



**DUTCH**

Financing  
Local SMEs

**GOOD**

**GROWTH**

**FUND**

Enabling  
entrepreneurship  
in frontier markets



The Dutch Good Growth Fund (DGGF) Financing Local SMEs is an initiative of the Dutch government to stimulate entrepreneurship and create jobs in frontier markets. DGGF Financing Local SMEs is managed by a consortium consisting of Triple Jump B.V. and PricewaterhouseCoopers Advisory N.V. (PwC).

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## OUR IMPACT: THE DUTCH GOOD GROWTH FUND IN TIMES OF VOLATILITY

Since its inception in 2014, the Dutch Good Growth Fund (DGGF) has made a lasting contribution to improving the financial ecosystems of frontier markets. DGGF's mandate is to bring change to underserved female and youth entrepreneurs, and to be a catalyzing investor - through the capital we provide and through our role as pioneer, mentor, advisor and knowledge builder. DGGF was created to take risk, and we set off knowing that many challenges lay ahead on the journey to fulfil our mandate. We took stock of a first part of this journey in our first impact report in 2019.

Over the past three years, the world has gone through unprecedented turbulence. The outbreak of the COVID-19 pandemic in 2020 has disrupted lives around the globe, with ever new waves of infections holding sway. Political and economic crises followed, sweeping away decades of development in places such as Afghanistan and Myanmar, and severely hurting even historically stable countries in Latin America. And just as the world was longing for a spite of relief, the tragic events in Ukraine unfolded: leading not only to the loss of many lives but also causing a global food and energy crisis felt far beyond its borders and again disproportionately affecting the most vulnerable countries of the world in which DGGF is active.

The SMEs that we and our partners serve were affected in various ways – suffering

both from the direct consequences of the pandemic, and from the economic fallout of it. It's fair to say that during the last year, almost every SME in our portfolio had to overcome some form of material challenge, and the smallest SMEs were hit hardest. Also DGGF's young and female end clients suffered as funding dried up, and our entrepreneurs in the fragile, conflict ridden countries were strongly affected by the political events described above.

DGGF and our partners around the world dedicated significant time to work together and weather the direct and indirect effects of the crisis. We stayed close to our investees and provided support where needed, including in some instances emergency financing to preserve employment and allow businesses to continue operating. In parallel, we started to work on more structural solutions to drive recovery from the pandemic. We devoted significant time and effort also towards helping our partners to learn from each other on how to respond to the situation, for example through a series of "COVID-19 Crisis Response Management" webinars for our financial service providers and the Entrepreneur Support Organizations (ESOs) we service.

At the same time, the crisis also spurred a wave of innovations especially in the digital economy. We saw startups from online education to digital farmer platforms growing



rapidly and attracting finance to scale up their efforts to connect millions of people and truly 'building back better'.

Our impact data reflects the challenges but also the response to it. While for example job growth has slowed (see Figure 2), our deliberate decision to invest in pioneering technology paid off during the pandemic as we were also part of the drive to innovation. All in all, we have been able to grow our absolute numbers despite the unprecedented situation.

At the time of writing this report, the global outlook remains uncertain. With inflation soaring and the sources of capital for SMEs in frontier markets drying up once more, the one thing that is for sure is that challenges will remain for some time to come, and so will the need for DGGF and our partners to provide support to missing middle SMEs in the markets we operate in.

# AT A GLANCE

## DGGF FINANCING LOCAL SMEs

Fund size as of December 2021

**€350M**

Seed Capital & Business Development facility (SC&BD)

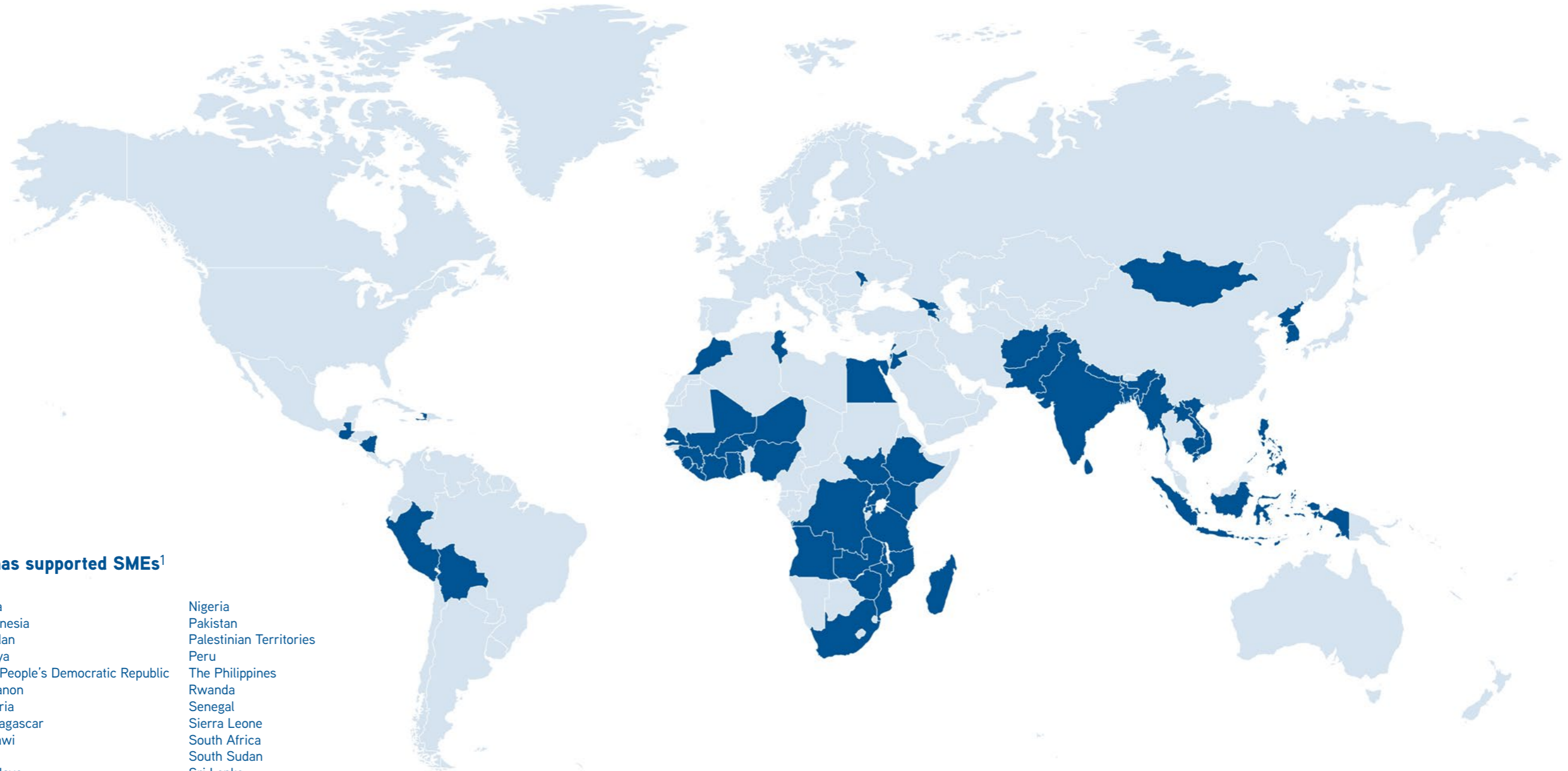
**€40M**

DGGF country outreach

**53**

Financial intermediaries financed

**72**



**■ Countries where DGGF has supported SMEs<sup>1</sup>**

- |                                  |                                  |                         |
|----------------------------------|----------------------------------|-------------------------|
| Afghanistan                      | India                            | Nigeria                 |
| Angola                           | Indonesia                        | Pakistan                |
| Armenia                          | Jordan                           | Palestinian Territories |
| Bangladesh                       | Kenya                            | Peru                    |
| Bolivia                          | Lao People's Democratic Republic | The Philippines         |
| Burkina Faso                     | Lebanon                          | Rwanda                  |
| Cambodia                         | Liberia                          | Senegal                 |
| Colombia                         | Madagascar                       | Sierra Leone            |
| Côte d'Ivoire                    | Malawi                           | South Africa            |
| Democratic Republic of the Congo | Mali                             | South Sudan             |
| Egypt                            | Moldova                          | Sri Lanka               |
| Ethiopia                         | Mongolia                         | Tanzania                |
| Georgia                          | Morocco                          | Togo                    |
| Ghana                            | Mozambique                       | Tunisia                 |
| Guatemala                        | Myanmar                          | Uganda                  |
| Guinea                           | Nepal                            | Vietnam                 |
| Haiti                            | Nicaragua                        | Zambia                  |
|                                  | Niger                            | Zimbabwe                |

<sup>1</sup> Limited to the DGGF country list





# DGGF'S SEVEN-YEAR JOURNEY: MEASURING OUR IMPACT<sup>2</sup>

The Dutch Good Growth Fund - Financing Local SMEs (DGGF) was established in 2014 and has since worked on furthering access to finance and entrepreneurship in frontier markets. In this report, we aim to dive deeper into the core impact areas of SMEs financed and jobs created since the start of DGGF, with particular attention to the challenges faced in the context of the COVID-19 pandemic. We also include a snapshot on how DGGF contributes to the SDG framework. The main purpose is to showcase a selection of stories of SMEs financed by DGGF, which made a notable contribution to DGGF's impact goals under the most difficult circumstances.

