	Creating or maintaining 125,000 JOBS directly and 147,000 indirectly.	Supporting businesses committed to fighting gender discrimination in 33% OF ALL PROJECTS.

At December 31, 2013

E3.400 PROPARCO continued to grow in 2013, with a 10% increase in its portfolio. 350 clients A wide range of private sector organizations benefit from PROPARCO financing.

PROPARCO operates through 13 local representations and the AFD agency network.

For nearly 40 years, the PROPARCO leitmotiv has been to achieve harmony between economic growth, environmental balance and social impact. Upholding the principles of responsible finance in everything we do is part of our DNA.

> Claude PÉRIOU Chief Executive Officer, PROPARCO

MISSION

PROPARCO's mandate is to foster private investment in emerging and developing economies with the aim of supporting growth and sustainability. PROPARCO was founded on the belief that the private sector plays a major role in the economic and social development of the South. The private sector creates jobs, generates tax revenues and provides populations with essential goods and services. It is also a significant driver of sustainable development. The private sector actively and effectively contributes to the dissemination of environmental and social best practices.

ROLE

PROPARCO supports the growth of companies and financial institutions with a major impact on development in the South. Its operations span four continents, from major emerging economies to the poorest countries, from politically stable environments to fragile States. Moreover, they cover the financial sector, infrastructure, mining, agriculture, manufacturing, services and microfinance.

POSITIONING

PROPARCO works to supplement the activity of commercial banks, stepping in where market forces prove insufficient.

A thriving private sector needs long-term financial resources, which are often inadequate in developing and emerging economies. PROPARCO thus offers a complete range of longterm, non-concessional financing solutions in the form of loans, equity investments and guarantees denominated in foreign or local currencies.

RESPONSIBILITY

PROPARCO strives to uphold responsible financing principles in all projects. Managing environmental and social risks is a key feature of its work.

Another aspect involves assisting clients in improving their environmental and social performance or obtaining certification. In addition, PROPARCO seeks to maximize the development impact of its projects.

LEVERAGING RESOURCES

PROPARCO's goal is to demonstrate that private sector solutions can be viable, both in pioneering business areas and sectors and geographies that investors consider too risky. As a development finance institution, PROPARCO acts as a catalyst, attracting and mobilizing additional public and private sector funding for its clients' projects. It does so by leveraging its network of partners and widespread recognition for its exacting standards. Over the course of 35 years, PROPARCO has forged a unique reputation as a long-term lender and investor. By supplementing the activity of commercial banks, its distinctive offer helps heighten the private sector's developmental impact.

A distinctive model

CLIMATE EXPERTISE

The issues of climate change and economic development are inseparable. That's why PROPARCO has singled out climate change as a core focus, carefully selecting projects likely to have a positive impact in this area. PROPARCO has also acquired expertise in financing renewable energy and energy efficiency projects, and places special emphasis on encouraging clients to adopt low-carbon practices.

A NETWORK OF PARTNERS

To achieve greater scope, development finance institutions need to link up with other financing structures and development stakeholders. PROPARCO has developed an extensive network of public and private sector partners, including multilateral institutions, European Development Finance Institutions (EDFI), private investors and commercial banks. The institution is further distinguished by a unique shareholder base. Thirty private and public sector shareholders from the North and the South provide PROPARCO with crucial expertise.

IMPACT ON DEVELOPMENT

PROPARCO's successful performance vindicates its business model, which balances profitability and development impact. The institution pays close attention to both the economic viability and the effect on development of every project it finances. This involves measuring the actual contribution of each initiative to development and the reduction of poverty in terms of job creation, fiscal revenue, training and education, social and environmental standards, corporate governance and managerial best practices.

AN INTERNATIONAL PRESENCE

PROPARCO is the bilateral development finance institution with the strongest African identity. Supporting growth in Africa has always taken priority, chiefly through financing for agribusiness, infrastructure and the financial sector. But PROPARCO is also active in Asia, Latin America, the Mediterranean area and the Middle East, where the focus is on green and inclusive growth. Through its network of 13 regional offices on four continents, the institution can keep a pulse on local economic conditions.

ENVIRONMENTAL AND SOCIAL APPROACH

PROPARCO's policy is to support responsible business models. This means making sure that clients are committed to mitigating and offsetting any environmental and social risks related to their projects. In addition to supporting their efforts to meet that commitment, PROPARCO strives to help them enhance their environmental and social performance. This approach, which is deeply rooted in the institution, is overseen by a dedicated team.

MULTI-SECTOR EXPERTISE

Over the years, PROPARCO has built up real expertise in the key areas for development in the South. Serving its clients are multi-sector teams with a strong commitment to development. Financial and technical knowhow, combined with in-depth knowledge of emerging and developing economies, has made PROPARCO a partner of choice to the private sector in the South. Thanks to its highly professional, innovative staff, the institution adjusts continually to changing client needs.



3 QUESTIONS FOR



Michel Lescanne is the Chairman of Onyx Développement, the holding company of French company Nutriset, which develops products for preventing malnutrition, particularly Plumpy'Nut, a ready-to-use therapeutic food.

What role has PROPARCO played in the growth of Nutriset?

Since it was founded in 1986, Nutriset has been working to develop innovative nutritional solutions. Our product Plumpy'Nut revolutionized the management of malnutrition – not to mention our own. Ten years ago, our company started shifting production to developing countries via a franchise network called PlumpyField. At that juncture, PROPARCO played a strategic role by financing the expansion of our network of local manufacturers and assisting us in obtaining additional financing from its partners. Today, part of our output comes from Africa and Asia, which enables us to respond faster to nutritional emergencies and also helps invigorate local agribusiness value chains. This experience highlights the kind of synergy you can achieve between private sector innovation and the drive for economic development. Given the mission of PROPARCO, working together was an obvious choice.

Does your collaboration take other forms as well?

Our organizations have common goals: to counter food insecurity and strengthen agribusiness value chains. This shared understanding led us to sign a partnership agreement in 2010. Ever since, the AFD Group has been actively involved in the strategic discussion process at Nutriset and its holding company, Onyx Développement. PROPARCO also supports us with technical assistance in structuring the peanut value chain in Burkina Faso, by helping us get the raw materials.

How do you view your relationship with PROPARCO?

PROPARCO is much more than a source of financial support; it is a genuine partner that works side by side with us in our fight against malnutrition. And because of our well-matched capabilities and close connections between our teams, our ties get stronger all the time.



A new CEO, conferences, an expanding footprint and innovative investment projects marked this past year. Each such occasion gave PROPARCO an opportunity to reaffirm its commitment to development.

APPOINTMENT MAY 29TH

ANNE PAUGAM, THE NEW CEO OF THE AFD

France's Council of Ministers has appointed Anne PAUGAM as the AFD's Chief Executive Officer – the first woman ever to head the organization. She has worked in the field of development for most of her career. Mrs. PAUGAM joined the AFD in 2002, holding a variety of positions that took her from strategic steering to the Executive Secretariat. From 2010 to 2013, she was the senior auditor responsible for development at the General Inspectorate of Finance.

FOOTPRINT SEPTEMBER 1ST

AN EXPANDING NETWORK

PROPARCO has opened an office in Istanbul to cover Turkey, the Caucasus, the Middle East, Central Asia and Southern Europe. This new location gives the institution a deeper footprint in the region and greater ability to help private sector organizations structure their business in key local industries. Although present in the Caucasus for just a short time, PROPARCO signed in 2013 several promising financing deals in Armenia and Azerbaijan.





AWARD NOVEMBER 21ST

GOLDEN RICE -THE WORLD'S BEST RICE

For the second year in a row, Golden Rice won the World's Best Rice award at the World Rice Conference organized by the magazine *The Rice Trader*.

Specialized in milling and exporting jasmine rice, this Cambodian company has received financing from PROPARCO on two occasions to increase production capacity and expand abroad. As a market leader, Golden Rice has helped add value to the local economy and position Cambodia in a market dominated until now by Thailand.



highlights

FRANCE-AFRICA DECEMBER 4TH

A PARTNERSHIP FOR THE FUTURE

During the Elysée Summit for Peace and Security in Africa, Hubert Védrine presented his report titled "A partnership for the future: 15 proposals for building a new economic relationship between Africa and France". The report calls for a new vision of a rapidly changing continent offering colossal potential and opportunities: French businesses should march side by side with Africa as it moves boldly forward. At the Summit, Pascal Canfin, the former French Minister Delegate for Development, gave innovation awards to 21 African entrepreneurs, thus highlighting the change of direction underway. As providers of solutions in ICT, health or trade, these innovators exemplify African vitality and suggest the partnership opportunities available to their French counterparts. To contribute to that vitality, President Hollande announced an additional €20bn in funding for the AFD Group over a five-year period.

FORUM NOVEMBER 12TH

ASSISTING HIGH-GROWTH ECONOMIES

The fifth annual PROPARCO Investors' Club brought together about a hundred PROPARCO partners to discuss the theme: "Assisting high-growth economies". The event offered an opportunity to review the profound shifts underway in the South and discuss the challenges associated with the rapid emergence of these new markets. Central to the discussion process were the energy transition to more low-carbon models and the part French companies can play in supporting long-term growth in these regions.

MEDIA JUNE 1ST

LAUNCH OF THE PRIVATE SECTOR & DEVELOPMENT BLOG

The *Private Sector & Development (PS&D)* blog was launched as an extension of the *PS&D* magazine to create a broader forum for analyzing and discussing the role of the private sector in development. Thanks to the interactive character of the web platform, private business people, researchers, development institutions and civil society can make use of the blog to broadcast their ideas and projects.



CLIMATE MAY 17TH

GREATER FINANCING FOR GREEN ENERGY

The Association of European Development Finance Institutions (EDFI) granted an additional €100m to the Interact Climate Change Facility (ICCF), bringing this co-investment fund's total financing capacity to €406m. Established in 2011, the ICCF supports private sector investments in green energy in Sub-Saharan Africa, the Caribbean and the Pacific. So far, the facility has provided a total of €198m in support to wind power, solar power and energy efficiency initiatives.

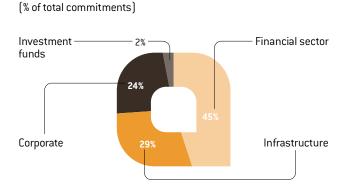


COOPERATION NOVEMBER 12TH HARMONIZED INDICATORS

Twelve members of the European Development Finance Institutions (EDFI) and thirteen International Financial Institutions (IFI) signed a memorandum on the adoption of harmonized development results indicators. The harmonized indicators will pave the way for more effective, consistent and timely analysis of the projects impact. They will also facilitate comparative assessments of the work performed by IFIs and the dissemination of best practices.

KEY FIGURES

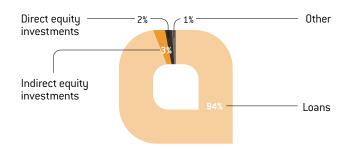
PROPARCO achieved greater scope in 2013, with €850m in new commitments – up 15% compared with 2012 – and a portfolio totaling €3.4bn. This growth was coupled with enhanced financial performance and impact on development.



COMMITMENTS BY INSTRUMENT, 2009-2013

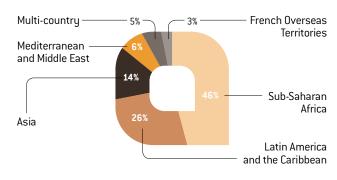
COMMITMENTS BY SECTOR IN 2013

(% of total commitments)



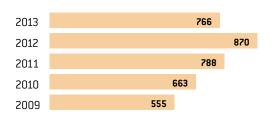
COMMITMENTS BY REGION IN 2013

(% of total commitments)



DISBURSMENTS, 2009-2013

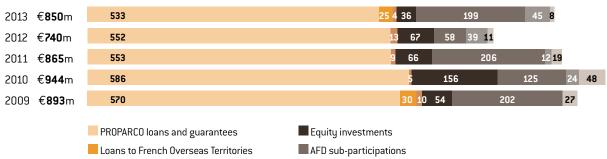
(€m)



COMMITMENTS BY PRODUCT IN 2013

Other

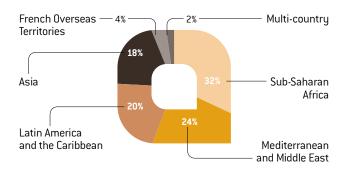
(€m)



FISEA

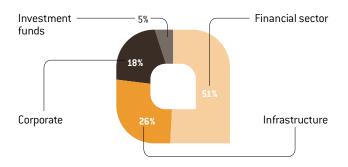
PORTFOLIO BY REGION

(% of the total portfolio) at December 31, 2013



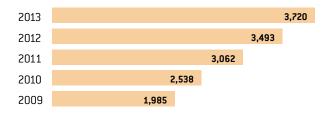
PORTFOLIO BY SECTOR

(% of the total portfolio) at December 31, 2013



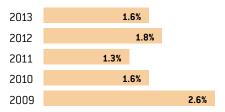
BALANCE SHEET, 2009-2013

(€m)



