



FINANCING OF FEASIBILITY STUDIES

Through its Capacity Building Fund, BIO grants subsidies to co-finance feasibility studies. The feasibility study is an indispensable phase prior to the creation or development of a company. It aims to prove the technical viability and profitability of a project, and is a prerequisite for writing a business plan.

SUBSIDIES

The Capacity Building Fund grants non-reimbursable subsidies to fund experts who will carry out feasibility studies. These studies include all technical, commercial, financial and regulatory information necessary for the investment decision process. The benefitting investment projects must enable the creation and development of businesses in developing countries. Furthermore, the studies are not conditioned by subsequent investments by BIO.

AMOUNTS

The subsidy granted by the Capacity Building Fund may account for as much as 50% of the total cost, with a limit of EUR 100,000 per project.

BENEFICIARIES

Subsidies are granted to local enterprises, intermediary structures geared towards local SMEs, as well as infrastructure projects.

CRITERIA

Applications for feasibility studies must meet a certain number of formal criteria, such as the business' sector or the estimated time-span of operations. BIO more specifically evaluates the sponsors' quality (particularly their economic performance, their financial involvement in the project and their stance towards corporate governance), the project's development impact in the host country, the expected outcome of the operation, the coherence of the work programme, the skills of the experts, and the practicality of the budget and planning. The nature of the operation is essential: the feasibility study must objectively

evaluate the advantages and risks inherent in the project and come to a decision whether or not to invest, on the basis of a 'bankable' document. Finally, the subsidy granted by the Fund must be proportional to the size of the business.

SECTORS

Local enterprises in all sectors are eligible for a subsidy except for those on the Exclusion List established by the International Finance Corporation (IFC). BIO's investment policy is, however, mainly geared towards the agro-food sector and prioritises the agricultural sector.

GEOGRAPHICAL FOCUS

- Operations in Africa, Latin America and Asia
- Least Developed Countries, Low Income Countries and Low Middle Income Countries (List of ODA-recipients of the OECD-DAC)
- A 70% investment objective in partner countries of the Belgian Development Cooperation.¹

¹ A comprehensive list is available on www.dgcd.be

HOW TO SUBMIT AN APPLICATION FOR GRANTS

FILL OUT THE APPLICATION FORM AVAILABLE ON OUR WEBSITE AND SEND IT TO capacitybuildingfund@bio-invest.be

ABOUT BIO

BIO is a Development Finance Institution established in 2001 by the Belgian Development Cooperation to support private sector growth in developing countries. BIO provides long-term financing (equity, quasi-equity, debt and guarantees) to enterprises, the financial sector, and private infrastructure projects, as well as grants for feasibility studies and technical assistance programmes. BIO operates as an additional partner to the financial institutions and looks for projects with a balance between return on investment and development impact. BIO is a member of EDFI (European Development Finance Institutions).

CONTACT

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