



## An impact fund to support microenterprises and SMEs in DRC

02/02/2016 – Date de signature du projet

MULTI-SECTORS – Sectors

MULTI-COUNTRY AFRICA : DRC, UGANDA, CONGO, BURUNDI – Location

EQUITY INVESTMENT – Financing tool

\$4 550 000 – Amount of funding

EQUITY INVESTMENT OF \$5M – Financing details

AFRICAN RIVERS FUND – Client

A – CES

### CLIENT PRESENTATION

ARF is the only initiative in DRC that supports this size of company and it plays an extremely important role in the development of the local economy. The fund has invested in key sectors, such as health and education. FISEA is thereby fully playing its role of supporting SMEs in Central and French-speaking Africa and is strengthening its presence in this geographical area.

### PROJECT DESCRIPTION

ARF aims to invest in SMEs, mainly in DRC, but also in Uganda, Congo and Burundi. This USD 50m fund will seek to make twenty or so investments, with tickets ranging between USD 0.25m and USD 5m. It will mainly invest via mezzanine debt (80%) and equity (20%), as these instruments give the manager the capacity to exert influence.

### PROJECT IMPACT

An equity investment in the ARF fund is fully in line with FISEA's strategy, which aims to support initiatives with strong potential in terms of development impacts, while respecting economic and financial viability criteria. The support to ARF for this new initiative will more specifically: (i) support the microenterprise/SME segment in geographical areas where access to capital for fledgling companies still poses a considerable constraint in "frontier" countries, but whose individual risk is controlled by the geographical and sectoral diversification strategy; (ii) job creation, with the fund anticipating the creation of 1,500 jobs over the next 5 years, (iii) major social impacts through ARF's strategy to support entrepreneurial initiatives whose direct and indirect beneficiaries are among disadvantaged populations (education, agriculture, health).

