

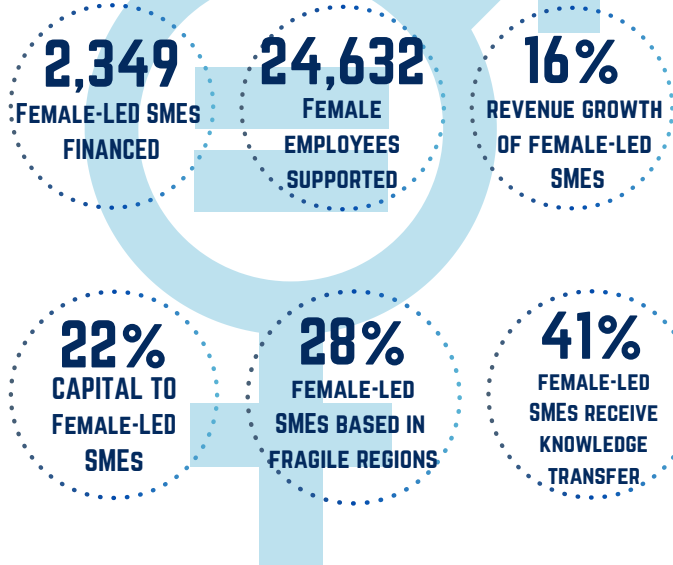
DUTCH GOOD GROWTH FUND IMPACT NEWSLETTER

TRACK 2 - FINANCING LOCAL SMES

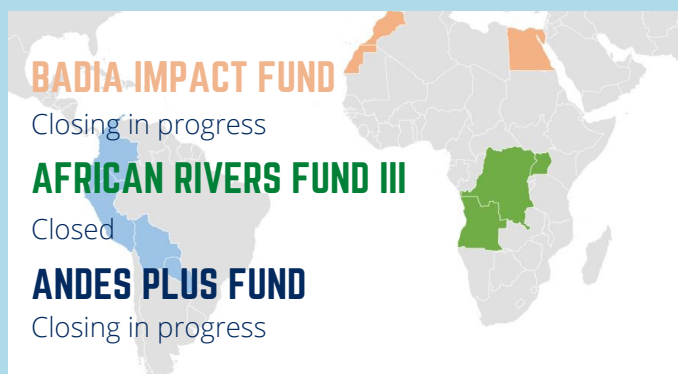


IMPROVING ACCESS TO FINANCE FOR FEMALE ENTREPRENEURS AND SUPPORTING FEMALE-LED SMES IS AN IMPORTANT CORNERSTONE OF THE WORK OF DGGF, WHICH IS WHY THE IMPACT SNAPSHOT IN THIS EDITION IS FOCUSED ON IMPACT RESULTS FOR GENDER EQUALITY.

DGGF IMPACT ON GENDER EQUALITY 2019*



ADVANCED PIPELINE



*Actual results as of EOY 2019

DGGF IN ACTION



COVID-19 'Business Continuity Bootcamps' for Entrepreneur Support Organizations and their Client Enterprises

As the COVID-19 crisis shapes a new business environment, Entrepreneur Support Organizations (ESOs*) have had to rethink how to serve their client enterprises and how to operate in these challenging and uncertain times. Ensuring business continuity for ESOs and guiding the entrepreneurs they support through a similar process is critical in this period. DGGF is partnering with the [African Management Initiative \(AMI\)](#) and [Village Capital \(ViCap\)](#) to leverage their virtual learning expertise towards providing three-month-business continuity bootcamps as part of a cohort of over 30 ESOs and up to 600 of their client local enterprises. The program supports ESOs as they adapt to the challenges, address the threats and risks to their business models, and go through this crisis resilient and able to continue serving local entrepreneurs in a meaningful way.

The bootcamps kicked-off with a launch webinar for all ESOs on July 16th 2020. Three additional bootcamps are anticipated to launch shortly for entrepreneurs in both French and English. After kick-off a three-month virtual support and engagement commences, allowing both ESOs and entrepreneurs to develop, test, adjust, validate and implement business continuity plans. More information is available on AMI's [website](#).

*Entrepreneur Support Organizations (ESOs) is the term that refers to incubators, accelerators, co-working spaces, 'makerspaces / fablabs' and business advisory firms.

DGGF Published its Newest Environmental, Social, and Governance (ESG) Policy

The DGGF ESG Policy has undergone an update to ensure that it still reflects the standards and best practices in the market and has incorporated changes based on feedback received from stakeholders over the last years. The document sets the 2020 ESG standards. DGGF will only invest in Intermediary Funds whose business practices are in line with these standards.

The ESG Policy serves as starting point for portfolio funds and financial institutions to draft their own policies as well as encourage and ensure good ESG practices by the SMEs in their portfolios. These standards help in conserving biodiversity, protecting human rights and preventing corruption. Recent research also suggests that ESG investing helps investors such as the ones in our portfolio achieve better overall performance.

Interested in our policy?
[Please click here.](#)

PORTFOLIO HIGHLIGHTS

Female entrepreneurs in Cambodia Coming Together to Survive and Rebuild from COVID-19



Anak (left) and Sreyrov (right) with Leakhena from SHE Cambodia

Sreyrov and Anak have been running their businesses in Cambodia for several years in different industries. Sreyrov runs Agape Coffee, a coffee farm that employs poor farmers in the South West of Cambodia, and a coffee shop in the capital Phnom Penh. Anak runs a social enterprise called Villageworks, which employs people (mostly women) with disabilities to make hand crafted products such as jewelry and bags, which are sold in Phnom Penh and exported overseas. Both entrepreneurs have been enrolled in the SHE Investments Incubator Program, through which they received training and mentoring and increased their networks.

