

**A BRANDNEW INITIATIVE ON CROWDFUNDING
FOR EVEN MORE IMPACTS ON AFRICAN DEVELOPMENT**

I&P partners with the web platform Kiva to maximize its impacts with its portfolio companies in Sub-Saharan Africa.

TO AIM AT SUPPORTING SMEs, DRIVING FORCES OF A FAIR AND SUSTAINABLE GROWTH IN AFRICA

Over the past decade, Africa has experienced unprecedented growth, with 5-6% growth rate at the continent level. However, **this growth remains heterogeneous, fragile, insufficient and unevenly distributed**.

Small and medium-sized enterprise (SMEs) are at the core of the African economic fabric; they are the largest contributors to job creation and are key actors for political and social stability. However, most of these SMEs lack access to the necessary funding that will fuel their growth.

Facing those challenges, crowdfunding brings funds to **a broad range of entrepreneurs who could not get access to such funds before traditional banking organisms**. Create opportunities for these small entrepreneurs, who can be considered as driving forces for development, is **essential for the African private sector so as to rise and achieve full potential**.

A PILOT PROJECT IN MAURITANIA TO ENHANCE WATER AND ENERGY ACCESS FOR ALL

Kiva is a non-lucrative web platform which **bounds thousands of individuals and micro borrowers in order to help them start or expand their businesses or else financing a personal project**, contributing to alleviate poverty across the world. I&P collaborates with Kiva to stay close to its core mission: **promote a new generation of African Entrepreneurs**.

The **[pilot project](#)** for this partnership was posted today. It is embodied by Sidi Khalifou, a Mauritanian entrepreneur committed to **water and energy access for all**. This former engineer manages CDS, a company providing with water and electricity as well as with sustainable energy powered equipment (lamps, fridges, water pumps, energy shops...). CDS handles public services delegations and **brings water and energy in remote Sahel rural villages**.

With the loan taken out on Kiva, CDS will be able to **replace all the oil-powered water pumps in Wouloumboumi, a Mauritanian village close to the Senegalese border, with solar-powered ones**. The impact generated is threefold: first it will **set the price of water** which was up to now based on oil prices; moreover, it will **give uninterrupted water access to 300 families** and finally implement a **reliable eco-friendly solution**.

About Investisseurs & Partenaires (I&P)

Investisseurs & Partenaires (I&P) is a family of impact investment funds created in 2002 by Patrice Hoppenot and managed by Jean-Michel Severino since 2011.

I&P aims at contributing to the emergence of responsible and profitable SMEs in Africa. *These companies generate local added value and sustainable jobs, but also important economic, social and environmental jobs.*

In order to achieve this mission, I&P relies on two financial vehicles (IPDEV and IPAE) and set up diverse tools (minority shareholding, loans...) *for Sub-Saharan African enterprises.*

I&P provides them with capital, strategic mentoring and technical assistance to meet their growth needs. *I&P teams forge a long-term partnership with entrepreneurs, as they share their experiences and skills in SMEs' management and help them structure and formalize their businesses.*

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Read more about us on: www.ietp.com

ANNEXES : DESCRIPTION OF I&P'S PARTNERSHIP WITH KIVA

1. Partner description:

Investisseurs & Partenaires (I&P) is an impact investment group created in 2002 and dedicated to support African SMEs with capital, mentoring and technical assistance. I&P's mission is to promote a new generation of responsible African entrepreneurs and thereby contribute to the emergence of a sustainable and dynamic private sector in Sub-Saharan Africa. I&P manages two financial instruments IPDEV targeting small social business, and IPAE targeting medium sized companies.

The goal is to give entrepreneurs the resources they need to grow a sustainable business, generate positive impacts and create local added value. I&P holds a portfolio of more than 45 investee companies across various sectors, from healthcare to transport to microfinance, in over 12 African countries.

Supporting responsible entrepreneurs for a sustainable and evenly distributed growth in Africa

The African economy is experiencing a 5% growth rate since 2000. SMEs are key players of this growth as they create sustainable employment and local added value. However, these SMEs lack access to long-term financial resources, since they are too big for MFIs and too small for traditional banks, and thus represent a « missing middle » in most African economies.

