



Rijksdienst voor Ondernemend
Nederland

Dutch Good Growth Fund for Dutch SME's





Agenda

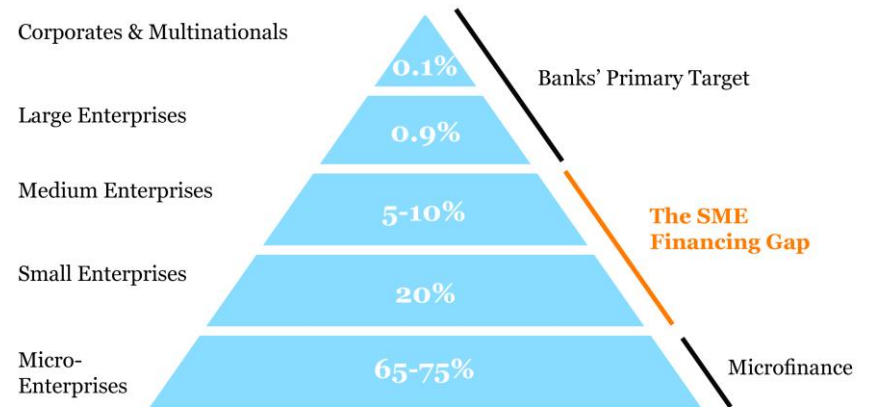
1. Introduction DGGF
2. DGGF - Investing
3. DGGF - Export



DGGF Goal: bridging the SME finance gap in Netherlands and DGGF countries

- SME financing in DGGF countries is perceived as “high risk” by financiers:
 - High transaction costs per deal
 - Limited information
- Limits growth of SME’s which are the job engines of an economy.
- DGGF will finance Dutch SME’s in DGGF countries.

Typical Business Landscape in Emerging Economies





DGGF

- Revolving fund
- 3 tracks:
 - Financing investments by Dutch SMEs in developing countries (RVO.nl)
 - Financing local SMEs in developing countries (Triple Jump, PWC via Investment Funds)
 - Credit insurance and trade finance for Dutch SME exports to developing countries (Atradius)
- 1 front door
- Opened on July 1st 2014



DGGF countries

- 
- Afghanistan (F)
 - Algeria
 - Angola
 - Armenia
 - Bangladesh
 - Benin
 - Bhutan
 - Bolivia
 - Burkina Faso
 - Burundi (F)
 - Cambodia
 - Colombia
 - DR Congo (F)
 - Djibouti
 - Egypt
 - Eritrea (F)
 - Ethiopia
 - Philippines
 - The Gambia
 - Georgia
 - Ghana
 - Guatemala
 - Guinee
 - Haïti
 - India
 - Indonesia
 - Ivory Coast
 - Jemen (F)
 - Jordan
 - Cabo verde
 - Kenya
 - Kosovo (F)
 - Laos
 - Libanon
 - Libya (F)
 - Liberia (F)
 - Madagascar (F)
 - Malawi (F)
 - Mali (F)
 - Morocco
 - Moldavia
 - Mongolia
 - Mozambique
 - Myanmar (F)
 - Nepal (F)
 - Nicaragua
 - Niger
 - Nigeria
 - Pakistan
 - Palestine
 - Peru
 - Rwanda
 - Sao Tomé
 - Senegal
 - Sierra Leone (F)
 - Somalia (F)
 - Sri Lanka
 - Surinam
 - Tanzania
 - Togo
 - Tsjaad
 - Tunesia
 - Uganda
 - Vietnam
 - Zambia
 - Zimbabwe (F)
 - South-Afrika
 - South-Sudan (F)

