CREATING EQUAL OPPORTUNITIES

Ferdinand Tuinstra

June, 2020

NpM'S MEMBERS HAVE A STRONG TRACK RECORD IN INCLUSIVE FINANCE

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OUR OBJECTIVES ARE TO PROMOTE INCLUSIVE FINANCE

KNOWLEDGE HUB

LINKING PIN

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VOICE OF THE SECTOR

LIAISON

DUTCH INVESTMENTS IN INCLUSIVE FINANCE HAVE GROWN TO OVER 4 BILLION EUROS

JOINT COMMITMENT

active in

97

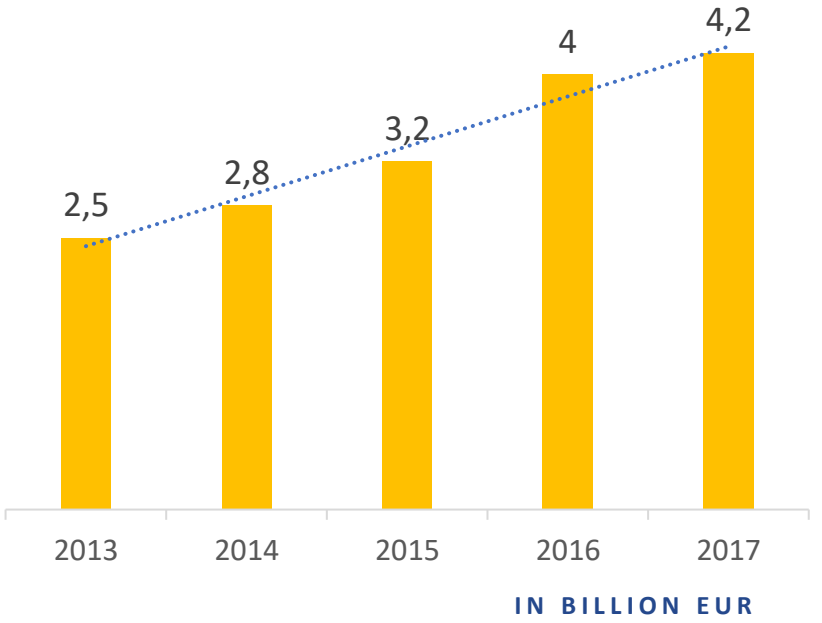
countries

more than

1100

FIs/funds

TRENDS IN DUTCH INVESTMENTS



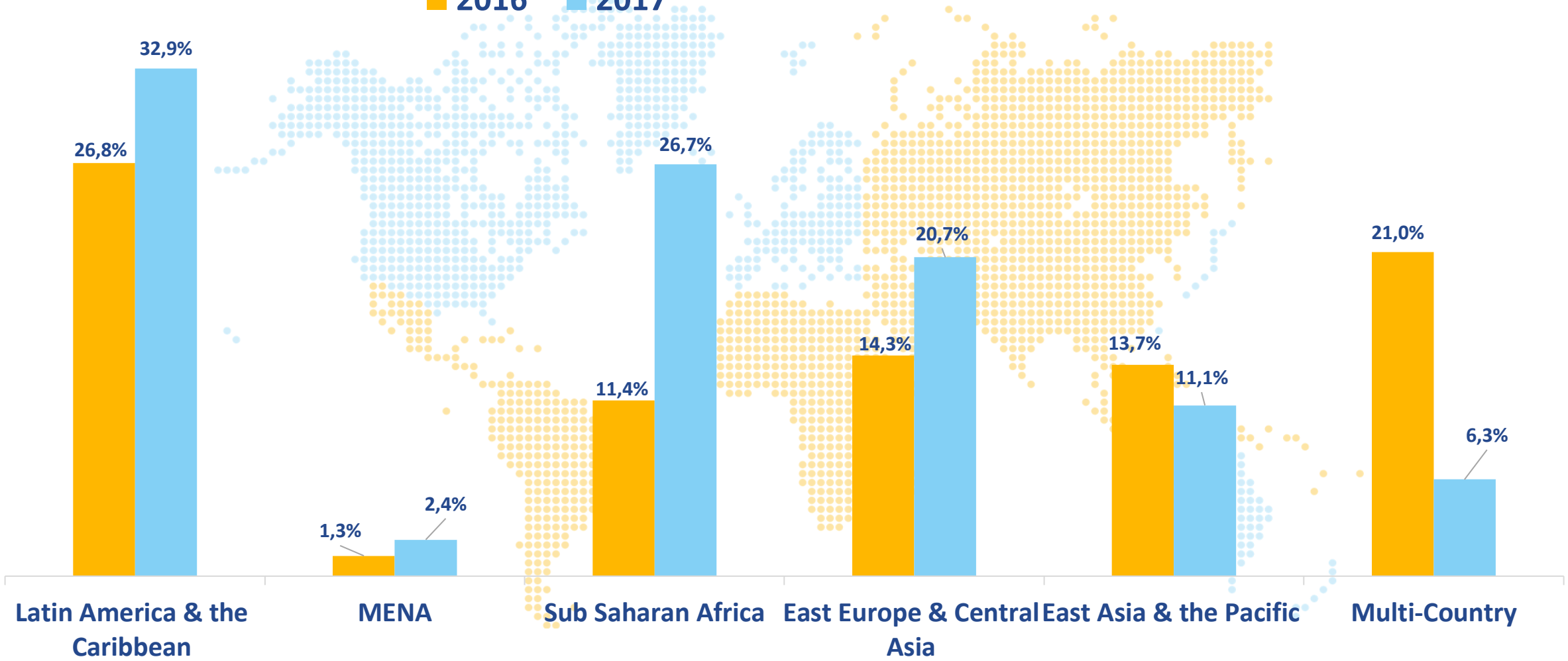
this amount
is more than

12%

of the total foreign funding in the inclusive finance sector

SHIFT IN FOCUS FROM MULTI-COUNTRY TO SPECIFIC REGIONAL AREAS

FUND ALLOCATION



WE SUPPORT OUR MEMBERS IN ACHIEVING THE SDGs THROUGH 4 THEMATIC AREAS

THE SDGs

THEMATIC AREAS

GEODATA FOR INCLUSIVE FINANCE & FOOD

RURAL FINANCE EXPERT GROUP

FINANCE FOR REFUGEES

GREEN INCLUSIVE FINANCE

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GEODATA FOR INCLUSIVE FINANCE & FOOD (G4IFF)

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Ministry of Foreign Affairs of the Netherlands

Netherlands Space Office

ICCO

FMO Entrepreneurial Development Bank

Bill & Melinda Gates foundation

Rabobank Foundation

G4IFF IS A COLLABORATIVE SUCCESS

G4AW PROGRAMMES

60 MILLION EUROS
23 PARTNERSHIPS

Netherlands Space Office

G4IFF: PROGRAMMES FOR FSPs

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Scientists

MNO's

Geospace Companies

Software Companies

Essential Link for Success

ADVANTAGES FOR SMALLHOLDER FARMERS & VALUE CHAIN ACTORS

- Increased yields
- Constant supplies
- Market access
- Track record

ADVANTAGES FOR FSPs

