

DUTCH GOOD GROWTH FUND IMPACT NEWSLETTER

FINANCING LOCAL SMES



Nahee Kim, Asma El-Morched, Rand Al Zahawi. Photo credits: Alma Health

IMPACT SNAPSHOT

36%*

Women-
owned or led
SMEs financed

3,820

Youth
employees
supported

5,400

Women
employees
supported

35%*

SMEs financed
in fragile states

**

34%*

Youth-owned
or led SMEs
financed

24,545

Jobs supported
in fragile states

**

The first newsletter of the year is focused on DGGF's key target groups: fragile states, youth and women entrepreneurs. Over the past three years, the world has gone through unprecedented turbulence from the COVID-19 pandemic to political and economic crises, culminating with the tragic war in Ukraine, which led not only to the loss of many lives, but also to global food and energy crises. As a result, women, youth and entrepreneurs in fragile states have been disproportionately affected.

The above impact results show DGGF's contribution to advancing access to finance and entrepreneurship in frontier markets for these target groups in the past seven years. Given the current times of volatility, it is crucial to adopt lessons learnt and sharpen the focus on fragile states, women and youth. By supporting SMEs in fragile states through (seed) capital investments and tailor-made Technical Assistance, DGGF is making a lasting contribution to improving the financial ecosystems of frontier markets when it is mostly needed.

DEAL PROGRESSION

Approved:

SIDIAN BANK

MICROINVEST

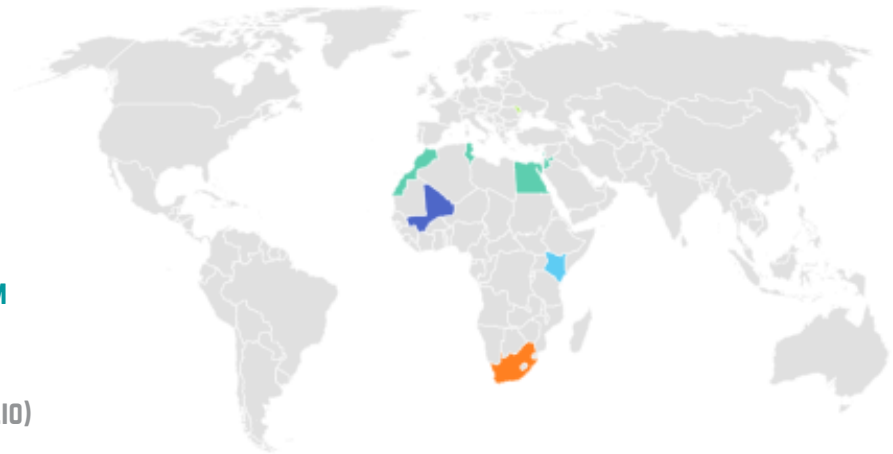
Committed:

COFINA MALI

ACCELERATOR OF ACCELERATORS PROGRAM

LINEA CAPITAL

**DGGF GENDER LENS INVESTING CAPACITY
DEVELOPMENT PROGRAM (ACROSS PORTFOLIO)**



PORTFOLIO HIGHLIGHTS

TRANSFORMING THE LIVES OF PEOPLE WITH CHRONIC CONDITIONS

For those living with chronic conditions life can be very difficult and filled with prescriptions, appointments and constant stress. [Alma Health](#), a direct-to-patient digital healthcare provider, aims to take a load of one's chest. Their licensed health care professionals are providing support through every step of managing the chronic condition from doctor consultation to prescription delivery.



Photo credits: Alma Health

Alma Health is growing rapidly in Egypt and is currently raising their Series A investment round for expansion.

[Ibtikar Fund](#), the only venture capital fund in the Palestinian Territories, has recently [invested](#) in Alma Health. The company represents the vision of Ibtikar's second fund, which is investing in founders from the Palestinian Territories and reconnecting them to the ecosystem of the Palestinian Territories.

DGGF has provided a seed capital [investment](#) to Ibtikar in 2017. After a successful first fund Ibtikar became a graduation case, and the DGGF investment portfolio [invested](#) in 2022 in Fund II.

ADDRESSING THE LACK OF ELECTRICITY FACED BY LOW-INCOME POPULATIONS IN COLOMBIA THROUGH DATA

SunColombia, a renewable solar energy company in Colombia and investee of Acumen Latin America Early Growth Fund (ALIVE) worked with 60decibels to measure and better their impact.

The impact study aimed to better understand how SunColombia's solar installations are impacting its beneficiaries, off-grid schools and communities. The data can be leveraged to improve product design and business performance, leading towards enlarging SunColombia's impact and enhancing access to energy in Colombia.

The study revealed strong evidence for the positive changes electricity generation can bring to not just off-grid schools, but the overall community they are a part of. For example, 34% of school administrators reported that the school is now used for community activities due to SunColombia's services.



Photo credits: SunColombia

The Dutch Good Growth Fund supports ALIVE through the SC&BD facility among other things with these types of studies to address a gap in understanding how companies are creating impact at end-customer level and enable their investees to better serve BoP* customers.

DGGF invested in ALIVE in 2017.

*Base of the Pyramid: People living under \$2 per day systematically lacking access to essential goods and services

CONNECTING LATIN AMERICAN TECH TALENT WITH GLOBAL EMPLOYERS

Globally there is a growing shortage of tech talent. The HR-tech company Talently is addressing this need by connecting Latin American developers with employers around the world. The CEO Doménica Obando, part of the 50 most powerful women in Peru, believes that Latin American developers are among the best in the world and can help fill the gap.



Cristian Vega, CTO; Roxana Kern, COO; and Domenica Obando, CEO.
Photo credits: Talently.