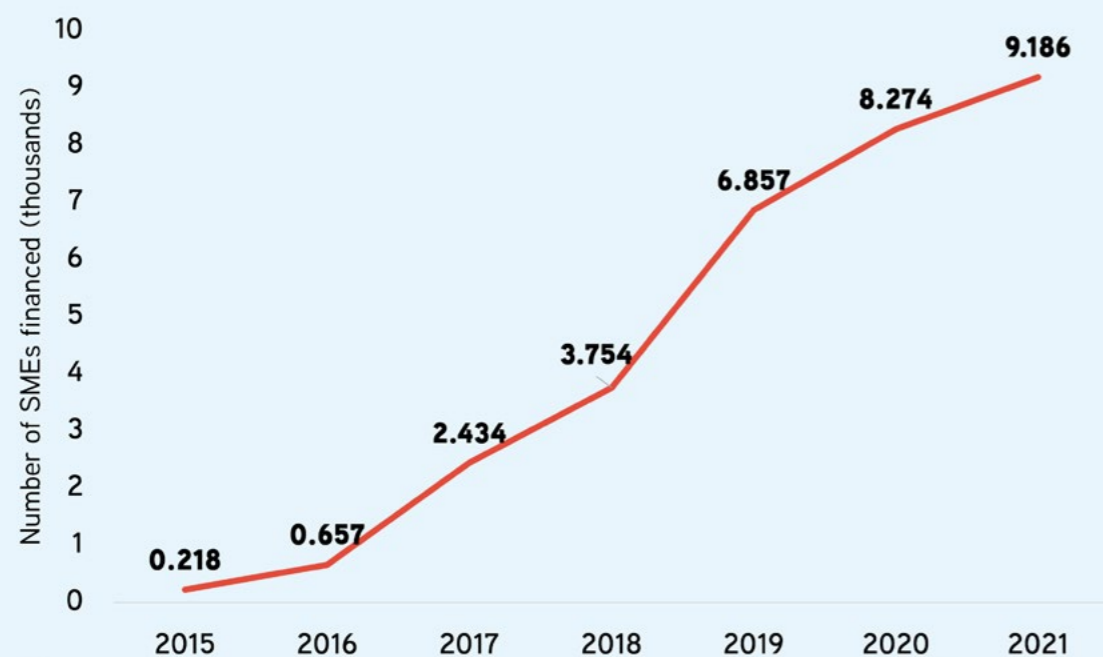
<sup>2</sup> Please note that in this report all impact figures are calculated proportionately to DGGF's capital contribution (i.e. prorated), unless otherwise stated.

## FINANCING LOCAL SMEs

Since inception, DGGF has financed a total of 11,300 SMEs in frontier markets, of which more than 9,000 SMEs have been supported by DGGF’s Investment Portfolio, as shown in Figure 1.<sup>3</sup> The largest share is generated by financial institutions (FIs) in the portfolio (like FATEN and Fundación Génesis, highlighted in this report) that provide loans to numerous relatively smaller SMEs. Another large portion of the DGGF

portfolio is composed of early-stage private equity, mezzanine and venture capital funds which provide early-stage financing to SMEs with high growth potential. As they develop, these SMEs generate new employment and increase access to products and services in challenging markets. Healthcare companies mPharma or Trung Son Care, as highlighted in this report, illustrate this well.

**Figure 1. SMEs financed by DGGF (thousand, pro-rated) investment portfolio during 2015-2021**



## SUPPORTING AND CREATING JOBS

Investing in SMEs that struggle to access tailored products because microfinance does not meet their needs and commercial banks

perceive them to be too risky, the so-called ‘missing middle’, has been instrumental in sustaining and growing employment. Since

<sup>3</sup> In this section of the report, we focus on historical impact results of the Investment Portfolio only, as over time the IP and SC&BD developed different impact frameworks in line with their distinguished reporting requirements. Their methodologies have been aligned recently, which allows us to present aggregated 2021 total impact results for both IP and SC&BD.

inception, DGGF’s Investment Portfolio has contributed to support more than 65,000 employees (jobs supported), and more than 7,600 newly hired employees (i.e. jobs created) on a cumulative basis as shown in Figure 2.<sup>4</sup>

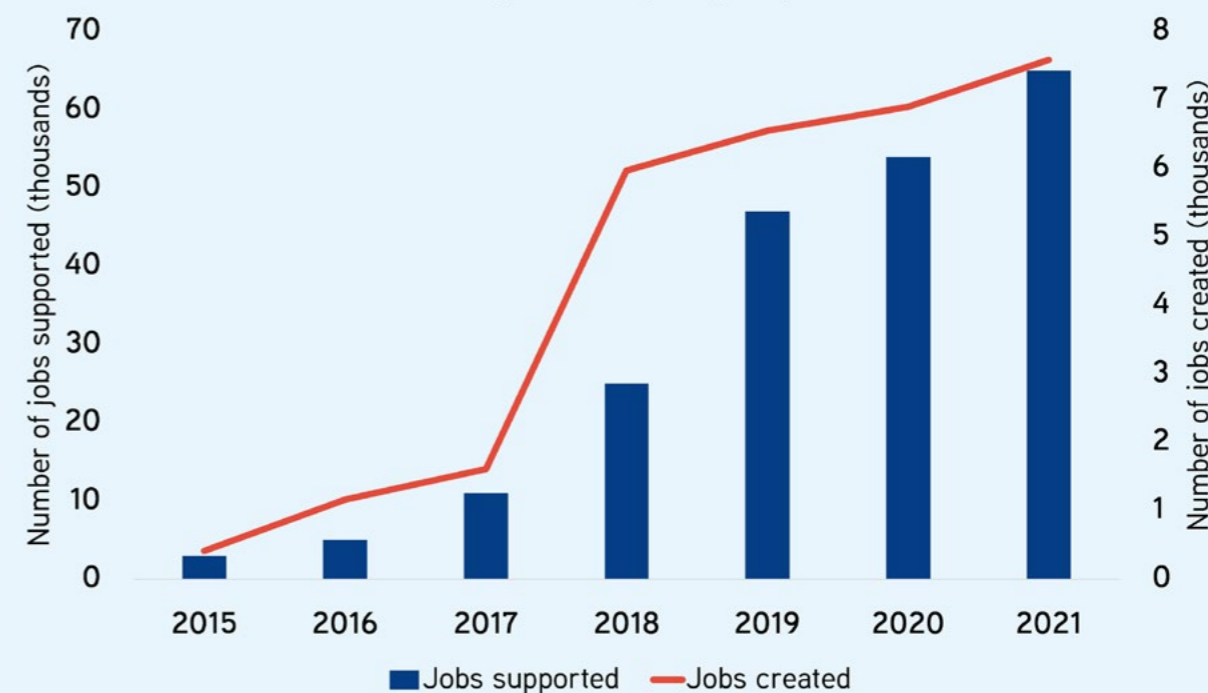
During DGGF’s lifetime, SMEs hiring new employees has proven to be very volatile and unevenly distributed across the portfolio. While job creation has been particularly steady in technology-related companies and healthcare, it has been lower in fragile states and among the SMEs financed through FIs.

Entrepreneurs in frontier markets face all sorts of obstacles to grow their companies.

