

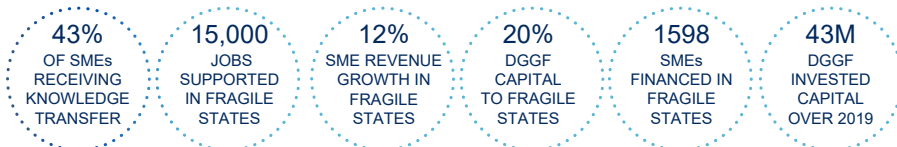
Dutch Good Growth Fund

Financing Local SMEs



Rumi Spice Farmers in Afghanistan. Credits: InFrontier Fund

IMPACT SNAPSHOT: FRAGILE STATES*



SMEs in fragile states face even greater hurdles than others due to limited finance opportunities and chronic instability. By providing patient and risk-tolerant capital, DGGF is able to demonstrate the viability of these markets. That way talented entrepreneurs can succeed in the most challenging contexts.

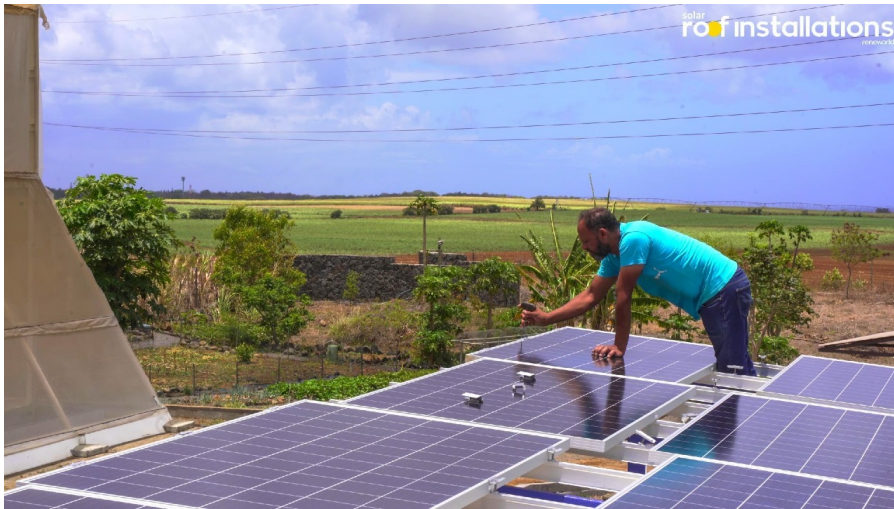
Fragile States where DGGF has financing activities*



*As of EOY 2019

Portfolio Highlights

Accelerating the Energy Transition in Mauritius despite COVID-19



Renewworld installing solar panels. Credits: Inside Equity Fund

The small island nation of Mauritius is still highly dependent on imported fossil fuels to power the economy. Also, the lion's share of the country's greenhouse gas emissions can be attributed to the energy sector. In an attempt to reset the country's economy, embrace clean energy as an engine for jobs and make the island climate-proof for future generations, the government of Mauritius has embarked upon an ambitious energy transition agenda. Reaping the benefits of this opportunity is Renewworld, a leading provider of renewable energy solutions and an investee of [Inside Equity Fund](#) since 2019.

In order to provide these solutions, like building grid-connected solar installations for residences, Renewworld needs approval and a permit from the Mauritian authorities. Although this process is generally effective it took a severe hit during the COVID-19 crisis and subsequent lockdown, therefore permit issuance were suddenly frozen from Q2 2020 for the rest of the year. This left Renewworld in a stressful situation for future business. The company's founder and CEO, Irfanally Fatadin, quickly started looking for ways to not only mitigate the impact of the crisis, but also to turn it into an opportunity for resilience. With support from Inside Equity Fund, the Renewworld team set out to launch new innovations (eg. solar-powered appliance goods such as fridges), restructure sales and processes, develop a rental solution to solar home systems and penetrate the larger-scale segment of the solar energy market.

Successfully initiating these actions in a responsive and efficient way, Renewworld managed to close 2020 better than expected despite COVID-19. More importantly, the company used the lockdown to fast-track the development of initiatives that would have taken much longer to execute in a normal context.

This effort would not have been possible without the partnership with Inside. DGGF invested in [Inside Equity Fund](#) in 2017.

Leveraging Fintech in Liberia

In May 2020, a team of three women came together in a partnership with [Gemini Capital Partners](#) to help create a solution for the deteriorating financial situation in Liberia. During the COVID-19 pandemic accessing money from the banks became challenging for people in Liberia. More people were holding on to cash reserves and the banks were running short of cash. This in turn led to fear and distrust of banking institutions in Liberia.

The aim was to develop a home-grown digital financial service solution to reduce dependency on cash, reduce transaction costs and expand financial services usage to rural residents, and market & street vendors.

