

Egypt: EIB invests USD 22 million in the first closing of LCP Fund II



The **European Investment Bank (EIB)** has signed a commitment of USD 22 million with LCP FUND II COÖPERATIEF U.A., a generalist private equity fund targeting primarily growth capital investments in SMEs and mid-market companies in [Egypt](#).

At the first closing, the fund attracted USD 140 million of commitments, including from other international investors; the European Bank for Reconstruction and Development, International Finance Corporation, Proparco and the Egyptian American Enterprise Fund.

The fund manager, [LCP FUND MANAGER BV](#) will adopt a hands-on value-adding investment strategy and will seek to invest in enterprises with robust growth potential in important economic sectors including education, healthcare, manufacturing and services.

The fund seeks to contribute to the development of the private sector in Egypt by increasing access to capital for local SMEs and mid-market companies and supporting their growth and continued institutionalisation. Additionally, the Fund's portfolio companies are anticipated to contribute to strong job creation.

The EIB's investment comes in the framework of the Bank's [Economic Resilience Initiative](#) Risk Capital Facility ([ERI RCF](#)). The facility seeks to foster private sector development and job creation through investments in venture capital and private equity funds. It blends EIB own resources with donors resources from the Economic Resilience Initiative Fund to unlock more opportunities for the private sector in the southern Mediterranean region.

Background information

The **Risk Capital Facility for the Southern Neighbourhood countries** (Algeria, Morocco, Tunisia, Egypt, Jordan, Lebanon, Syria^[1] and the West Bank and Gaza), set up by the European Commission and EIB, provides access to equity and debt financing to SMEs in the Mediterranean region in order to support private sector development, inclusive growth and private sector job creation. The main activities of the facility include: investing in private equity funds; investing in and lending to microfinance institutions and microfinance investment vehicles; and providing Technical Assistance to financial intermediaries (private equity funds, microfinance institutions, microfinance investment vehicles, banks and other financial institutions) or final beneficiaries.

^[1] Following EU sanctions in November 2011, the EIB has suspended all loan

disbursements and technical advisory contracts for projects in Syria. The same will apply for the Risk Capital Facility.