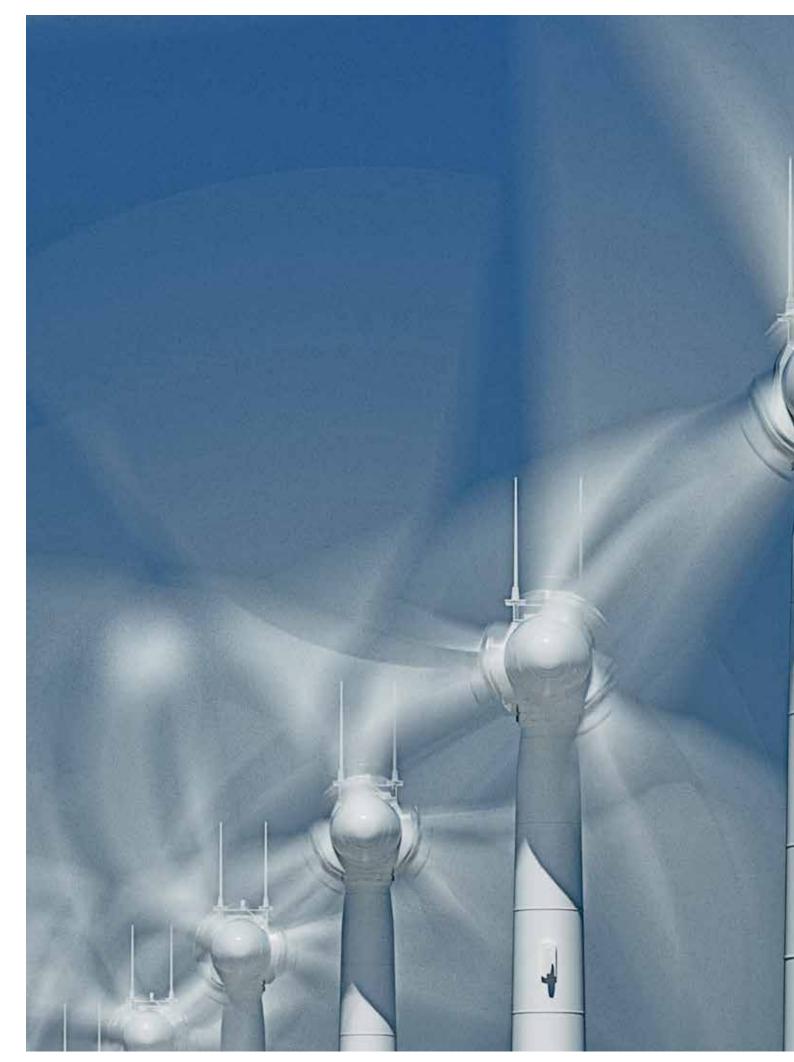
BAD DEBT, 2009-2013

(% of outstanding loans)



FINANCIAL RESULTS, 2009-2013





From Africa to Asia, not to mention Latin America and the Caucasus, PROPARCO has once again demonstrated its commitment to sustainable development. The institution had an excellent year in 2013, with flagship investments in renewable energy, key funding for agribusiness and ongoing support to the financial sector.

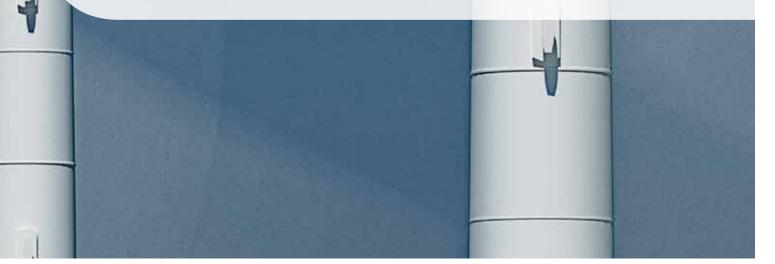
Actions serving sustainable development



PROPARCO maintained a high level of activity in 2013, signing 63 facilities in more than 70 countries.



In 2013, ${\in}230\text{m}$ were invested in renewable energy and energy efficiency projects.



SUSTAINABLE DEVELOPMENT

PROPARCO strives to promote responsible financing for the private sector in Southern countries. The objective is to assist clients in improving their environmental and social performance, as well as contributing more fully to local development.

Promoting **responsible financing**

he private sector is a significant driver of sustainable development, acting increasingly as a trend-setter for environmental and social (E&S) best practices in emerging and developing economies. The role of development finance institutions is to support and further that tendency by disseminating the highest international E&S standards and heightening the positive impact of projects on development.

Encouraging responsible business models

For several years, PROPARCO has been engaged in a formal approach to evaluate and improve its clients' E&S practices. This ensures that they are committed to mitigating and, if need be, offsetting the attendant risks. Beyond this risk management approach, PROPARCO helps its clients improve their E&S performance and enhance their impact on development.

For example, PROPARCO assists banks in establishing E&S risk management systems for the projects they finance. It also supports efforts to obtain environmental or social certification (ISO 14001, OHSAS 18001, SA8000, Fairtrade, Rainforest Alliance, UTZ, etc.) by suppliers of its agribusiness clients.

Promoting corporate social responsibility

PROPARCO makes sure that its clients – and more broadly the suppliers and subcontractors in their value chains – offer working conditions that comply with international labor standards on such issues as consultation with workers, occupational health and safety and nondiscrimination. For example, PROPARCO has cooperated with a number of clients in Africa on improving conditions for temporary workers on construction sites, increasing safety at several agribusiness factories and gaining certification for local producers.

Whenever infrastructure projects cause population displacement or disrupt existing economic activities, PROPARCO demands that its clients devise plans for resettling the affected communities while preserving their previous sources of livelihood. Those plans must be drafted in consultation with the stakeholders and must specify the relevant relocation and/or compensation terms.

Reducing ecological footprint

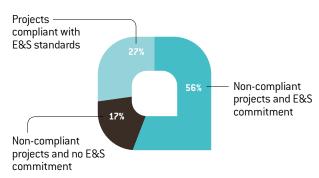
To PROPARCO, promoting responsible financing also means encouraging clients to lower their pollution levels, limit their use of natural resources (water and energy in particular), cut their greenhouse gas emissions, and reduce the damage their projects do to biodiversity. PROPARCO also urges clients to undertake energy efficiency projects and to reduce their energy consumption and carbon footprint.

To preserve biodiversity, PROPARCO does its utmost to keep agribusiness, infrastructure and other projects from destroying natural environments with high ecological values or, if need be, to ensure compensation for any such destruction. For example, clients in charge of ports in Africa and Asia have pledged to recreate mangrove forests affected by port activity and habitats in which protected species thrive.

Fostering more inclusive development and greater transparency

PROPARCO pays special attention to ensuring access for local communities to the services provided by its clients, especially in health and education. Examples include encouraging clients to develop scholarships or study grants and to offer special healthcare rates to more vulnerable

COMPLIANCE WITH E&S STANDARDS OF PROJECTS SIGNED IN 2013



social strata. Moreover, PROPARCO measures the positive spillover from its clients' business and their contribution to tax revenue. In the mining industry, PROPARCO carefully tracks financial transparency at client firms and the amount of tax they pay in the country. One such client in Africa thus chose to participate in the EITI (Extractive Industries Transparency Initiative) with a commitment to disclose how much they contribute to national taxes each year.

3 QUESTIONS FOR



David SOK is the Vice-President of Golden Rice. This Cambodian business processes, mills and sells top-quality jasmine rice. The company was granted two loans from PROPARCO for the development of its milling capability and its international expansion. Since then, Golden Rice has become Cambodia's leading exporter of jasmine rice.

Building on its success, Golden Rice engaged in the sustainable development of its business. What exactly does this entail?

Until 2008, the surplus production of paddy (the term for threshed unmilled rice) was exported to Thailand and Vietnam, due to the lack of processing plants in these countries. With the creation of Golden Rice, it was possible to keep the added value of top-quality rice in Cambodia and carve out a place for our country in an industry that had previously been dominated by Thailand. This growth has a knock-on effect throughout the whole rice industry. For example, we are participating in a program that was set up by the Agence Française de Développement (AFD) to support the creation of federations of small producers and boost their capacity to be involved in the sale of paddy. Golden Rice promises to buy a portion of their inventory directly from them, which will help to secure and improve their revenue. By training our teams and rolling out a quality management system for our own production, which is now ISO 9001 certified, we have also helped to raise the technical skill level of local manpower.

Twice now, Golden Rice has been elected "World's Best Rice". Has this had an impact on your E&S policy? Being named the World's Best Rice rewards our efforts to improve the quality of our products. Now, we are maintaining this dynamic in order to promote safety, hygiene and good working conditions for our employees. Golden Rice is a business that has grown very rapidly: in five years, the volume of our exports has increased eightfold. To cope with the risks linked to this rapid pace of growth, we have worked with PROPARCO to define an action plan aimed at rolling out environmental management (ISO 14 001 certification) and social management (SA 8 000 certification) in our company. Golden Rice has set its sights on becoming a responsible business.

Specifically, what actions do you plan to develop to achieve this objective? In accordance with our action plan, we will hire a manager to develop and implement our E&S risk prevention policy. We are also making efforts to improve working conditions for our employees - in particular the seasonal workers. In the area of health and safety, we want to improve in the area of preventing work-related accidents and incidents by developing a system that will allow us to track and thus better understand and manage these risks. Lastly, in the interest of reducing our environmental footprint we are looking into the possibility of diversifying our energy sources through rice-hull biomass cogeneration.

Renewable energy and energy efficiency are crucial to sustainable energy policy. They can be used to address the South's growing need for electricity while limiting reliance on fossil resources. PROPARCO is actively supporting this movement.

Climate as a priority



n 2013, the development of renewable energies and energy efficiency accounted for 85% of the activity of the Infrastructure and Mining Division. Emmanuelle MATZ, who manages the division, reviews PROPARCO's strategy for combatting climate change.

What is the role of renewable energies and energy efficiency in PROPARCO's action?

The fight against climate change lies at the heart of PROPARCO's strategy, renewable energies and energy efficiency are the pillars supporting that strategy. This pillar addresses the dual challenge posed by the energy security imperatives facing the South and the need to promote green or clean growth that is less dependent on fossil fuels.

Access to long-term funding is an essential precondition for their development. This is why our debt and equity financing is so important. In 2013, PROPARCO funded several producers of wind, hydroelectricity, biomass and solar energy in Asia and in Latin America. We also supported several energy efficiency projects, in particular one involving Grameenphone, a telecommunication operator in Bangladesh. PROPARCO also grants dedicated lines of credit to banks for the purpose of increasing the

availability of long-term financial resources locally for projects of this kind.

Chile, Brazil, Uruguay... how do you explain this growing involvement in renewable energy projects in Latin America?

As the Latin American continent has experienced economic growth, its electricity needs have also grown. But most of its countries are still dependent on fossil fuels, even though they have major potential for producing energy using wind, sun and geothermal sources. When governments make a firm commitment to promoting the use of renewable energies, our role as a development finance institution is to help bring these initiatives to life as projects. The financing for the wind farm Polesine in Uruguay and the solar farm Solarpack in Chile both serve as perfect illustrations. We also have a role to play in transferring European technological advances to the South.

What is PROPARCO's role in Sub-Saharan Africa?

In most of the countries that make up Sub-Saharan Africa, the top priority is to improve access to electricity. This requires greater production capacity and prices that are relatively low. To help achieve that, PROPARCO encourages the development of hydroelectricity, whose high potential remains unexploited. We also support energy efficiency projects, like the one in the Ivory Coast where we recently financed the introduction of a combined cycle unit in a power plant operated by a company called CIPREL. But promoting energy efficiency requires a certain degree of maturity on the part of businesses and an incentivizing regulatory framework, which PROPARCO seeks to encourage. There are far fewer private projects involving wind and solar power, so we want to begin supporting initiatives that push these two sources of energy, because they offer a rapid solution that supplements thermal energy.

THE BOOMING SOLAR ENERGY MARKET

The outlook for India's solar energy market

is very promising. To reduce its dependence on fossil resources, the government is targeting the production of 22 GW by around 2022 (versus 500 MW currently). Industry participants can count on a high level of insolation in India, a solid and extensive electrical grid, as well as a regulatory framework that encourages the sustainable development of solar energy.

Against this backdrop, PROPARCO supported the growth of one of India's solar energy specialists, Azure Power, by making an equity investment of 490 million rupees (the equivalent of \in 7m). Thanks to this investment, the company was able to reach critical mass and win new competitive bids which could potentially quadruple its production capacity (from 52 to 210 MW).

Renewable energy projects signed in 2013 will enable the production of 475 MW and avoid the emission of 870,000 teq of CO₂ per annum.

Uruguay – targeting renewable energies

To cope with growing energy needs and reduce its dependence on fossil fuels, Uruguay is looking to develop its potential for exploiting renewable energies. In support of this energy transition policy, PROPARCO took part in the financing of one of the country's first wind farm projects, which was carried by a French SME.

Since 2008, Uruguay has been pursuing an ambitious development plan focusing on green energy, to diversify its overall energy mix and reducing the weight of oil in its energy supply. By 2016, wind power is expected to meet 25% of the nation's electricity needs thanks to the construction of around twenty wind farms. Hydroelectricity, which is already highly developed, has nonetheless been weakened by a series of dry spells. Biomass and solar energy will round out the production of renewable energies – which should account for half of the country's installed capacity by 2015.

In 2013, PROPARCO helped finance one of the first wind farms in Uruguay, developed by Polesine, a subsidiary of the French group Akuo Energy. This farm, which has a capacity of 50 MW and cost a total of USD 128m, is located 100 km north of Montevideo, the capital of Uruguay, in the Florida Department. It is scheduled for commissioning in 2014.

This project, Akuo Energy's first abroad, supported the international expansion of this French-based independent renewable energy producer: Uruguay will be the first country outside the borders of France where it will have assets in operation.