(F) = fragile state

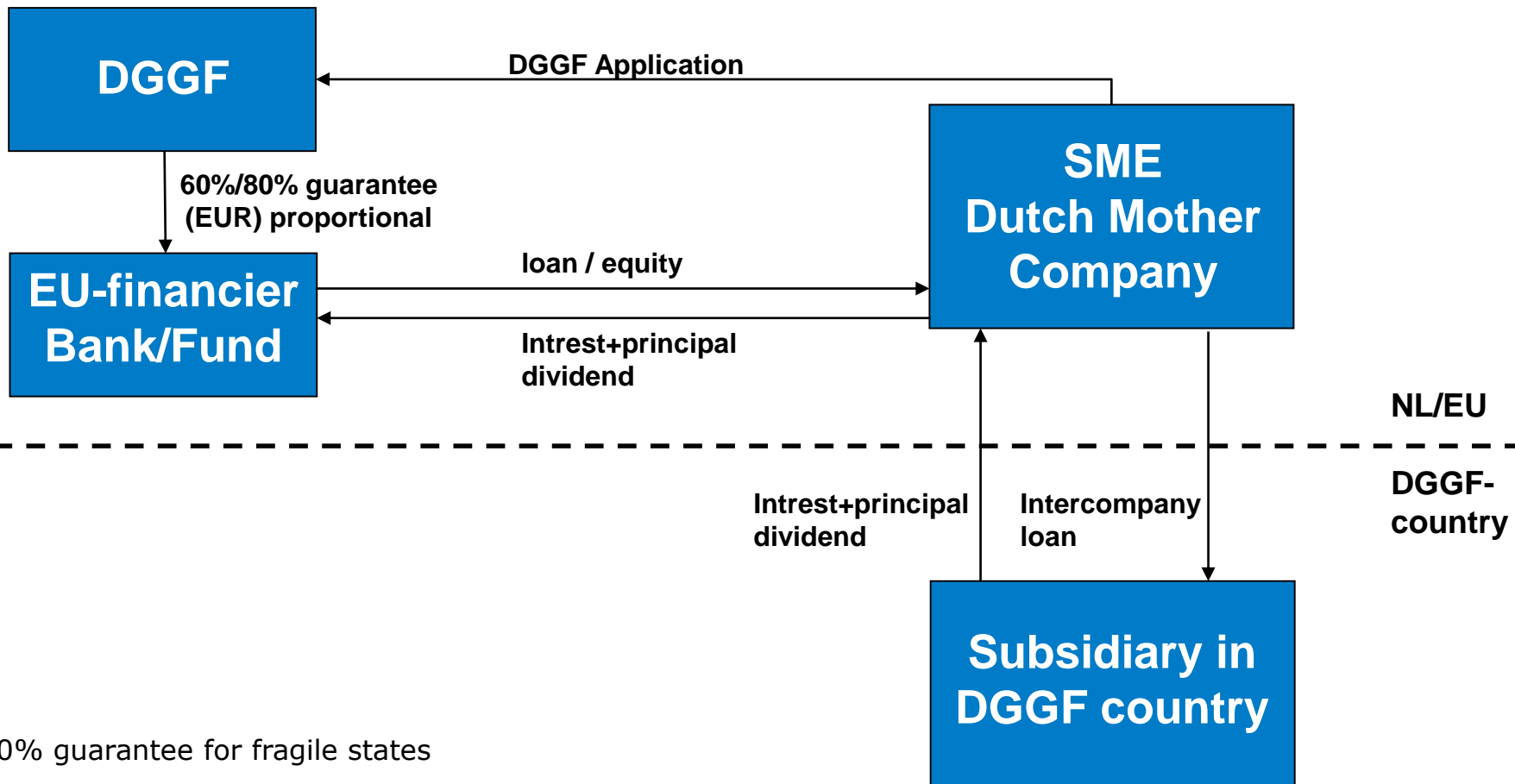


Financing options DGGF 1

- “Bankable” Dutch SME’s:
 - Profile: profitable enterprise, sufficient equity, 3 yr+ track record, etc.
 - DGGF Loans directly to Dutch SME’s in co-financing with EU banks
 - DGGF Guarantees on loans of local/EU banks
 - DGGF Stand-alone loan
 - *For CAPEX, but working capital also possible!*
- Fast growing SME’s with a fully developed product:
 - Profile: fast growing company with negative cash flow in the coming years, usually has not been profitable yet, strong business plan, strong team, first sales have been made, high Impact!
 - DGGF High Risk/High Impact loan(pilot)
 - *For CAPEX, but working capital also possible!*



