



# BlueOrchard<sup>®</sup>

## Microfinance Investment Managers

### PRESS RELEASE

#### **BlueOrchard chosen to manage microfinance facility for Latin America and Caribbean announced by President Obama**

Geneva, Switzerland (BlueOrchard), 1 October 2009 — Responding to President Obama's announcement at the Summit of the Americas in April, [the Inter-American Development Bank's Multilateral Investment Fund \(IDB/MIF\)](#), the U.S. Government's [Overseas Private Investment Corporation \(OPIC\)](#), the [Inter-American Investment Corporation \(IIC\)](#), the Swiss-based microfinance investment management company [BlueOrchard Finance S.A.](#) (BlueOrchard Finance), and other international investors signed a memorandum of understanding on 30 September 2009 to establish a microfinance facility that will provide up to USD 250 million to microfinance institutions (MFIs) in Latin America and the Caribbean. BlueOrchard Finance, the world's largest microfinance fund manager, was selected to manage the facility. The facility, known as [Microfinance Growth Facility \(MIGROF\)](#), will support the growth of MFIs that require refinancing in order to serve sections of the populations who have no access to mainstream financial services.

President Obama underscored the crucial importance of availability of finance for micro- and small businesses which provide a majority of the jobs in the Southern hemisphere. "The facility will provide stable medium- and longer-term sources of finance to microfinance institutions to help rebuild their capacity to lend during this difficult period and to increase the supply of finance for micro- and small businesses as recovery takes hold", he declared at the Summit.

According to the MOU signed on 30 September at the [Inter-American Forum on Microenterprise \(FOROMIC\)](#) in Arequipa (Peru), OPIC, pending approval by the OPIC Board of Directors, will provide a loan of up to USD 125 million to the facility. The IDB, through the MIF, took a leading role in structuring the new facility, committing a USD 10 million equity investment. Proceeds of the OPIC loan, together with the equity contributions from IDB and other sponsors, will be used to make loans to MFIs in Latin America and the Caribbean, which in turn will expand their microfinance lending activity. BlueOrchard Finance will be responsible for managing the relationships with the MFIs.

"We are proud to have been entrusted with the management of this facility, it is a recognition of our deep commitment to microfinance and of our professional excellence,"

said Jean-Pierre Klumpp, CEO of BlueOrchard Finance, who was taking part in the meeting in Arequipa. "BlueOrchard maintains solid relationships with over 80 microfinance institutions throughout Latin America and the Caribbean based on mutual trust and a track-record of successful cooperation. The healthy growth of their activities will increase employment and socio-economic progress for people who lack access to basic financial services."

BlueOrchard Finance presently has outstanding loans with 50 MFIs in 12 countries in Latin America for a total amount of nearly USD 340 million representing over 45% of its total current loans.

The MIGROF is expected to begin investing by the second quarter of 2010. It will offer medium- and long-term financing both in local currency and in U.S. dollars, targeting 35 percent of the total financing to be provided in local currencies.

Other sponsors signing the MOU were the [Andean Development Corporation](#), [Norwegian Microfinance Initiative](#) Global Fund KS, [FMO](#) (the Netherlands' Development Finance Company), FONIDI S.E.C./Gestion Fonidi Inc., a subsidiary of [Développement International Desjardins](#) of Canada and [Acción International](#).

According to a recent report funded by the MIF, there are an estimated 636 MFIs currently financing about 9.5 million microenterprises in Latin America and the Caribbean, with an outstanding loan portfolio of USD 10.9 billion.