PROPARCO was involved in structuring the financing, granting a 15-year loan of USD 38.5m and serving as lead arranger with the European financial development institutions DEG and FMO, which made it possible to raise an additional USD 50m. Since then, the Group, which already had subsidiaries in Turkey and Indonesia, has set up operations in Croatia, the United States, Indonesia and Dubai.



Above and beyond increasing Uruguay's energy production capacity, this project will help combat climate change by reducing greenhouse gas emissions by around 17,000 teq of CO₂ per annum.

The construction and operation of the wind farm also involves the participation of local businesses and workers, to the tune of 40% of the cost of the project. So it will act as a catalyst for local economic activity and job creation in the region.



ORE POINT OF VIEW Beyond financing, a genuine partnership

For Akuo Energy, the Florida project is emblematic in more than one way. First, because it is the largest wind farm that our Group has ever built and operated. In addition, because it crowns our international expansion and attests to the still untapped renewable energy potential of Latin America.

By agreeing to support us, PROPARCO showed that it was more than just a financial partner. Uruguay has barely started down the renewable energy path. It was necessary to raise awareness, educate, demonstrate, negotiate – at the highest levels, in fact – in order to foster the emergence of an enabling regulatory framework. The support of PROPARCO during this process was invaluable, especially when it came to negotiating the contract for buying electricity from the UTE - Uruguay's national utility.

Following this project, Akuo Energy began building a second wind farm in Uruguay, this one with a capacity of 42 MW, in the Lavalleja Department.

Éric SCOTTO Chairman, Akuo Energy The private sector can participate actively in the development of access to healthcare and high-quality education. This conviction underlies all of PROPARCO's work, which includes financing private hospitals, pharmaceutical companies, private schools and vocational training centers.

Making healthcare systems more efficient

n the South, the extent of the healthcare sector's financing needs is such that private operators must be involved. These needs are estimated to be USD 169bn in the poorest countries for the 2011-2015 period. This is why PROPARCO supports the development of private initiatives in the areas of healthcare and medication.

Making healthcare more available

An aging population, the high prevalence of infectious diseases and the increasing incidence of chronic illnesses (diabetes, cancer and cardiovascular diseases) represent unprecedented challenges to healthcare systems in developing economies. But since public health budgets and the care on offer are inadequate, the private sector has an important role to play in enhancing the availability and quality of healthcare. In low-income countries, especially those located in Sub-Saharan Africa, they are often the principal providers of care. This basic fact has encouraged PROPARCO to support privately run hospitals and clinics. In 2013, PROPARCO supported efforts to modernize the Santiago metropolitan hospital in the Dominican Republic. It also supported the development of Lebanon's first hospital network, known as CareMed, as well as the hospital do Coração in São Paulo (Brazil) for the development of cardiology, pediatric and oncology departments.

Guaranteeing access to medication

Nearly 30% of the world's population has no regular access to medication. Yet equal access to safe, affordable drugs is a prerequisite to effective healthcare systems in the South. In this area, PROPARCO believes in the new South-South relations taking shape, and recently invested in the Indian pharmaceutical company Strides Arcolab to help make locally produced generic drugs more widely available in Africa. PROPARCO also acquired an equity interest in the Tunisian pharmaceuticals lab UNIMED, a key regional player in the promotion and sale of generic drugs.

Financing private healthcare

Despite their important role in offering healthcare, private players often have a hard time getting financing. In Africa, for example, loans to the healthcare sector represent less than 5% of the local credit institutions' loan portfolios. To help overcome this weakness, PROPARCO supports the use of financial intermediation to assist the healthcare sector. For example, since 2010 PROPARCO has been a shareholder of the Africa Health Fund, which invests in small African healthcare companies, and also recently granted TBC Bank in Georgia a USD 20m line of credit dedicated to financing the healthcare sector (medical centers, hospitals, pharmacies and small medical equipment providers).

DOMINICAN REPUBLIC

MODERNIZING HEALTHCARE IN THE DOMINICAN REPUBLIC

Healthcare needs in the Dominican Republic are changing. At 36%, cardiovascular illness is the leading cause of death and cancer cases are on the rise. But the level of cardiac and oncology care available is inadequate in the face of this growing need. In response, PROPARCO has granted a loan of USD 10m to the Metropolitan Hospital of Santiago (HOMS), a reputable private healthcare institution with 240 beds, to support the development and modernization of the healthcare options it provides. These funds will enable the hospital to purchase cutting edge medical equipment and expand its cardiology services. They will also help support the work of the HOMS Foundation, which serves low-income patients. PROPARCO is the first foreign financial institution to provide long-term funding to this hospital, a move that should enable the hospital to diversify its financial partners and attract new international investors over the long term.

Quality education for all

cquiring knowledge and skills – from primary school through to college – is essential for ensuring both a place in the world of work for the young and sustainable economic growth. In this area, the private sector effectively supplements government provision of education and training opportunities. PROPARCO supports innovative private sector initiatives with the overriding aim of strengthening human capital in emerging and developing economies.

Promoting access to quality education

Integration into the global economy and job creation both require productivity gains, which are in turn dependent on universal access to elementary and middle schools. Despite the gains made in the course of the last 20 years, 57 million children still do not have access to education, half of them in Sub-Saharan Africa. And in a period of underinvestment on the part of governments, the private sector has a role to play in educational expansion. PROPARCO assists private schools in creating new curricula, opening classes and providing teachers with better training. Special emphasis is placed on the introduction of information and communication technology (ICT) as a means of making education available through a wider variety of locations, sources and methods.

Boosting vocational training and higher education

Developing economies need effective vocational training to be able to make their companies more competitive and achieve sustainable growth. Vocational training focused on business requirements and higher education oriented toward R&D and innovation have become crucial to participation in today's global economy. To further this aim, PROPARCO backs private sector initiatives in initial and continuing education that promote work-related learning and apprenticeship. It also provides funding for several top-notch private learning institutions: Saint Joseph University in Lebanon, Anhanguera in Brazil, l'École Supérieure Privée d'Ingénierie et de Technologie (ESPRIT) in Tunisia, and the Pontifical Catholic University of Peru (PUCP).



3 QUESTIONS FOR



Efraín GONZALES DE OLARTE is the Vice President of the Pontifical Catholic University of Peru (PUCP), the country's leading private university. In 2013, PROPARCO funded the project to upgrade its campus in Lima.

What is the mission of the PUCP?

Our university system must be capable of training the qualified professionals who are vital to Peru's economic development. Private schools have a key role to play in meeting this need, provided that they focus on quality. It's not just a question of admitting more students; we must also make sure they acquire the skills that are sought after in the job market. This is the mission of the PUCP. The school was voted the best university in the country. This recognition is the crowning achievement of our efforts to ensure high-quality instruction. We hope to continue in this direction and become an international model of excellence.

How does PROPARCO support the PUCP?

PROPARCO gave the PUCP a loan of USD 25m to fund the construction of a new eco-certified building, which houses a center for digital learning as well as a library for engineering, the sciences, and architecture. This investment will enhance our ability to attract students and also help us modernize our teaching methods.

How would you describe your relationship with PROPARCO? Excellent and mutually beneficial. This partnership also helps to bolster our relationship with France. The Alliance Française already offers classes on our campus. We hope to go even further by offering double major

programs and developing exchange programs with French universities. Given the global demographic dynamic, strengthening the fields of agriculture and agribusiness is indispensable for rising to the challenges related to food security and growing consumer markets.

The enormous potential of agribusiness in the South

n the least advanced countries, agriculture is often the primary source of both income and employment, so investing in this sector represents a powerful tool for combating poverty and social exclusion. In addition, higher agricultural productivity, greater emphasis on local products and investment in post-harvest handling can help resolve the food security equation around the globe. Agribusiness, and the financing of agribusiness, is a legacy area of involvement for PROPARCO – and is still one of its principal investment priorities. Investments in agribusiness and its financing accounted for 22% of all projects signed in 2013.

Supporting the entire value chain

PROPARCO supports private sector investment across the entire agribusiness value chain, from farming and agricultural inputs upstream to processing, marketing and distribution downstream.

In 2013, PROPARCO financed the Ivoirian company PALMCI, supporting the expansion of its palm oil production capacities. By offering an outlet to more than 36,000 local planters, this financing will help to develop a viable industrial sector for the Ivory Coast. In India, PROPARCO acquired an equity interest in Prabhat Dairy, an integrated dairy group that occupies the entire value chain (from milk collection to the distribution of processed products), to support the development and diversification of its production. PROPARCO is also increasingly involved in supply chain and transport infrastructure projects, as well as those related to agricultural services (inputs, training, advisory). In 2013, PROPARCO granted a USD 75m loan to Export Trading Group (ETG), a major player in Africa in agricultural product sourcing, to support the construction of around 20 processing plants and more than 30 additional warehouses. In addition, PROPARCO helps its clients improve their environmental and social practices, in particular when it comes to grappling with the challenges of biodiversity, land management, and working conditions in the value chain.

Promoting financing for agriculture and agribusiness

The lack of access to financing for farm operators and agribusinesses hampers the sector's development. To increase local financing capacity, PROPARCO grants commercial banks lines of credits dedicated to agribusiness lending. In 2013, PROPARCO granted the Mexican bank Finterra a €10m line of credit for food processing SMEs.

> Agribusiness and its financing represent 22% of the facilities signed by PROPARCO in 2013.

IN SHORT

West Africa

Fan Milk, the leading producer and distributor of frozen dairy products in

the region, has a local manufacturing base and a single distribution network that provide income for more than 30,000 street vendors. Along with Danone and a consortium of investors led by the investment management group Abraaj, PROPARCO has contributed USD 10m to the acquisition of Fan Milk, in a bid to strengthen its development, particularly in terms of new markets and products. This investment is expected to have a major impact on jobs, knowledge and skills transfer, and the structure of the agribusiness industry.

Benin

Agrisatch is a SME that works in the production and distribution of poultry

products. This subsidiary of the frozen foods import-export company CDPA was formed in 2004 to gradually climb up the value chain and reduce dependence on imports. PROPARCO granted Agrisatch a loan of €10m to improve its production and storage capacity. This financing will support the group in its transitions from a commercial to an industrial focus.

India

While India ranks among the leading agricultural producers worldwide, the

country suffers from low crop yields. Drip and rotating irrigation systems from the Indianbased manufacturer Jain Irrigation Systems provide efficient solutions for increasing production and reducing the use of water and fertilizer. PROPARCO contributed to the company's investment plan by granting a loan of USD 20m and investing USD 5m in a convertible bond issue. The funds will enable the broader distribution of micro-irrigation systems to small farmers.

operations

Promoting **agroforestry** in Sub-Saharan Africa

Agroforestry is opening promising pathways for improving food security and limiting the effects of climate change. The return to this ancestral practice encourages sustainable rural development. As a development finance institution, PROPARCO is committed to supporting its growth.

Agroforestry projects require long-term funding, but the existing options in this field are insufficient and ill-adapted. To address the issue, the international branch of the French National Forest Service (ONF), which specializes in the sustainable management of ecosystems, put forward the idea of an investment vehicle dedicated to financing agroforestry. With the support of the Benjamin de Rothschild Company (CBR), which specializes in asset management, this pioneering fund was rolled out in 2013.

The investment fund Moringa plans to invest up to \notin 100m in forest plantations (firewood, lumber, and biomass) that include an agricultural component (crops or livestock).

Each individual investment, from €4m to €10m, will target sustainable plantation projects that have significant environmental and social impact in Sub-Saharan Africa and Latin America. Trees reduce greenhouse gas emissions by storing large amounts of CO₂ as they grow. Adding various crops helps to improve soil fertility, reduce water table pollution, and decrease the phenomenon of soil erosion. It also provides local populations with a livelihood and diversified sources of income.

The Investment and Support Fund for Business in Africa (FISEA), held by the AFD and managed by PROPARCO, participated actively in structuring the Moringa fund and acquired a €5m stake in its African portfolio.



The forestry projects funded by Moringa could allow the equivalent of up to 10 million tons of CO₂ to be stored each year. Additionally, agroforestry development is expected to contribute to the creation of 4,000 jobs on forest plantations, in subsistence farming, and in export farming (producing coffee, cacao, etc.). This strong focus of the Moringa fund will provide a source of income to local populations and a viable alternative to the deforestation activities that often ensure their livelihood. For these reasons, Moringa was the recipient of the Most Innovative Impact Investing Project Award, given out at the end of 2013 by the TBLI group (Triple Bottom Line Investing).



POINT OF VIEW

Fundraising facilitated by PROPARCO

The AFD was solicited long before the launch of Moringa. Its developers, the international branch of the ONF and the Benjamin de Rothschild Company (CBR), hope to benefit from the AFD's experience in sustainable forest management and from PROPARCO's expertise in assembling investment funds. Our teams worked for nearly three years to structure a vehicle that could both respond to investor needs and make a genuine contribution to local development. The FISEA fund was the first to invest in Moringa, soon to be followed by multiple public and private investors - notably Finish (Finnfund) and Dutch (FMO) development financial institutions, the Spanish Cooperation, and the Andean Development Corporation (CAF) - bringing the size of the fund to €51m at the first closing. In this sense, we truly played a role in attracting complementary financing and clearly acted as a catalyst.