Especially during the COVID-19 pandemic, some companies have faced job losses, which has partly offset the creation of new jobs. Next to the effects of the pandemic and climate change, SMEs often have to cope with unstable economic and political environments.

Therefore, access to long-term capital has been a determining factor for SMEs to survive and continue supporting employment in their markets. While some companies’ growth has slowed down during the last couple of years, such patient capital fostered SMEs’ resilience, by assisting SMEs to remain in business, and keeping their employee basis.

**Figure 2. DGGF investment portfolio’s contribution to jobs supported and created**



<sup>4</sup> Jobs created are calculated as the difference between the prorated number of SMEs’ employees at the reporting end of the year and the prorated number of SMEs’ employees at the end of the year prior DGGF investment (i.e. baseline employment). Therefore, this KPI sums any positive or negative variation in investees’ employment figures, including potential decreases in number of employees with respect to the baseline (i.e. job losses).



© Linda Nanan Vallée, Panelys Cash


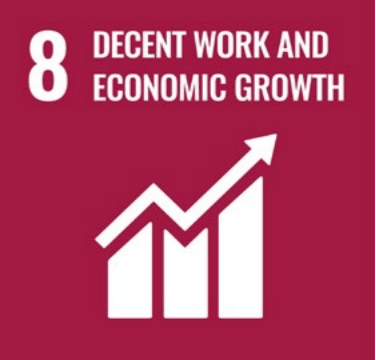


## 2021 IMPACT SNAPSHOT

Over the past seven years, DGGF has built a comprehensive impact measurement and management system to assess expected impact, monitor impact results during the investments lifespan, and evaluate them afterward. Diverse meaningful indicators are used to operationalize this system, measuring how DGGF activities translate into direct and indirect changes within the entrepreneurial and financing ecosystems in emerging markets, and ultimately contribute to DGGF’s key impact goals: reducing poverty in target countries through sustainable and inclusive economic growth.

To facilitate comparability and ensure DGGF speaks a common language with other impact investors, in Table 1 we present some examples of DGGF contribution to the United Nations Sustainable Development Goals (UN SDGs), the most common framework to measure impact activities. Through financial and non-financial support to SMEs, DGGF primarily contributes to SDG 1 – No Poverty, SDG 8 – Decent Work and Economic Growth, and SDG 10 – Reduced Inequalities. Moreover, DGGF’s intervention to establish well-functioning entrepreneurial and financial ecosystems also contributes to SDGs 4 – Quality Education, and SDG 5 - Gender Equality.



**Table 1. Examples of DGGF contribution to the UN SDGs<sup>5</sup>**

DGGF Indicator	2021 Cumulative Results	UN SDG	DGGF Indicator	2021 Cumulative Results	UN SDG
SMEs serving primarily rural areas	2,057		Financial Intermediaries financed	54	
SMEs in states classified as fragile and conflict-affected by the World Bank (as a % of total SMEs) <sup>6</sup>	35%		SMEs financed <sup>10</sup>	11,268	
% of capital to SMEs in states classified as fragile and conflict-affected by the World Bank <sup>7</sup>	25%		FIs receiving technical assistance <sup>11</sup>	36	
SMEs receiving business development support (i.e. knowledge transfer) <sup>8</sup>	16,273		Revenue growth (Compound Annual Growth Rate, CAGR)	11%	
% of capital to SMEs receiving business development support (i.e. knowledge transfer)	51%		Jobs supported <sup>12</sup>	77,756	
Women-owned or led SMEs (as a % of total SMEs) <sup>9</sup>	30%		Jobs created <sup>13</sup>	8,691	
% of capital to women-owned or led SMEs	19%		Young employees supported	5,400	
Women employees supported	3,820		% of capital to SMEs serving primarily BoP customers <sup>14</sup>	24%	
			Low-skilled employees supported	56,540	
		Youth-owned or led SMEs (as % of total SMEs)	34%		
		% capital to youth-owned or led SMEs	27%		
		% of capital to SMEs in countries classified as low-income economies by the World Bank <sup>15</sup>	27%		

<sup>5</sup> Prorated impact results from DGGF Investment Portfolio, unless otherwise specified. Impact data are cumulative from DGGF inception until end of year 2021. They include both actual results and extrapolated ones, based on the actual results of a representative sample of SMEs in DGGF Investment Portfolio.

<sup>6</sup> Impact results including both DGGF Investment Portfolio and SC&BD.

<sup>7</sup> <https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations>

<sup>8</sup> Absolute figure, not proportionately attributed based on DGGF capital. This impact KPI shows the total number of SMEs receiving Technical Assistance from SC&BD, including the ones not financed by DGGF Investment Portfolio.

<sup>9</sup> Impact results including both DGGF Investment Portfolio and SC&BD.

<sup>10</sup> Impact results including both DGGF Investment Portfolio and SC&BD.

<sup>11</sup> Impact results including both DGGF Investment Portfolio and SC&BD.

<sup>12</sup> Impact results including both DGGF Investment Portfolio and SC&BD.

<sup>13</sup> Impact results including both DGGF Investment Portfolio and SC&BD.

<sup>14</sup> People living under \$2 per day who systematically lack access to essential goods and services.

<sup>15</sup> <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>





## IMPACT HIGHLIGHTS

The development of the DGGF mandate, in these volatile years, is best represented in the journeys of the SMEs that we finance. These SMEs and financial institutions, that have weathered the storm and provided jobs and financing despite setbacks, hence contributed to more resilient local ecosystems. Next to the pandemic, the resilience of entrepreneurs and the livelihoods of dependent communities are increasingly challenged by the forces of climate change. New business models, co-financed by DGGF in for example Ghana or

India, are a proof statement of how SMEs are reinventing themselves in the wake of future challenges.

The following section contains eight impact stories, across four themes. The featured SMEs have demonstrated strong impact over the course of the past two years, as highlighted before in [DGGF's Impact Newsletters](#).<sup>16</sup>

<sup>16</sup> These are impact snapshots from 2020 and 2021, and do not take account of more recent developments



## mPharma

### IMPROVING HEALTHCARE SUPPLY CHAINS IN AFRICA

In some African countries, the pharmacy retail market is highly fragmented and characterized by low order volumes and high prices. Frequently, drug stores run out of essential medicines. mPharma, a Ghanaian start-up, aims to increase access to and affordability of prescription drugs. The company purchases medicines on behalf of pharmacies, allowing them to improve stock management. Their online platform allows patients to identify pharmacies that stock a prescribed drug in real time. mPharma has been instrumental in easing the impact of COVID-19 in various ways. To address potential drug shortages and price increases as a result of supply chain disruptions, “Mutti Keep My Price” is a price protection program where patients with chronic illnesses benefit by choosing a three- or six-month price control plan. mPharma also imported 400,000 COVID-19 tests from China, launched virtual consultation services for patients to stay in touch with medical professionals, and has converted private labs into COVID-19 testing centres. mPharma is supported by Novastar Ventures Africa II, in which DGGF invested in 2018.



© Middle and right: Albert Poku Mensah & Mabel Akoto, Fresh Spring Chemist



COVID-19 RESILIENCE



## Trung Son Care BOOSTING ONLINE PHARMACY SERVICES IN TIMES OF CRISIS

Thanks to its early detection and containment strategy, Vietnam is considered a successful COVID-19 response example worldwide. Trung Son Care, a modern pharmacy retail chain and portfolio company of Asia Business Builders (ABB) I, is the first point of contact

for healthcare during COVID-19 for many people in the region with a presence of over 50 stores. During the first five months of 2020, traffic to their digital channels doubled, prompting Trung Son Care to turn their focus into online business. While their stores remained open and customers were welcome to visit them for advice and support, they also serviced their customer base with home delivery. Their quick crisis response allowed them to become a leader in online pharmaceutical services and is expected to bring long-term benefits as customer behavior becomes increasingly less linked to traditional retail channels.

In addition, Trung Son Care (video [here](#)) made sure to implement policies swiftly to avoid spread of contagion of COVID-19 when the virus emerged. Comprehensive temperature checks were put in place for its 220 employees and staff started carrying face masks early on. As a result, the company has not reported a single case of COVID-19 among its exposed staff or visiting customers.

DGGF invested in ABB I in 2018.



