

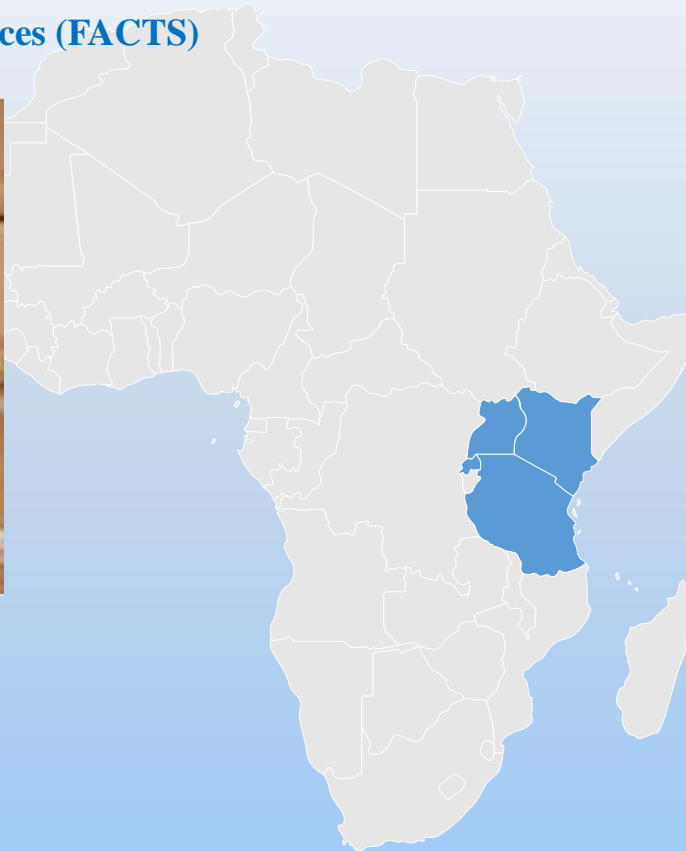
# Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

Dutch Good Growth Fund

## Financial Access Commerce & Trade Services (FACTS)



### Supply-chain finance to unlock the potential of agri-SMEs in East Africa

DGGF's Seed Capital and Business Development (SC&BD) programme has committed a blended funding to support an innovative supply-chain financing platform for agri-SMEs in East Africa. The initiative trades under the name FACTS (Financial Access Commerce & Trade Services) and has been originated by Financial Access.

Growth of African agribusinesses is badly constrained by working capital needs. Small producers and suppliers wait long periods to receive payment for delivered products in domestic supply chains. Invoice discounting, if actually available, is accessible only to well-established companies. Overall, Africa still represents a negligible portion of the global factoring industry.

Alternative short-term finance instruments, such as reverse factoring and distributor finance, can unlock the untapped potential of agri-SMEs all along the supply chain. FACTS's solution shifts credit risk to stronger entities in the value chain and uses technology to scale up operations while keeping transaction costs low.

DGGF's SC&BD programme, divided into a seed capital investment and technical assistance, will support the launch and rollout of FACTS operations in Kenya and Uganda. If the pilot phase proves successful, a fully-fledged factoring model will have the potential to attract investors and to expand to a pan-African scale.