Anne-Sophie RAKOUTZ Deputy Head of Private Equity Division, PROPARCO

BANKS AND FINANCIAL MARKETS

Supporting banks and other financial institutions in the emerging and developing countries encourages long-term investments that benefit the businesses of the South. This is why PROPARCO has made reinforcing this sector one of its central priorities.

Promoting robust and efficient financial systems



n 2013, the financial sector represented 45% of new commitments. Amaury MULLIEZ, head of the Banking and Capital Markets Division, reviews the basic principles underlying PROPARCO's strategy in this sector.

What is PROPARCO's strategy with respect to financial institutions?

Businesses in the South need robust and efficient financial systems in order to develop. This is why PROPARCO has made developing financial markets and the banking sector a central focus of its action. Our ambition is to assist the sector as it undergoes major transformations in developing countries and take part in its consolidation. Through debt and equity financing, PROPARCO supports the growth of nationwide banks and the expansion of large regional groups, as well as the effort to build dynamic financial markets, especially in Sub-Saharan Africa. In more mature markets, such as those in Latin America and Asia, we mainly offer financing to key sectors for development that the commercial banks tend not to invest in heavily. This is the principle behind our lines of credit dedicated to major themes of green and inclusive growth like renewable energy, agriculture, and health. A further goal is to encourage diversified sources of financing to better address the evolving needs of businesses and individuals. In recent years, we have begun working with specialized financial institutions (for example, in mortgage lending or finance leases) and insurance companies.

The third and last priority for PROPARCO is to promote access to financial services by supporting the development and institutionalization of microfinance and micro-insurance businesses.

The common denominator of all these objectives is the need for long-term financing, which is not readily available in the local markets where we focus our energy. This is what adds value to our range of financial instruments. Moreover, wherever we are involved, PROPARCO strives to share best environmental, social and governance practices with its clients.

🗰 MEXICO

LOANS FOR SME FARMS

Mexico is one of the world's leading producers of fruits and vegetables, and agriculture employs nearly a fifth of the workforce. Unfortunately, low productivity, limited access to agricultural markets, and insufficient financing hinder the sector's development. To help address these issues, PROPARCO has granted a line of credit to the amount of 169 million pesos (equivalent to €10m) to the bank Finterra, a key player and the country's leading financial institution specializing in the agricultural sector. This line of credit will support the growth of Finterra's portfolio and help diversify its financial resources. This very first PROPARCO engagement with a Mexican financial institution will help the country's farms modernize.

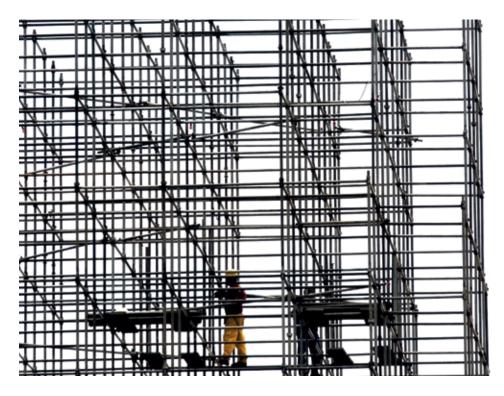
> of PROPARCO's business in the financial sector benefited Africa in 2013.

What were the highlights of 2013?

One of the year's highlights was the extension of our activity to new geographies in order to further the cause of financial inclusion. For example, we made our first foray into the microfinance sector in Haiti, lending the Haitian gourde equivalent of €3m to ACME. In Caucasus and Central Asia, PROPARCO granted a USD 15m loan to XacBank in Mongolia, intended to increase the availability of credit to micro-businesses and SMEs, and a USD 15m loan to an Armenian bank, Ameria Bank, which specializes in financing for SME farm operations. In Latin America, we signed our first local currency loan in Mexico with Finterra, a financial institution that lends exclusively to the food processing industry.

In this environment of expansion and diversification, what place does Africa occupy in PROPARCO's activity?

Africa remains the principal area for our operations: in 2013, it accounted for nearly 55% of our funding for the financial sector. The bulk of our efforts involve supporting the regional and continental banks, as well as the major markets – Kenya and Nigeria – where the banking sector is growing substantially. Also, and for the first time, we granted a loan to the African Finance Corporation, a multilateral African organization dedicated to infrastructure financing in Africa. 2013 was also the year we initiated lending in less advanced countries like Liberia and Zimbabwe. For 2014, our ambition is to go even further, focusing our energy on the poorest countries and the frontier markets.



3 QUESTIONS FOR

Andrew ALLI, CEO of the Africa Finance Corporation (AFC). The AFC is an African financial institution dedicated to the development and financing of infrastructure projects in Africa.

What is the AFC's goal in Africa?

One of the largest obstacles to infrastructure development in Africa is a lack of financially viable projects and venture capital in the development phase. The AFC was created in 2007 to meet this need; our institution provides expertise in the organization of projects, as well as venture capital tools to support infrastructure projects in the fields of energy, natural resources, transportation, industry, and telecommunications. Our knowledge of Africa and our proximity to the markets are our assets for success in the sector.

How did PROPARCO and the AFC collaborate?

In 2013, PROPARCO granted the AFC a \in 50m line of credit to support its business development. In the process, PROPARCO showed a remarkable level of involvement and expertise, which helped strengthen our organization. Their solid understanding of Africa and of its economic context contributed to the success of this project.

What's your perspective on your relationship with PROPARCO?

We are constantly seeking to develop and strengthen our partnerships, and we would be very open to the idea of working with PROPARCO again. This could happen, for example, with broader collaboration on infrastructure projects that are in the launch stage.

It's essential that development finance institutions like PROPARCO continue to invest in order to overcome the infrastructure deficit on the continent.



Telecommunication – a driver of economic and social progress

Mobile phone use has grown in a way that is unprecedented in the history of technology dissemination. Active in this sector for years, PROPARCO supports the growth of private operators, notably in Sub-Saharan Africa.

A challenge for development

Over the course of the last decade, mobile phone penetration has grown at a rate of 35-50% each year at the instigation of governments and private operators. This growth has transformed the way that businesses operate, improving their productivity and profitability, multiplying business opportunities and encouraging innovation. It is also an important source of jobs and tax revenue for States. Mobile phones also promote financial inclusion for people through the development of mobile banking, and give rise to "social applications" like tele-learning and tele-medicine – amazing opportunities for reaching poor populations in rural areas.

Successful operations in mobile telephony

In the coming years, the overwhelming majority of new users will be located in developing countries and particularly in rural areas. With 650 million units, the African continent is already the second largest market in the world for mobile phones, ahead of Europe and the United States. But large investments still need to be made to expand coverage. In this field, PROPARCO has supported multiple private ventures – like Millicom's subsidiaries

in Chad and Ghana, Celtel in Tanzania, and Bharti Airtel in multiple African countries. PROPARCO is also involved in countries in conflict or post-conflict situations (Zimbabwe, Iraq, Afghanistan), where access to mobile voice communication services is essential for economic activity and personal safety.

Massive investment needs

Despite the telecom boom, a "digital divide" still exists. The launch of 3G and 4G, the main mode of internet access in the South, is a critical issue – notably in Sub-Saharan Africa, where the rate of penetration is less than 7%. The continent's involvement in the digital economy depends on it. This is why PROPARCO is focusing its financing in the region, notably to strengthen collection networks and launch distribution networks. But PROPARCO is also expanding its business in Latin America and Asia to support the dissemination of digital technologies in less developed countries and to promote public-private telecom partnerships, a sphere in which France has recognized expertise. All with one goal in mind: supporting the expansion of networks for as many people possible.

BANGLADESH

AN EXPANDED AND LESS EMISSIVE MOBILE NETWORK

In Bangladesh, the rate of mobile penetration is still low, around 50%. Grameenphone, the leading service provider in the country, has implemented a large investment plan of USD 1.128bn to expand its network in rural areas and launch 3G over the entire national territory. This plan includes an ambitious USD 90m energy efficiency program designed to reduce the provider's carbon footprint significantly between now and 2015. Noteworthy plans include modernizing base stations, implementing solar panels to power the generators of offgrid relay antennas and replacing the towers' cooling system with ventilation. PROPARCO participated in financing this program with a USD 30m loan. This is the first time PROPARCO has supported energy efficiency efforts on the part of a telecom provider. This will help to avoid greenhouse gas emissions on the scale of 47,000 teg of CO_2 per year.

operations

Supporting **responsible microfinance** in Haiti

To remain a valid tool for development and financial inclusion, microfinance institutions need to strike a balance between their social mission and economic viability. PROPARCO's action is aligned with this logic. Its 2013 financing for the Haitian institution ACME is a perfect example.

Haiti is among the poorest countries in the world. Nearly 80% of its population lives below the poverty line, and the informal sector employs a large majority of the working population. Despite major needs, the rate of microfinance penetration remains low: less than 10%. According to recent studies, a potential 1.7 million households in Haiti could be served by microfinance.

With a credit line of \leq 17m and more than 34,000 clients, ACME is one of the leading institutions on the island. The average size of its loans is \leq 650, half of those granted by the key local players in microcredit. The institution has a strong presence throughout the territory thanks to a network of 32 agencies in and around Port-au-Prince. Nearly 70% of its customers are women.

Held by the founding NGO ACME, Incofin, the Inter-American Development Bank, and private individual shareholders, ACME is simultaneously engaged in a social mission and committed to its financial performance. It adheres to the Client Protection Principles of the international initiative Smart Campaign and is proactive in enforcing its practices; prevention of overindebtedness, fair and respectful treatment of clients, and mechanisms for complaint resolution are particular areas of focus. Its interest rates are transparent and among the lowest in the market.

The AFD has been a partner of ACME for

several years. It implemented its guarantee mechanism ARIZ at the microfinance institution, the purpose of which is to facilitate access to bank resources. In 2013, PROPARCO signed a 5-year line of credit with ACME for the equivalent of \in 3m in Haitian gourdes to support the growth of its portfolio.



This project, which marks PROPARCO's first activity in Haiti in 10 years, will contribute to local economic development. Between 2013 and 2017, ACME's actions will enable the formation of 23,000 revenue-generating businesses in agriculture, small retail and services. The innovative and diversified offering of ACME is also a testament to its social dedication. For example, the institution offers loans to people with HIV/AIDS in a country where 2% of the population is infected, and offers seasonal loans to booksellers who buy secondhand books at the end of the school year to resell them at the beginning of the next.



CONT OF VIEW

A partnership against poverty

In Haiti, microfinance has been experiencing growth for the last 10 years, successfully reviving itself after the earthquake in 2010. But what is available is still inadequate compared to what is needed. Microfinance is most common in urban areas, in commercial activities – largely neglecting agriculture and artisans.

Our goal is to respond to this need and develop our offering in the countryside and in rural areas, where microfinance is an essential source of funding. We plan to open additional agencies around the whole island, but also to diversify our offering. Agriculture, which employs 85% of the rural population, is a major area of focus. This high-risk sector represents just 3% of our current portfolio. We want to triple this percentage. PROPARCO's financing will help us to implement this strategy. Its 5-year, local currency loan is a scarce and useful resource that will also enable us to reinforce our financial strength and stability. We are very proud that PROPARCO chose to work alongside us. The philosophical alignment between our two institutions with respect to the promotion of responsible microfinance will certainly lead us to an even closer partnership in the future.

Jocelyne FETHIÈRE

Chairwoman of the Board of Directors, ACME



PROPARCO must adapt continually to meet the global challenges and promote growth with beneficial effects on climate and development. Its unique combination of public and private governance, an international network of offices, lasting partnerships and a highly committed staff together ensure the increasing relevance and impact of its work.

An institution with real momentum

3U shareholders

A combination of public and private shareholders from North and South distinguishes PROPARCO from its European counterparts.



Through a vast worldwide network spanning four continents and coordinated by thirteen local representations, PROPARCO operates in more than 70 countries.



PROPARCO has a unique model of governance that distinguishes it from other development finance institutions. It brings together some 30 private- and public-sector shareholders from North and South committed to development. Over time, the shareholder base has developed a distinctive identity that faithfully reflects the institution's purpose.

A mixed shareholder base

hen first established in 1977, PROPARCO was a wholly-owned subsidiary of the Caisse Centrale de Coopération Economique (CCCE), since renamed the Agence Française de Développement (AFD). It initially provided venture capital to help strengthen the capital base of private companies in French-speaking Africa. To ensure further expansion and give its governing bodies the benefit of private sector know-how, PROPARCO began offering shares to private shareholders in 1988. In 1990, it expanded its offer to include a diversified range of loans and developed into a financial company recognized by the French banking authorities.

During the 1990s and 2000s, the institution raised equity on several occasions to keep pace with an evolving sectoral and geographic profile. French and foreign financial institutions, service companies and industrial firms with operations in its focus areas thus acquired stakes in PROPARCO. To support its growing activity, the share capital was increased to €143m in 2001, and again to €420m in 2008. The arrival at this stage of new shareholders – including ethical investment funds and impact investors reflected PROPARCO's increasing concern with the impact of its work on development, society and the environment.

Today, more than 70% of the institution's capital is in public sector hands with the AFD holding a majority 57% interest. This diverse investor base gives PROPARCO compelling expertise in strategic management and governance that translates into real added value in how it approaches project financing. It also creates promising opportunities for cooperation and partnership in support of development.



