



# BIO

Belgian Investment Company  
for Developing Countries

## Presentation to the Conseil National du Travail - Secretaris van de Nationale Arbeidsraad

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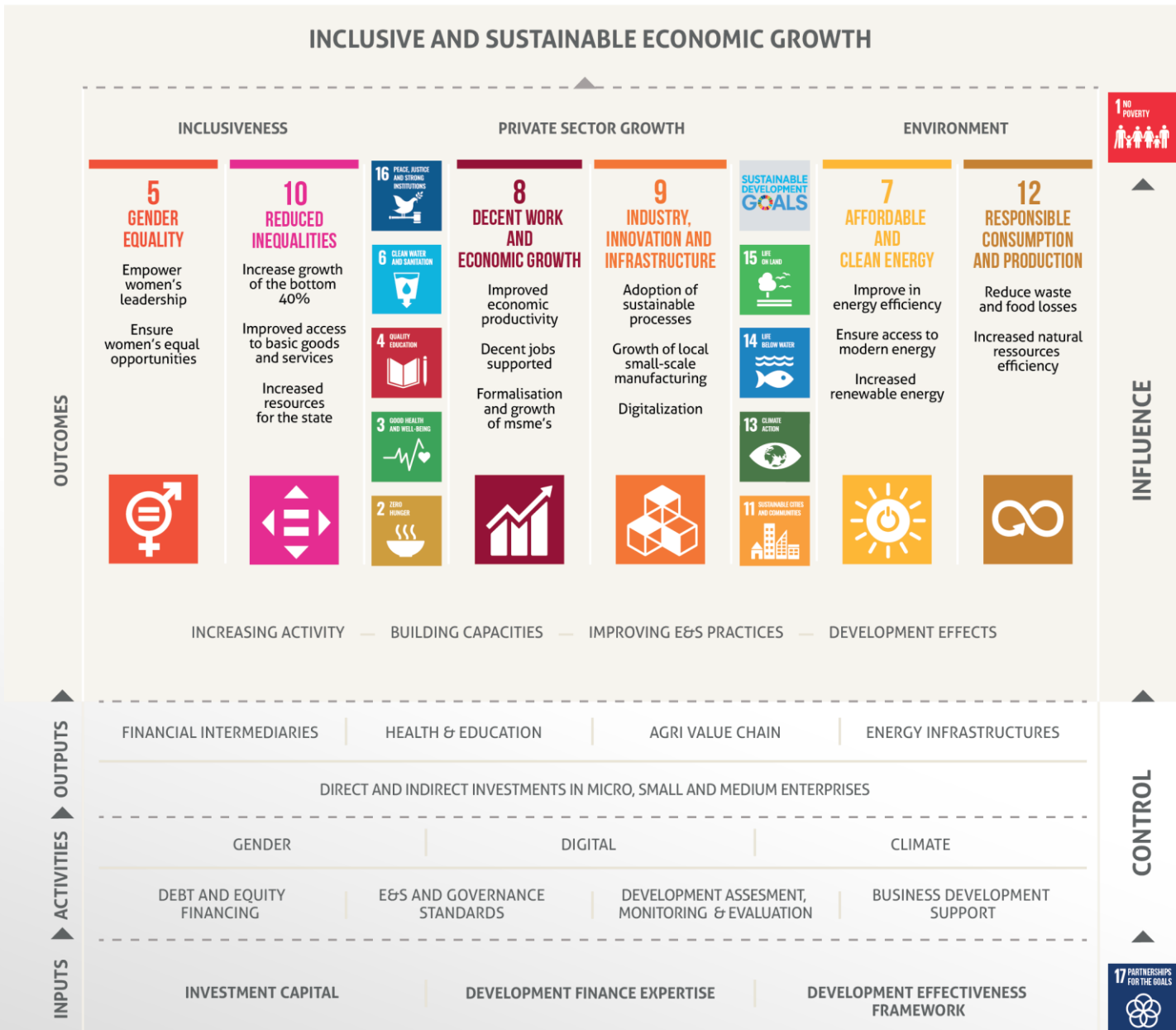
# Impact Investing

Global Impact Investing Network (GIIN) definition:

