

Frequently Asked Questions

FMO's disclosure of investments

Since 2012, FMO publishes a summary of contracted investments on its website ("ex-post disclosure"). To enable stakeholders to provide input to FMO's investments, FMO expanded its disclosure process by disclosing investment information prior to contracting ("ex-ante disclosure"). Between July and December 2016, a pilot took place for a selected group of projects. The ex-ante disclosure of our proposed investments has been in place since 2017.

In 2023, FMO has published a new Disclosure Policy to further enhance FMO's disclosure practices and quality of project disclosure information.

Background

What is disclosure?

FMO discloses information on its investments on the FMO ([World Map](#)) website. Since 2017, we also make publicly available relevant investment information in relation to a proposed investment. The investment information is disclosed for a period of 60 days for investments with an Environmental and Social (E&S) risk category of A or B+. For E&S category B and C investments, a 30-day ex-ante disclosure period is applicable and for Venture Capital investments an ex-ante disclosure period of 15 days is applicable.

What does FMO want to achieve with disclosure?

FMO believes that transparency and accountability are essential to achieving its mission to enable entrepreneurs to increase inclusive and sustainable prosperity. Through ex-ante disclosure of proposed investments, FMO enables stakeholders to provide input in relation to the proposed investment prior to contracting. This may result in valuable insights which enhance the design and implementation of our projects and policies. Next to many other steps in our process, disclosure of investment information is a way to ensure that we do not overlook any possible negative impact of intended project or investment.

For whom does FMO disclose its information?

FMO discloses information to everyone who is interested, impacted, or influenced by FMO's (potential) investments. Through these stakeholders, such as NGOs, think tanks, or individuals, we seek to gain knowledge on the impacts of our proposed investments. Therefore, anyone is free to provide input when (proposed) investments are disclosed on our website.

What is the rationale behind disclosure?

FMO often operates in vulnerable countries where the environment or stakeholder rights may not always be well protected. We strongly believe that we have an obligation to finance in a most sustainable way. With the disclosure of relevant investment information, FMO reflects its ambition and commitment to transparency and accountability as a Development Finance Institution.

Process

Which transactions will be disclosed?

FMO discloses ex-ante for new contracts in the investment portfolio involving an FMO Financial Product for a customer. A Financial Product is a product that is provided or acquired by FMO in its role as Financial Institution. FMO discloses ex-ante for any amendment or waiver resulting in a new purpose and/or business activity financed by an existing contract, or in case of increased exposure for an existing contract that occurs after one year from Financial Approval. If the customer refuses to disclose, FMO will not finance. In case of investment opportunities with listed companies or Capacity Development opportunities, specific information may be exempted from ex-ante disclosure or disclosure may be delayed. FMO discloses all investments, including those that have been exempted from ex-ante disclosure, after contracting.

FMO will disclose, on a yearly basis, an overview of active Private Equity Fund (PEF) sub-investments, including name, sector, and location (country or region(s) where most operations take place).

What does FMO disclose about its (proposed) investment projects?

FMO discloses the following information:

- Customer name
- A link to the customer's (project) webpage
- Region
- Country
- Sector
- Status of investment cycle
- Investment milestones
- Total FMO financing and amount
- Environmental & Social (E&S) Category
- Description of the investment (including a description of the customer, the funding objective and rationale, and the E&S categorization rationale)

What is the timing of disclosure?

Disclosure of relevant investment information occurs at two distinct points in time:

- Ex-ante disclosure (after internal approval): FMO will disclose proposed investment information for a period of 15 to 60 days, depending on the E&S risk categorization and type of investment.
- Ex-post disclosure (after contracting the investment): FMO will disclose the approved investment, which will remain on FMO's website until seven years after the end date.

If the ex-ante disclosure period has expired, but the transaction has not yet been signed, the investment information will remain visible on our website (status: investment in contracting phase).

What are project categories?

FMO distinguishes the following E&S risk categories (following the IFC's Environmental Social Risk Categorization Framework):

Direct investments	
Category A	Business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.
Category B+	Business activities with potential adverse environmental or social risks and/or impacts that are generally beyond the site boundaries, largely irreversible and can be addressed through relevant mitigation measures.
Category B	Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures.
Category C	Business activities with minimal or no adverse environmental or social risks and/or impacts.

Financial Intermediaries	
Category FI-A	FIs with an existing or proposed portfolio that includes, or is expected to include, substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.
Category FI-B	FIs with an existing or proposed portfolio that includes, or is expected to include, business activities that have potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.
Category FI-C	FIs with an existing or proposed portfolio that includes and is expected to include business activities that predominantly have minimal or no adverse environmental or social impacts.

Private Equity Funds	
Category A	Private Equity Funds which (intend to) invest >15% of its portfolio in high risk (e.g. Category A or B+ as defined above for Direct Investments).

Category B	Private Equity Funds which (intend to) invest <=15% of its portfolio in high risk (e.g. Category A or B+ as defined above for Direct Investments).
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Input from stakeholders

Where can I find FMO's ex-ante disclosures?

FMO discloses all (proposed) investments on its website, on the [World Map](#).

How can I provide input to FMO?

In case of questions or feedback, interested parties can contact FMO by sending an email to disclosure@fmo.nl.

What is done with my comments and questions? Will this be published together with FMO's response?

Generic questions on FMO's processes and procedures will be published online within this list of Frequently Asked Questions, which is updated regularly. Questions and feedback in relation to a (proposed) investment will be discussed with the (prospective) customer. Project specific questions and answers will not be made publicly available. The feedback received may result in valuable insights which enhance the design and implementation of our projects and policies. We will always provide an answer to the questions received. FMO discloses in line with the confidentiality agreement that we have agreed upon with our customers.

Could you provide more information about the independent consultants you work with and their assessments?

FMO and other lenders often engage an independent environmental and social consultant who reviews potential projects, benchmarking the IFC Performance Standards.

What if I am not satisfied with the response I received to a request for disclosure of information?

FMO strives to achieve positive sustainable development outcomes through its investments and has high standards when it comes to good provision of services, transparency, and accountability. In case you are not satisfied with the response received, we would appreciate you letting us know. [FMO has a complaints mechanism](#) in place that offers several possibilities to inform us about the issue.

How do I report complaints regarding social or environmental outcomes of a project or customer financed by FMO?

Most inquiries about FMO's projects are requests for disclosure of information, to which FMO responds directly. If you believe that you are negatively affected by an FMO-financed project and your complaint is not addressed by the customer, you can, as last resort, submit your complaint to [FMO's Independent Complaints Mechanism](#), which enables alternative and pre-emptive resolution of disputes between stakeholders and FMO as financier of projects involved.