

# Boosting investments into value chain companies

EDFI Transforming Global Value Chains

## Who We Are

EDFI Management Company (EDFI MC) is an impact-driven financial service provider, created by the European Development Finance Institutions (EDFIs) and supported by the European Union. We manage EU-funded investment facilities and EU guarantee programmes. The latter is backed by the European Fund for Sustainable Development Plus (EFSD+), the EU's main financing arm of the Global Gateway strategy that mobilise private capital in developing and emerging markets.

## What We Do

We manage a portfolio of different EU external action guarantees that reduce the EDFIs' and co-investors risk of investing in underserved markets. The EFSD+ guarantee support provided by the EU covers a percentage of the investment in case of debt default/investment loss at exit.

One of these programmes is EDFI Transforming Global Value Chains (EDFI TGVC) a new pioneering programme that supports EDFIs and their private (including EU companies based in the eligible regions) and public co-investors to invest debt into corporates to promote local value creation, regional integration, and sustainability. These investments will then enable the companies supported by EDFIs to scale up **debt investments into local, regional and value chain** companies and services in developing countries covering a wide range of key sectors.

## Why It Matters

The EDFI TGVC programme supports local value chain and service companies, especially mid-sized corporates and SMEs, in emerging markets. These businesses play a critical role in creating jobs, particularly for women and young people, while driving environmental and digital transformation. They are essential for achieving SDG Goals and human rights commitments. These companies also have the potential to lead in adopting high ESG standards, fostering innovation, and providing climate-friendly solutions.



## How It Works

1. A European DFI sources an existing fund or corporate which fulfils the eligibility of the EDFI TGVC programme (eligible country/financial instrument etc).
2. The European DFI then applies for EU guarantee cover under EDFI Transforming Global Value Chains from EDFI MC. The request is then assessed by EDFI MC.
3. Upon approval, a Back-to-Back agreement is signed between EDFI MC and the European DFI mirroring the obligations signed between the European Commission and EDFI MC.
4. If the underlying investee defaults, the guarantee is triggered—ensuring timely compensation

## Why Guarantees? Why Now?

EU external action Guarantees supported by the EFSD+ for EU Global Gateway are a powerful tool to mobilise private investment in challenging markets. Under the **Global Gateway**, the EU is scaling up its use of guarantees to:

- Drive sustainable development
- Support climate resilience and inclusive growth
- Enable DFIs to take on more risk and reach further geographies

## Programme Snapshot

Feature	Details
Total Size	€194 million
Type of guarantee	Unconditional, irrevocable, on-demand guarantee
Eligible investors covered by the guarantee	EU pillar-assessed European Development Financial Institution
Target Regions	Sub-Saharan Africa, Latin America and the Caribbean and Asia Pacific
End beneficiaries	The investees can be companies in the following sectors: <ul style="list-style-type: none"> <li>• Agribusiness Value Chain: food, beverage, complementary food (infant food)</li> <li>• Sustainable Production &amp; Manufacturing Value Chains: e-vehicles and critical raw materials</li> <li>• Health value chains (including vaccines) and the education sector</li> <li>• Retail, wholesale, transportation, storage logistics, digital companies value chains and sustainable tourism</li> <li>• Construction and Real Estate including green buildings.</li> </ul>
Instruments	Direct Debt
Investment Period	2025 - 2028
Cover period	15 years

More information: <https://edfimc.eu/what-we-do/transforming-global-value-chains-tgvc/>