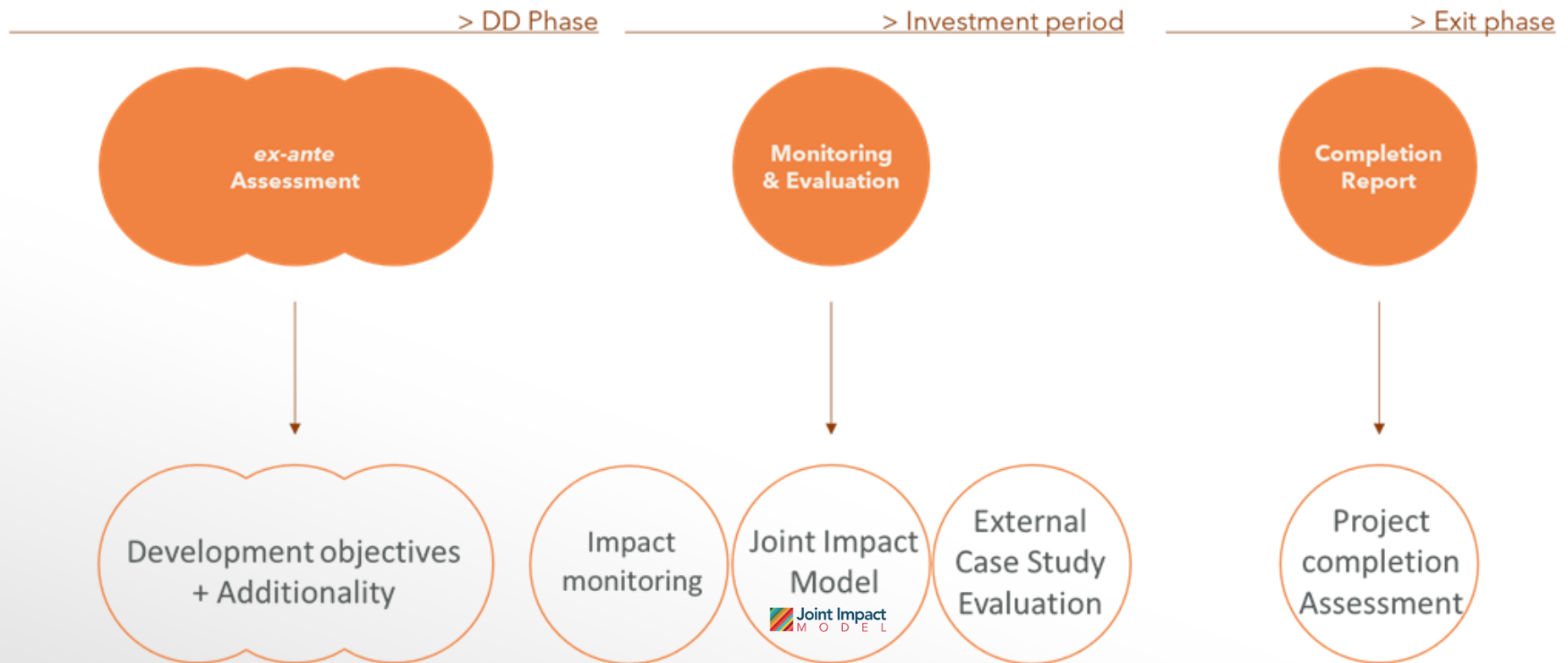
*“Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.”*

Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on investors' strategic goals”.

# BIO Theory of Change



# Development Assessment, Monitoring & Evaluation (AME)



# Transversal topics

**5** GENDER  
EQUALITY



**13** CLIMATE  
ACTION



**8** DECENT WORK AND  
ECONOMIC GROWTH



Three **key** transversal targets for BIO's interventions: it is essential to ensure equal opportunities for all, take action to fight against climate change, and ensure decent working conditions and safeguard the basic rights of workers.

## Affordable and clean energy

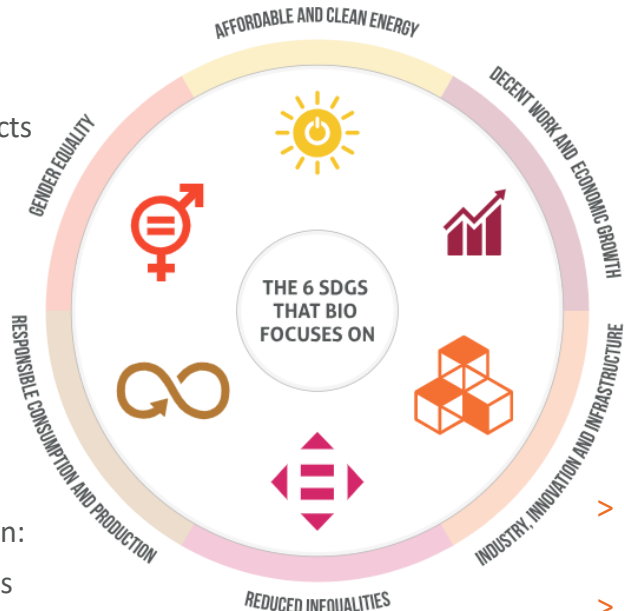
- > Total electricity production supported:  
**4,6567 GWh** (direct) + **1,117 GWh** (indirect),  
equivalent to the annual consumption of approx. **16 M people**
- > Total CO2 emissions avoided: **1M CO<sub>2</sub>-eq tons**.

