

The Swiss Agency for Development and Cooperation (SDC) invests CHF15M (\$16M) into the BUILD Fund

- *The BUILD Fund is a partnership between UNCDF and Bamboo Capital Partners, which provides “missing middle” finance to small-and-medium sized enterprises (SMEs) that have the potential for strong development impact and financial viability in the world’s least developed countries (LDCs).*
- *The investment is being made by the Swiss Agency for Development and Cooperation (SDC) part of the Swiss Federal Department of Foreign Affairs (FDFA).*
- *The funding includes CHF9 million specifically allocated to support projects in Zambia and Zimbabwe through UNCDF, as well as CHF5 million directly invested into the global BUILD Fund. CHF1 million is set aside for the provision of pre- and post-investment technical assistance for investee companies through the BUILDER Technical Assistance (TA) Facility managed by UNCDF.*

Luxembourg, 14 March 2023 – The Swiss Agency for Development and Cooperation (SDC), responsible for the coordination of Switzerland’s international cooperation, has announced it is investing CHF15 million into the Bamboo-UNCDF Initiative for the Least Developed (BUILD) Fund.

The funding is made in the form of first loss tranche, with a total of CHF9 million specifically earmarked to support projects in Zambia and Zimbabwe through UNCDF, CHF1 million allocated to the BUILDER Technical Assistance Facility, as well as CHF 5 million directly invested into the global BUILD Fund. The investments are made between 2022 and 2024.

The BUILD Fund is a partnership between United Nations Capital Development Fund (UNCDF) and Bamboo Capital Partners. It is an innovative blended impact finance vehicle designed to support business opportunities that contribute to the UN’s Sustainable Development Goals (SDGs) in lower-income countries primarily in Least Developed Countries (LDCs). The BUILDER Technical Assistance Facility is managed by UNCDF.

The SDC have a long history of working in Southern Africa and this funding has been specifically earmarked for projects in Zambia and Zimbabwe that fall under the Southern African Development Community (SADC). Swiss support in the region started in 1994 in South Africa and then developed into a regional programme covering several SADC Member States. Starting 2023, the programme will focus on Zimbabwe and Zambia only. In Zimbabwe, activities in the areas of food security and sexual and reproductive health and rights, with a special focus on women and youth have been developed in the wake of the humanitarian crisis that has been unfolding since 2008.

SDC’s investment into the BUILD Fund will be used to catalyze positive impact on the ground and contribute to make progress towards the Sustainable Development Goals, especially in the two countries. Investment focus will include promoting gender equality.

The BUILD Fund is also supported by the Government of Luxembourg, Global Affairs Canada (GAC), the Norwegian Agency for Development Cooperation (Norad), the Nordic Development Fund (NDF), the Swedish International Development Cooperation Agency (SIDA) and the U.S. International Development Finance Corporation (USDFC). The BUILD Fund has raised USD 49 million of first loss capital so far.

Patrick Egli, Head of Economy and Education Section, Swiss Agency for Development and Cooperation, added: *“The BUILD Fund, a partnership between the United Nations Capital Development Fund (UNCDF) and Bamboo Capital Partners, is a key blended finance vehicle delivering positive change on the ground. The BUILD Fund is occupying an important space in the Blended Finance landscape as only a small fraction of global Blended Finance reaches LDCs. This extra liquidity in the BUILD Fund, will help deliver positive impact and help catalyze progress towards the SDGs in LDCs all over the world; and in Zambia and Zimbabwe in particular. With this investment into the BUILD Fund, the Swiss Government, on behalf of the Swiss people, is helping to fulfil and maintain Switzerland’s support for the SDGs.”*

Jean-Philippe de Schrevel, Founder and Managing Partner, Bamboo Capital Partners, said: *“This investment provides a real boost to the BUILD fund – both in terms of funding and technical assistance. We are grateful to the Government of Switzerland for the confidence they place in the Fund to deliver positive change and impact in the least developed countries, and especially in Zambia and Zimbabwe. This is an impactful investment from a key actor in the region.”*