During COVID-19, both businesses suffered significant challenges and losses. Both Anak and Sreyrov took different approaches to address this issue; such as selling products online and introducing face masks as a new product. In the midst of COVID-19 the two women came together to discuss collaboration, and decided to use an available shopfront to launch a new business together. Moving forward, both women emphasized their need to learn new digital skills to improve their ability to reach more customers and sell products online. Both women have been accepted into the new Digital Literacy Skills training program, which was launched by SHE as a direct response to the COVID-19 crisis.

DGGF's Seed Capital & Business Development (SC&BD) facility is supporting SHE Investments.

Trung Son Care - Boosting Online Pharmacy Services in Times of Crisis

Thanks to its early detection and containment strategy, Vietnam is considered to be a successful case in responding to COVID-19 worldwide. Trung Son Care, a leading pharmacy modern retail chain and portfolio company of Asia Business Builders I (ABBI) is the first point of contact for healthcare during COVID-19 for many people in the region with a presence of over 50 stores. Even though the stores remained open during the soft lockdown, allowing customers to come for advice and support, the online channel traffic doubled in the first five months of 2020, servicing customers with at-home delivery, which turned Trung Son Care into the leader of online



Staff of Trung Son Care Vietnam

pharmaceutical services. The boost in online business is considered a positive outcome of responding to the crisis and is expected to benefit the company in the long term as customer behavior becomes increasingly accustomed to 'the new normal'. In addition, Trung Son Care made sure to implement policies swiftly to avoid spread of contagion of COVID-19 when the virus emerged. Comprehensive temperature checks were put in place for its 220 employees and staff started carrying face masks. As a result, the company has not reported a single case of COVID-19 among its exposed staff or visiting customers.

DGGF invested in ABBI in 2018.

Developing a COVID-19 Health Awareness Campaign

ACTB, a microfinance institution in Sierra Leone and longstanding SC&BD client, is in the process of implementing an in-house COVID-19 awareness campaign expected to reach 8%-10% of Sierra Leone's population. The Health Awareness Project started in April 2020 and replicates a similar Ebola response implemented by ACTB in 2014-2015, which received local and international praise. The goal of the campaign is to inform ACTB's 20,000+ customers, their households, and communities on the impact of COVID-19. As business owners and community pillars, ACTB clients' opinions are taken with seriousness and their influence is being used to disseminate positive information and best hygiene & healthcare practices in peri-urban and rural settings. The two largest TV stations and ten community radio stations have been airing jingles in local languages across 8 districts in Sierra Leone. ACTB estimates 700,000 people have been reached through multimedia content and 20,000 clients -with an average household of 7 people - have received over 350,000 SMS and voice blasts. Additionally, 10,000 face masks have been produced and distributed across the country.

The support provided by SC&BD will sustain activities over the next 2 months.

Q & A WITH ACUMEN LATIN AMERICA EARLY GROWTH FUND

DGGF reached out to Santiago Alvarez and Virgilio Barco, co-founders and Managing Partners of Acumen Latin America Early Growth Fund (ALEG), with questions around the challenges and opportunities for their business, as well as impact ambitions in the midst of COVID-19. ALEG is an impact fund with social objectives related to the growth of SMEs impacting the lives of low-income households in Latin America.

DGGF invested in ALEG in 2017.



What is the status of your business operations and the portfolio in the context of COVID-19?

"We feel lucky that our portfolio is showing resilience to the crisis; the business models of all the portfolio companies are pertinent for the existing context, though each is facing its unique challenges. We believe that the companies' business models will remain relevant in a post-COVID world: they provide critical services to under-served and low-income communities and even have seen growth opportunities despite the strict lockdowns in Peru and Colombia. One Peruvian portfolio company called Phoenix Foods, a food processing company, has been able to continue operations under strict conditions by aligning working hours and shifts with the curfew imposed by the government. Smallholder farmers had to receive licenses which allowed them to continue supplying to Phoenix, a problem that was solved within the first weeks of the lockdown. "

"We have used various resources to deal with the individual challenges of the portfolio companies, helping them navigate through the crisis and looking at ways to adapt. For example, Phoenix Foods had important working capital needs because of an external shock to demand. In order to support them we arranged a weekly finance committee that started analyzing purchases and sales and put controls in place. Furthermore, we helped them to get access to emergency liquidity support provided by the Peruvian government for SMEs."

What is the outlook regarding the impact of COVID-19 on the portfolio?

"None of the Latin American economies have yet reached the peak of COVID-19 cases, so in the short term, the situation looks challenging. However, we remain positive on the outlook because our portfolio companies have demonstrated their relevance in the past and we firmly believe they will continue to be relevant in the future. A company like Phoenix is a good example, as farmers want to secure equitable conditions and consumers will continue to demand healthy food products. Some of our portfolio companies are actually raising capital this year as their business is growing due to COVID-19. An example of such is Crehana Education, an online learning platform that has seen a triple increase in demand over the last few months."

How do you stay committed to your goal to impact women despite the challenges?

"Gender is core to our impact, and the pandemic has proven to have greater negative impacts on women than on men. As a result, we are doubling down on our research to understand the dynamics which may be affecting women in our companies' work forces, suppliers and customers. For this purpose we are launching several deep dive gender studies that aim to help our companies understand how to address key challenges facing women, and how to better level the playing field."