## Gender Equality

- > 2X Challenge eligible:  
**14 (out of 23)** new investment projects
- > Contribution to the 2X Challenge:  
EUR **261 M** over the last 3 years

## Responsible consumption and production

- > Sustainability certifications in agri value chain:  
**3 out of the 4** new direct investments
- > Green loans provided by 2 financial institutions:  
**2700** (for an outstanding > EUR **1.1 B**)



## Decent work and Economic growth

- > Direct jobs supported:  
**100,294** (direct) + **156,734** (indirect)
- > Estimated (JIM) additional supported:  
**6.7 M** indirect jobs

## Industry, innovation and Infrastructure

- > Investments in manufacturing companies:  
**8 direct + 59 indirect**
- > Access to finance through FIs for  
**148,000** SMEs

## Reduced inequalities

- > Outstanding investments in LDCs:  
EUR **122.9 M** (22% of total).
- > Investments in FIs support an outstanding micro-loan portfolio of:  
EUR **2.6 B** (directly) + EUR **12.6 B** (indirectly)



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## Environmental and Social Standards and Development Impact

# The IFC Performance Standards (1/2)



- E&S Risk Assessment (ESIA)
- ESMS
- E&S Resources
- Stakeholder Engagement
- Emergency Response
- Grievances Management



- HR Management System
- ILO (wages, overtime, contract, etc.)
- Non-discrimination
- Freedom of Association
- Retrenchment
- Labor conditions in supply chain
- OHS



- Resources Efficiency
- GHG emission
- Pollution Prevention (wastes, air emission, wastewater, etc.)



- Community Health & Safety
- Security

Depending on the activity of the client, IFC PS 3-8 will be activated.  
(e.g. for indirect investments we check only IFC PS 1 and IFC PS 2)



# The IFC Performance Standards (2/2)

## 5 Land Resettlement



- Avoid forced eviction
- Cover physical and economical displacement
- Equal land rights
- Improve or maintain livelihoods (not only cash compensation)
- Vulnerable people focus
- Cut off date
- Private sector responsibilities for Government-led displacement

## 6 Biodiversity



- Biodiversity and ecosystem services
- UICN Red List
- Habitats Classification
- Avoid, minimize, restore & offset hierarchy

## 7 Indigenous People



- IP definition
- Free Prior Informed Consent
- Private sector responsibilities for Government-led IP Management

## 8 Cultural Heritage



- CH definition
- Chance Find Procedure
- Community Access
- Removal of replicable CH
- Removal of non-replicable CH
- Critical CH

# What are the BIO E&S reference standards?

- **EDFI Principles** for Responsible Financing
- **EDFI Harmonized E&S standards** (under update)
- **EDFI Exclusion list**
- **IFC Environmental & Social Performance Standards** (IFC PS)
- **World Bank** Group Environmental Health and Safety **Guidelines** (WB EHS)
- International **Bill of Human Rights**
- United Nations Guiding Principles on **Business and Human Rights** (UNGP)
- **ILO Declaration** of Fundamental Principles and Rights at Work
- ILO eight **core conventions**

## for Micro Finance Institutions:

- Universal Standards for **Social Performance Management** in Microfinance (US SPM)
- SMART Campaign **Client Protection Principles** (CPP)

# When does E&S intervene during BIO investment cycle?



## 1. Screening

- Exclusion list
- client data
- Risk Categorization (A, B+, B, C)
- Desktop review screening (category, risks and information gaps, scope of ESDD)

## 2. Due Diligence :

- DD by ESO with IO support, site visit
- Against applicable requirements
- E&S Review Summary and Action Plan



## 1. Screening

## 2. Due Diligence

## 3. Final approval:

- Negotiation of ESAP with client
- Investment note with ESDD findings
- Investment decision