Private investment often ignores these small and medium-sized companies and their financing needs remain unfulfilled for lack of relevant financial tools. Since its creation, IPDEV has aimed to promote responsible African entrepreneurs, who are able to build profitable and sustainable activities. For this reason, it has developed a specific approach combining financial tools and strategic support.

In addition to funding, I&P is an active partner in monitoring businesses, strengthening their capacity, and monitoring social and financial results. For example, I&P's selection criteria dictates that it only works with businesses that do not use child labor, have strong anti-discrimination policies, manage supply chains responsibly, provide health insurance, and protect against corruption. These are just a few of the standards it applies. To learn more, please visit www.ietp.com.

Kiva is a non-profit organization with a mission to connect people through lending to alleviate poverty. Leveraging the internet and a worldwide network of microfinance institutions, Kiva lets individuals lend as little as \$25 to help create opportunity around the world.

We envision a world where all people - even in the most remote areas of the globe - hold the power to create opportunity for themselves and others.

We believe providing safe, affordable access to capital to those in need helps people create better lives for themselves and their families.

Making a loan on Kiva is so simple that you may not realize how much work goes on behind the scenes.

Kiva works with microfinance institutions on five continents to provide loans to people without access to traditional banking systems. One hundred percent of your loan is sent to these microfinance institutions, which we call Field Partners, who administer the loans in the field.

Kiva relies on a worldwide network of over 450 volunteers who work with our Field Partners, edit and translate borrower stories, and ensure the smooth operation of countless other Kiva programs.

Learn more about [how it works](#).

100% of every dollar you lend on Kiva goes directly towards funding loans; Kiva does not take a cut. Furthermore, Kiva does not charge interest to our Field Partners, who administer the loans.

2. I&P and KIVA

With Kiva lender funding, I&P will be able to grant loans of \$10,000 to \$50,000 to African businesses that have outstanding social and/or environmental impacts. In particular, Kiva loans go to business owners who need additional working capital, but who cannot access or cannot afford to pay interest on commercial loans.

Without Kiva capital, I&P would not be in capacity to offer these desirable loans. Instead, entrepreneurs -- considered to be too risky by most commercial banks -- would have to somehow raise their own capital. That can be a tough and unlikely proposition in many economies, but particularly in sub-Saharan Africa, where financial resources for small to medium enterprises is particularly scarce. With the help of Kiva funding, these enterprises have a good chance of scaling-up enough to qualify for formal loans.

Standard text

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3. CDS' project on Kiva

What is the loan for?

A loan of \$15,000 helps Sidi to implement an eco-friendly solution, which can provide clean water access to 3000 inhabitants in a Mauritanian village.

Loan subscriber and purpose

Sidi Khalifou is the owner and founder of CDS, a Mauritanian company that has been providing energy and potable water access to Mauritanian villages since 2010. CDS's objective is to supply all rural areas with reliable clean water access, through eco-friendly solutions.

Sidi used to have a diesel power generator in his potable water distribution process. But, this system was highly detrimental to the environment. Moreover, with this kind of system, the cost to provide clean water depends on the oil price, which has been skyrocketing over the past few years. Considering all those issues, Sidi has developed a new solution he would like to implement on all the equipments, starting with the village of Wouloumboumi. He intends to replace the diesel power generator by solar plants for an uninterrupted access to clean water.

Sidi is asking for a \$15000 loan to purchase and implement this new solution in Wouloumboumi. Thanks to your help, Sidi will be able to provide continued access to clean water to the 3000 inhabitants of Wouloumboumi, with eco-friendly solutions!

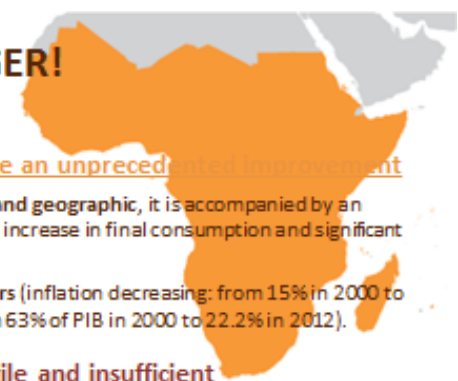


CROWDFUNDING FOR MORE IMPACTS IN AFRICAN SMEs

Partnership Investisseurs & partenaires - 

March 2014

AFRICA : GROWTH IN DANGER!