Guarantee to an EU financier



*) 80% guarantee for fragile states

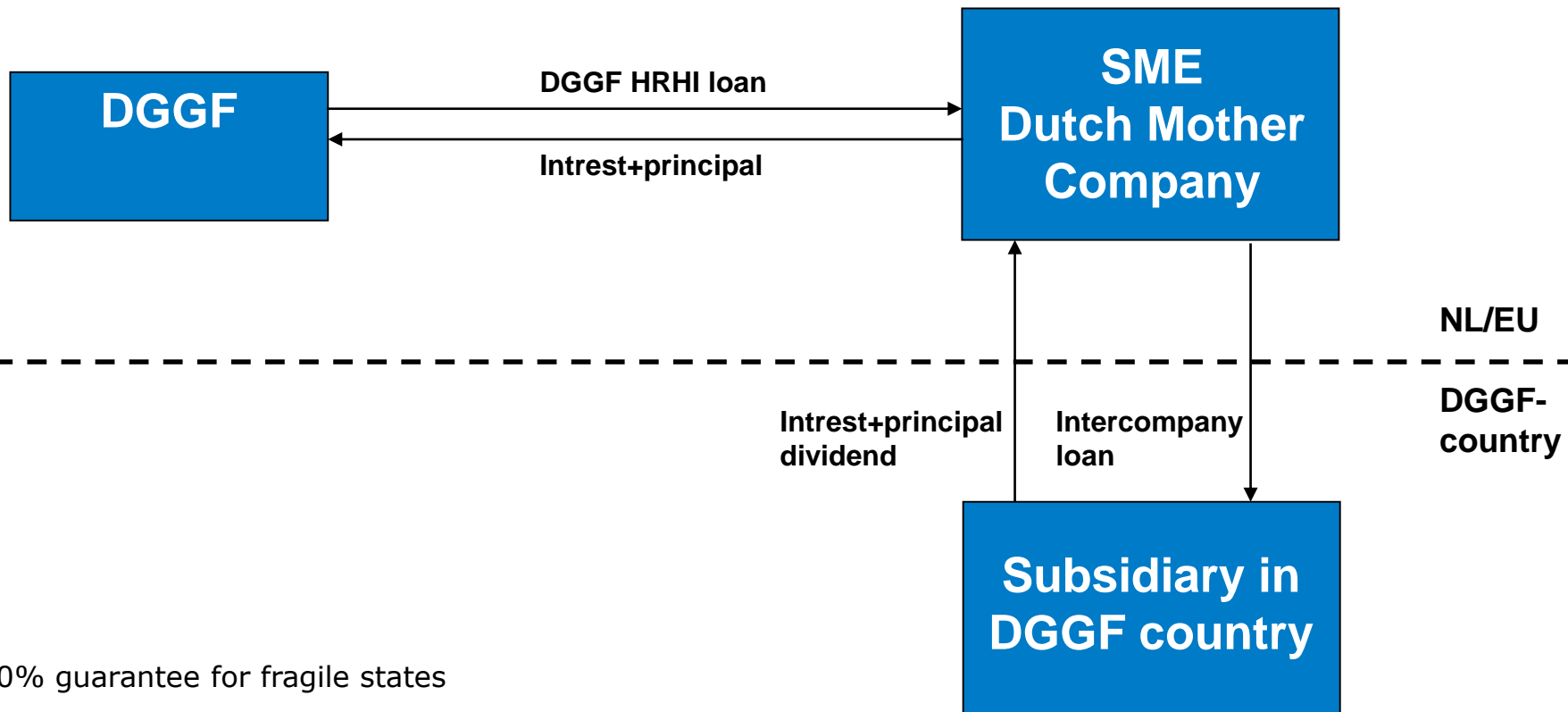


Guarantee to an EU financier

Condition	
Max DGGF (49%)	EUR 10 mln.
Totale investment (indicative)	EUR 20 mln.
Guarantee provision	2,5%-3,5% p.a.
Up front fee	1%
Max repayment term	7 years
Fresh money contribution of SME	Min 20% (indicative)



HRHI Loan to Dutch SME



*) 80% guarantee for fragile states



High Risk/High Impact financing

Sweetspot DGGF	EUR 0.5 en 2 mln.
Special conditions	<ul style="list-style-type: none">- Bullet repayment at the end of the loan period- Subordination- Intrest can be added to the loan sum- Extension
Intrest	4% to 8%
Maturity fee	Fee at the end of loan period (5%)
Up front fee	1%
Tenor	7 years
Own contribution SME	At the moment of the loan of in the past