## 3. Final Approval



## 4. Execution and Transaction

## 4. Execution:

- Inclusion in contract of:
  - E&S Building Block
  - ESAP
  - Reporting templates
  - Disbursement and waivers approval by ESO

## 5. Portfolio Monitoring

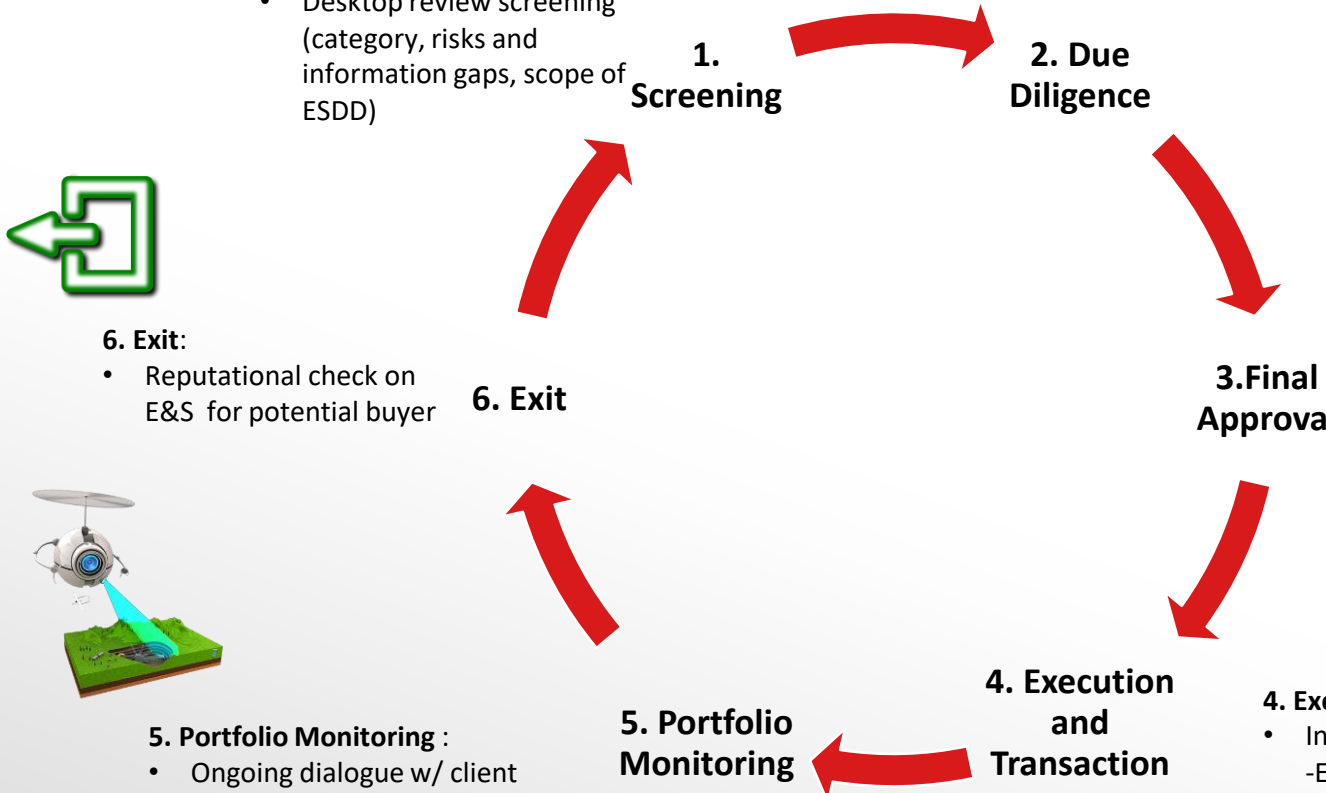
## 5. Portfolio Monitoring :

- Ongoing dialogue w/ client
- ESAP progress review
- E&S Watchlist
- Scope depending on E&S risk level

## 6. Exit

## 6. Exit:

- Reputational check on E&S for potential buyer





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**Business Development Support Fund  
(BDSF)**

# BDSF – in a nutshell

- Budget of € 2 M /year
- Non-repayable grants to support projects – cost sharing mechanism with the client
- Maximum € 350,000 per investee for Technical assistance and € 100,000 for Feasibility Studies
- Main objectives: increase business performance and improve sustainable business development practices at all levels.
- Main focus: Capacity Building, skill development & know-how
- Business/Commercial (Finance, Governance,...) and Impact topics (gender, climate, digital, E&S...)

THANK YOU FOR YOUR ATTENTION

Q&A

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