Africa has experienced over the past decade an unprecedented improvement

- Based on structural phenomena, demographic and geographic, it is accompanied by an increase in exports, improved terms of trade, an increase in final consumption and significant transfers of migrants.
- Characterized by good macroeconomic indicators (inflation decreasing: from 15% in 2000 to 8.1% in 2011, more controlled foreign debt from 63% of PIB in 2000 to 22.2% in 2012).

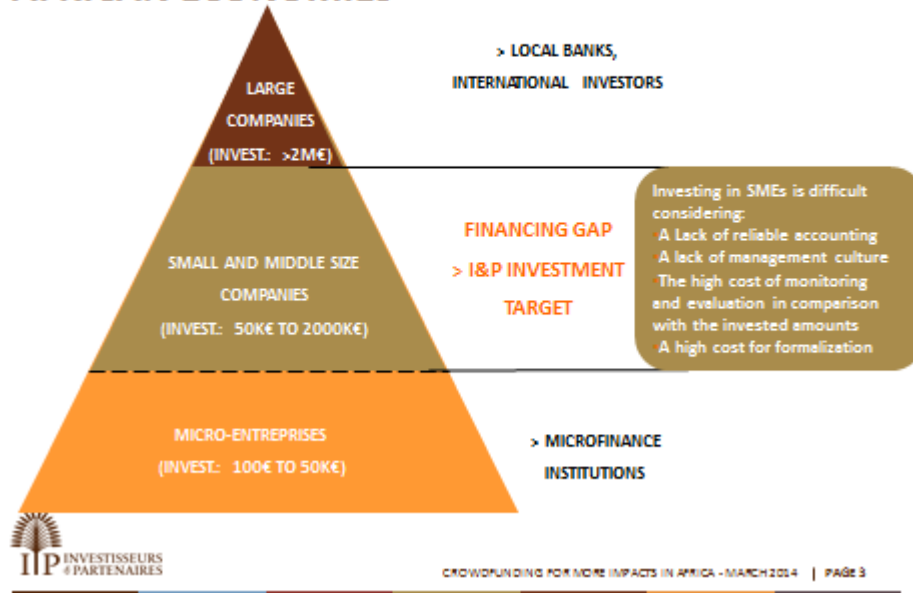
However, its growth is heterogeneous, fragile and insufficient

- 48 Sub-Saharan African countries do not face the same problems of development.
- Balance of commodity exports undiversified weakens by exposing them to the volatility of world economies.
- In 2011, the African IHD remains below 52% in the North American IHD, against 56% in 1980.

Many companies driving development of the continent, still lack access to long-term financing:

- They stand for what is called the "MISSING MIDDLE".

SMEs LACK ACCESS TO FUNDING: THEY ARE THE « MISSING MIDDLE » OF THE AFRICAN ECONOMIES



CROWDFUNDING : THE DEMOCRATIZATION OF CAPITAL

- Crowdfunding is a collective resource-pooling practice used to finance individuals, companies, organizations, funds, projects, products or groups. This process operates via online marketplaces and electronic payment. These platforms aggregate rather small amounts of capital in a limited time-frame from many individuals who share a common interest in a specific idea, project or business.
- More than one million campaigns are estimated to have raised \$2.7 billion worldwide across all types of crowdfunding platforms in 2012. This figure is expected to reach \$5.1 billion in 2013, almost double the 2012 figure.
- To date, the most active segments of this market worldwide are Arts (all types) (27.7%), Social Causes (27.4%), Business and Entrepreneurship (16.9%), and Energy and Environment (5.9%) (*Massolutions 2013*).

