

Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

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Gazelle Finance Fund LP (“Gazelle Fund”)

Gazelle Fund provides financing to high growth SMEs (“gazelles”) in the Eurasia region in the form of long-term income participation loan backed by minimal collateral and in the form of self-liquidating equity financing. The fund will be one of the very few providers of such financing products in its target countries— Georgia, Armenia, Moldova, and Kyrgyzstan. Despite SME lending by banks in these countries, absence of risk capital prevents promising entrepreneurs from reaching their full growth potential. Gazelle Fund will provide loans between USD 100 thousand and 1 million in a variety of sectors such as agribusiness, manufacturing, health, education, and tourism. Gazelle Fund focuses on partnership with the entrepreneurs and where needed will provide technical assistance in the form of business support. Gazelle Fund is a fund manager seeded and sponsored by Eurasia Foundation, an American non-profit organization that supports civil society and small business development in the Eastern Europe and Central Asia region.

Sector(s)

Agribusiness, manufacturing, health, education, and tourism.

Amount Invested

Approximately USD 8 million / EUR 7.5 million

Manager of the IF

Gazelle Finance is a US-based first-time fund manager who will establish local offices in Georgia and Armenia. The manager plans to open offices in Moldova and Kyrgyzstan as well upon becoming operational in these countries at a larger fund size.

Impact

Gazelle Fund seeks to achieve development impact through the fast growth of portfolio companies, which leads to increased productivity and employment, increased payments to local suppliers, import substitution, and increased local tax contributions, as well as new or improved products for customers. More than 3000 jobs are expected to be newly created. DGGF was the first investor to confirm its commitment and as an anchor investor it has catalysed further capital into the fund.

Technical Assistance

Through its SCBD programme, DGGF supports Gazelle with partially revolving grants to strengthen its IT function (USD 175 thousand) and its Business Development Services facility (up to USD 500 thousand).

Website: <http://gazellefinance.com/>