Corporación Andina de Fomento (CAF) Development Bank of Southern Africa (DBSA) DEG

Natixis Solidaire

the institution

An institution serving **development**

The AFD is a public institution that has been instrumental for over 70 years in fighting poverty and encouraging development in the South and the French Overseas Territories. The AFD implements the French government's development policy. Through its network of 71 agencies and offices around the world – including nine in the French Overseas Territories and one in Brussels – the AFD finances and supports projects that improve living conditions, support economic growth and protect the planet. Those projects cover such fields as education, health, support for farmers and small enterprises, water supply and mitigation of climate change. Financing approved by the AFD in 2013 totaled €7.52bn, including nearly €1.5bn for French Overseas Territories.

In addition to a range of financial resources, the AFD assists its partners with training, analysis and evaluation tools. Sub-Saharan Africa is the primary region for operations, and the AFD also has a strong presence in the Mediterranean and the Middle East, Asia-Pacific, Latin America and the Caribbean. In addition, the AFD cooperates with French and international academic networks, providing input into discussions on development. The AFD assists a variety of French organizations such as local governments, businesses and civil society organizations. In the international arena as well, the AFD has established partnerships with a wide array of European development assistance agencies, leading development banks, new donor countries and private foundations.



AFD SUPPORT FOR PROPARCO

Backing from the AFD means PROPARCO benefits from the creditworthiness of a shareholder with an AA+ rating. the AFD is both PROPARCO's main shareholder and only creditor. And thanks to sub-participation agreements with the AFD, PROPARCO can increase its lending capacity. At the same time, a service agreement ensures AFD support in terms of logistics, internal auditing, human resources, IT and back office. From an operational standpoint, PROPARCO draws on the expertise of AFD staff in such areas as agriculture, health and education. It also leverages the AFD's wast network of agencies in identifying new potential financing opportunities. And finally, economic analysis performed by the AFD gives PROPARCO access to strategically important information.

3 QUESTIONS FOR

Isabelle BÉBÉAR is the development and international manager at Bpifrance. Established at the end of 2012, this public banking and investment organization groups together OSEO, CDC Entreprises, FSI and FSI Regions. Its purpose is to help French SMEs grow and to invest in strategic sectors with a promising future.

How do you view the relationship between Bpifrance and PROPARCO?

Over the years, our two institutions have developed robust, enduring ties around our common determination to combine social impact with profitability. CDC Entreprises (Bpifrance) has been a PROPARCO shareholder for over two decades. Since 2003, we have strengthened our relationship by launching two funds of funds for the Mediterranean area: Averroès Finance I and II. This has enabled us to support about a dozen investment funds dedicated to SME financing, from Morocco to Turkey. As a result, private capital has flowed toward the region, and the successful outcomes have convinced us to envision the creation of Averroès III to boost private equity investment in Sub-Saharan Africa. So it's safe to say that the relationship between PROPARCO and Bpifrance has a strong record of concrete achievements, one based on long-term, operational success grounded in trust.

What other synergies exist between the two institutions?

More and more French SMEs are setting up operations in the Southern Hemisphere, or would like to. To help them succeed with their efforts and to strengthen our national framework for supporting the drive of French companies abroad, our two institutions are working to achieve better coordination between their tools and networks in France and abroad.

How do you perceive your role as a PROPARCO shareholder?

As a shareholder represented on the PROPARCO Board of Directors, we see ourselves as contributing to its development. We take an active part in the discussions on strategic direction, sharing with PROPARCO our experience in areas like private equity. That's a major asset that should help PROPARCO achieve its goals in the years to come.



A solid institutional framework

BOARD OF DIRECTORS

Chairwoman Anne PAUGAM

Vice-Chairman Jean-Jacques MOINEVILLE

Directors

Jean-Marc GRAVELLINI Jean-Yves GROSCLAUDE Philippe BAUDUIN Odile LAPIERRE Philippe SÉCHAUD

Agence Française de Développement Colette GROSSET BNP Paribas
Philippe TARTELIN

Banque Marocaine du Commerce Extérieur (BMCE) Brahim BENJELLOUN-TOUIMI

BPCE International et Outre-mer Patricia LANTZ

Corporación Andina de Fomento (CAF)

Gustavo ARDILA

CDC Entreprises Élan PME (Bpifrance) Isabelle BÉBÉAR

Crédit Agricole SA Éric HOTTELART Development Bank of Southern Africa (DBSA) Moe SHAIK Natixis Jean-Claude GARDETTE

Executive officers

Chief Executive Officer Claude PÉRIOU

Deputy CEOs Ghislain DE VALON Marie-Hélène LOISON AFD works council representative

Benoît VERDEAUX

Observers and advisors

Statutory observers:

Ministry of the Economy and Finance Frédéric CHOBLET

Ministry of Foreign Affairs Vincent JACOB



▲ From left to right: Max DONGAR (MAZARS) Marie-Hélène LOISON (PROPARCO) Gonzalo DE CASTRO (CAF) Éric HOTTELART (Crédit Agricole SA)

► From left to right: ean-Jacques MOINEVILLE (AFD) Colette GROSSET (AFD) Philippe SÉCHAUD (BNP Paribas) Arnaud BOIIRDEII JE (KPMG)







As a specialized financial institution, PROPARCO is subject to the provisions of the French Monetary and Financial Code. Its governing bodies ensure that the institution operates in a transparent fashion and is properly managed. To that end, they draw on the expertise of their public- and private-sector members.

Non-statutory observers:

Aga Khan Fund for Economic Development (AKFED) Lutaf KASSAM

Banque Ouest-Africaine de Développement (BOAD) **Éric BIO**

BPCE Josiane LANCELLE

Coface Pascale LEFÈVRE

GDF Suez
Denis SIMONNEAU

Veolia Eau Patrice FONLLADOSA

Government Commissioner

Claude WARNET

Auditors

Société MAZARS Max DONGAR Guillaume POTEL Société KPMG Arnaud BOURDEILLE Malcolm MC LARTY

AUDIT COMMITTEE

Chairman Jean-Claude GARDETTE Jean-Michel LATY Bernard DIGUET

IN SHORT

The Board of Directors The PROPARCO Board of Directors comprises 16 directors and 8 observers. Its primary role is

to set strategic direction for PROPARCO and ensure that it is implemented. The Board meets four times a year. Its responsibilities also include approving loan and guarantee pricing policy, business plans and strategic investment projects, as well as any transactions liable to have a significant effect on PROPARCO's results, balance sheet or risk profile. Through the expertise of its members - representing international development finance institutions, banks, industrial firms and ethical investment funds - the Board is a vital contributor to the performance and growth of PROPARCO.

From left to right: Benoît VERDEAUX (AFD) Claude PÉRIOU (PROPARCO) Yasmina BENNANI (Observer BMCE) Mahmoud RAJAN (AKFED)





From left to right: Philippe BAUDUIN (AFD) Pierre-Emmanuel BELLUCHE (Ministry of the Economy & Finance) Vincent JACOB (Ministry of Foreign Affairs) Anne PAUGAM (AFD) Ghislain DE VALON (PROPARCO)

The Investment Advisory Committee The PROPARCO Investment Advisory Committee has

16 members, at least one third of whom are Board members. It is called upon by PROPARCO senior management to issue an opinion on all financing facilities of less than €30m, which do not require prior Board approval. The Committee is responsible for assessing the consistency of projects with PROPARCO's strategic direction, with the mission assigned to the AFD Group, as well as the associated financing terms and risks. As the last body to examine projects prior to a decision by senior management, the Investment Advisory Committee performs a crucial function in the PROPARCO project cycle. It holds monthly meetings, with members attending in person or via remote conference.

An international presence

PROPARCO operates in 70 countries spanning four continents. By closely monitoring the local economic environment through a worldwide network of 13 local representations and the network of AFD agencies, PROPARCO is able to meet client needs as effectively as possible.

MEXICO CITY

SANTO DOMINGO

FRENCH OVERSEAS TERRITORIES



MULTI-COUNTRY



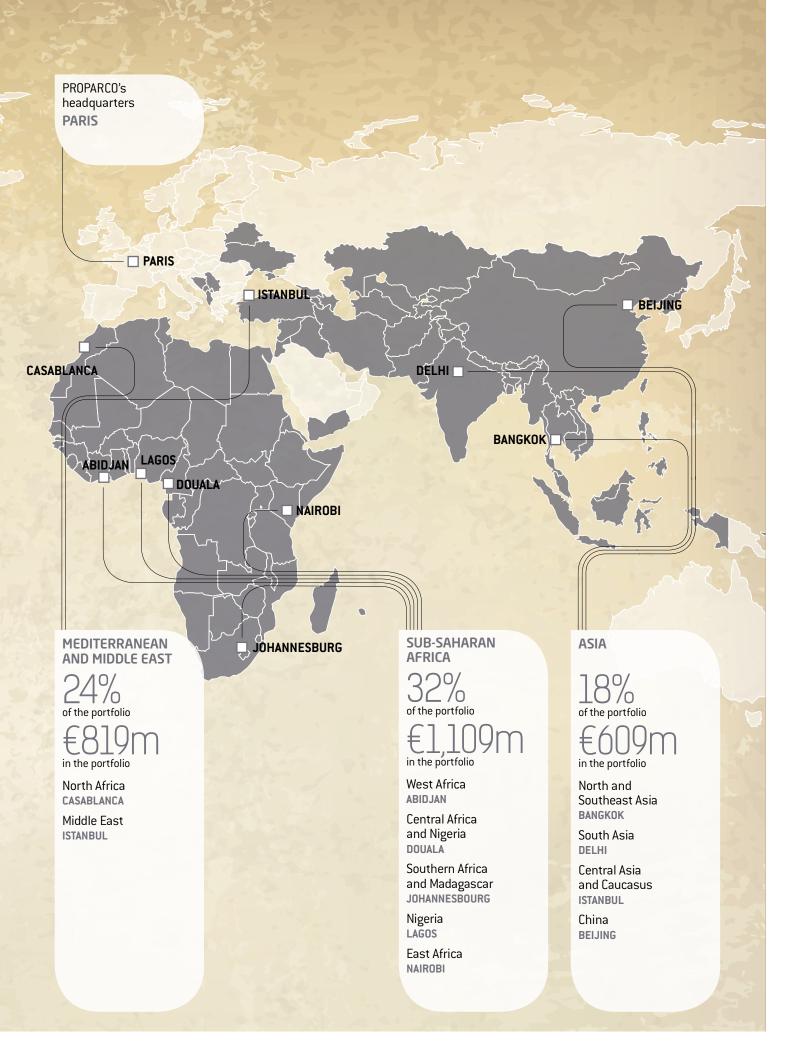
LATIN AMERICA AND THE CARIBBEAN



Central America and the Caribbean MEXICO CITY

South America

Dominican Republic and Haiti SANTO DOMINGO SAO PAULO



Partnering to promote development

PROPARCO fulfils its function as a catalyst, thanks to its large network of public- and privatesector partners. For 20 years, this network has been thriving on the input of European Development Finance Institutions (EDFI), regional and national banks, multilateral institutions and local and international commercial banks.

ince 2007, PROPARCO has stepped up its cooperation with other development finance institutions and private investors. The resulting partnerships have been among the key drivers of the institution's growth over the past few years. Thanks to them, PROPARCO can mobilize greater financial resources and lower project examination costs for its counterparties. In addition, PROPARCO benefits from its partners' experience in specific geographies and sectors, while sharing its own expertise and know-how. And this cooperation gives the institution access to additional origination networks - a real plus from a development standpoint.

The EDFI as a fulcrum of European cooperation

Since 1992, PROPARCO has been an active member of the EDFI, the Association of European Development Finance Institutions. The EDFI's purpose is to foster technical and financial cooperation among the 15 bilateral institutions it encompasses, all of which are dedicated to supporting the private sector in emerging and developing economies. Since 2004, EDFI members have joined forces to create two co-financing facilities: the EFP (European Financing Partners) and the ICCF (Interact Climate Change Facility). Their shared goal is to increase their funding capacity and to pool risks. Created in 2004 by PROPARCO and nine other EDFI members, with the European Investment Bank (EIB) also taking part, EFP is a special purpose vehicle for co-financing private sector enterprises in Africa, the Caribbean and the Pacific regions (ACP). Through a single approval process encompassing the whole project cycle, EFP can deliver fast-track program financing. Since its inception, EFP has been replenished four times; its resources currently total €230m. In 2011, PROPARCO also joined with ten other EDFI members, the EIB and the AFD to create the ICCF, a facility endowed today with €406m in resources that finances climate change and climate efficiency projects. In 2013, PROPARCO was once again at the forefront of this joint structure, with involvement in three of the five projects approved by the ICCF.

PROPARCO, DEG and FMO: stronger three-way cooperation

PROPARCO works in particular with two EDFI members: Germany's DEG since 1998 and the Netherlands' FMO since 2007. The joint financing facility signed in October 2012 inaugurated a new stage in these ongoing partnerships. Its purpose is to facilitate co-financing for projects by pooling resources throughout the examination, investment, negotiation and monitoring phases. Due to the resulting synergies, the three partners will be able to coordinate their approach to major projects and therefore enter into larger-scale transactions. In 2012 and 2013, nearly 30 joint projects were signed.