## EME Myanmar

### HOW YANGON BROOM SURVIVED AGAINST ALL ODDS

EME invested in Yangon Broom in June 2019, a cleaning company in the capital of Myanmar. At the time the company had 900 bookings a month. With EME support setting up systems and driving marketing, Broom was serving 4,000 bookings a month by December just six months later. COVID-19 hit Broom hard, and bookings fell to 300. Still, Broom’s brand remained strong and they kept many staff and highlighting this value EME re-invested in August 2020, bringing in a new lead investor. Broom’s recovery stuttered, plagued by sustained lockdowns. Then, the military takeover in February 2021 took booking to zero as safety was of paramount concern.

At this point, many companies closed and founders left the country. But Broom’s CEO hunkered down. At one point he was sleeping in the office with his staff, the office feeling safer than some staff’s homes. Throughout, the CEO showed incredible grit. He took little

salary, indeed less than key staff members, and consistently found ways to support staff safety. His team took cuts together, protecting each other just as the CEO had cared for them.

In August 2022 Broom reached break-even, with 2,500 bookings and their core team. The journey continues, Broom must increase their bank balance and bring staff wages up again, but these are small feats compared to the past two years. Broom employs a total of 38 staff including cleaners (cleaners



© From left to right: Ma Mya Mya Than, Ma Tin Tin Aung, Daw Ohn Nyunt, Ma SaWa, Ma Nilar Win, U Zaw Gyi, Yangon Broom

make around two times factory minimum wage and work less hours); and in the office women fill 5 out of 6 management positions. Today, Broom’s biggest operational issue is recruiting new cleaners at a pace that matches demand.

EME is now the only venture capital company actively operating in Myanmar. Local and international staff remained in Yangon to support portfolio companies like Broom, ensuring CEOs felt supported enough to support their own teams. In May 2021, just

months after the military takeover, EME launched “SanThit”, a three-year gender-inclusive program for founders, providing support in harsh times. SC&BD’s investment into EME combined with a report co-created with SHE (another SC&BD client) provided enough comfort for Sasakawa Peace Foundation to explore, and later provide support for the creation of SanThit.

EME is supported by DGGF’s SC&BD facility since 2018.



© FINCA Haiti

## FINCA Haiti RUNNING A FINANCIAL INSTITUTION IN A FRAGILE ENVIRONMENT



Haiti

In a country where 40% of the population is officially unemployed, FINCA Haiti supports small and startup micro-enterprises, with the aim of more job creation in Haiti. FINCA provides individual, SME, agricultural and school loans as well as money transfer

services to the most excluded. The majority of their services are in provinces and rural areas where the most financially underserved population in Haiti live.

Political problems and COVID-19 required FINCA Haiti to review their service offerings and to adapt their credit products. The 2021 earthquake also affected the institution's wellbeing and increased portfolio risks.

The team created a call center to follow up with clients for repayment easier, increased digital disbursement and repayment, and

reduced the maximum loan amount. This created benefits for both FINCA Haiti and their clients. By giving some borrowers a grace period ranging from one month to five months, reviewing the structure and repayment periods of loans for others, and diversifying disbursement and repayment channels, they were able to better meet customer demand.

DGGF invested in FINCA Haiti in 2018.



## FATEN A DIGITAL TRANSFORMATION JOURNEY IN THE PALESTINIAN TERRITORIES

The ecosystem of the Palestinian Territories is nascent but advancing, with a lot of young and promising entrepreneurs starting and growing their businesses despite the challenging environment. The development of smaller SMEs is constrained by political instability, lack of access to markets, unfavorable regulations, and lack of finance from the banking sector. With their loans, **FATEN** is providing finance solutions for small enterprises and micro-entrepreneurs, mainly women, as they often do not have access to financing from banks in the Palestinian Territories. FATEN is the largest Micro Finance Institution operating in Palestinian Territories, with 37 branches covering more than 500 sites, including sites in refugee camps, rural areas, and marginalized communities.



© Basel Mohammad Nasr, Cartoon Factory

Part of FATEN's strategy is to become a data-driven organization with relevant digital financial products to support the integration of micro, small, and medium businesses into the broader digital economy. As part of Technical Assistance provided by DGGF's SC&BD, the consultancy firm PHB Development has been working in close collaboration with FATEN to develop a digital strategy.

Through several workshops, a conceptual framework has been created and priority areas for a digital transformation journey have been identified. This has equipped FATEN with concrete action points towards digitization of services and products. FATEN is part of DGGF's portfolio since 2017, when DGGF provided a \$5 million loan, and has received Technical Assistance from the SC&BD facility in 2020-2021. DGGF

provided a loan to FATEN to contribute to further economic development in a country characterized by a very tough macroeconomic and political environment, heavily affected by economic blockades, wars, and other conflicts over time.



## Fundación Génesis FUNDING CLIENTS IN VULNERABLE COMMUNITIES IN GUATEMALA

Guatemala's economic activity is 99% dependent on the operations of Micro, Small and Medium Enterprises (MSMEs). Despite their economic importance, MSMEs in the country struggle to access funding opportunities. According to the [SME Finance Forum](#), Guatemalan MSMEs are estimated to face a USD \$14 billion financing gap.

Women-owned businesses and businesses in rural areas suffer more noticeably from a lack of access to capital, impeding the country's inclusive growth on the long term. In line with its mission to address these challenges and improve the local MSME environment, in 2017 DGGF chose to partner up with [Fundación Génesis Empresarial](#), a Guatemalan Financial Institution. Génesis



has grown to be one of the largest FIs in the region and is now considered a market leader in microlending.

Génesis stands out from its peers thanks to its tailor-made approach towards loans for underserved communities. A significant part of the institution's client base (70%) consists of female entrepreneurs, and loans are provided to businesses in rural areas. In an effort to upscale their businesses, the

institution provides guidance to microfinance clients to enter the SME segment and hence put them on a graduation path to access larger loans.

With support from DGGF, Génesis is developing educational training programs for farmers and piloting the financing of agri-value chains that directly connect suppliers to buyers. Furthermore, Génesis is an early adapter of fintech solutions to digitize

loans for SME clients. These innovative characteristics mark its uniqueness and set the example for like-minded players in the market.

Due to the strong performance of Génesis, in 2021, DGGF renewed a USD \$5 million loan to the institution in the firm belief that it will keep contributing to inclusive job growth and systemic change. Learn more about Génesis and their clients in [this video](#) (in Spanish).



## Akwaaba Feeds IMPROVING POULTRY FEED QUALITY IN GHANA



Akwaaba Feeds is a Ghanaian feed manufacturing company set up in 2018 by two Ghanaian entrepreneurs. With rising temperatures and costs, and periodic shortages of essential raw materials, the company found a replacement in maggot

meal (insect protein from black soldier flies) to increase protein levels required in the poultry feed formulation. After piloting and testing the concept, the company raised funding to scale up maggot meal production. In 2020, Akwaaba nearly doubled its factory capacity, included solar energy in its energy mix, and increased maggot meal production. Eighteen months later, the company has doubled its revenue, doubled its distributors, expanded its poultry farm by over 500%, and remains profitable and ready to go to market.

Akwaaba Feeds aims to use circularity practices to become a zero-waste company. They combine feed production waste with other food waste to farm the maggots. All maggot production waste will be turned into compost and used in crop farming.

Akwaaba is supported by Wangara Green Ventures, a DGGF Seed Capital client focusing on greening SMEs in Ghana.





GREEN GROWTH



## Saahas PIONEERING CIRCULAR WASTE MANAGEMENT IN INDIA

In Bangalore, India, circular economy practices have gained new momentum with the activities of Saahas Waste Management. This company provides end-to-end waste

management services and has been an investee of C4D since September 2018. Focusing on proper waste disposal, Saahas runs a Zero Waste Program for bulk waste generators such as tech-parks, residential communities and corporations.

Last year, Saahas expanded its operations to multiple cities in India, and now successfully manages over 90 tons of waste per day. Moreover, Saahas leads by example when it comes to gender equality: 64% of their employees are women.

Sahaas aims to have a positive impact on the environment as they strive towards the objective that less than 10% of the waste collected goes to the landfill. Currently the practice is that 10% of the waste is dumped in the landfills, which is hazardous to the environment. Apart from protecting the environment, Sahaas impacts public health as well. Properly engineered waste disposal preserves key resources such as ground water, surface water, soil fertility and air quality.