As a response the platform Kolakash emerged, appropriately named after the kola nut that has been used as a currency in African cultures for centuries. With the majority of retail market activities being carried out by women and youth, Kola's team is customizing its solution to meet the needs of these two overlapping groups, with the introduction of mobile wallet merchant transactions.

Kolakash provides a comprehensive package of digital e-money and e-payment solutions that capture all facets of mobile transactions necessary to ease the burden associated with digital financial transactions. The solution includes payment services to cater for private and public sector needs. The platform is also being extended to the diaspora users, who provide support to family and friends in their home countries.

DGGF's Seed Capital and Business Development (SC&BD) facility is since 2018 financing the pilot of Gemini, an investment fund focused on building and investing in local, growth-oriented SMEs in Liberia.

Sourcing and Selling Saffron as a Force for Good



Rumi Spice Farmers. Credits: InFrontier Fund

The Afghan business climate is widely regarded as challenging to grow a business, access the global market and contribute to sustainable economic development. Despite these perceptions the country is rapidly developing itself into a leading frontier market with ample opportunities, such as in the saffron supply chain where Rumi Spice started out. An Afghan business that is commercially thriving while also making a difference for the community is exemplified by Rumi, the leading Afghan spices brand working directly with Afghan rural farmers and selling exclusively in the US. Rumi Spice has been an investee company of InFrontier's Afghanistan fund since 2018.

Despite taking a substantial demand hit from key US-based restaurants and retail sales channels as a result of the COVID-19 pandemic, Rumi Spice was able to grow in 2020, in particular by more than doubling their e-commerce business. In addition to a focus on building a US-based distribution network, the success of the company can be attributed to their clear commitment to high ESG standards in the supply chain and a focus on paying fair wages: women saffron pickers in Rumi's network earn 40% more than market standard. Over the years, Rumi has also worked with farmers to employ best practices. In 2020, Rumi Spice launched four new spice categories including cumin, coriander, fennel and dill. In early 2021, Whole Foods Market launched Rumi nationwide.

With financing provided by DGGF amongst other investors, Rumi Spice has become the leading spices brand in the US. DGGF was one of the two anchor investors, together with CDC Group, to invest in InFrontier: the first private equity fund to invest in Afghanistan. DGGF invested in InFrontier in 2016.

Meditation & Mindfulness in the Middle East

As a way to relieve stress during a daily three hour commute, Suna Zoabi Othman, from Ramallah, Palestinian Territories, discovered mindful meditation. She soon noticed that there were no meditation apps available in Arabic language nor focused on Arabic cultural content. However, there was a need in the market as the use of the mother tongue plays a fundamental role in the effectiveness of meditation as a way to release stress, anxiety and post-traumatic stress.

After doing research and engaging with neuroscientists and psychologists, Suna founded Tawazon - the first meditation app in Arabic language. It provides short daily meditations to help relieve stress and anxiety and focuses on enhancing sleep and quality of life. The goal is to bring positive change in emotional intelligence and the ability to better understand the feelings of oneself and others.

The app has thousands of active users every month in the Gulf countries, Palestinian Territories, Egypt and other Arabic countries. The demand for meditation has been continuously increasing during the COVID-19 pandemic because people are facing several difficulties and insecurities. It is the first app to offer a special library for those suffering from post-traumatic stress. It also offers the largest meditation library in Arabic for children, helping youth and adolescents to understand their feelings and behavior.

Tawazon is a portfolio company of Ibtikar since 2020. DGGF's SC&BD facility is supporting Ibtikar since 2017 - a first time fund targeting innovative Palestinian start-ups and early-stage companies.



Display of Meditation App, Tawazon

Ibtikar is also a successful graduation case as DGGF recently approved an investment into their next, larger fund - Ibtikar II. The Palestinian ICT sector is gaining more recognition both within the Palestinian Territories and in the rest of the world, but entrepreneurs are facing severe difficulties to attract funding in this fragile context. Ibtikar aims to address the opportunities in this sector by supporting tech and tech-enabled companies that offer innovative, scalable solutions. Focusing on this segment enables Ibtikar to reach young and promising entrepreneurs and provide them with the support needed to grow their businesses.

DGGF in Action

DGGF Launches New LinkedIn Page: Financing Local SMEs

DGGF's mission is more relevant than ever before. Our mission is to increase access to finance and entrepreneurship in frontier markets through partners, both locally and internationally, that together support the 'missing middle'. Only together, and in cooperation with various stakeholders, we can create ecosystems that will foster inclusive growth, systemic change and build back better post-COVID.

