



Netherlands Enterprise Agency

Dutch Good Growth Fund Part: Financing Local SMEs

A program by the Ministry of Foreign Affairs

Information Sheet

A consortium consisting of Triple Jump and PwC is responsible for the management of the Dutch Good Growth Fund (DGGF) Part: Financing local SMEs in up to 66 selected countries through investing in Intermediary Funds. The consortium manages the DGGF on behalf of the Dutch Ministry of Foreign Affairs.

Purpose

Through funds and other Intermediary Funds (IFs), the DGGF aims to improve financing for the 'missing middle.' The 'missing middle' refers to entrepreneurs who have outgrown micro-financing but do not yet have access to conventional capital markets. The DGGF aims to reach out to underserved countries, foster innovative financing products and invest in specific target groups (young and female entrepreneurs and entrepreneurs in fragile states that face high barriers to attracting capital). By doing so, the DGGF contributes to promoting knowledge transfer, increasing employment and production capacity and thus becomes a driver of economic growth.

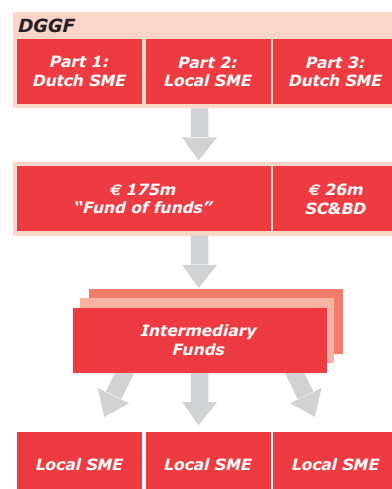
Procedure

The Dutch Good Growth Fund works through a 'fund of funds' model, which consists of two distinct levels in the investment chain: 1. the DGGF invests in (mainly locally operating) existing or new funds, and 2. these Intermediary Funds in turn offer a variety of customized financing to SMEs. The DGGF can also invest in funds that contribute to an improved infrastructure for SMEs. The DGGF does not, however, invest directly in SMEs.

Over a period of 4 to 5 years, the DGGF will build a diversified portfolio of such 'fund in funds' investments, during which the fund will gradually grow to its full size of EUR 175m.

The Seed Capital and Business Development (SC&BD) budget complements the investment services by:

1. Supporting business development services for local SMEs via the Intermediary Funds;
2. Providing Technical Assistance and Seed Capital Investment for Intermediary Funds, including the design and pilot phases of new funds that the DGGF may consider for an investment at a later stage.



Information Sheet

Criteria for Funds	DGGF offers
Financially sustainable (positive return on investment)	Moderate return requirements in line with the developmental goals
Provide financing to the 'missing middle' with investments in SMEs (max. 250 employees) of approximately USD 10.000 to USD 5M per transaction	Flexible capital provision, including: <ul style="list-style-type: none"> • Equity • Mezzanine • Debt • Guarantees
Meet international standards of: <ul style="list-style-type: none"> • Corporate Social Responsibility (OECD guidelines and IFC Performance Standards) • Tax avoidance and transparency • Monitoring and (impact) evaluation 	Long-term financial commitment possible: <ul style="list-style-type: none"> • No fixed exit period • Support of permanent structures
Reach specific target groups of entrepreneurs: <ul style="list-style-type: none"> • Female • Young (<35 years) • In fragile states 	Active partner: <ul style="list-style-type: none"> • Setting up of fund structures • Fund governance
Development impact in terms of (direct and indirect) employment generation, production capacity and knowledge transfer.	Support through the SC&BD programme: <ul style="list-style-type: none"> • Support at fund/financial intermediary level, including design and pilot phases of new funds • Seed capital for innovative initiatives at intermediary level • Provision of capital for Business Development Services at SME level
SME financing products are innovative and/or additional to existing market initiatives	
The DGGF is able to play a catalyzing role in attracting other investors and being complementary to other public and private financing initiatives	

66 Target Countries

The Intermediary Funds must invest in one or several of the target countries listed below:

Afghanistan	Burundi	Ghana	Malawi	Nigeria	South-Sudan
Albania	Cambodia	Guatemala	Maldives	Pakistan	Sri Lanka
Algeria	Cape Verde	India	Mali	Palestine Territories	Surinam
Angola	Colombia	Indonesia	Moldavia	Peru	Tanzania
Armenia	Congo Dem. Republic	Jordan	Mongolia	Philippines	Thailand
Bangladesh	Djibouti	Kenya	Morocco	Rwanda	Tunisia
Benin	Egypt	Kosovo	Mozambique	Sao Tomé	Uganda
Bhutan	Eritrea	Laos	Myanmar	Senegal	Vietnam
Bolivia	Ethiopia	Libya	Nepal	Sierra Leone	Yemen
Bosnia Herzegovina	Gambia	Macedonia	Nicaragua	Somalia	Zambia
Burkina Faso	Georgia	Madagascar	Niger	South-Africa	Zimbabwe

The DGGF is administered on behalf of the Ministry of Foreign Affairs.

For more information, please contact

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Like every fund, the DGGF will build its portfolio gradually spread across a variety of target groups, SME financing products and countries. The Investment Manager will maintain an adequate balance between different types of investments, taking into account the track record of Intermediary Funds and their managers, as well as considering each investment in the context of other investment opportunities.

Contact

PwC and Triple Jump

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Investment Proposals

Proposals should cover the following topics:

- Fund structure and size
- Average size and type of investments
- Country and/or sector focus
- Development impact
- Management Team and track record

Procedure

We aim to conduct a first screening and contact you within 2 weeks.

Netherlands Enterprise Agency (RVO.nl) is an agency of the Dutch Ministry of Economic Affairs. Netherlands Enterprise Agency implements policy for various ministries in to the areas of sustainability, agricultural, innovation and international business and cooperation. Netherlands Enterprise Agency is the contact point for businesses, knowledge institutions and government bodies. For information and advice, funding, networks and legislation and regulations.

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