© Niramai Health Analytix

## DGGF STRATEGY BEHIND THE SCENES: INVESTING IN WOMEN & YOUTH

Throughout these turbulent years we reshaped the DGGF strategy, furthering gender equity and inclusion of young entrepreneurs. The complexity of the different needs of the diverse SME actors requires context-specific, targeted approaches. Serving young entrepreneurs implies adopting high-risk investment strategies to deploy early-stage capital, while addressing the financial needs of women entrepreneurs requires a mindset shift all along the investment value chain. This section of the report explores how DGGF has developed a rationale and way of working towards serving more young and female entrepreneurs.

## DEVELOPMENT OF DGGF GENDER LENS INVESTING STRATEGY

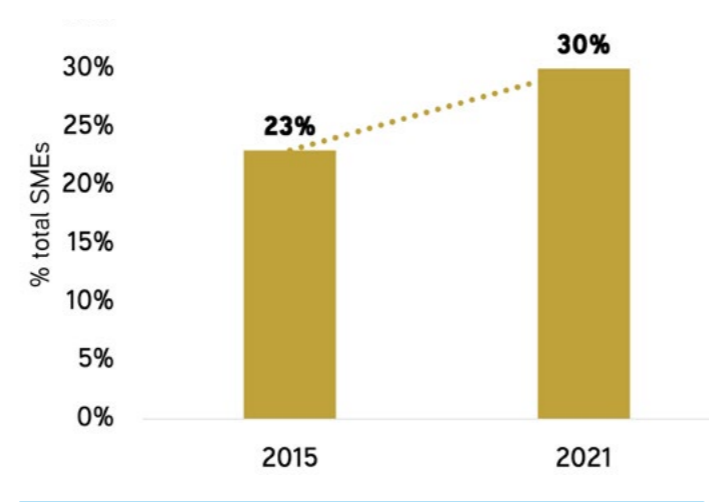
DGGF Financing has a strong commitment to reaching a minimum of 25% female entrepreneurs<sup>17</sup> with financing via locally managed funds and financial institutions. Furthermore, DGGF developed a strategy and derived a tailored product offering with the aim of addressing the most pressing obstacles throughout the finance value chain preventing women from obtaining suitable financing to grow their businesses. Together with key partners, DGGF is providing more financing – notably through local SME finance providers that meet the 2X criteria – and creating awareness to achieve a systemic change in the financial ecosystem for the benefit of female entrepreneurs, female employees and women across the value chain.

DGGF supports women-focused enterprise development support models such as SHE (mentioned earlier in this report) and Innov'Up, which support female entrepreneurs with technical advice to register and grow their businesses while increasing their leadership skills and fundraising networks. DGGF is tailored to first-time managers and finance providers who want to implement a gender lens strategy through seed and investment capital, such as Amam Ventures, Capital 4 Development Partners (C4D), Acumen Latam Impact Ventures (ALIVE) and Alitheia. In supporting financial intermediaries with an explicit gender lens strategy, more female

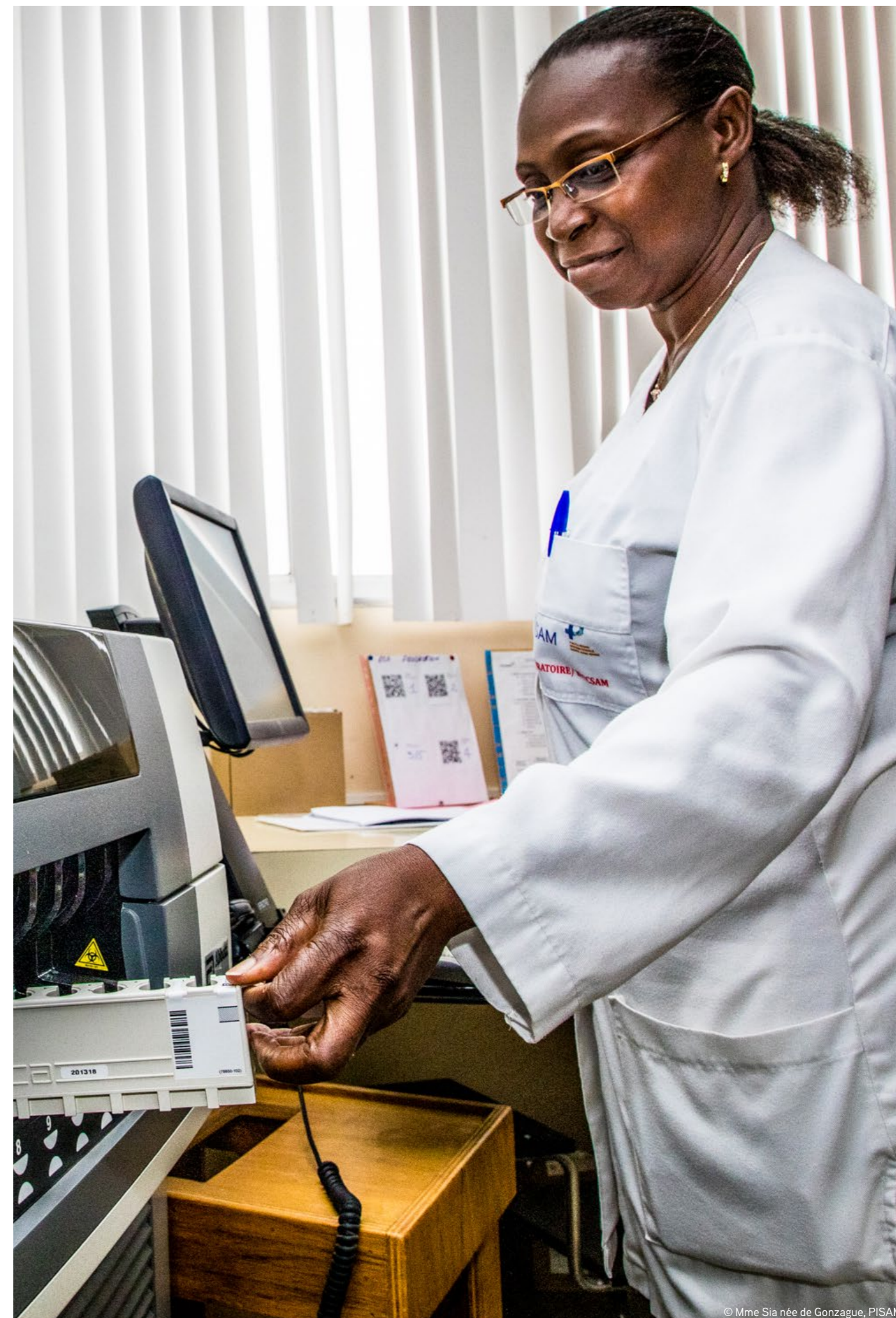
entrepreneurs are getting the financing they need and have a positive impact on women working with the business.

Many of the finance providers in DGGF's portfolio have an interest in increasing their outreach to female entrepreneurs but lack the knowledge and experience to become more gender aware and execute a gender lens strategy. DGGF supports portfolio fund managers and financial institutions with inclusive and tailored technical assistance (TA) solutions to guide them into allocating more capital to women-led or women inclusive organizations: from improving fund processes and tools, enhancing pipeline building activities, increasing portfolio engagement to improving gender inclusion of investees, and connecting with peers, see our results in Figure 3.

**Figure 3. Increase in women-owned or led SMEs**



<sup>17</sup> DGGF has adopted the IFC definition: Woman-Owned or Led Enterprise: An enterprise qualifies as a woman-owned/led enterprise if it meets the following criteria: (A) ≥ 51% owned by woman/women; OR (B) ≥ 20% owned by woman/women; AND (i) has ≥ 1 woman as CEO/COO/President/Vice President; AND (ii) has ≥ 30% of the board of directors composed of women, where a board exists.



