

Statement from Triodos on PADME Benin

PADME in Benin (Association pour la Promotion et l'Appui au Développement de Micro-Entreprise) is one of the most renowned MFIs in West Africa. It was founded in 1993 with financial support from the World Bank and transformed into a private Association in 1997. PADME has built up a reputation as a solid and efficient MFI, and with an outstanding portfolio of close to 30,000 clients in 2007 it plays an instrumental role in the development of micro- and small enterprises in Benin.

In recent years PADME's development stagnated as a result of both external and internal challenges. With the objective to structurally address the challenges and realise sustained growth of the institution, PADME embarked on an extensive and transparent process to transform the company. In that process PADME engaged itself with highly reputable regionally and internationally based strategic partners including ACCION Investments, Ecobank, IFC and Triodos-Doen. In close cooperation with PADME the partners developed a comprehensive plan to strengthen the company's capital base and build a transparent governance structure. An important element of the plan was a tailor-made Technical Assistance package to further strengthen PADME's capacity to effectively and efficiently service micro-enterprises in Benin.

It is our strong opinion that the combined strengths of the proposed partners of PADME would ensure continuity and progress of the company to the benefit of the development of an inclusive financial sector in Benin. It is therefore with great concern that Triodos-Doen in early March 2008 took note of the decision by the Council of Ministers of Benin to intervene and replace PADME's Directeur General and Board of Directors.

Triodos-Doen strongly believes that the most effective support governments can provide to develop an inclusive financial system is to create a supportive and enabling environment with clear legislation and strong regulations. This particular governments' intervention in our view is intransparent and disruptive to the development of PADME. It is therefore with great concern and disappointment that Triodos-Doen, together with the other potential investors, has withdrawn its investment decision.

Triodos Investment Management BV

Manager of Triodos-Doen Foundation