- Improved Risk management
- Lower costs
- Well designed products
- Increased outreach

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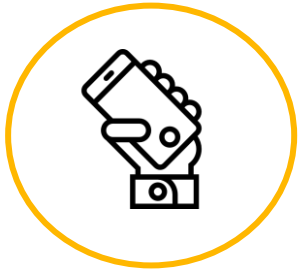
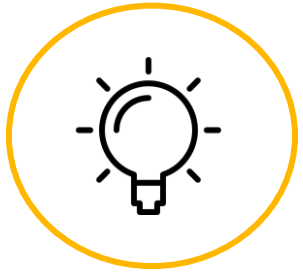
GEODATA CAN BE USED TO INCREASE FOOD SECURITY AND ACCESS TO FINANCE

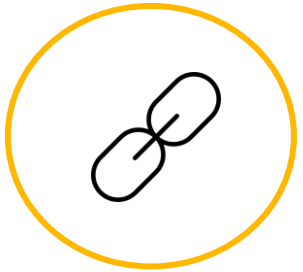
G4IFF OBJECTIVES



Promote use of Geospatial information by FinTechs and AgTechs



Support smallholder farmers in realizing higher yields by using geodata



Facilitate search for high risk bearing capital investments

Systematically **analyze** initiatives that use Geodata technology

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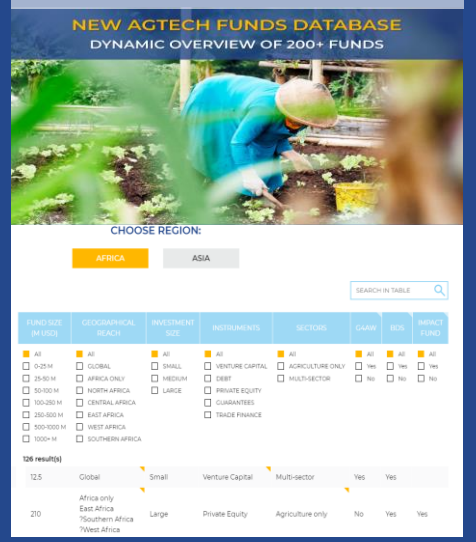
MULTIPLE PROJECTS HAVE BEEN INITIATED TO PROMOTE GEODATA

G4IFF

2017
GEODATA & ICT MAP

2018
INNOVATOR'S CHALLENGE

2018
AGTECH FUNDS DATABASE



2019
WHITEBOARD SESSION

Netherlands Space Office · ICCO · FMO Entrepreneurial Development Bank · Triple Jump · Rabobank Foundation · lendahand · Triodos Investment Management · Bill & Melinda Gates foundation · OIKO CREDIT

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G4IFF INNOVATOR'S CHALLENGE: WINNERS RECEIVED 125K EURO TO PILOT PROJECT IN KENYA

SELECTION CRITERIA

- Scalability
- Financial Inclusion
- Integration of services
- Technical applicability
- Development Impact
- Business/Finance Innovation

SELECTION PROCESS

ONGOING SUCCESS STORY OF INNOVATOR'S CHALLENGE WINNERS

VanderSat

- Raised multimillion Euro investment from Social Impact Ventures to further develop satellite technology (2020)

Social Impact Ventures

- Entered strategic partnership with AXA Climate to offer parametric insurance products against drought-related losses (2020)