© Mme Sia née de Gonzague, PISAM

## DEVELOPMENT OF DGGF YOUTH STRATEGY

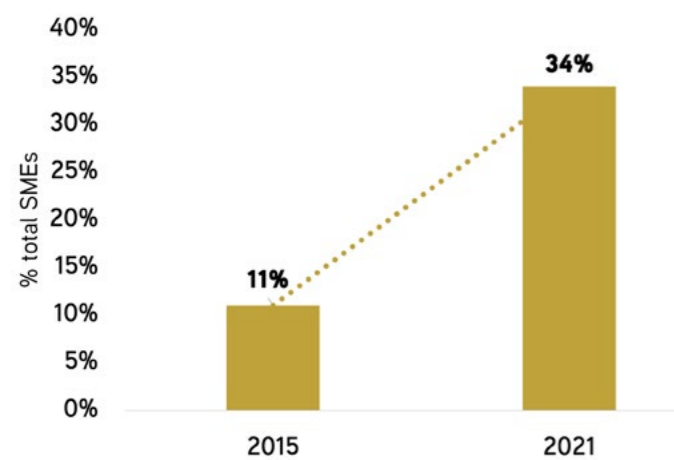
DGGF managed to reach out and serve 2,824 youth-led SMEs by the end of 2021. From the original goal to invest into businesses owned by a person of 35 years old or under at 51%+, DGGF’s definition of youth-led SMEs has evolved<sup>18</sup> and DGGF4Youth strategy was developed to better address what the impact data was reflecting, see the results reflected in Figure 4. Youth outreach is on the one hand to youth-led livelihood sustaining businesses through investments into digital lenders and upscaling digitized microfinance institutions (MFIs) and on the other hand to

youth-led high-growth businesses through investing into venture capital (VC) funds.

In 2021 DGGF for the first time embraced a system lens for financial services, to rethink its strategy for youth enterprise finance. The value addition of adopting a systems lens resides in being more intentional about expected outcomes and impact and adopting a more holistic approach that, in the case of DGGF:

- Targets specific segments of young entrepreneurs (based on better understanding of your entrepreneur profiles);
- Double downs on proven financial solutions (embedding non-financial support);
- Selects the right (non) financial service providers to support in priority ecosystems;
- Prioritizes interventions to incentivize and strengthen the capacity of these providers;
- Replicates and scales solutions through removing systems barriers.

**Figure 4. Increase in youth-owned or led SMEs**



<sup>18</sup> Youth owned SME: >50% shares owned by young entrepreneur(s), OR >20% shares owned by young entrepreneur; AND ≥ 1 young entrepreneur as CEO/COO; AND has ≥ 30% of the board of directors composed of young entrepreneurs

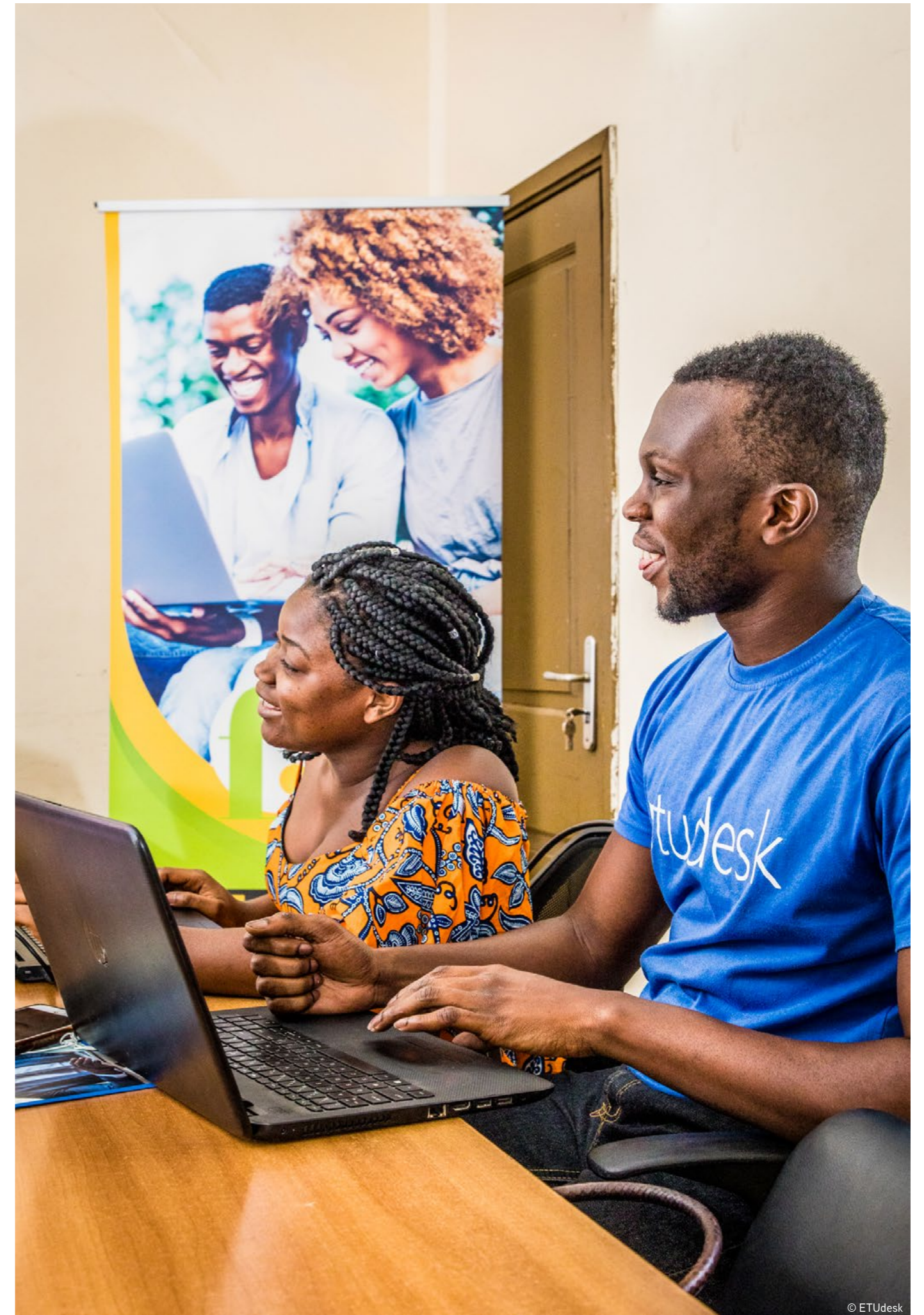


Table 2. The DGGF4Youth strategy



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Entrepreneur profile

Livelihood sustaining young entrepreneurs may be as young as in their early 20's; may likely operate in both urban and rural areas; most often have gone through the primary level of education; have limited experience and technical skills, some connections. They are in most cases managing small shops, small manufacturing companies and small trading businesses.

Business growth needs

Youth-owned livelihood sustaining enterprises mostly require working capital to sustain the business in traditional industries (e.g. trading, manufacturing) and growth financing to expand it (e.g. acquiring more taxi/tuk tuk, or equipment for small agro-processing). Usually financing needs range between EUR 10-100K; debt is preferred, but against limited collateral or track record.

Business growth solution

A small business loan in the range of EUR 10K to 100K at an affordable rate and (partially) unsecured not only serves the financing needs of the business but is actually accessible to young entrepreneurs with limited track record and collateral. This is provided by players like [ACTB Savings & Loans Limited](#) in Sierra Leone and [Sempli](#) digital lender in Colombia.

High-growth young entrepreneurs are usually between 25-35 year-old; most often highly educated men based in urban areas; have previous (international) working and/or entrepreneurial experience through which they built a relevant network they can rely on. They most often lead service-focused, often tech-enabled and scalable solutions.

Youth-owned high growth enterprises usually need start-up and growth capital in addition to connections to access markets and talents to sustain the high growth often driven by tech-enabled solutions in diverse sectors (e.g. education, healthcare, financial services). Usually entrepreneurs seek EUR 0.1-1.5M patient risk tolerant early-stage funding (e.g. seed to Series B).

Early-stage risk capital in the range of EUR 100K-1.5M across seed to Series B stages combined with active handholding gives the business the opportunity to lean start-up and realize its high-growth potential that will convince follow on investors. This is provided by players like [Ankur](#) in India and the [Azur Innovation Fund](#) in Morocco.