Partnering with shareholders

PROPARCO also maintains close ties with its shareholders, including cooperation on individual projects or in specific sectors. For example, PROPARCO and AKFED have cofinanced tourism, infrastructure and microfinance projects. Broader partnerships have likewise been established with the AFD Group. The West African Development Bank (WADB) and the AFD have entered into several cooperation agreements to provide funding, support for capacity building and training. Similar agreements have been signed with the Development Bank of Southern Africa (DBSA). At the same time, PROPARCO shares its knowledge of Africa and other regions in the South with its shareholders. This relationship may also include joint initiatives. CDC Entreprises and PROPARCO, for example, launched the funds of funds Averroès and Averroès II to encourage private equity investment in the Mediterranean area. Similarly, as one of the institution's shareholders, the Corporación Andina de Fomento (Development Bank for Latin America) has drawn on its deep local market knowledge and infrastructure expertise since 2012 to support PROPARCO's work in Latin America and the Caribbean.

A partnership agreement with the IFC

At the height of the financial crisis in October 2009, PROPARCO entered into a Master Cooperation Agreement with the International Finance Corporation (IFC) – a member of the World Bank Group focused on the private sector in developing countries – Germany's DEG and the Netherlands' FMO. The aim is to facilitate co-financing for projects in developing regions that commercial banks tend to bypass. As a result, their clients can now get more funding faster through loan syndication. The agreement will also help lenders process deals faster and at a lower cost through pooling of expertise and resources. In 2013, PROPARCO contributed funding to five IFC projects, under the Master Cooperation Agreement focused on agribusiness in India, telecommunications in Bangladesh, as well as renewable energy and energy efficiency in the Ivory Coast, India and Southeast Asia.

Other bilateral partnerships

PROPARCO has capitalized on its successful cooperation with the EDFI and the IFC to establish bilateral partnerships with financial institutions like the African Development Bank (AfDB) and the Korea Eximbank, with which it signed a memorandum of understanding in 2013 to facilitate co-financing arrangements for infrastructure and renewable energy projects, particularly in Sub-Saharan Africa. At the present time, the institution is looking into additional partnerships with organizations in Europe and private investors in Africa.

> of new commitments in 2012-2013 were made under co-financing arrangements with FMO and DEG.

AFRICA

SALES OUTLETS FOR FARMERS

Through co-financing facilities like the European Financing Partners (EFP), PROPARCO can get involved in larger-scale deals. In 2013, for example, PROPARCO coordinated a USD 75m loan that included an AFD sub-participation of USD 25m and an EFP financing of USD 30m to support the expansion of Export Trading Group (ETG). With a network spanning 30 African countries, ETG operates the entire agribusiness supply chain - harvesting and procuring crops (primarily from small farmers), processing, storing and packing them, and distributing the products in international markets.

This financing will enable ETG to build additional processing units and warehouses in eight different countries, thereby developing outlets for Africa's agricultural output.



Executive team

Executive team

Claude PÉRIOU (1) Chief Executive Officer periouc@proparco.fr

Marie-Hélène LOISON (2) Deputy Chief Executive Officer in charge of Operations loisonmh@proparco.fr

Jérôme BERTRAND-HARDY (4) Deputy Chief Operating Officer bertrand-hardyj@proparco.fr

Operations

Emmanuelle MATZ (6) Head of Infrastructure and Mining Division matze@proparco.fr

Amaury MULLIEZ (7) Head of Banking and Capital Markets Division mullieza@proparco.fr

Laurent KLEIN (8) Head of Private Equity Division kleinl@proparco.fr

Stéphanie LANFRANCHI (9) Head of Corporate Division Ianfranchis@proparco.fr Ghislain DE VALON (3) Deputy Chief Executive Officer in charge of the General Secretariat devalong@proparco.fr

Jean-Baptiste SABATIÉ (5) Deputy General Secretary sabatiej@proparco.fr

General Secretariat Cécile COUPRIE (10) Finance and Administrative Director coupriec@proparco.fr

Thomas ELOY Risk Director eloyt@proparco.fr

Yazid SAFIR (11) Portfolio Director safiry@proparco.fr

Catherine BAREYRE (12) Legal Director bareyrec@proparco.fr

Odile CONCHOU (13) Head of the Environment, Social and Impact division conchouo@proparco.fr





the model

PROPARCO's successful performance is testament to the relevance of its business model, which balances profitability and development impact. Through a broad range of long-term financing tools, technical assistance and multi-sector expertise, it delivers effective and relevant support to the private sector.

A distinctive business model

26 local currencies

As of December 31, 2013, the PROPARCO portfolio encompassed 26 local currencies with a total value of \notin 202m.

12%

the proportion of equity investments in its portofolio. In 2013, PROPARCO made 13 equity investments, bringing the total equity portfolio to €392m.



PROPARCO offers a complete range of long-term financing solutions in the form of loans, equity investments and guarantees. To reduce client exposure to exchange rate risk, PROPARCO is developing its financing offer in local currency.

A **wide range** of financing solutions



To respond to the growing differentiation of Southern Hemisphere economies, PROPARCO develops long-term financing solutions tailored to the specific needs of the private sector.

Ghislain DE VALON

Deputy Chief Executive Officer in charge of the General Secretariat, PROPARCO

Long-term debt

PROPARCO offers a variety of loan products, including senior loans, mezzanine financing and convertibles. Denominated in foreign or local currencies, its loans range from €3m to €100m, with tenors of between 5 and 20 years. Since signing a sub-participation agreement with its parent institution, the Agence Française de Développement (AFD) in 2007, PROPARCO has increased its lending capacity. With the additional backing of the AFD, it is able to participate in bigger projects and play a greater role in financing arrangements. In 2013, sub-participations with the AFD totaled €200m. PROPARCO also uses co-financing mechanisms with other development finance institutions to raise additional resources.

Equity

PROPARCO makes equity and quasi-equity investments in companies with the potential to boost growth in the South, using instruments that range from capital contributions and shareholder current accounts to convertible bonds and participating and subordinated loans. As a result, companies get access to the capital that they need to grow their business and hands-on assistance in crafting strategy, improving governance and accessing international business networks. PROPARCO also acquires stakes in generalist and sector-specific investment funds to maximize its impact. These direct and indirect equity investments range in size from €0.5m to €20m. All are minority interests intended for sale within five to eight years. During this period, PROPARCO strives to promote the highest corporate governance standards.

Financial guarantees

The PROPARCO signature provides clients with a solvency guarantee that may take a variety of forms: bond guarantees, interbank loan guarantees and other loan guarantees. Its goal is to help its clients obtain financing in local currency to support their medium- to long-term investment programs.

Local currency financing

Exchange rate risk can be detrimental to profitability at private enterprises and threaten their survival. To reduce their exposure to this risk, PROPARCO offers guarantees and loans in local currency. Depending on the currency, it works with traditional bank counterparties or a multi-donor fund called TCX (Currency Exchange Fund), through which PROPARCO has access to exchange rate hedging instruments for currencies that are not covered by local markets or major financial centers. In 2013, PROPARCO granted loans in four different local currencies: Guinean francs, Mexican pesos, Indian rupees and Haitian gourdes. With this local currency funding, PROPARCO's clients can better match their revenues and financing costs. More broadly, by offering financing in local currency, PROPARCO exerts significant influence on local financial markets.



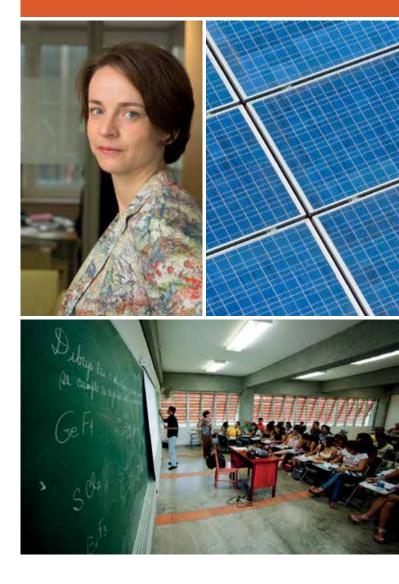
Multi-sector **expertise**

For more than 35 years, PROPARCO has been developing expertise in business areas such as infrastructure, banking, agriculture, manufacturing and climate change.



Cover the years, PROPARCO has developed considerable expertise in the key development areas. The combination of financial and technical know-how that its teams have built up is a major asset for supporting businesses in the South.

> Marie-Hélène LOISON Deputy Chief Executive Officer in charge of Operations, PROPARCO







Efficient infrastructure networks are critical to attracting private

investment, reinforcing the local economy and delivering essential services to the population. To address these challenges, PROPARCO co-finances large-scale infrastructure projects. The aim is to build and upgrade infrastructure, as well as to make it as widely accessible as possible.

With its long-term resources, PROPARCO supports projects in a wide variety of sectors, including energy, telecommunications, transport (by air, rail, sea and road), water supply and sanitation. In the emerging countries, the focus is on financing renewable energy sources like wind, geothermal, water and solar power, biomass and biogas. PROPARCO also supports mining projects that meet high fiscal transparency, social and environmental standards.

BANKS AND FINANCIAL MARKETS

Insufficient access to finance is one of the primary obstacles encountered by companies. In fact, business growth is dependent on the existence of an efficient banking sector and smoothly operating financial markets. To help build sustainable local financing capacity, PROPARC0 therefore supports financial institutions. In the region where it has the longest history of involvement, PROPARC0 offers clients longterm credit lines and equity financing. In the emerging countries, the emphasis is on credit lines dedicated to specific sectors like renewable energy and agriculture.

PROPARCO also supports microfinance institutions as a means of having a greater impact on local economies and increase access to finance for the underprivileged. In addition, it has been branching out into insurance, reinsurance and leasing.

CORPORATE

Businesses drive growth, generating tax revenue for states

and creating significant employment opportunities. They also play a fundamental role in establishing and disseminating environmental and social best practices. PROPARCO finances local, regional and international businesses with a significant and lasting effect on growth.

The issue of food security and the expansion of consumer markets have made support for agribusiness a key priority. PROPARCO is also involved in manufacturing, building materials, sustainable tourism, higher education and healthcare. In addition to providing financing, it supports its clients in the improvement of their environmental and social performance. PROPARCO's offering enables businesses to access longterm resources that may be unavailable in local markets.



CLIMATE

Climate change is a core focus for PROPARCO, as attested by its efforts to promote low-carbon business models. There is a dual rationale behind this strategy: combating climate change and optimizing the use of resources.

PROPARCO supports a large number of projects centered on renewable energy and energy efficiency. Its approach also includes disseminating high environmental standards and promoting them among its clients.

PROPARCO has adapted the AFD's Climate Development strategy to the private sector, selecting projects that will have a positive impact on climate change. The carbon footprint of projects is systematically measured on the basis of *ex ante* estimates of how much greenhouse gas will be emitted, avoided or reduced each year.



Differentiated partnerships

SUB-SAHARAN AFRICA

46% of new commitments in 2013 went to Sub-Saharan Africa

Sub-Saharan Africa is growing fast.

Over the past 10 years, the region has regenerated itself, showing unprecedented economic and social vitality.

Demographic growth, abundant natural resources, human capital, agricultural and energy potential, an emerging middle class and a truly domestic market all create new opportunities for the region. But there are still challenges to be overcome before Sub-Saharan Africa can transform this potential into sustainable and equitable growth for the population. To address these challenges, PROPARCO continues to place a high priority on the region in its strategy, mainly operating in three areas: developing financial markets, building infrastructure and modernizing agriculture and agribusiness.

In 2013, PROPARCO supported the growth of large regionally-based private firms in banking, agribusiness and telecommunications.

MEDITERRANEAN AND MIDDLE EAST

of PROPARCO's portfolio at December 31, 2013

With a total portfolio of €820m, PRO-PARCO is the most active European development finance institution in the Mediterranean region.

Countries in this region still appear to be searching for a sustainable development model that can satisfy the economic and social aspirations of a young and fast-growing population. To accompany the political shifts underway and build inclusive growth, PROPARCO has chosen to focus its efforts on job creation. It backs initiatives in the higher education and land-use planning sectors and stimulates the development of small and medium-sized businesses, notably through financial intermediation. PROPARCO also supports the region's energy transition through the development of renewable energy infrastructures.

In 2013, PROPARCO confirmed its ambitions in the region, opening an office in Istanbul that will strengthen its presence in the Middle East. PROPARCO operations span four continents, from major emerging economies to the poorest countries. It catalyzes private investment in support of sustainable development, particularly in regions that are unstable, in crisis or emerging from crisis.

ASIA

44% of new commitments in 2013

went to finance agribusiness

With average growth of 6%, Asia is the powerhouse of the global economy. This situation creates new opportunities as well as unprecedented challenges related to climate change, the distribution of wealth, urbanization and more. As a result, the countries in Asia need to rethink their long-term growth strategies.

PROPARCO has been working in Asia to promote sustainable economic development projects that are designed to protect the environment while reducing inequality, targeting specific business sectors like healthcare, higher education, renewable energy and microfinance.

In 2013, PROPARCO provided major support to businesses and financial institutions so that they could expand the agriculture and agribusiness sector. Large-scale renewable energy projects also received backing.

LATIN AMERICA AND THE CARIBBEAN

in new commitments in 2013 compared with 2012

In 2013, PROPARCO reinforced its commitment in Latin America and the Caribbean, a growing region with strong potential.

Over the past decade, this region has engineered a series of remarkable changes with the help of enhanced macroeconomic management, more effective government policies and successful social innovation. But Latin America and the Caribbean continue to face daunting challenges: social inequality, with more than 30% of its population living below the poverty line, environmental and climate issues and inadequate infrastructure.

In the region, PROPARCO promotes green and inclusive growth. It supports the expansion of education and healthcare infrastructures, microfinance, renewable energy growth and agribusiness financing.

