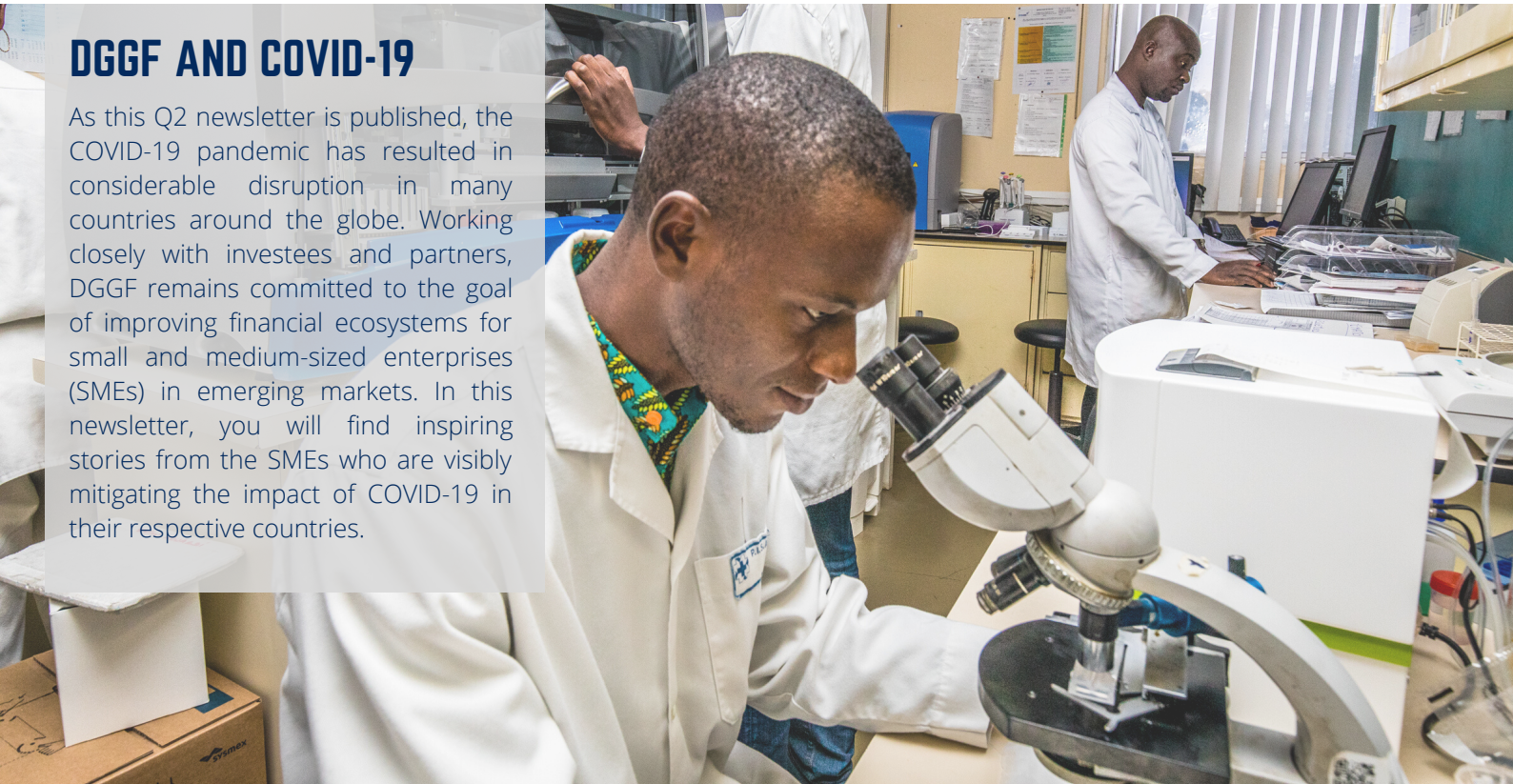


# DUTCH GOOD GROWTH FUND IMPACT NEWSLETTER

## TRACK 2 - FINANCING LOCAL SMES

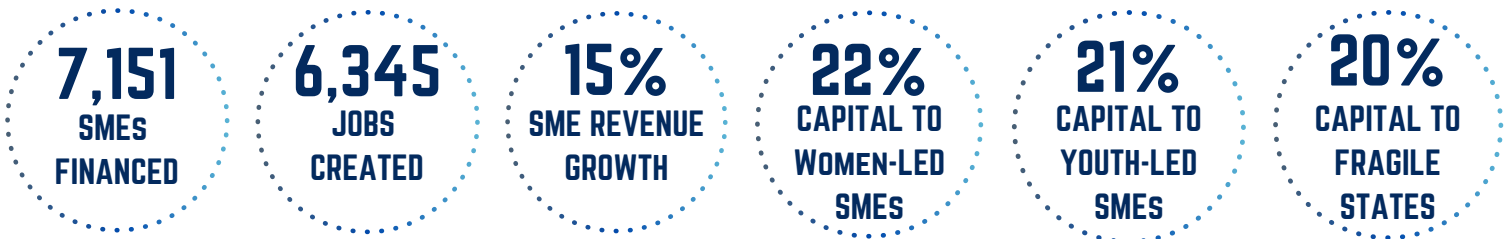
### DGGF AND COVID-19

As this Q2 newsletter is published, the COVID-19 pandemic has resulted in considerable disruption in many countries around the globe. Working closely with investees and partners, DGGF remains committed to the goal of improving financial ecosystems for small and medium-sized enterprises (SMEs) in emerging markets. In this newsletter, you will find inspiring stories from the SMEs who are visibly mitigating the impact of COVID-19 in their respective countries.



Staff of PISAM hospital, a client of Oasis Capital in Côte d'Ivoire \*\*

### IMPACT SNAPSHOT\*



### ADVANCED PIPELINE

#### BADIA IMPACT FUND II

Closing in progress

#### AFRICAN RIVERS FUND III

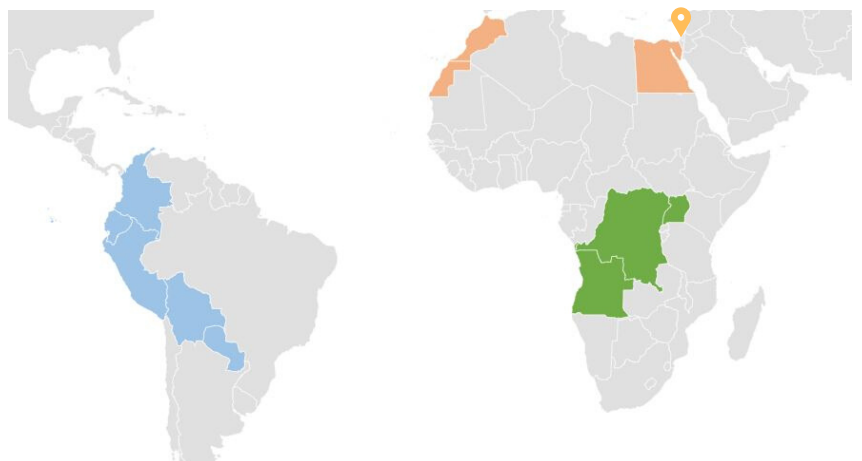
Closing in progress

#### ANDES PLUS FUND

Closing in progress

#### IBTIKAR FUND II

New Fund



\*2019 total actuals

\*\*All photos in this newsletter were taken before COVID -19

# DGGF IN ACTION



## COVID-19 Response - Portfolio commitment and support in the field

The COVID-19 pandemic is affecting societies and economies around the world and will have far-reaching consequences for businesses in emerging markets where DGGF operates. Although much is uncertain about the long-term impacts of the pandemic, it is clear SMEs are already facing the negative financial impacts of COVID-19. During these challenging times, DGGF remains a trusted partner and committed to the long-term goal of improving financial ecosystems for missing middle SMEs. Although the rate of new investments has slowed down, increased interactions with investees and the businesses they finance has allowed DGGF to diligently monitor developments as they unfold.

DGGF is actively assisting investees and partners to navigate through this difficult economic situation. Assistance from DGGF has already led to tailored support for current clients like [ACTB Savings & Loans](#) in Sierra Leone and [Gazelle Finance](#) in Georgia and Armenia. ACTB, a financial service provider with experience in crisis communication during the Ebola outbreak in 2014, will launch a COVID-19 awareness campaign, which is expected to reach at least 6% of Sierra Leone's population. DGGF has supported Gazelle Finance, the first fund introducing mezzanine finance to the Caucasus region, to offer emergency bridge loans for heavily impacted portfolio companies in the export, tourism and hospitality industries. This financial support will increase the ability of the companies to secure jobs as much as possible, and enable them to survive until operations can be resumed after the lockdown period.