© From left to right: Byron Kaganda & Belinda Akello, TMR International Hospital

# ANNEX: LIST OF INVESTMENTS



# LIST OF INVESTMENTS

## Investments DGGF Investment Fund (By September 30, 2022)

Investee	Investment in mln EUR (committed capital)	Year of first commitment	Focus Countries
<b>Sub-Saharan Africa</b>			
AB Bank Rwanda (Exited)	3.0	2017	Rwanda
AB Bank Zambia (Exited)	2.0	2017	Zambia
AB Microfinance Bank Nigeria	5.0	2017	Nigeria
Access Bank Liberia Limited - The Microfinance Bank (Exited)	3.6	2017	Liberia
Advans Banque Congo (Exited)	2.6	2018	Democratic Republic of Congo
Adiwale Fund I LP	9.0	2019	Côte d'Ivoire, Burkina Faso, Mali, Senegal, Togo
Africa Food Security LP	10.8	2018	Côte d'Ivoire, Ghana, South Africa, Burkina Faso, Cameroon, Namibia, Nigeria, Senegal, Tanzania, Zambia
African Rivers Fund	7.0	2016	DRC, Uganda, Congo, Burundi, CAR
African Rivers Fund III LP	9.2	2020	DRC, Uganda, Angola
Alitheia IDF Fund LP	6.8	2019	South Africa, Nigeria, Ghana, Mozambique, Zambia, Lesotho, Zimbabwe
Atlantica Ventures Fund I C.V.	8.1	2021	Nigeria, Kenya, South Africa, Ghana, Côte d'Ivoire, Tanzania
Equity For Tanzania Limited	3.5	2017	Tanzania
Fidelis Finance	3.0	2019	Burkina Faso
Fund For Agricultural Finance In Nigeria	6.2	2017	Nigeria
GroFin SGB Fund Limited Partnership	18.5	2015	Kenya, Uganda, Egypt, Tanzania, Nigeria, Ghana, South Africa, Zambia, Rwanda, Côte d'Ivoire, Senegal
I&P Afrique Entrepreneurs II LP	7.0	2018	Francophone West Africa
IFHA II Coöperatief U.A.	10.9	2015	S.Africa, Kenya, Ethiopia, Tanzania, Nigeria, Ghana, Senegal
Inside Equity Fund	6.7	2017	Zambia, Malawi, Mozambique, Mauritius, Madagascar, Tanzania
Kinyeti Venture Capital Ltd	0.9	2016	South Sudan
Novastar II Ventures Africa Fund LP	14.0	2018	Kenya, Ethiopia, Nigeria, Ghana
Novastar Ventures East Africa Fund I L.P.	7.1	2015	Kenya, Tanzania, Uganda, Ethiopia, Rwanda, Burundi
Oasis Africa VC Fund Limited	7.1	2016	Ghana, Côte d'Ivoire
SPEAR Africa Holding II Limited	9.3	2017	Zimbabwe, Zambia, South Africa, Malawi
Zoscales Fund I LP	8.3	2017	Ethiopia

Investee	Investment in mln EUR (committed capital)	Year of first commitment	Focus Countries
<b>Middle East and North Africa</b>			
Algebra Ventures II Coöperatief U.A.	10.1	2022	Egypt, United Arab Emirates, Saudi Arabia
Azur Innovation Fund SPCC	7.1	2019	Morocco
Badia Impact Squared C.V.	9.7	2020	Jordan, Egypt, Lebanon, Morocco, Palestinian Territories, Tunisia
EIP Levant (SICAV) Plc (Exited)	7.2	2019	Lebanon, Jordan, Syria, Iraq
FATEN - Palestine for Credit and Development Private Shareholding Company	4.5	2017	Palestinian Territories
Ibtikar Impact Asia Fund	6.1	2021	Palestinian Territories, Jordan
Nomou Jordan for Investments PSC (Exited)	2.7	2016	Jordan
Sanadcom for SME Funding PSC (Exited)	6.0	2017	Jordan
Sawari Ventures Fund	7.2	2018	Egypt, Tunisia
<b>Asia and Eastern Europe</b>			
Aavishkaar Frontier Fund	9.8	2015	Bangladesh, Sri Lanka, Indonesia, Pakistan
Alliance for Microfinance in Myanmar	4.0	2018	Myanmar
Ankur Capital Fund II	8.8	2019	India
Anthem Asia Myanmar SME Venture Fund LP	7.9	2018	Myanmar
Asia Business Builders I	7.2	2018	Vietnam
Cambodia-Laos-Myanmar Development Fund II, L.P.	9.7	2015	Cambodia, Myanmar, Laos
Capital 4 Development Asia Fund Cooperatif U.A.	7.7	2018	India, Philippines, Indonesia, Nepal, Cambodia
Dolma Impact Fund I	7.2	2015	Nepal
FS Capital Pte. Ltd.	3.0	2022	Indonesia
Gazelle Fund LP	7.0	2017	Armenia, Georgia, Moldova, Kyrgyzstan
InFrontier AF LP (Exited)	3.9	2016	Afghanistan
Insitor Impact Asia Fund II Pte LTD	10.0	2021	India, Pakistan, Cambodia
Intreprinderea Mixta Organizatia de Microfinantare "Microinvest" S.R.L.	7.0	2018	Moldova
JSC Credo Bank	12.2	2017	Georgia
JSC Total Leasing & Finance S.A. (Exited)	2.0	2016	Georgia
LOLC Myanmar Micro-Finance Company Ltd	2.7	2018	Myanmar
Omnivore Partners India Fund 2	8.3	2017	India
SANASA Development Bank PLC	8.9	2019	Sri Lanka
SEF International Universal Credit Organization LLC (Exited)	3.5	2016	Armenia
XACBank LLC (Exited)	9.0	2017	Mongolia
<b>Central and South America</b>			
Acumen Latin America Early Growth Fund LP	6.7	2018	Colombia, Peru, Guatemala, Honduras, El Salvador
Andes Plus Fund I LP	10.1	2020	Peru, Colombia, Bolivia, Paraguay, Ecuador
Caja Rural Ahorro y Crédito Raiz S.A.	2.7	2018	Peru
Centro de Investigación y Desarrollo Regional (Exited)	4.4	2016	Bolivia
Finca Haiti S.A.	1.8	2018	Haiti
Fundacion Genesis Empresarial	8.7	2017	Guatemala
Salkantay eXponential Fund Limited Partnership	7.1	2022	Peru, Colombia, Bolivia, Mexico, Ecuador
Sempli SAS (Exited)	1.8	2018	Colombia

## Seed Capital Investments (By September 30, 2022)

Investee	Investment in EUR/USD (committed capital)	Countries	Year of first commitment	Type
<b>Sub-Saharan Africa</b>				
ACTB Savings and Loans	SC (USD 2M) TA (EUR ~100K)	Sierra Leone	2018	SC TA
Balloon Ventures	SC (EUR 1.5M)	Uganda	2022	SC
Beta Ventures Fund Innovation II Ltd	SC (USD 1.2M) TA (USD 0.35M)	Nigeria	2019	SC TA
DRC leasing	USD (USD ~1M)	DRC	2020	SC
Financial Access (FACTS)	SC (USD 0.95M) TA (USD 0.17M)	Kenya, Tanzania, Uganda, Nigeria, Cameroon	2016	SC TA
Gemini Capital	SC (USD 875K) TA (USD 320K)	Liberia	2018	SC TA
Iungo Capital Holdco	SC (USD 2.33M) BDS (USD 0.15M)	Uganda	2017	SC BDS
Kinyeti	SC (USD 1M) TA (USD 0.3M)	South Sudan	2016	SC TA
Rent to Own Ltd	SC (EUR 1M)	Zambia	2019	SC
Wangara Green Venture Capital Ltd	SC (USD 1M) TA (USD 250K)	Ghana	2021	SC TA
<b>Middle East and North Africa</b>				
Ibtikar	SC (USD 1M) TA (USD 50K)	Palestinian Territories	2017	SC TA
Liwwa	SC (USD 1.5M) TA (USD ~55K)	Jordan	2017	SC TA
I2I Pakistan Ventures Fund	SC (EUR 150K) TA (USD 400K)	Pakistan	2018	SC TA
Amam Launch Facility	SC (USD ~1.2M) TA (USD 280K)	Jordan	2020	SC TA
<b>Asia and Eastern Europe</b>				
Ankur Capital	SC (USD 1.5M)	India	2016	SC
SME Corner	SC (USD 1.2M)	India	2017	SC
Nepal Impact Investment Club (NIIC)	SC (EUR 1.2M) TA (EUR 231.5K)	Nepal	2016	SC TA
EME-Myanmar	SC (USD 0.8M) TA (USD 0.2M)	Myanmar	2018	SC TA
ARQ Capital Holdings	SC (USD 1.5M)	The Philippines	2019	SC
Kiu Global Limited	SC (USD 2M)	Vietnam, Cambodia, Philippines, Myanmar, Bangladesh	2019	SC