In 2013, PROPARCO stepped up its commitments in Latin America, with nearly half of its work devoted to renewable energy development. The institution had operations during the year in twelve countries, including first-time commitments in Uruguay and Chile.

FRENCH OVERSEAS TERRITORIES

in the portfolio at December 31, 2013

The overseas economies have a primarily domestic orientation, which makes them more fragile than mainland France.

To help deal with this situation, PROPARCO supports sustainable landuse planning and the development of small and medium-sized enterprises, using equity financing tools that are not readily available in this region.

In addition, with its thorough knowledge of the neighboring countries, PROPARCO helps overseas private enterprises to better integrate with the regional economy.

PROPARCO is gradually resuming its equity investing activity in the French overseas territories, above all in New Caledonia, French Polynesia, Guadeloupe and Martinique, which show good short-term potential.

Multi-country, 2% of the portfolio, at December 31, 2013.



PROPARCO assists French companies in building up their subsidiaries in Africa, Asia and Latin America, not only to promote responsible business models that have shown their worth in the Northern Hemisphere and encourage the sharing of know-how and technology, but also to keep pace with the needs of a fast-growing middle class.

French companies as partners in development

n their quest for global reach, more and more French companies are starting up operations in emerging and developing economies. They rightly view this as an opportunity to gain a foothold in high-growth markets, address local consumers directly and adapt to their needs in such diverse areas as energy, water supply and sanitation, banking, construction and tourism. Moreover, in doing business in those countries, French companies disseminate the technology and know-how that has earned them recognition – and that is in great demand.

To help them take up the challenges involved in setting up or expanding subsidiaries in the South, PROPARCO provides French companies with financing in the form of loans, equity investments and guarantees. PROPARCO also gives them access to its extensive network of partners – first and foremost local financial institutions – and shares its developing countries knowledge with them.

French companies account for 15% of the

PROPARCO portfolio and include everything from small businesses to multinationals in sectors ranging from infrastructure to agribusiness to banking. The role of PROPARCO also involves supporting them in their efforts to innovate and promote higher social, environmental and governance standards. French companies can make a valuable contribution to the creation of new development models – for example by designing low-carbon infrastructure and fostering forms of consumption geared to lowincome population groups.

As a public sector organization, PROPARCO is part of broader arrangements for assisting French companies abroad, along with Ubifrance, Bpifrance, the Ministry of Trade, the Ministry of Foreign Affairs, the Chamber of Commerce and France's trade commissions in the various countries. A drive is underway to identify and exploit synergies so that the instruments used by these institutions can become mutually beneficial.

🌐 AFRICA

SUPPORTING THE EXPANSION OF SOCIÉTÉ GÉNÉRALE IN AFRICA

With 17 subsidiaries and some thousand branches, primarily in French-speaking Africa, Société Générale (SG) is one of the continent's largest universal banking networks. Serving close to 2.8 million clients - 172,000 of them businesses - SG supports the development of local economies.

In 2013, PROPARCO granted the bank's subsidiary in Ghana a USD 10m credit facility so that it could strengthen its balance sheet and respond to growing demand for medium-to long-term resources from a clientele including large, small and medium-sized companies. This support should lead to stronger longer financing local capabilities and encourage the development of a broader range of financial products.

PROPARCO's assistance to the private sector in the South is not only financial. Its clients also benefit from other, more qualitative forms of support such as expertise, technical assistance and access to the AFD Group's network of partners.

Comprehensive support

Opening up new opportunities

In addition to access to financing, PROPARCO provides its clients with access to its extensive network of partners, including that of the AFD Group, comprising aid agencies, development banks, financial institutions, investment funds and private sector companies. The objective is to accelerate their expansion and help them to integrate fully with the local and regional economies. A first transaction with PROPARCO can serve as a springboard for additional funding from the AFD Group. Comprehensive partnerships may also be started around shared development objectives, taking such forms as strategic advisory service, speaking platforms at conferences and common research programs.

Reaping the benefits of expertise

Clients who receive financial support from PROPARCO also benefit from the multisector expertise of its teams and its detailed knowledge of the regions it operates in, especially Sub-Saharan Africa. When PROPARCO acquires a stake in a company, especially a family-run enterprise, it helps it become a stable organization. Outside recognition of PROPARCO's high environmental, social and governance standards strengthens the credibility of its clients.

Developing capacity

The private sector requires more than just funding. To innovate and grow, it also needs support in a broad range of areas that include corporate governance, finance management, human resources and environmental and social management.

Along with its multiple financing tools, PROPARCO offers technical assistance to help clients improve the viability of their projects, deliver innovations and adopt responsible high-impact business models over the long term. Its services are mainly addressed to companies and financial institutions with which PROPARCO has a business relationship. To date, technical assistance resources from FISEA (Investment and Support Fund for Businesses in Africa) have been used to finance such projects. They include consulting assignments at companies in the portfolio and technical assistance projects carried out by investment funds.

PROPARCO also assists its clients in improving their environmental, social and governance performance, mainly drawing on the resources of the AFD's Support Fund for Governance Capacity Building (FRCG). An innovation assistance service was introduced in 2012 to help companies develop new products and services or set up innovative production and organization models. PROPARCO also launched a financial consulting service for small and medium-sized enterprises.

🗰 SOUTHERN AFRICA

GREATER CAPACITY FOR AFRICA'S SMALL BUSINESSES

The informal economy, an underdeveloped finance culture and the high-risk profile of many African small and medium-sized businesses (SMEs) make it hard for them to secure loans from commercial banks. In response, Business Partners International (BPI) has developed several private equity funds for SMEs in Sub-Saharan Africa. What makes this approach so successful is that BPI offers financing combined with technical assistance and that it ensures high-quality dialogue between its network of mentors and the recipients. In 2013, PROPARCO provided a USD 425,000 subsidy, *via* FISEA, to the technical assistance facility set up by BPI Southern Africa SME Fund, a BPI private equity fund dedicated to SMEs in Southern Africa. This contribution, which comes on top of a first PROPARCO equity investment in the fund in 2012, will help give the region's SMEs greater capacity, solidity and profitability.



PROPARCO incorporates risk management into every aspect of its operations. It implements a comprehensive risk management system to control credit risks, environmental and social risks, and non-compliance risks.

Effective risk management

Global risk management framework

PROPARCO's risk monitoring system meets the highest international standards of quality. It is based on a set of operational limits for each region, sector, counterparty and product, combined with a prudent provisioning methodology and quarterly portfolio reviews for investments that the Risk Committee has identified as sensitive. The Risk Committee also monitors financial risks (interest rate, exchange rate, liquidity) that could erode PROPARCO's profitability or financial strength. This comprehensive system enables effective management of risks, as illustrated by the low percentage of loans that are non-performing (1.6% of the portfolio as of December 31, 2013) or overdue (2.8% of the portfolio as of December 31, 2013). PROPARCO's exposure to exchange rate and interest rate risk is also low, thanks to the AFD's backing, which gives PROPARCO the financial robustness of an AA+ rated shareholder.

Risk assessment during the project lifecycle

Risk assessment is an integral component of the project cycle. For each project, PROPARCO gathers independent opinions to analyze and assess both credit risks and legal, environmental, social and compliance risks. No financing decision is made without an in-depth study of all risk factors by PROPARCO's governing bodies. Each financed project is monitored for as long as it is held in the portfolio, and a new assessment of its risk profile is conducted every six months.

Environmental, social and governance risk management

PROPARCO places special emphasis on managing environmental, social and gouvernance (ESG) risks. At the identification stage, projects are categorized based on their E&S risk level, which in turn determines the scope of E&S due diligence and the benchmark standards to be applied. Starting in 2013, PROPARCO has also been developing a framework for assessing governance at client organizations. Following this assessment, PROPARCO negotiates potential improvements with clients and spells out these commitments in contractual documents. Implementation is usually monitored every year. If appropriate, supplementary action plans can be drafted. PROPARCO also makes technical support available to its clients to improve their E&S performance (certification, training, etc.).

Financial security policy

PROPARCO has developed a set of procedures and contractual provisions to fight corruption, fraud, anti-competitive practices, money laundering and terrorism financing. These measures, which align with the AFD Group's financial security policy, are designed to prevent, detect, monitor and manage noncompliance risk related to PROPARCO's activities and the regions where it operates. Projects undergo multiple checkpoints during their lifecycle. Before a financing decision is made, counterparty quality (reliability of accounts, internal governance, reputation and anti-terrorism due diligence, etc.) is assessed. Other safeguards include clauses in financing agreements, close monitoring of implementation and funding procedures, and controls during the payment process.





Over the past several years, PROPARCO has been stepping up its efforts to measure results and impact. The overriding goal is to make a greater contribution to sustainable development.

Measuring results

Selecting projects

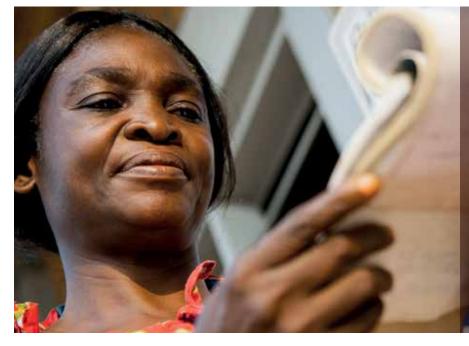
PROPARCO has made development impact a major factor in its financing decisions. Early in the project review process, it uses the GPR[©] (Corporate-Policy Project Rating) tool developed by DEG, the German development finance institution, to assess project impact. Four main criteria are examined: expected impact on development, profitability, level of risk and fit with PROPARCO's strategy. Enriched with qualitative analysis, these indicators enable ex ante project quality assessments and guide the project selection process. In 2012, PROPARCO enhanced the GPRC tool to boost the importance of a project's environmental and social impact in the rating and the weight of development impact criteria.

Capitalizing on know-how

In 2012, PROPARCO reinforced the impact monitoring and evaluation framework it uses after financing has been granted. Its clients are requested to track a series of indicators on results and impact. Ex post evaluations are selectively conducted to analyze outcomes and help learn from experience. Whether based on ordinary feedback or more extensive crosscutting analysis, these evaluations provide valuable data on PROPARCO's activities. As an example, in 2013, PROPARCO and other European Development Finance Institutions (EDFI) published an impact study on the role of bank intermediation in financing SMEs in Sub-Saharan Africa. This approach of leveraging knowledge and skills is essential to enhancing operational practice at PROPARCO.

Harmonizing practices

Measuring results, in combination with capitalization on know-how, is essential to designing projects more effectively and maximizing their long-term contribution to development. In 2013, PROPARCO worked with other development finance institutions to devise common indicators for reporting on contributions to development. Shared discussions of project experiences have helped to enrich this initiative. This has given PROPARCO the opportunity to take part in improving and disseminating effective practices for measuring results and financing the private sector.



REPORTING

As a development finance institution, PROPARCO is accountable to its shareholders, development professionals and the general public for its project outcomes. Transparency is essential to building effective dialogue and a longterm relationship of trust with all of its stakeholders. To achieve this transparency, each year PROPARCO consolidates the GPR[©] ratings, at their ex ante value, for all approved projects. These consolidated results enable PROPARCO to report on its contribution to development, while presenting a comprehensive view of its activity and targeted performance. More broadly, they enhance thinking on private sector contributions to sustainable and equitable growth in the South.



PROPARCO sustained the momentum in 2013. With a portfolio totaling €3.4bn (up 10% over the previous year) and €850m in new commitments (up 15% over the previous year), PROPARCO has reaffirmed its status as a leading development finance institution focusing on the private sector.

Appendices

€ 3.7 bn on the balance sheet

at December 31, 2013. PROPARCO's balance sheet grew by 7% over the previous year.



