



Dutch Good Growth Fund

Part of DGGF

Financing Dutch SMEs who aim to invest in Dutch Good Growth Fund (DGGF) designated countries, managed by RVO (Track 1). As RVO is not allowed to invest via equity/quasi-equity or related instruments, investment funds have been selected to facilitate Dutch SMEs having strategies to access or expand into developing (DGGF) markets.

Intermediary fund (IF)

ForestEffect Fund (FGR, "Fonds voor Gemene Rekening") is domiciled in The Netherlands

Geographic focus

East-Africa, West-Africa, Latin America and potentially Asia.

Size of investment

DGGF provides a loan of EUR 4 million leveraging the EUR 4 million which the private shareholders invested in the fund.

Manager of ForestEffect Fund

ForestEffect is based in The Netherlands (The Hague). They envisage to make at least 7 acquisitions in Dutch SMEs and locally established companies to facilitate expansion strategies of these companies into DGGF-countries.

Website

www.foresteffectfund.com

Short description

The strategy of ForestEffect is based on making investments in the food commodities sector with the purpose of improving the sustainability of the food value chain. In addition, stopping further deforestation is a key element in their approach. Good management and a sound business strategy are perceived as being value drivers. In addition, local impact should be a key aspect while creating jobs, transferring knowledge to the local population and to ensure production growth. This will be reported and monitored on an annual basis.

Tax compliance

RVO has assessed the risks of tax avoidance by the Fund and will monitor this on a regular basis. The outcome of this initial assessment confirms that the Fund is not making use of artificial constructions to lower tax in the developing countries. The domicile of the IF (The Netherlands) complies with the transparency requirements of the OECD. Subsequently, the Fund calls on SMEs with financing demands to comply with local rules and regulations, including those related to tax issues.