AXA

APOLLO AGRICULTURE

- Raised USD 6 million series A financing from Anthemis to invest in growth and strengthen balance sheet (2020)

anthemis

- Raised equity from Accion Venture Lab Fund; investors in the fund a.o. FMO and Stichting Hivos-Triodos Fund (2019)

ACCION

AGRI-WALLET

- Partnered with IDH to conduct service delivery analysis (2020)

IDH the sustainable trade initiative

- Raised Euro 300k loan from Rabobank to expand user base (2019)

Rabobank Foundation

FUNDS DATABASE FOR EARLY STAGE AGTECH COMPANIES TO SURVIVE THE VALLEY OF DEATH

G4IFF

#AGTECHFUNDS #G4IFF

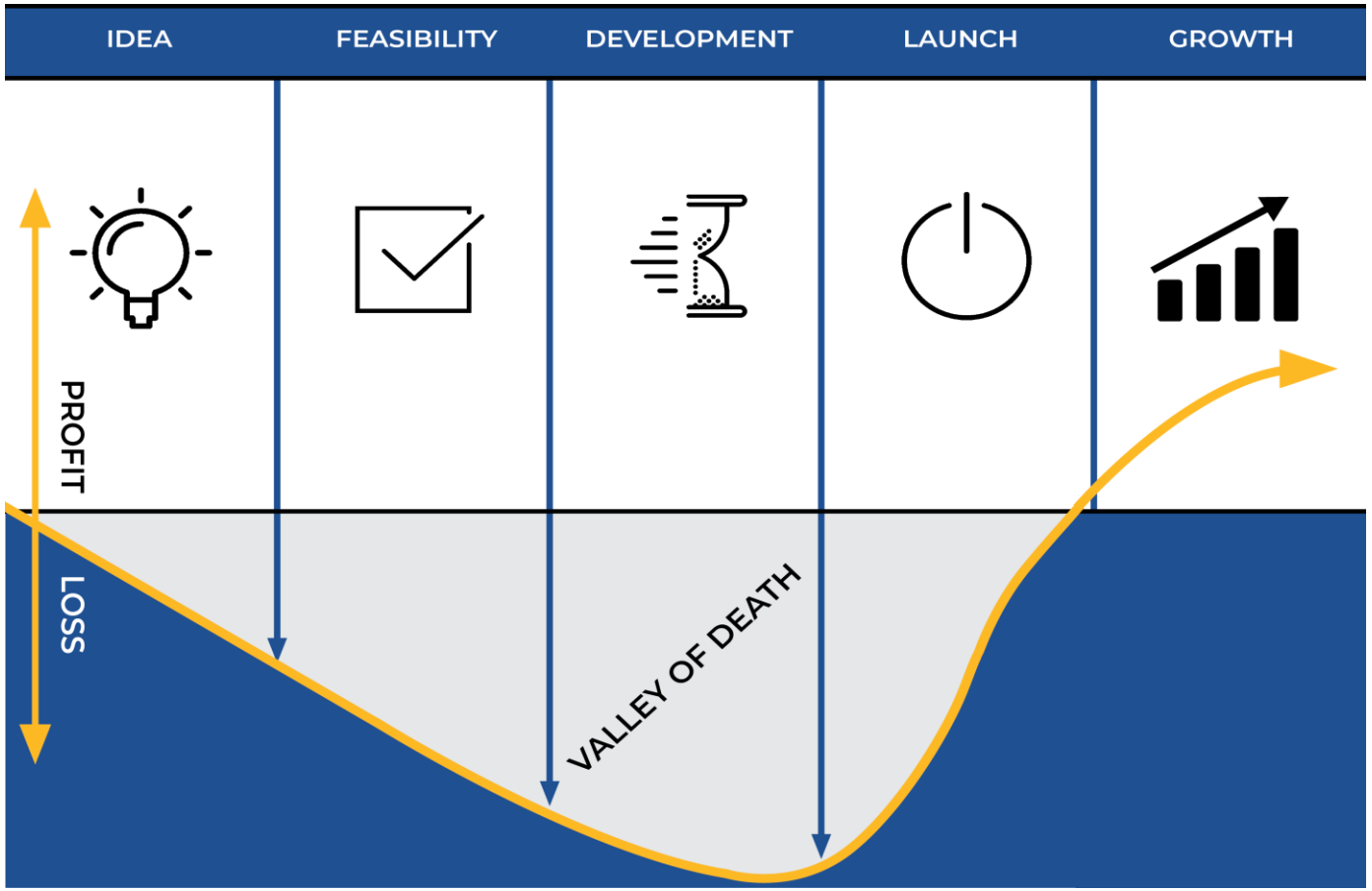
Developed in 2019 in co-operation with NSO

Dynamic overview of **200+ funds**

More than **USD 25.5 billion** in total funds

Over 190 investors with fund size ranging between **EUR 1 million** and **EUR 2 billion**