Talently is a tech talent marketplace that offers a faster and more efficient hiring process for companies, with an average hiring time of two weeks. The company also provides skills training for technical talent to help them find jobs through a transparent and easy process. Their vision is to transform the way talent and companies connect and work together.

Talently recently raised \$4M in seed funding. This round was the largest in its sector in Spanish-speaking Latin America.

The company is an investee of the Salkantay Exponential Fund, a DGGF investee since last year.

ACCELERATING YOUNG ENTREPRENEURS IN THE MIDDLE EAST AND NORTH AFRICA REGION

Over the past few years, a large number of initiatives promoting entrepreneurship have emerged in the Middle East and North Africa (MENA), a focus region of the Dutch Ministry of Foreign Affairs. The number of Entrepreneur Support Organisations (ESOs) operating in the region has more than doubled in the past two years, an indication of the vibrant and growing start-up ecosystem.

Like many emerging markets, the MENA ecosystem is fragmented and facing the challenge of duplicative support services which impact is difficult to quantify. ESOs need support to sustainably progress the entrepreneurs they seek to support, address impact gaps and demonstrate the robustness of their strategies, operations and quality services.

While local ESOs are critical to building an investable pipeline for the emerging venture capital industry, only a few programs currently lead to investment outcomes.

This gap highlights a need to support these ESOs to better serve and drive capital to youth-led, high-growth potential ventures, and foster stronger networks with early-stage investors in the region. The growth of early-stage businesses has been shown to increase job creation and contribute to the region's development.



*Shruti Mehrotra from Mihuru, Financial Inclusion India 2019.
Photo credits: Village Capital*

Village Capital has been supporting impact-driven seed-stage start-ups and running ESO Accelerators for locally-led start-up support organisations. With the MENA Ecosystem Builders program they are enabling start-ups to raise funding and run programs that effectively support entrepreneurs.

Through this new partnership with DGGF's SC&BD, Village Capital will select the region's most promising locally-led ESOs, give them the support they need to better serve and drive capital to youth-led high growth potential ventures, and build networks across the region, specifically with early-stage investors to further the growth of local early-stage businesses that will create jobs, notably for the youth.



*Gursimran Singh and Dhaval Bhatt from Fingoole, Financial Inclusion 2019.
Photo credits: Village Capital*

DGGF IN ACTION

SUPPORTING COMPANIES AFFECTED BY THE UKRAINIAN-RUSSIAN WAR TO CONTINUE OPERATING

The Ukrainian-Russian war has resulted in a humanitarian and migrant crisis. Many Ukrainian companies are displaced and have a strong need for financing and support to continue the viability of their business. Georgia appeals as a new home or market for displaced companies due to Georgia's deep economic and cultural ties with Ukraine.

Gazelle Finance set up a TA facility to relocate companies affected by the Ukrainian-Russian war in an efficient and effective manner to Georgia or Armenia, either by providing a secure physical location for their portfolio businesses to operate or alternative markets for their products and services to generate another revenue stream.



Photo credits: Gazelle Finance (left to right)

Diana Apkhzava - Head of Sustainable Development and ESG, Gazelle

Natia Janelidze - CIO Georgia, Gazelle

Jeffrey Liebert - CEO, Gazelle

Irakli Nadareishvili - Deputy Minister of Economy and Sustainable Development of Georgia

Giorgi Tughushi - CEO of Scroll (Mercury LLC)

Through the facility, Gazelle Finance has, for example enabled Scroll to maintain their operations in Ukraine, providing a much-needed transportation service to the people of Ukraine at a time of severe energy shortages.

The Dutch Good Growth Fund supports Gazelle Finance to set up and run this TA facility through the SC&BD facility together with partners FMO and DFC. The TA Facility is a unique initiative within the region, and has a specific focus on female and youth employees as well as female and youth entrepreneurs. Supporting them in this endeavor protects existing jobs and enables further job creation.

Gazelle is a DGGF investee since 2017.

ANNUAL SURVEY ON ANGEL INVESTING

Angel investors are playing an increasingly important role in the African investment landscape. In simple terms, an "angel" is an individual that provides entrepreneurs and start-ups with early-stage risk capital through a diverse set of instruments, as well as knowledge, and access to networks to support founders on their journey. Angels mostly operate in groups of different shapes and sizes, such as syndicates, in order to spread the risk and enhance investment performances.

Angels provide starting capital, often making them the first investors in early-stage businesses. For many start-up founders, angels represent the first real entry point to fundraising, as they may be able to offer more flexible terms than traditional venture capital firms or banks.

Although many angel tickets are small, Briter Bridges' data reveal that more and more angels are actively participating in bigger stage funding rounds as well.

Despite some similarities in the way angels invest, the profile and interests of angels differ. This research, commissioned by the Dutch Good Growth Fund and implemented by Briter Bridges in partnership with African Angel Business Network (ABAN) and African Angel Academy (AAA), explores the activities and demographic backgrounds of angels operating across Africa.

This research report is the first edition of an annual series that has been discussed at the African Early Stage Investment Summit #AESIS 2022. The report is available here and the recording of the knowledge roundtable is available here.

DGGF'S IMPACT REPORT

DGGF has recently published its 2021 impact report. In this report, we dive deeper into the core impact areas of SMEs financed and jobs created since the start of DGGF, with particular attention to the challenges faced in the context of the COVID-19 pandemic.

Furthermore a snapshot on how DGGF contributes to the SDG framework is included. The main purpose is to showcase a selection of stories of SMEs financed by DGGF, which made a notable contribution to DGGF's impact goals under the most difficult circumstances.

Click [here](#) to read the report in full.



Photo credits: ETUdesk

Would you like to know more about DGGF in the countries in which you operate?

Visit our [website](#) or contact us at dggf@pwc.com