## COVID-19 Crisis Response Program - Webinars for financial service providers

Partial or complete lockdowns across the globe have abruptly shifted the focus of financial service providers from business as usual to crisis management. As a response, a series of webinars were organized for financial service providers. The webinars, titled COVID-19 Crisis Response Management, are facilitated by [Inspiring Development](#), a consulting company specializing in banking operations in emerging markets. Focusing specifically on Business Continuity, Liquidity Management and Portfolio Restructuring, the webinars consider experiences from past crises and provide the financial service providers with tools needed to effectively mitigate the impact of the pandemic and adapt to changing business circumstances. DGGF investees with operations in different countries including Armenia, Colombia, Guatemala, Haiti, Jordan, Moldova, Myanmar, and the Palestinian Territories, have participated in the webinars.

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## COVID-19 ESG guidance

DGGF has published two explanatory notes providing Environmental, Social, and Governance (ESG) guidance to funds and financial institutions during the COVID-19 pandemic. As the crisis puts considerable strain on businesses and investors, it is important to ensure that ESG risks are taken into consideration. The first explanatory note provides guidance for funds and financial institutions financing SMEs that cannot guarantee business continuity. It provides an overview of ESG issues that arise when SMEs terminate their business activities. The second note is for funds and financial institutions financing SMEs that face increased operational pressures. It provides an overview of ESG issues arising due to COVID-19. Examples of these risks range from occupational and customer health & safety to single-use plastics pollution to governance risks involving bribery and corruption. For more information on the notes please visit [www.dggf.nl](http://www.dggf.nl).



# PORTFOLIO HIGHLIGHTS

## TESSOL – Cold chain technology to transport COVID-19 diagnostic kits

Thermal Energy Service Solutions ([TESSOL](#)), an investee of [Ankur Capital Fund II](#), is a leader in cold chain technology and transport in India. Historically, the distribution of perishables due to high outdoor temperatures and rural delivery supply chains has resulted in a lot of waste and shorter shelf lives of many products. TESSOL has designed a cold chain transport system and technology which “ensures fresh, healthy, and safe product delivery.” Although TESSOL usually works with the poultry, dairy, fruit, vegetable and horticulture sectors, their cold chain solutions have proven to be crucial in COVID-19 response. Using gel pack cooling and insulation technology, TESSOL's cold chain system is being used for the transportation of diagnostic kits and viral swab samples to and from rural areas. Gel pack cooling offers improved temperature regulation which is crucial for reliable diagnostics as temperature can severely affect virus growth and test results. TESSOL has been recognized by the government of India as one of the 13 start-ups offering key solutions to fighting the COVID-19 outbreak. DGGF invested in Ankur Capital Fund II in 2018.

## AI Mentor – E-learning during COVID-19

Launched in 2016, [AI Mentor](#) is an e-learning platform with a target audience in the Middle East and North Africa. Aiming to address the lack of online development courses available in Arabic, the platform provides professional training on a wide range of topics including technology, humanities, entrepreneurship and business management. Due to the widespread lockdown measures, many educational activities and trainings have been suspended. Working closely with the Egyptian Ministry of Education and local training centers, AI Mentor has made many of these courses available on their online platform. In addition, AI Mentor has developed free courses to raise awareness about COVID-19. DGGF invested in AI Mentor through [Sawari Ventures](#) North Africa Fund I in 2019.



## 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 has 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 centers. DGGF invested in the [Novastar Ventures](#) Africa II fund in 2018, which invests in mPharma.

## Kiu – Developing software tools for remote working

[Kiu](#) is a Software as a Service (SaaS) company that aims to close the access to finance gap by connecting financial institutions and SMEs by means of a digital platform. Since starting operations in Vietnam in 2015, Kiu has reached over 25,000 SMEs in [Vietnam, as well as] Bangladesh, Cambodia, Myanmar, the Philippines, and Thailand. Kiu's platform assesses the loan repayment ability of a business using automated credit scoring. Benefiting from a seamless and quick turnaround time, SMEs can apply for loans and build up a credit history. Financial institutions can significantly reduce transaction costs resulting from improved underwriting and performance monitoring processes. As analog businesses have been forced to cease operations due to COVID-19, Kiu developed 'Work From Home,' a cloud-based solution that enables SMEs to work remotely. Over 450 small businesses in five different countries have signed up for this solution since its launch. DGGF invested in Kiu through the SC&BD Facility in 2019.