NEW AGTECH FUNDS DATABASE



CRITICAL STAGES OF EARLY-STAGE COMPANIES

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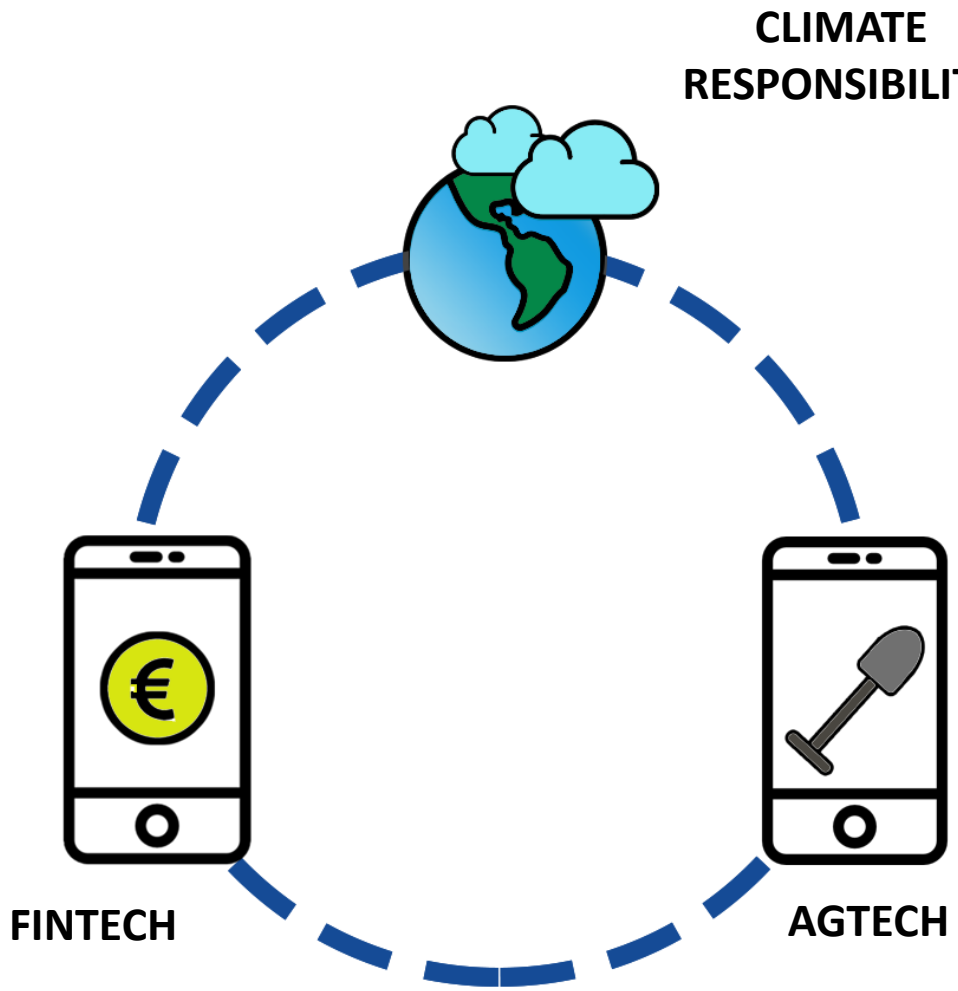
* Builds on list of funds used in study: 'Critical Capital for African Agri-Food SMEs', May 2018.

G4IFF PLANS IN 2020-2021: BROADENING TO AGTECH AND FINTECH

1. Work on improving an ecosystem for AgTech and FinTech
2. Sharing Knowledge in AgTech and FinTech solutions
3. Conduct research in AgriFinance products linked to Geodata
4. Systematically analyze investor cases in AgTech and FinTech



NpM'S ROLE IN KNOWLEDGE DISSEMINATION AND ADVOCACY

February 2017

NpM conference with Rabobank and NSO: Launch of G4IFF workstream

November 2018

Accenture Innovation Summit: NpM's Innovator's Challenge

March 2019

Expert Meeting – *Utrecht*: Deep Dive In Geodata for Investors

June 2019

Grow Asia – *Bali:* G4IFF Presentation

Event – *Nairobi:* Insights on the G4IFF pilot projects

November 2019

Whiteboard session with BMGF: Creating impact at scale through data integration

European Microfinance Week - *Luxembourg*: Leveraging data to promote climate resilient agriculture

***TBD* 2020**

Expert Meeting: Broadening G4IFF to Agritech and Fintech

October 2020

Climate Adaptation Summit – *tbd:* Presentation results G4IFF pilots

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RURAL FINANCE EXPERT GROUP (RFEG)