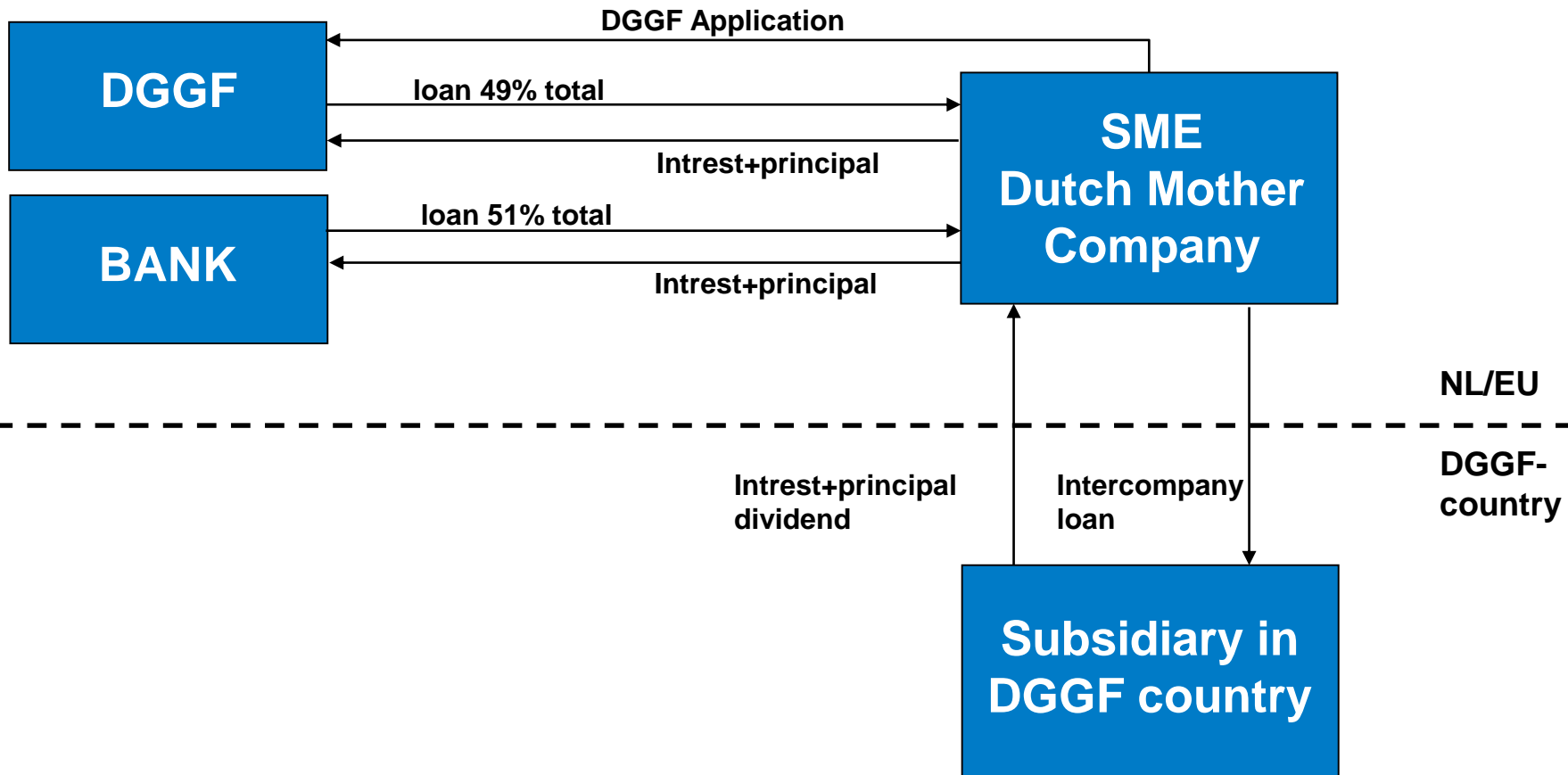
Primstar, Nigeria

- Shrimp farm in Nigeria
- Loan and Guarantee
Rabobank
- 320 jobs, training and
healthcare for employees





Co-financing





Co-financing

Condition	
Max DGGF (49%)	EUR 10 mln.
Totale investment (indicative)	EUR 25 mln.
Intrest rate	Competitive to the market
Up front fee	1%
Max repayment term	7 years
Fresh money contribution of SME	Min 20% (indicative)



Criteria DGGF 1

- Dutch SME's which want to invest in a DGGF country:
 - EU definition SME:
 - > annual turnover max. € 50 mio OR balance sheet total max. € 43 mio
 - > FTE employees max. 250
 - > exceptions are possible!
 - Dutch:
 - > satisfies "substance criteria" tax office;
 - > Dutch mother company has dominant control over local subsidiary.
- Good business case, acceptable risks, financially sound company and project
- Additional to the market: not competing with commercial financiers



Criteria DGGF 1

- Development impact
 - local employment growth
 - sustainable transfer of knowledge and skills, technology and innovation
 - improving local production/productivity
- ICSR (international corporate social responsibility):
 - Activity should not be mentioned on FMO exclusion list
 - Applicant and project has to comply with OECD Guidelines
 - Project has to comply with IFC Performance Standards
 - Applicant should have CSR policy



Technical assistance DGGF 1

1. During the application phase: if the business case is good, DGGF can give support for i.e. developing a financing plan or implementing a CSR study
2. During implementation: DGGF likes to be involved to strengthen the development impact. For example by giving advice and support for setting up an outgrower's scheme





DGGF 1: applications



- See our website: www.rvo.nl/DGGF or <http://english.dggf.nl/>
- Call +31 88-0424242
- Fill in the Quick scan form and we will call you to discuss your plans

