

BIO solutions

business development support fund

For companies to grow and prosper, generate jobs and build expertise, they not only need tailor-made investments but also the skills and know-how to increase their business performance and improve sustainable business development practices at all levels.

Through grants from the Business Development Support Fund, BIO co-finances Technical Assistance (TA), Feasibility Studies (FS) and Investment Support for innovative SMEs:

- **Technical Assistance** improves business performance, skills and standards important to improve the companies' performance and development impact. Examples: Digital product development for an MFI; establishment of a business training centre for SME clients of a bank; preparation for certification (ISO, Fair Trade, organic,...).
- **Feasibility Studies** analyse the technical viability and profitability of an investment project and are indispensable prior to creating or further developing a company. Examples: E&S impact study of a new solar project; market and technical study for an agribusiness project.
- **Investment Support for Innovative SMEs** supports SMEs in developing innovative projects and services with a strong development impact by co-financing fixed assets or operational expenses. The business model, product or service must be innovative compared to the local context and demonstrate strong development impacts. Only available for SMEs in the fields of renewable energy/climate change, agriculture/agribusiness or digitisation/digitalisation.

In 2018, 10 subsidy commitments were made for a total budget of EUR 850k. Some of the projects BIO supported:

- Cofina, the West-African micro-credit group, took its first steps towards a Smart Campaign certification;
- Puratos Grand Place Vietnam launched an innovative agro-ecology project with their farmer-suppliers; and
- ACEP group initiated a participative re-branding and communication project;
- In 2018, BIO organised its first international workshop for portfolio clients in Phnom Penh, Cambodia. The workshop brought together participants from 9 African and South-East Asian microfinance and SME bank institutions who discussed the challenges and benefits of Environmental and Social management and the opportunities in green finance. It was a great success, thanks to the active participation and peer learning between the institutions.



Total commitments: EUR 850k
of projects: 10
Signed projects: 11
Signed amount: EUR 1.2 M

As of 2019, the scope of the subsidy fund, now called the Business Development Support Fund, enlarged, allowing BIO to also support projects in the value chain of its clients and provide support to impactful sector initiatives.

our business is digital

iCare (through clmdf II)

My name is Pablo Alonso Caprile. Born in Spain, I used to work as a derivatives trader in the capital markets industry in the U.K. When taking a sabbatical in Cambodia, I met up with Douglas Clayton, my friend and mentor and a board member at iCare Benefits, who introduced me to iCare, its team and its business model.

iCare Benefits is a digital, fully integrated retail platform that helps factory workers in South East Asia to sustainably access products and services such as mobile phones, kitchen appliances, electronics, bicycles and the like through a monthly repayment plan with 0% interest and no fees. iCare Benefits Cambodia currently operates in more than 150 companies and has more than 150,000 members.

In the traditional retail sector, the cost of financing is added to the price of the product and paid for by the customer. But because of its size, iCare Benefits is able to shift the financing cost from the customer to the distributor. This means that lower-income factory workers can now buy these products and services

at market prices, pay for them in instalments and without any interest charge.

Because our business is entirely digital and cashless for the customer, we must take their technological savvy into account. In Europe, everyone can buy things through online retailers like Amazon, but our customers can't. So part of our mission is to educate our customers on how to use the technology by going to the factory and explaining things face to face. The end goal is for our customers to be able to use iCare's digital platform to buy anything from an insurance policy to a rice cooker, and from a fridge to a mattress.






Pablo Alonso Caprile is the CFO of iCare, an investee of BIO's client, the Cambodia Laos Myanmar Development Fund II.

Facts & figures

Sector	Investment Companies & Funds	Subsector	SME Funds
Region	Asia		
Instrument	Technical Assistance	Amount	€ 332 K

Development Impact

-  Local Economic Growth: CLMDF II aims at providing long-term equity funding to local SMEs, which is currently very scarcely available. CLMDF II is at the moment one of the only SME-focused private equity funds active in Cambodia, Laos and Myanmar.
-  Private sector consolidation: CLMDF II is one of the only players offering long-term financing to SMEs in the target markets.
-  Promotion of ESG best practices: An Environmental and Social Management System compliant with DFI guidelines is in place and applied to all new investments..

In 2018, BIO allocated a Technical Assistance subsidy of USD 350,000 to the Cambodia Laos Myanmar Development Fund II ("CLMDF II"), a 10-year sector-agnostic growth capital fund that invests in SMEs in Cambodia, Laos and Myanmar and in which BIO invested USD 5 M in 2016. This TA-facility aims to improve the business

performance and ESG management at the level of the SMEs. This will be translated in healthier and more resilient businesses and is expected to have a positive impact on the results of the CLMDF II. Moreover, by the high co-financing for ESG projects, the facility is expected to contribute to an improved ESG management of the SMEs.