AN INNOVATIVE PARTNERSHIP : CROWDFUNDING & IMPACT INVESTMENT

- **Impact investing is ripe for technological innovation capable of attracting capital** beyond accredited investors and large institutions, and making impact investing for all a reality.
- On the other hand **crowdfunding represents a significant opportunity for social entrepreneurs** to leverage online platforms to access investors, and for investors to access greater dealflow.
- Besides the fabulous lever crowdfunding represents to show real individuals and entrepreneurs trying to improve their own or their community's living conditions, **this democratic mechanism enables to fund small investment needs**, which could not be fulfilled through classical interventions.

CROWDFUNDING AND IMPACT INVESTMENT ARE COMPLEMENTARY TOOLS
TO ADDRESS THE CHALLENGE OF FINANCING
THE MOST VULNERABLE PEOPLE IN AFRICA



A UNIQUE EXPERIENCE TO FUND AND PROMOTE AFRICAN SMEs

- **Investisseurs & Partenaires (I&P)** is an impact investment group created in 2002 and dedicated to promote a new generation of responsible African entrepreneurs.
- I&P is one of the very few investment funds that provide small African businesses with capital, mentoring and technical assistance.
- I&P holds 45 companies in its portfolio over 12 African countries. The investment team gathers 15 professionals including 5 African offices.
- **KIVA** is a non-profit organization whose mission to connect people through lending to alleviate poverty.
- Since 2005 KIVA internet platform has gathered more than 1.5 million users with a total amount lent of \$ 542,556,725.
- Kiva works with financial institutions on five continents to provide loans to people without access to traditional banking systems. It relies on a worldwide network of over 450 volunteers.

TOGETHER, I&P AND KIVA AIM TO PROPOSE
NEW FUNDING SOLUTIONS TO SMEs IN ORDER TO
GENERATE POSITIVE IMPACTS AND FIGHT AGAINST POVERTY IN AFRICA



INVESTISSEURS & PARTENAIRES, AN IMPACT INVESTMENT GROUP DEDICATED TO AFRICAN SMEs

- I&P's mission is to promote a new generation of responsible African entrepreneurs and thereby contribute to the emergence of a sustainable and dynamic private sector in Sub-Saharan Africa.
- I&P manages two financial instruments IPDEV targeting small social businesses, and IPAE targeting medium sized companies.
- The goal is to give entrepreneurs the resources they need to grow a sustainable business, generate positive impacts and create local added value.



KIVA, THE PIONEERING CROWDLENDING PLATFORM IN THE US

- Kiva has facilitated the loan of \$456.5 million to over 1 million people in 2013 who uphold an unprecedented repayment rate of 99.01%.
- Leveraging the internet and a worldwide network of financial institutions, Kiva lets individuals lend as little as \$25 to help people without access to traditional banking systems.

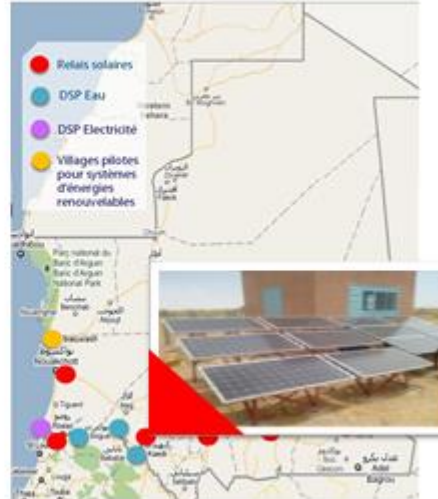


CDS, THE FIRST INVESTEE OF I&P'S PORTFOLIO ON KIVA'S PLATFORM

- Sidi Khalifou is the owner and founder of CDS, a Mauritanian company that has been providing energy and potable water access to Mauritanian villages since 2010.



- CDS's objective is to supply all rural areas with reliable clean water access, through eco-friendly solutions starting with Wouloumboumi, a Mauritanian village.



AS A CONCLUSION... AND A FIRST STEP !

Half of the Mauritanian population cannot have access to clean water.

The public infrastructures provide access to clean water to only a small part of the country.

Thanks to this innovative partnership, CDS will provide continued access to clean water to the 3000 inhabitants of Wouloumboumi, with eco-friendly solutions!

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