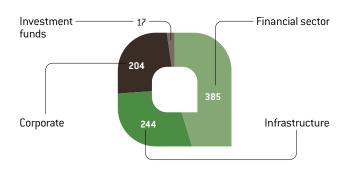
at the head office and in the network. PROPARCO is supported by multidisciplinary teams with complementary profiles.



appendices

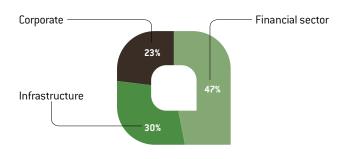
Operating results

TOTAL COMMITMENTS BY SECTOR IN 2013 (€m)



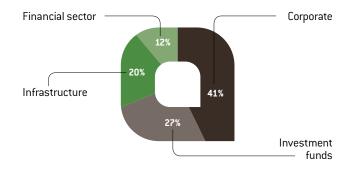
LOAN COMMITMENTS BY SECTOR IN 2013

(% of loans signed)



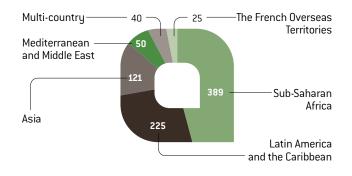
EQUITY INVESTMENTS BY SECTOR IN 2013

(% of total equity investments)



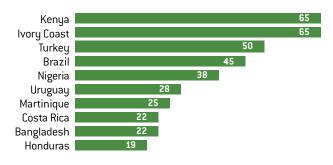
TOTAL COMMITMENTS BY REGION IN 2013

(€m)



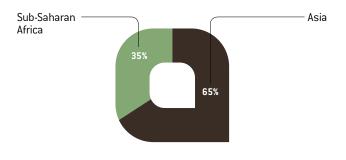
LOAN COMMITMENTS BY COUNTRY IN 2013

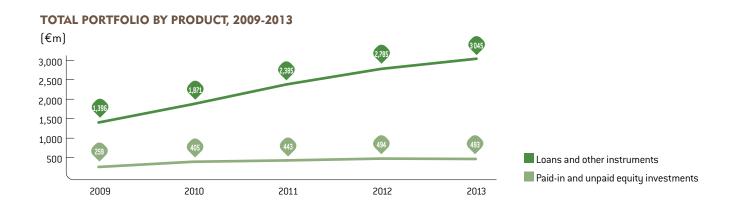
(€m) for the top 10 countries



EQUITY INVESTMENTS BY REGION IN 2013

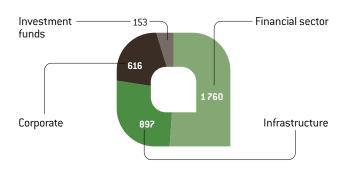
(% of total equity investments)





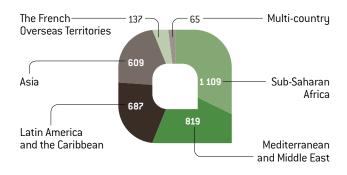
TOTAL PORTFOLIO BY SECTOR

(€m) at December 31, 2013



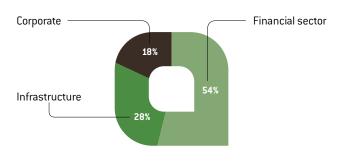
TOTAL PORTFOLIO BY REGION

(€m) at December 31, 2013



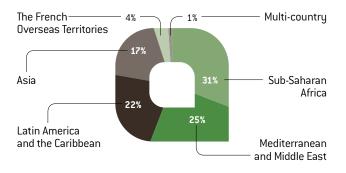
OUTSTANDING LOANS BY SECTOR

(% of total outstanding loans) at December 31, 2013



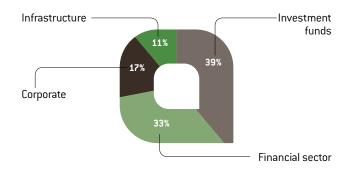
OUTSTANDING LOANS BY REGION

(% of total outstanding loans) at December 31, 2013



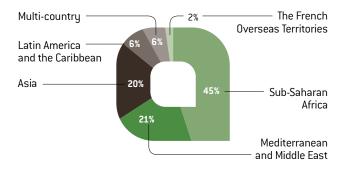
EQUITY PORTFOLIO BY SECTOR

(% of total paid-in equity portfolio) at December 31, 2013

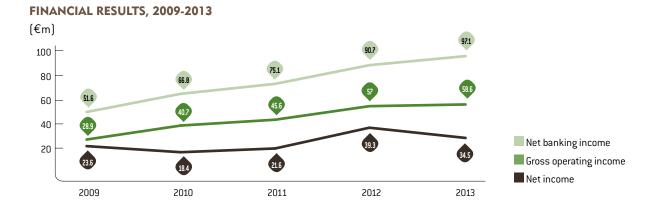


EQUITY PORTFOLIO BY REGION

(% of total paid-in equity portfolio) at December 31, 2013



Financial results



BALANCE SHEET AT DECEMBER 31. 2013

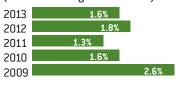
(€m)		
ASSETS	31/12/13	31/12/12
Receivables (short and long-term)	180.9	215.2
Total loans outstanding	3,011.7	2,751.9
Loans to financial institutions	1,641.7	1,432.5
Loans to other clients	1,370	1,319.4
Bonds and other fixed-income securities	37.9	33.8
Investments	477.3	480.5
Other assets	12.1	11.8
TOTAL ASSETS	3,719.9	3,493.2
LIABILITIES AND EQUITY	31/12/13	31/12/12
Debt	2,855	2,603.5
Other liabilities	208	251.9
Provisions	54.5	53.5
Equity	602	584.3
TOTAL LIABILITIES AND EQUITY	3,719.9	3,493.2

BALANCE SHEET, 2009-2013



BAD DEBT, 2009-2013

(% of outstanding loan amounts)



COST/INCOME RATIO, 2009-2013



NET BANKING INCOME, 2009–2013 (€m)



INCOME STATEMENT AT DECEMBER 31, 2013

(€m)

	31/12/13	31/12/12
Income from deposits	4	4.8
Income from loans, guarantees and other securities (net)	64.9	61.7
Income from equity investments	8.5	5.4
Net fee income	19.1	19.7
Other	0.6	-0.9
NET BANKING INCOME	97.1	90.7
Other administrative expenses	-38.5	-33.7
GROSS OPERATING INCOME	58.6	57
Cost of risk	-6.4	-7.5
OPERATING INCOME	52.2	49.5
Income from sale of assets	-0.6	7.3
INCOME FROM ORDINARY ACTIVITIES BEFORE TAX	51.6	56.8
Exceptional items	0.0	0.4
Corporate income tax	-17.1	-17.9
NET INCOME	34.5	39.3

A broad spectrum of projects

🌐 WEST AFRICA			
Benin	Loan to finance the expansion of a food company's production and distribution capacity	Agribusiness	€7m
Ivory Coast	Loan to support the oilseed business of a West African agribusiness firm	Agribusiness	€15m
Ivory Coast	Loan to finance the extension of a power plant through addition of a combined-cycle unit	Energy	€50m
Ghana	Credit line to enhance a universal bank's lending capacity	Banking	USD 10m
Ghana	Credit line to support long-term business financing	Banking	USD 13m
Guinea	Equity investment in a commercial bank to enhance its business lending capacity	Banking	GNF 8bn
Nigeria	Loan to support the expansion of a fertilizer producer	Agribusiness	USD 2.9m
Nigeria	Credit line to enhance a universal bank's lending capacity	Banking	USD 50m

(I) CENTRAL AND EAST AFRICA

Kenya	Credit line to enhance a universal bank's lending capacity	Banking	USD 2.4m
Kenya	Loan to finance the construction, development and operation of a mineral sands mine	Mining	USD 7.5m
Kenya	Credit line to enhance a commercial bank's business lending capacity	Banking	€10m/ USD 26m
Kenya	Credit line to enhance a commercial bank's business lending capacity	Banking	USD 40m
Uganda	Credit line to enhance a commercial bank's business lending capacity	Banking	USD 6m
Dem. Rep. of Congo	Equity investment to support the creation and development of a microfinance institution	Microfinance	USD 435,000
Tanzania	Credit line to enhance a universal bank's lending capacity	Banking	USD 1.2m

() LATIN AMERICA AND CARIBBEAN

Argentina	Credit line to finance agriculture and agribusiness	Banking	USD 20m
Brazil	Loan to finance the construction and operation of hydro-electric plants	Energy	€30m
Brazil	Credit line to finance agribusiness	Banking	USD 20m
Chile	Loan to finance the construction and operation of two photovoltaic power plants	Energy	USD 24.5m
Costa Rica	Credit line to finance farming and agribusiness SMEs	Banking	USD 10m
Costa Rica	Credit line to finance agriculture and agribusiness	Banking	USD 20m
Ecuador	Loan to support the expansion of a leading timber industry company in Latin America	Agribusiness	USD 23m
Haiti	Credit line to enhance a microfinance institution's lending capacity	Microfinance	HTG 165m
Honduras	Loan to finance the construction and operation of a wind farm	Energy	USD 25.6m
Mexico	Credit line to finance agriculture and agribusiness	Banking	MXN 169m
Panama	Credit line to finance renewable energy projects	Banking	USD 20m
Peru	Loan to finance the expansion and upgrading of a private university	Education	USD 25m
Dominican Republic	Loan to support a hospital's expansion program	Healthcare	USD 10m
Uruguay	Loan to finance the construction and operation of a wind farm	Energy	USD 38.5m

🌐 ASIA AND CAU	CASUS		
Armenia	Credit line to finance agriculture and agribusiness	Banking	USD15m
Azerbaijan	Credit line to support the expansion of a bank's microfinance activity	Microfinance	USD 15m
Bangladesh	Loan to support a telecom carrier's energy efficiency program	Telecommunications	USD 30m
Cambodia	Loan to support the expansion of a jasmine rice production and milling company	Agribusiness	USD 10m
India	Loan and equity investment to support a supplier of micro-irrigation systems	Agribusiness	USD 20m/ USD 5m
India	Equity investment to support the expansion of an independent solar power producer	Energy	INR 600m
India	Equity investment in a dairy company	Agribusiness	INR 600m
Mongolia	Credit line to support the expansion of a bank's microfinance activity	Microfinance	USD 15m
Sri Lanka	Credit line to enhance a microfinance institution's lending activity	Microfinance	USD 10m

() MEDITERRANEAN AND THE MIDDLE EAST

Turkey

Credit line to finance loans for housing built to the latest energy efficiency standards

Banking

Transport

€50 m

🕀 MULTI-COUNTR	Y		
Sub-Saharan Africa	Credit line to support long-term business financing	Banking	USD 50m
Sub-Saharan Africa	Loan to finance the extension of mobile phone networks and 3G deployment	Telecommunications	€30m
Sub-Saharan Africa	Loan to support the expansion of a key participant in the agricultural supply chain	Agribusiness	USD 75m
Sub-Saharan Africa	Credit line to finance infrastructure development in Sub-Saharan Africa	Banking	€5m⁄ USD 32m
Sub-Saharan Africa	Equity investment in an agroforestry investment fund	Agribusiness	€5m
Sub-Saharan Africa	Participation in capital raising carried out by a bank to enhance its business lending capacity	Banking	€1.55m
Sub-Saharan Africa	Additional equity investment to enhance the lending capacity of a bank dedicated to SME financing	Banking	€2m
Sub-Saharan Africa	Equity investment to support a regional producer and distributor of dairy products	Agribusiness	USD 11m
Sub-Saharan Africa	Equity investment in an investment fund supporting microfinance institutions in Sub-Saharan Africa	Microfinance	€2.4m
Latin America	Credit line to finance renewable energy and energy efficiency projects	Banking	USD 15m
Asia	Equity investment in an investment fund dedicated to clean energy infrastructure	Private equity	USD 13m
Asia	Loan to finance energy recovery from waste and energy production from landfill gas	Energy	USD 15m
Global	Contribution to the European Financing Partners (EFP) facility	Co-financing facility	€20m
Global	Contribution to the European Interact Climate Change Facility (ICCF)	Co-financing facility	€20m
I FRENCH OVERSEAS TERRITORIES			

Martinique

€25m

Reporting on PROPARCO's activity

PROPARCO's website and institutional brochures feature, comprehensive information on its activity.

INSTITUTIONAL BROCHURES

PROPARCO publishes a range of institutional brochures on its work in the various regions and sectors.

• PROPARCO in the Mekong region

- PROPARCO in Sub-Saharan Africa
- PROPARCO in North Africa and the Middle East

Download our brochures at www.proparco.fr

- Supporting responsible microfinance
- · Financing access to sustainable energy
- FISEA: Getting involved and investing in African businesses

WEBSITE

Proparco

Launched in early 2011, our website features information on PROPARCO's offer, approach and work with the private sector.

Clear, straightforward and user-friendly, the website includes factsheets, photos, videos and testimonials about PROPARCO projects. Periodic press releases also keep website visitors up to date on what PROPARCO is doing on four continents. In addition, all it takes is one click to access our regional portals for detailed information about PROPARCO in each region. The aim of the website is to provide content that consistently highlights the significance and purpose of PROPARCO's work.

Feel free to discover our website and find out the latest news about PROPARCO.





WALKER EDUCATION IN LATIN AMERICA

28

Promoting discussions

PRIVATE SECTOR & DEVELOPMENT

Private Sector & Development (PS&D) is a unique quarterly publication that provides analysis and insights into the mechanisms through which the private sector can contribute to the development of countries in the Southern Hemisphere.

Each issue presents a variety of opinions and focuses expressed by authors from different backgrounds, working in research, the private sector, development institutions and civil society. Edited by PROPARCO, each issue includes 7 articles on a single theme. Through the diversity of the topics covered, e.g. access to water, mobile telecommunications, financial markets, *PS&D* has gradually emerged as a benchmark publication on the role of the private sector in developing the Southern Hemisphere. Available for free in English and French, *PS&D* today enjoys a readership of 250,000, including 33,000 subscribers.

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Private Sector 🔓 Development

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Independent power producers: a solution for Africa?

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- **18** Independent power producers: a solution for Africa?
- **17** Does the private sector help improve healthcare systems in developing countries?
- 16 New players and new banking models for Africa
- **15** Waste: the challenges facing developing countries
- **14** Utilising, developing and preserving forests: finding the balance
- **13** Development initiatives for Sub-Saharan agriculture and food production industries
- 12 Can private equity boost African development?
- **11** Technical assistance a development tool serving the private sector
- **10** Cement, caught between ecological responsibility and economic imperatives
- 9 What role for the private sector in African railways development?
- 8 The mining sector, an opportunity for growth in Africa?
- 7 Should tourism be promoted in developing countries?
- **6** Private equity and clean energy: how to boost investments in emerging markets?
- 5 Africa's financial markets: a real development tool?
- **4** What are the economic and social impact of the mobile phone sector in developing countries?
- **3** What balance between financial sustainability and social issues in the microfinance sector?
- **2** How can the private sector help to provide access to drinking water in developing countries?
- 1 SME financing in Sub-Saharan Africa





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