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OXFAM Novib

FMO Entrepreneurial Development Bank

OIKO CREDIT investing in people

Rabo Foundation

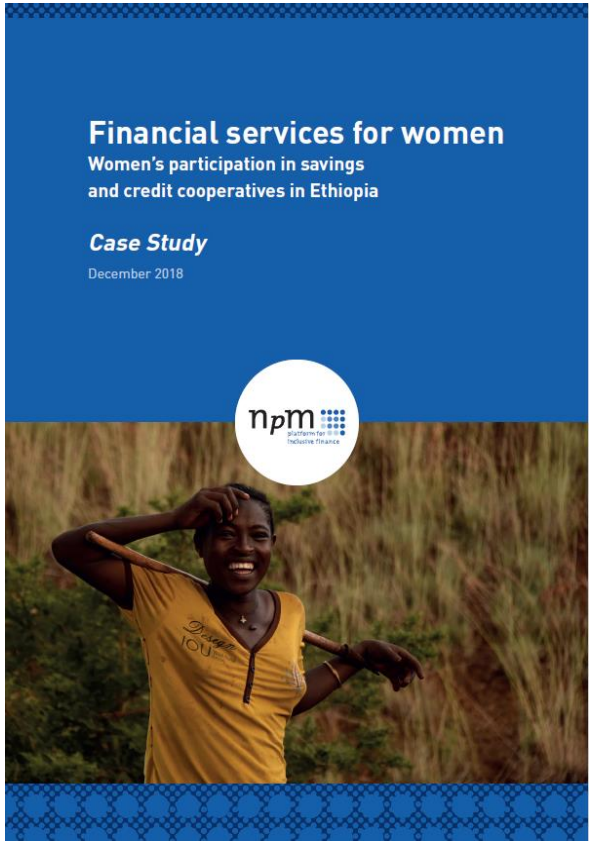
Triple Jump

Triodos Investment Management

FOUR REPORTS ON WOMEN ENTREPRENEURSHIP IN AGRICULTURE WERE RELEASED

RFEG

2018



2018

2019

2020

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EXAMPLES OF KNOWLEDGE EXCHANGE SESSIONS WITH PARTNERS

How do we **engage the private sector?**

How do we finance **Missing Middle Agri-SMEs?**

IFAD Investing in rural people

OIKO CREDIT investing in people

BCP | BAMBOO CAPITAL PARTNERS

Triodos Investment Management

SAFIN

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FINANCE FOR REFUGEES (F4R)

1 NO POVERTY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

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Triodos Investment Management

Triple Jump

ICCO COOPERATION

NpM AND MEMBERS EXPLORE HOW FSPs CAN SERVE REFUGEES

70,7 Million Refugees Worldwide

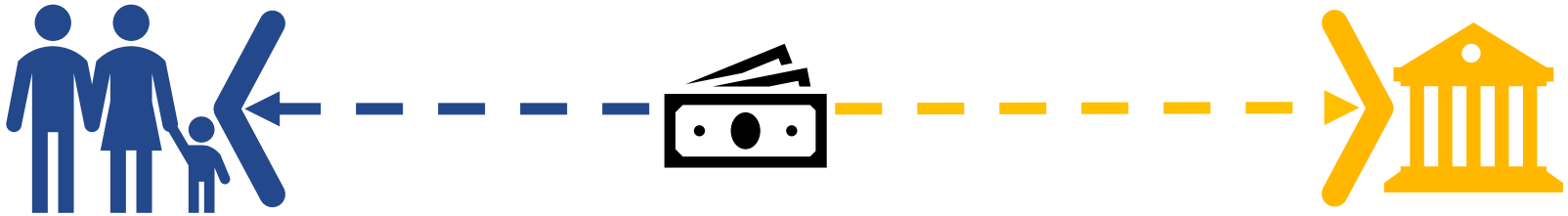
80% in developing countries

Financial Needs of Refugees

- Payment Services
- Remittances
- Loans

Barriers for Financial Providers

- Reputational Risk of Refugees
- Law and Regulation
- Expertise and Outreach
- Documentation and Credit History
- Flight Risk



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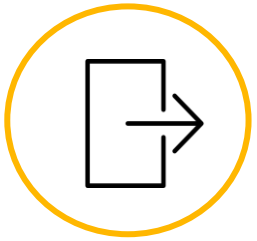
NpM AND MEMBERS EXPLORE HOW FSPs CAN SERVE REFUGEES

RISKS WHEN FINANCING REFUGEES



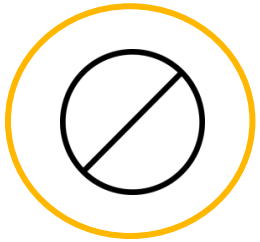
Flight risk of refugees

Negative perceptions of refugees

Fear of competition with local entrepreneurs

LAWS AND REGULATION

No work permits and restrictions when opening bank accounts



Complex, lengthy, & costly processes for business registration

Market restrictions for refugees

GLOBAL BARRIERS FOR FSPs KEEP THEM FROM SERVING REFUGEES

PROBLEMS WITH DOCUMENTATION

Lack of credit history

Lack of collateral

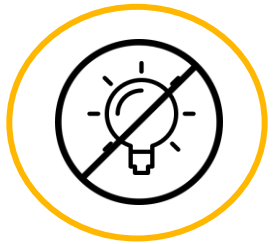
No official documentation

CAPACITY TO ORGANIZE AND PLAN

Lack of knowledge about refugees and how to serve them

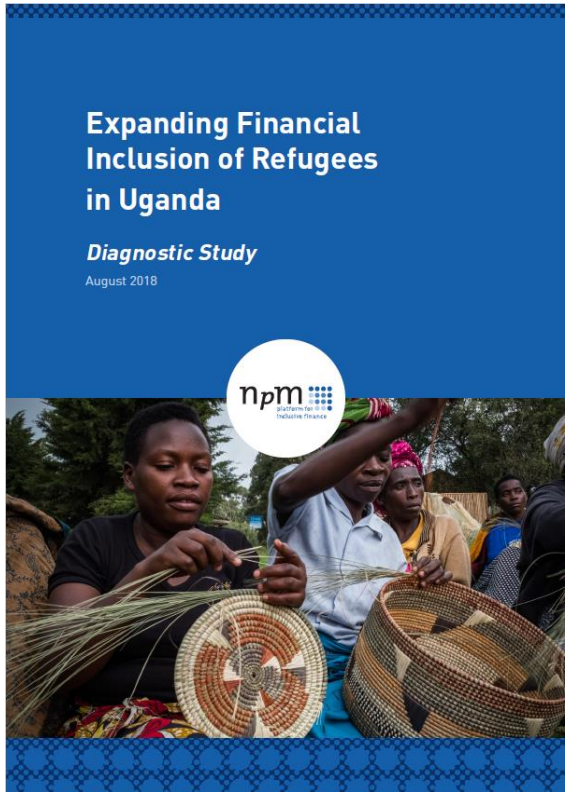
Lack of coordination of expertise between different stakeholders

