

# DUTCH GOOD GROWTH FUND IMPACT NEWSLETTER

## TRACK 2 - FINANCING LOCAL SMES

### UPDATE ON COVID-19

The ongoing COVID-19 pandemic has resulted in considerable disruption for emerging markets and developing countries on every continent. DGGF is using this time to work closely with our current investee funds and financial institutions, to assist where possible in the navigation of this difficult economic period, and to assess the longer term impacts for the whole portfolio.

Through investments and client support, DGGF remains committed to the long-term goal of boosting the financial ecosystems for missing middle SMEs in our target countries.



AgricX, India  
Ankur client

## EXPECTED PERFORMANCE OF TOTAL PORTFOLIO\*

**5,773**  
SMEs  
FINANCED

**21,659**  
JOBS  
CREATED

**23%**  
SME REVENUE  
GROWTH

**22%**  
CAPITAL TO  
FEMALE-LED  
SMEs

**27%**  
CAPITAL TO  
YOUTH-LED  
SMEs

**19%**  
CAPITAL TO  
FRAGILE  
STATES

## NEW INVESTMENTS

### BADIA IMPACT FUND II

Closing in progress

### AFRICAN RIVERS FUND III

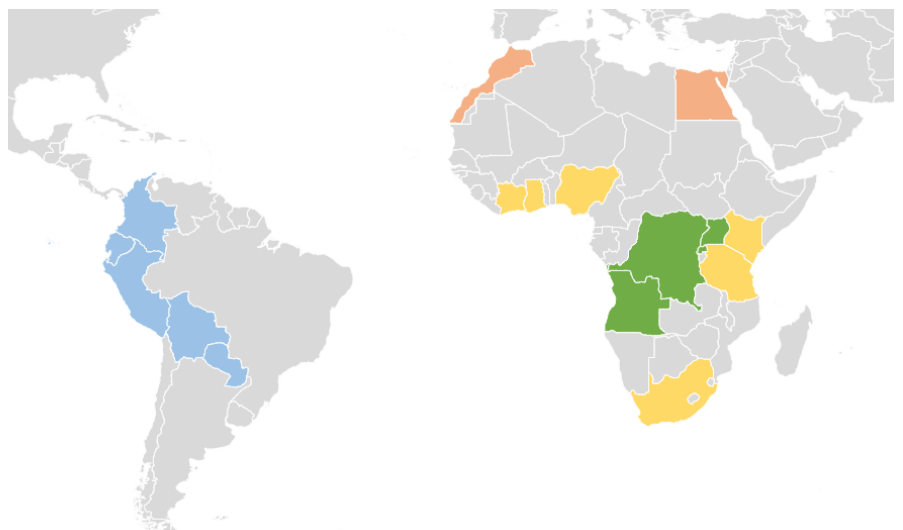
Closing in progress

### ANDES PLUS FUND

Approved

### ATLANTICA VENTURES FUND

New fund



\*Based on expected performance of approved investments over the lives of the investees





# PORTFOLIO HIGHLIGHTS

*iCare, Cambodia  
CLMDF II client*

## **iCare: Access to products and financing for low-income workers in Cambodia**

iCare provides an innovative financing solution to offer essential home appliances and electronics to employees of Cambodian garment factories. The company sets up small booths at partnering factories during the lunch breaks of the workers, where potential clients can purchase the products at market price and on credit with 0% interest for a maximum six-month loan. As a result, clients can potentially benefit from increased quality of life as well as become acquainted with financial product structures in a responsible manner. In the near future, iCare plans to extend its range of merchandise to basic healthcare and education products.

iCare is a portfolio company of Cambodia-Laos-Myanmar Development Fund II, in which DGGF invested in December 2015.

## **Saahas: Pioneering circular waste management in India**

In Bangalore, India, the circular economy has 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 segregation at the source, 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: the majority of its employees are women (64%).

## **Watervale: Selling furniture to Kenyan households**

Watervale manufactures mattresses and supplies raw materials for the production of affordably priced furniture, such as sofa sets. GroFin, the first fund in which DGGF ever invested, invested in Watervale in 2017, enabling the company to expand and improve its production facilities. Mattresses, which were still in the prototype phase three years ago, have since become one of the company's best-selling products. Thanks to GroFin's contribution, Watervale's annual revenue increased by 79% between 2017 and 2019. The company now operates four production lines and employs 240 people, compared to just 50 when they approached GroFin for financing.



*Watervale, Kenya  
GroFin client*

## **Gamify: Secured financing for further MENA expansion**

Ibtikar Fund is a disruptive fund that invests in early-stage innovative companies in the Palestinian Territories. One of their youth-led portfolio companies, Gamify, secured new equity financing. In just over two years, Gamify grew their revenue from USD 0 to 121K and from 2 to 10 employees, with the help of Ibtikar's investment. Gamify offers businesses gamification-based ready-made tools in areas such as customer engagement and workforce management. Gamify partners with e-commerce companies like Shopify and Magento which allows Gamify to offer their products to thousands of customers worldwide.





# DGGF IN ACTION

DGGF at DFI Forum, 4 February 2020

## Gender Lens Investing (GLI) workshop at Triple Jump headquarters - January

DGGF and SC&BD investment staff participated in a 2-day GLI workshop delivered by expert practitioner Kaylene Alvarez. The team improved their understanding of the business case for investing into female-owned and led businesses, and how DGGF can help overcome some of the underlying challenges female entrepreneurs face when accessing finance. The training helped strengthen the team's knowledge about GLI, resulting in a commitment to further incorporate best-practices in the investment process. As an important first step, the DGGF team is in the process of recruiting a female member to the DGGF Investment Committee and will continue to work on better defining their GLI metrics.

## Annual DFI Forum on Venture Capital (VC) - January


The DGGF team organized an event for representatives of 10 different institutions like EIB, FMO, CDC and Proparco. The event focused on a variety of topics for VC funds including pipeline developments, the need for increased seed capital, best practices in VC financing, and due diligence requirements. A guest speaker from Social Impact Ventures, an Amsterdam-based VC fund serving Dutch social enterprises, opened the day-long event. Feedback indicated participants valued the rich discussions and helped cement DGGF's reputation as a key player in the development finance community.

## Closing the Gap - February

The latest reports on Morocco and Tunisia from the #ClosingTheGap series were published. Commissioned by the SC&BD programme, the studies examine the countries' entrepreneurial ecosystems to identify effective strategies to set up and grow enterprises in their respective environments. Thanks to the close collaboration with the Embassy of the Netherlands in both countries, combined with a broad stakeholder consultation, the team was able to deliver the reports. On the 13th of March, the Embassy in Rabat hosted an event to celebrate the graduates of the Orange Corners Morocco 2nd Edition, present the Closing the Gap study, and officially announce the investment in Azur Innovation Fund.

## DGGF and the SDGs - Ongoing

Seeking to become a frontrunner with regards to reporting on the Sustainable Development Goals (SDGs), DGGF held a fruitful SDG-awareness webinar for over 30 DGGF portfolio companies in November last year. Over the coming year, DGGF will develop tailored TA programmes that help investees to identify relevant SDGs for their business strategies, to measure impact, and to improve reporting and communication on the SDGs.



GLI workshop  
Triple Jump HQ, Amsterdam