

FINEXPO

Possible instruments in The Republic of Côte
d'Ivoire

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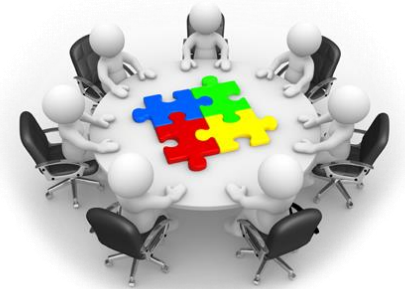


I. Mission

Finexpo:

- aims to open international markets to Belgian companies
- supports the exports of Belgian **capital goods and related services** by reducing or stabilizing the costs for the financing of credits
- Complies with the **OECD Arrangement** on export credits

II. Organization



Secretariat Finexpo

- Members of FPS Foreign Affairs and FPS Finance
- Contact point for exporters, banks and countries
- Financing requests on basis of the appropriate questionnaire

Finexpo Committee

- Interministerial Advisory Committee
- Monthly meetings

Inspection of Finance

Council of Ministers

- Final approval (political and budgetary)

III. Instruments for projects in The Republic of Côte d'Ivoire

- **Commercial instrument versus aid instrument**
- **Tied aid versus untied aid**
- **Commercial instrument:**
 - **Interest stabilisation**
- **Tied aid:**
 - **Grant for innovative projects by SME's**
 - **Grant for technical assistance**
- **Untied aid:**
 - **Untied State to State loan**

III. Commercial instrument: Interest stabilization

What?

- Stabilization of the interest rate of the credit at CIRR level during the whole period of repayment.
 - Buyer reimburses credit at fixed interest rate
 - Advantage: cost of credit is known

Finexpo pays bank exporter if $CIRR < Euribor + 0,75\%$

Bank pays Finexpo if $CIRR > Euribor + 0,75\%$

For?

- Export transactions
- Max. contract amount: 100 Million €
- Commercially viable project
(but also non-commercially viable - mixed credits)
- Belgian content: min. 30%



III. SME instrument

A **grant** to support the 1st export of an innovative product by Belgian SME's to a DAC country

80,01% to 100% of the contract value with a max amount between 500.000 euro & 700.000 euro depending on the Belgian added value
(max contract value 876.000 euro)



Belgian added value: calculated by FPS Economy (quantitative elements & qualitative elements important) for long term export strategy & employment creation

III. SME instrument

A grant to support the **1st export of an innovative product** by Belgian SME's to a DAC country

- Only 1 demand for 1 product for 1st export
- Innovative:
 - » Fully functional
 - » Funded by public innovation subsidies → Ok
 - » Funded by private funding → Check by regional innovation experts



III. SME instrument

A grant to support the **1st export of an innovative product** by Belgian SME's to a DAC countries

- Commercial & non commercial viable projects
- Only Capital goods & related services

YES : *Examples:*

- » Water station, water sanitation
- » Public transportation
- » Health equipment
- » (Renewable) energy supply
- » Innovative technologies
- » ...

NO : Food-processing industry, consumer goods, ...

- Training + adaptation to local context can be included in contract
- Not only delivery but also guarantee of installation



III. SME instrument

A grant to support the 1st export of an innovative product **by Belgian SME's** to a DAC country

- Only Belgian Companies (situated in Belgium)
- European definition

1. staff headcount



Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

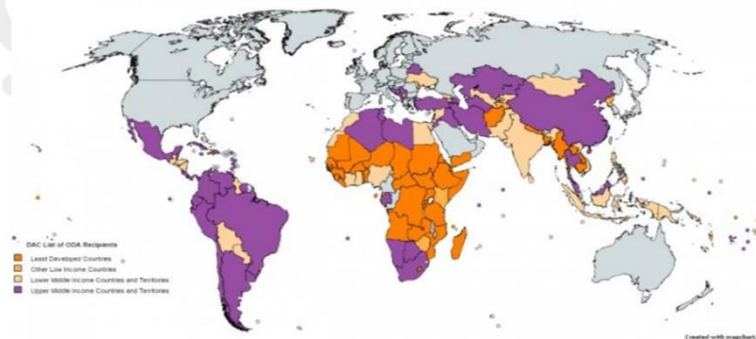
III. SME instrument

A grant to support the 1st export of an innovative product by Belgian SME's to a **DAC country**

- From LDC to UMIC
- Relevant for development of country
 - Advice from Embassy+ regional development bank



OECD DAC Country List



III Technical assistance

- Tied instrument which can be used in all developing countries mentioned on the [DAC list](#)
- To finance services:
 - related to investment projects financed by untied aid
 - related to investment projects financed under commercial conditions
- Services:
 - that build expertise in beneficiary country
 - technical training, advise and support

III Technical assistance

- Criteria:
 - Belgian company
 - Client = public institution
 - Max. amount: 1,000,000 Special Drawing Rights or 3% contract value (which ever is lowest)
 - Cannot be combined with the other tied aid-instruments from Finexpo (only interest stabilisation and untied state loan)
- i.e.:

competitive advantage in tender procedures (commercial/untied loans) by excluding costs of TA

III Untied State to State loans



Afghanistan
Angola
Bangladesh
Benin
Bhutan
Bolivia
Burkina Faso
Burundi

Cambodia
Cameroon
Central African Republic
Chad
Comoros
Congo
Congo
Brazzaville

Congo, Rep. Dem.
Djibouti
Equatorial Guinea
Eritrea
Ethiopia
Gambia
Ghana

Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
Ivory Coast
Kiribati

Lao People's Democratic Republic
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania

Mozambique
Myanmar
Nepal
Nicaragua
Niger
Rwanda
Sao Tome and Principe

Senegal
Sierra Leone
Solomon Islands
Somalia
South Sudan
Sudan
Timor-Leste

Togo
Tuvalu
Uganda
United Rep. of Tanzania
Vanuatu
Yemen
Zambia

• What?

- State to State Loan (SSL) that can be combined with a commercial credit
- Minimum 35% of aid percentage
- **Public tender procedure** (evaluation by Belgian Technical Corporation)
- If 100% SSL: 10 year grace period and a 20 year repayment period with 0% interest
- If mixed credit: 25 year grace period and a 20 year repayment period with 0% interest

• For?

- F.e. rural electrification, public transport, water, health, education and governance, R&D
- Project has to be a priority for beneficiary country
- Questionnaire to be filed out by beneficiary country
- Positive advice by embassies and regional development bank/ Worldbank

• Amount for 2017

- Max. amount for the State Loan: **8 Million €**

IV. Procedure

1. Meeting with [Secretariat Finexpo](#) to determine which instrument is most suitable / determination added value by FPS Economy
2. Application for instrument before signing of commercial contract: [website delcredere](#)+ [website finexpo](#) (+ in case of LSS priority letter of [client country](#))
3. Feasibility by [Secretariat, embassy, Worldbank/ regional development bank](#)
4. Advice by [Finexpo committee](#)
5. Notification [OECD](#)
6. Advice [Inspection of finance](#)
7. Decision [Council of Ministers](#)
8. Signing of contracts
9. Yearly monitoring



V. Budget



- Finexpo budget
 - For stabilization, interest bonification with or without grant, grants, Technical assistance and SME instrument
 - Commitment budget in 2017: **27,392,000 €**
 - For tied and untied State to State loans
 - Commitment budget in 2017: **50,000,000 €**



<http://diplomatie.belgium.be>
(Economic diplomacy - Finexpo)



Manual Finexpo



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