Lack of innovative solutions to reach underserved areas



NpM AND MEMBERS CARRY OUT SEVERAL ACTIVITIES TO SERVE MORE REFUGEES

- Publication ''Finance for Refugees: the state of play'' providing a global overview of what is happening in the sector
- Diagnostic research in Uganda with 4 FSPs to advance the business case for financial inclusion of refugees
- Opening of a new branch for RUFI in Northern Uganda
- Conference ''Finance for Refugees; Making it Work''



FSPs CAN BECOME ‘’REFUGEE-READY’’ WITH THE RIGHT SUPPORT

1

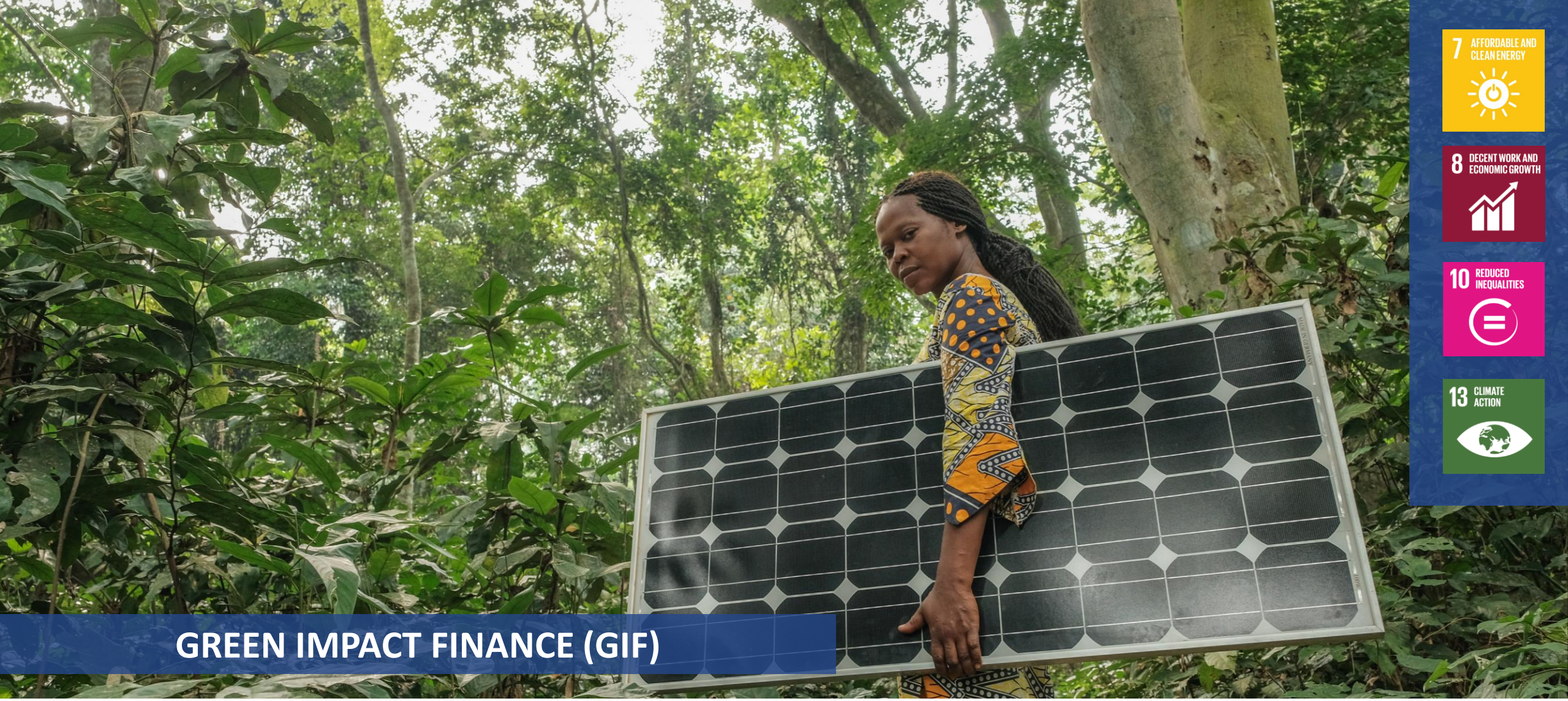
MARKET RESEARCH & DIAGNOSTIC OF MFIs

2

CREATE AN ACTION PLAN

3

IMPLEMENT TA



GREEN IMPACT FINANCE (GIF)