Through our communication efforts we aim to raise awareness and demonstrate how DGGF's mission is taking shape on the ground. The COVID-19 pandemic generally resulted in bigger challenges than our end clients, SMEs and local funds, were already facing, stressing the need for a new stage to showcase their realities. We want to share these experiences with you and all other interested parties, which is why we launched the brand new DGGF – Financing Local SMEs LinkedIn page.

By following [this page](#) you can expect the latest updates around developments in the portfolio, new investments, deep dives into our daily work and spotlights on DGGF-relevant themes and markets.



#DGGFFinancing
Vertaling weergeven



Incubation & Ecosystem Support Page

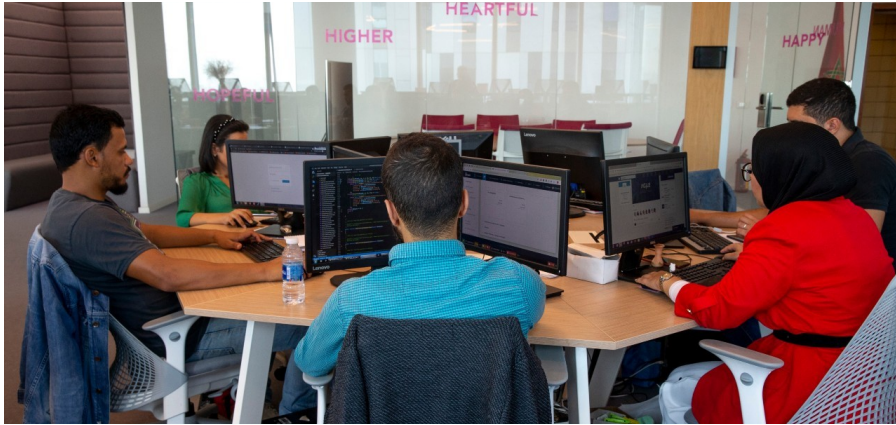
New DGGF Video Out Now!

At DGGF, we believe there is talent in every corner of the world. In our newest video we follow Chama Benab, from Morocco based accelerator [HSEVEN-H7](#), and Rema Subramanian from [Ankur Capital](#) in India, while they engage with the entrepreneurial talent they support and invest in.

HSEVEN-H7 identifies and accelerates high impact tech entrepreneurs in Casablanca, Morocco. DGGF's SC&BD facility has been supporting H7 since 2018, at the start of their journey in fostering development of tech entrepreneurship in Morocco and the region. H7 strives to become a critical part of the local ecosystem by providing complete solutions for startups and corporates in innovative industries. Morocco is a DGGF focus country and in recent years DGGF has established a successful partnership with the Dutch Embassy in order to spur the growth of the local entrepreneurial ecosystem.

In India, Ankur Capital demonstrates a successful fund graduation case, where DGGF's seed capital investment was cornerstone to helping an emerging manager transition into an established venture capital firm. Similar to the first fund, Ankur's Fund II continues to focus on frontier technologies that unlock access to essential products and services for the un(der)served segments in India. DGGF invested in [Ankur Capital Fund II](#) in 2018.

To create a more inclusive tomorrow, DGGF invests in the talents of today. Such a future lies in the hands of the youth, female entrepreneurs and talents in fragile states. Inclusive development geared towards these target groups is at the heart of DGGF's mandate. Together with partners all over the world DGGF continues to foster systemic change and contribute to job creation in frontier markets. Do you want to know more about how our unique approach is making an impact? Watch our video here to get an impression.



HSEVEN-H7 Team

ESG Monitoring with a focus on Living Wage

During the past quarter, we have carried out our annual ESG monitoring and spoke to the majority of the portfolio. We addressed various ESG-related developments, such as the impact of COVID-19 and health & safety implications. In addition, we engaged with the portfolio on the topic of living wage. We assessed the different understandings and applicable standards on setting living wage as well as the extent to which the funds monitor their portfolio on living wage. We will use this input to further define DGGF's strategy to enhance inclusive employment and the creation of decent jobs.

Pioneering Digital Strategies in Sierra Leone



ACTB client

Sierra Leone is characterised by a large underbanked society, with 87% of the population underbanked. This is exacerbated in the case of women and youth entrepreneurs. On the other hand, 88% of the population has access to mobile connectivity, which provides an opportunity for financial institutions to pivot to digital services. Digital transformation for financial institutions already became a priority in recent years as an approach to work simply and efficiently. During 2020 it became synonymous with resilience and survival, particularly in countries where heavy lockdowns were imposed due to COVID-19.

ACTB Savings & Loans, a DGGF investee since 2018 and with support from DGGF's SCBD facility, has received approval to begin its digital transformation journey with the aim of enhancing processes, safeguarding stakeholders, and improving resilience and sustainability. Additionally, the assessment will have a strong focus on assessing ACTB's lending processes and algorithm with a gender and youth lens, in order to better cater for these underserved groups - a first in Sierra Leone.



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