

Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

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Palestine for Credit and Development ('FATEN')

FATEN was founded in 1999 as a spin-off of the international NGO Save the Children. FATEN is a non-profit institution, regulated by the Palestinian Monetary Authority (PMA) and a market leader in the Palestinian Territories. It manages a gross loan portfolio of USD 114 million and reaches out to 38 thousand clients. In early 2015, FATEN implemented a loan product targeted at small enterprises, a sector largely underserved by commercial banks, which tend to focus on the higher spectrum of SMEs. FATEN's SME loans range between USD 25 and 50 thousand and finance working capital needs and fixed assets for SMEs. By supporting FATEN DGGF will enable it to scale and professionalize its SME product offering and to contribute to further economic development of the Palestinian Territories, characterized by a fragile macroeconomic and political environment.

Sector(s)

A.o. construction, trade and agriculture

Amount Invested

USD 5 million / approximately EUR 4.5 million

Manager of the FI

FATEN is a non-profit organization focusing on microfinance and SME lending, headquartered in Ramallah, Palestine with 37 branches across all governorates of Palestine.

Impact

The loan to FATEN is the first DGGF investment to reach out to the Palestinian Territories, and as such supports underserved SMEs in a fragile and conflict-affected context. DGGF's loan will finance approximately 150 SMEs, many of which owned by young or female entrepreneurs. With a subordinated loan DGGF is taking higher risk than other investors, and this will allow FATEN to scale its new SME loan product faster than it would otherwise be able to. The investment is also expected to catalyse funding from other sources.

Website: <http://grameen-jameel.com/palestine-for-credit-development-faten/>