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Triple Jump

Triodos Investment Management

FMO Entrepreneurial Development Bank

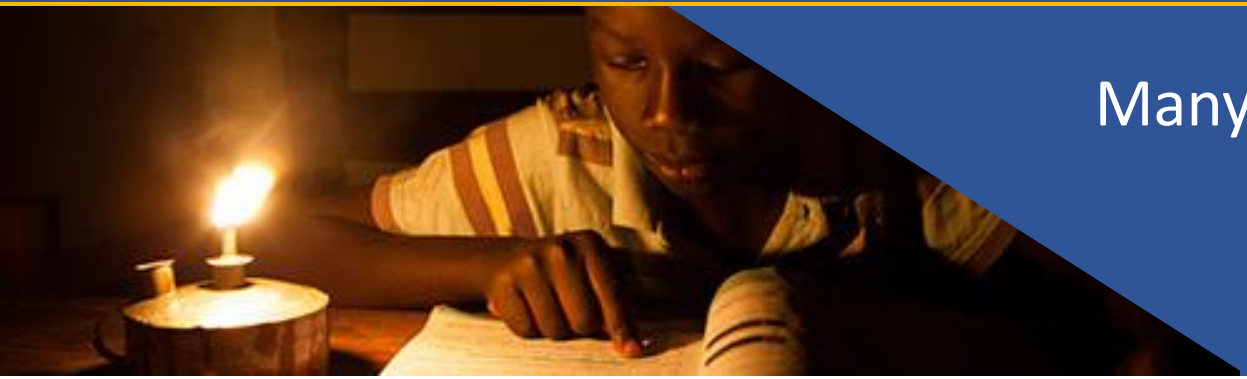
OIKO CREDIT investing in people

lendahand

NpMs NEW FOCUS ON IMPROVING ACCESS TO ENERGY

GIF

Over 1 billion people lack access to reliable and clean energy globally



Many are forced to use dangerous alternatives for energy, such as kerosene and candles

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PARTNERSHIPS ARE NEEDED TO WORK TOWARDS SDG7

GIF

7 AFFORDABLE AND CLEAN ENERGY

How can we bring safe and reliable energy to these people?

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NpM MEMBERS ARE LOOKING FOR AN OFF-GRID SOLUTION

GIF

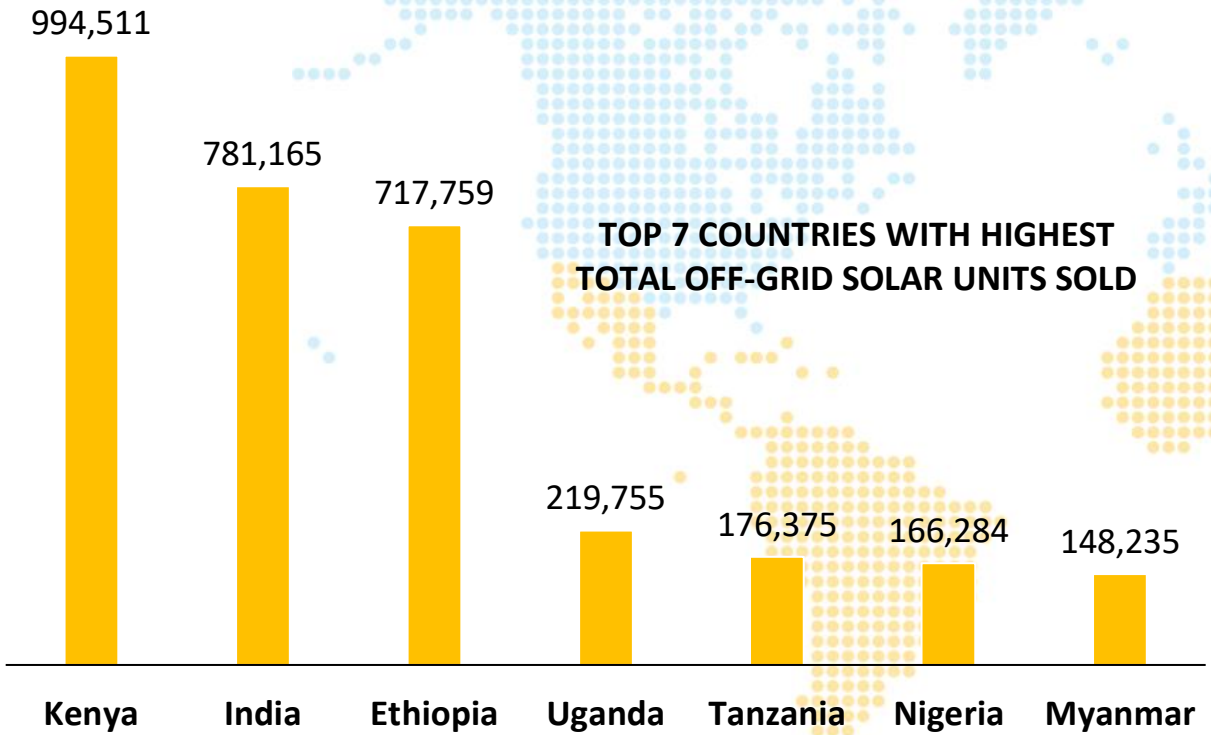
An immense growth in the A2E sector, reaching $512 million in investments as of 2019

An opportunity to provide over 50 million rural households with clean and sustainable energy

