

## Corporación Andina de Fomento contributes €3.4 m to the BBVA Codespa Microfinanzas fund

- The BBVA Codespa Microfinanzas fund generates opportunities for Latin American microfinance institutions to access local currency financing.

The Corporación Andina de Fomento (CAF) has approved an equity investment of €3.4 m in the BBVA Codespa Microfinanzas de España hedge fund, with an aim to generating greater opportunities for Latin American microfinance institutions, such as the chance to access local currency financing.



The BBVA Codespa Microfinanzas hedge fund was created with a view to contributing to the development of the microfinance industry, by means of the investment in debt instruments issued by microfinance institutions that prove to be sound and viable in their progress towards sustainability and are located in Latin America.

This fund, promoted by BBVA and the Codespa Foundation, offers local currency financing, thus reducing risk by diversification of investment by terms, countries and currencies. However, it also operates in securities denominated in Euros or Dollars. It finances not only large, consolidated companies but also smaller companies requiring support to help them to go on growing and expanding their activities.

### Sustainable development



The CAF is a multilateral financial institution whose mission is to support the sustainable development of its shareholder countries and regional integration. It is currently made up of 17 countries from Latin America, the Caribbean and Europe, including Spain. The CAF is currently providing support for almost 40 Latin American institutions which cater for microbusinesses in eleven Latin American countries, and with total funds in excess of €81.6 m.

Enrique García, the CAF's CEO, explained that "the social problems relating to access to services like health, education and financial services can and should also be addressed by the private sector. This is why the Corporation supports private business initiatives that contribute to solving social problems, as an economically efficient way to achieve economic growth with fairness". García added that "this equity stake is aimed at fostering the development of Latin American microfinance and strengthening the business link between our region and Europe".