Anders Berlin, UNCDF Director of the Least Developed Countries-Investment Platform (LDC-IP), said: *“We believe this is a particularly exciting collaboration, and for many reasons. It is a true public – private partnership focused on delivery. The partnership will enable investments to flow into two very challenging markets in dire need of SDG positive investments. Finally, the partnership takes advantage of the comparative advantages of each partner. UNCDF will be responsible for sourcing and preparing investments to the BUILD fund, finding SDG positive investments, which otherwise may not be funded. In UNCDF’s sourcing operation we do not compete with other more commercial players but try to provide an additional value to the market players. Often companies are not yet credit worthy and UNCDF can provide some business development support to make them investment ready by the Fund. We very much look forward to join forces with our partners SDC and Bamboo to support promising companies in Zambia and Zimbabwe.”*

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About the Swiss Agency for Development and Cooperation

The Swiss Agency for Development and Cooperation implements the Swiss Federal Council's foreign policy on humanitarian aid, development cooperation and cooperation with Eastern Europe and at multilateral level. Switzerland's international cooperation for the 2021–24 period has four strategic goals that address development challenges and build on Switzerland's unique expertise. The SDC focuses its activities on reducing poverty and distress, as well as curbing global risks. It also aims to preserve natural resources for future generations. The SDC prioritises fragile and conflict-affected regions, where up to two-thirds of the world's poor will be living by 2030. The SDC supports countries in their efforts to overcome poverty and development-related problems, giving disadvantaged groups better access to good quality basic services, including basic education and healthcare. The SDC helps find solutions for environmental problems and creates better prospects for young people and women, both through vocational skills development and income generation.

<https://www.eda.admin.ch/deza/en/home/sdc/portrait/text-portrait.html>

About the Build Fund

The Bamboo-UNCDF Initiative for the Least Developed (“BUILD”) is an innovative blended impact finance vehicle designed to bring finance to small-and-medium sized enterprises (SMEs) and entities that have the potential for strong development impact in the world’s frontier markets or least developed countries. The BUILD Fund is a partnership between United Nations Capital Development Fund (UNCDF) and Bamboo Capital Partners. Managed by Bamboo Capital Partners, the Fund provides growth capital to businesses identified, supported and nurtured by UNCDF. The BUILDER Technical Assistance (TA) Facility is managed at arm’s length by UNCDF, which will be closely involved in pipeline generation, portfolio building, and business advisory support to businesses. The BUILD Fund is supported by the Government of Luxembourg, Global Affairs Canada (GAC), the Norwegian Agency for Development Cooperation (Norad), the Nordic Development Fund (NDF), the Swedish International Development Cooperation Agency (SIDA), the U.S. International Development Finance Corporation (USDFC) and the Swiss Agency for Development and Cooperation (SDC).

About UNCDF

About UNCDF The UN Capital Development Fund makes public and private finance work for the poor in the world’s 46 least developed countries (LDCs). UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF’s financing models work through three channels: (1) inclusive digital economies, which connects individuals, households, and small businesses with financial eco-systems

that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization. <https://www.uncdf.org/>

About Bamboo Capital Partners

Bamboo Capital Partners (“Bamboo”) is a specialist impact investor in emerging and frontier markets. Bamboo works with development agencies and financial institutions to develop innovative financing solutions that deliver lasting impact at scale through its range of catalytic, commercial and blended impact funds. Founded in 2007 by Jean-Philippe de Schrevel, Bamboo creates growth opportunities for the world’s most marginalised communities, while delivering risk-adjusted financial returns. To date, Bamboo has raised over USD\$450m and invested in 80 companies worldwide. Bamboo’s investee companies have positively impacted the lives of 238 million people cumulatively and supported 53,000 jobs, including 18,000 jobs for women. The Bamboo team comprises of 30 professionals active across Europe, Latin America, Africa and Asia. Bamboo also acts as the Asset Management arm of global impact firm Palladium, which operates in over 90 countries, following a strategic partnership in 2020. For more information, please visit www.bamboocp.com or follow @bamboocp.