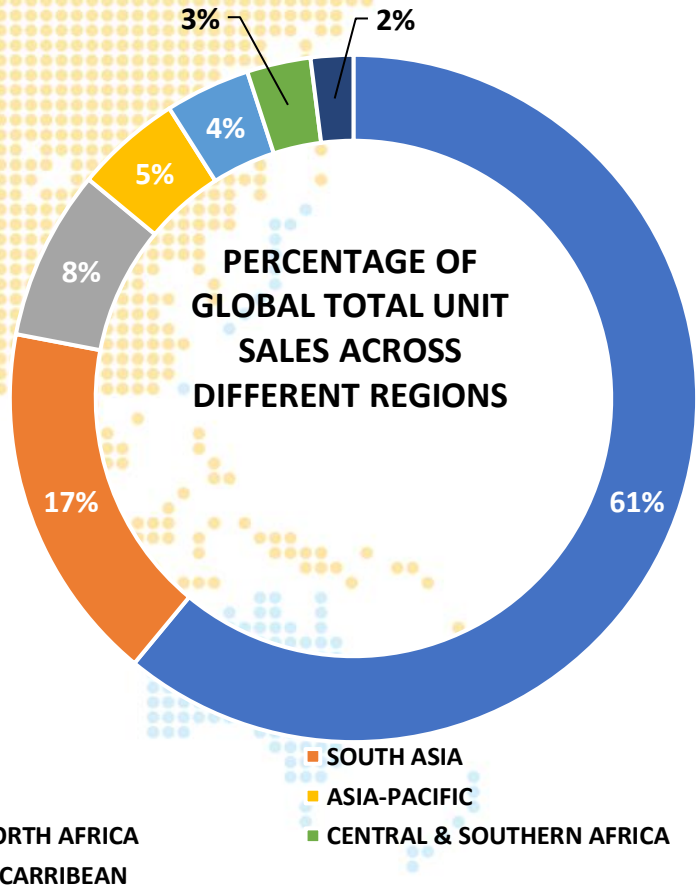
DISTRIBUTION OF OFF-GRID SOLAR ENERGY UNITS SOLD 2H 2019

GIF

$2.5 BILLION FUNDING GAP IN OFF-GRID SOLAR



TOP 7 COUNTRIES WITH HIGHEST TOTAL OFF-GRID SOLAR UNITS SOLD



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*Numbers taken from GOGLA's Global off-grid Market report for 2H 2019

MANY TRANSACTIONS IN OFF-GRID ENERGY BETWEEN 2018-2020

GIF

BIGGEST INVESTORS

FMO Entrepreneurial Development Bank
responsAbility
SUNFUNDER
Norfund
CDC Investment works
HELIOS Investment Partners
DFC U.S. International Development Finance Corporation
SIMA SOCIAL INVESTMENT MANAGERS & ADVISORS
DBL PARTNERS DOUBLE BOTTOM LINE VENTURE CAPITAL

BIGGEST OFF-GRID ENERGY PROVIDERS

ZOLA
M-KOPA SOLAR
d.light
LUMOS
sun king from Greenlight Planet
mobisol A company of ENGIE
BBOXX
kingo

TRANSACTIONS

- SIMA invested ca. 90 USD million in the off-grid solar and financial access through its senior debt fund (2020)
- responsAbility launched 200 USD million new energy access debt fund, with a strong focus on SSA, SEA and SA (2020)
- FMO and Symbiotics issued 32.5 USD million facility for ZOLA Electric to enhance access to energy in Tanzania (2018)
- Oikocredit and FMO invested 15.5 USD million in Kingo, an off-grid energy supplier based in Guatemala (2018)

SELECTED NPM EXPERT GROUP MEMBERS TRANSACTIONS

GIF

Triodos Investment Management

HIVOS-TRIODOS FUND AND ALPHAMUNDI LAUNCHED 21 USD MILLION ALPHAJIRI FUND TARGETING SUSTAINABLE AGRICULTURE AND RENEWABLE ENERGY SMES IN EAST AFRICA (2020)

lendahand

LENDAHAND RAISED 100K EURO LOAN FOR UPOWA TO PROVIDE 1350 SOLAR HOME SYSTEMS IN WEST CAMEROON (2018)

FMO Entrepreneurial Development Bank

Triple Jump

FMO AND SHELL FOUNDATION LAUNCHED 120 USD MILLION ENERGY ENTREPENEUR GROWTH FUND, WHICH WILL BE MANAGER BY TRIPLE JUMP, TO FINANCE EARLY- GROWTH STAGE ACCESS TO ENERGY COMPANIES IN SSA (2019)

OIKO CREDIT

FMO Entrepreneurial Development Bank

OIKOCREDIT AND FMO INVESTED 15.5 USD MILLION IN OFF-GRID ENERGY PROVIDER KINGO TO GROW ITS SERVICES IN GUATEMALA (2018)

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IN 2020-2021 NpM WILL CARVE OUT A PATHWAY TO FURTHER GROW THE A2E SECTOR

GIF

ULTIMATE AIM: ATTRACT MORE INVESTMENTS

STEP 1

KNOWLEDGE BUILDING

Investment related research, conference and knowledge sharing sessions

STEP 2

ALIGN ESG & IMPACT STANDARDS

Set standards to ensure that projects provide positive effects for its recipients

STEP 3

ENGAGEMENT PLATFORM

Share opportunities for either co-investment or joint technical assistance provision

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CONTACT DETAILS

CONTACT

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