\*SC: Seed Capital; TA: Technical Assistance; BDS: Business Development Service

## Technical Assistance and Business Development Services (By September 30, 2022)

Investee	Investment in EUR/USD (committed capital)	Countries	Year of first commitment	Type
<b>Sub-Saharan Africa</b>				
AB Bank Zambia Limited	TA (EUR 150K)	Zambia	2017	TA
African Rivers Fund	BDS (USD 0.6M) TA (USD 0.1M)	DRC, Burundi, Central African Rep., Congo Brazzaville, Uganda	2016	BDS TA
African Rivers Fund 3	BDS (USD 387.5K)	Uganda, DRC, Angola	2016	BDS
Gender Lens Program	TA (EUR 48K)	Global	2022	TA
GroFin SGB Fund Limited Partnership	TA (USD 100K) BDS (USD 900K)	Kenya, Uganda, Tanzania, Rwanda, SA, Zambia, Ghana, Nigeria, Egypt	2015	TA BDS
Novastar Ventures	TA (USD 0.1M)	Kenya, Ethiopia	2015	TA
Oasis Capital	TA (USD 60K)	Ghana, Côte d'Ivoire, Senegal	2016	TA
Investisseurs et Partenaires Afrique Entrepreneurs II	BDS (EUR 0.75M) TA (EUR 50K)	Pan-African	2018	BDS TA
<b>Middle East and North Africa</b>				
FATEN	TA (USD 20K)	Palestinian Territories	2017	TA
Ibtikar	BDS (USD 132.35K)	Palestinian Territories	2017	BDS
<b>Asia and Eastern Europe</b>				
Aavishkaar	BDS (EUR 0.5M)	Indonesia, Sri Lanka, Bangladesh	2015	BDS
Alliance for Microfinance in Myanmar	TA (USD 30K) BDS (USD 58K)	Myanmar	2019	TA BDS
Ankur Capital Fund II	TA (USD 558K)	India	2016	BDS
Asia Business Builders	BDS (USD 0.12M)	Vietnam	2018	BDS
Cambodia Laos Myanmar Development Fund II	BDS (USD 450K)	Cambodia, Laos, Myanmar	2015	BDS
Capital 4 Development Asia Fund	BDS (EUR 0.6M)	India, Philippines, Indonesia, Cambodia	2018	BDS
Dolma	BDS (USD 130K)	Nepal	2015	BDS
EMI/CMDF 11	TA (EUR 0.23K)	Cambodia, Myanmar, Laos	2015	TA
Gazelle Fund	TA (EUR 175K) BDS (EUR 500K)	Georgia, Armenia, Moldova	2017	TA BDS
JSC Credo Bank	TA (EUR 160K)	Georgia	2015	TA
Omnivore - TA	TA (USD 35K) BDS (EUR 1.04M)	India	2017	TA BDS
<b>Central and South America</b>				
Acumen LatAm Impact Ventures LLC	TA (USD 702.5K)	Colombia, Peru, Guatemala, Nicaragua	2018	TA
ALEG	BDS (USD 687K)	LATAM	2019	BDS
Andes Plus Fund	BDS (USD 636K)	Peru, Colombia	2021	BDS
Genesis Empressarial	BDS (USD 440K)	Guatemala	2018	BDS

\*SC: Seed Capital; TA: Technical Assistance; BDS: Business Development Service



**Ecosystem Development** (By September 30, 2022)

Investee	Investment in EUR/USD (committed capital)	Countries	Year of first commitment	Type
<b>Sub-Saharan Africa</b>				
Young Entrepreneurship Finance Programme	ED (EUR 171K)	Migration countries (pilot in Ethiopia)	2018	Ecosystem Development
Sensi	ED (EUR 265K)	Sierra Leone	2018	Ecosystem Development
CIPMEN	ED (EUR 500K)	Niger	2019	Ecosystem Development
Seedstars	ED (USD 300K)	Tanzania	2021	Ecosystem Development
Kobo Hub	ED (EUR 20K) ED (USD 428K)	DRC	2020	Ecosystem Development
Dakar Network Angels	ED (USD 276K)	Francophone West Africa	2021	Ecosystem Development
Toogueda	ED (EUR 441K)	Guinea	2021	Ecosystem Development
Mzuzu Entrepreneur Hub Limited	ED (EUR 20K)	Malawi	2020	Ecosystem Development
Association Energy Generation	ED (EUR 300K)	Togo, Ghana	2021	Ecosystem Development
African Angel Academy	ED (EUR 434K)	Anglophone and Francophone Sub-Saharan Africa	2021	Ecosystem Development
Vilcap	ED (EUR 400K)	Sub-Saharan Africa	2021	Ecosystem Development
OHA	ED (USD 500K)	South Africa	2022	Ecosystem Development
Suguba	ED (USD 500K)	Mali, Senegal, Cote D'Ivoire	2017	Ecosystem Development
Eritlabs	ED (USD 500K)	Benin	2017	Ecosystem Development
Uganda angel investing development	ED (USD 17K)	Uganda	2019	Ecosystem Development
Business Incubator/accelerator in Kakuma refugee camp	ED (EUR 340K)	Kenya	2019	Ecosystem Development
<b>Middle East and North Africa</b>				
Impact Lab Tunisia	ED (EUR 235K)	Tunisia	2018	Ecosystem Development
H7	ED (EUR 300K)	Morocco	2019	Ecosystem Development
VilCap MENA Acceleration Programme	ED (USD 500K)	MENA	2022	Ecosystem Development
<b>Asia and Eastern Europe</b>				
SHE Cambodia	ED (USD 410K)	Cambodia	2019	Ecosystem Development

**DGGF Knowledge Products** (By September 30, 2022)

Studies	Investment in EUR/USD (committed capital)	Year of first commitment	Type
Closing the Gap Study & event, Cambodia	KP (EUR 240K)	2017	Knowledge Product
Closing the Gap Study & event, Mekong + LAC	KP (EUR 300K)	2017	Knowledge Product
Closing the Gap Study & event, Uganda	KP (EUR 40K)	2018	Knowledge Product
Building a mezzanine network	KP (EUR 15K)	2016	Knowledge Product
Capacity building pilot: Training for mezzanine finance providers	KP (EUR 70K)	2018	Knowledge Product
Closing the Gap Study & event, Francophone West Africa	KP (EUR 400K)	2016	Knowledge Product
Closing the Gap Study & event, Kenya	KP (EUR 25K)	2015	Knowledge Product
Creating a shared 'Architecture' for the SGB Finance Ecosystem	KP (USD 100K)	2019	Knowledge Product
DGGF Academy (pilot)	KP (EUR 200K)	2021	Knowledge Product
DGGF youth finance "systems change" strengthening exercise	KP (EUR 50K)	2021	Knowledge Product
Facility to actively distribute the findings of the early-stage SME finance study	KP (EUR 20K)	2018	Knowledge Product
Frontier finance collaborative- bridge finance	KP (EUR 85K)	2018	Knowledge Product
Knowledge event to 1) raise the profile of DGGF and 2) scale the offer of missing middle finance	KP (EUR 75K)	2018	Knowledge Product
Mezzanine SME finance as emerging asset class	KP (EUR 50K)	2016	Knowledge Product
Segmentation of Missing Middle & finance solutions: part of broader collaborative efforts - together with Omidyar Network	KP (EUR 60K)	2017	Knowledge Product
Sustainable and scalable models for early-stage SME finance	KP (EUR 190K)	2016	Knowledge Product
Women entrepreneurship/genderlens investing	KP (EUR 105K)	2018	Knowledge Product

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**Published by:**

Triple Jump B.V. and PricewaterhouseCoopers Advisory N.V. (PwC)

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**Graphic design:**

[Liina Liblik x Creative Space](#)

**Publication date:**

November 2022

DGGF Financing Local SMEs is managed by a consortium consisting of Triple Jump B.V. and PricewaterhouseCoopers Advisory N.V. (PwC) on behalf of the Dutch Ministry of Foreign Affairs.

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