

# HEKS/EPER Rural Livelihoods Investment Window

After years of traditional development and various impact investment activities, HEKS/EPER has launched its Rural Livelihoods Investment Window (the 'Window') to provide financing and business support to enterprises - primarily in Uganda and Senegal and other countries in Africa as opportunities arise - to help them grow their impact, especially in rural areas. The overall goal of the Window is to catalyze rural economic development, especially in regards to long-term employment and income opportunities to communities in rural areas.



## Window Overview

Overall, the parameters of the Window are:

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**Impact Objective** > Economic development in peri-urban and rural areas
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**Portfolio Assets** > CHF 3 million for pilot, to be opened up to third parties in 2023
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**Portfolio Size** > 10-15 SMEs
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**Geography** > Primarily in Uganda and Senegal and other countries in Africa as opportunities arise
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**Instrument** > Mostly loans (equity and guarantees may be used on an opportunistic basis)
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**Time Frame** > 5 years (2021-2025)
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**Ticket Size** > USD or EUR currency equivalent of approximately CHF 100-500K
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**Target Sectors** >
  - *Priority sectors:* Income and employment
  - *Secondary sectors:* Agriculture and food security, WASH, access to finance, natural resources/land tenure (including NTFPs), communications tech, energy, education, and health
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**Target beneficiaries** >
  - Rural, base-of-the-pyramid communities
  - Marginalized groups (youth, women, minorities, etc.)

## A Focus on Growing Economic Opportunities in Rural Areas

The Window seeks to contribute to long-term improvements in quality of life for people in rural areas through making investments in relevant private sector enterprises that address critical impact gaps for rural economies. Specifically, the Window will employ a strategy to strengthen rural economies focused on the following impact areas:

Fostering decent work	Increase access to quality jobs (e.g. through direct employment or supply chains)
Building relevant capacities for employment	Provide appropriate and relevant training opportunities that match the local job market
Strengthening rural value chains	Contribute to productivity and increase incomes (including market access) for smallholder farmers
Supporting access to financial services	Increase access to financial services (e.g. small business loans, savings and insurance products, etc.)
Improving quality of life	Increase access to relevant goods and services in “quality of life” sectors, including WASH, education, health, tech, energy, etc.

### Venture South

HEKS/EPER has completed a USD 500K loan to Venture South, a financing company operating in Uganda and Kenya that focuses on financing the missing middle BOP markets with two unique products: i) Solar receivables financing for solar companies and distributors in rural areas, and ii) Warehouse receipts financing to farmer cooperatives and SMEs that directly source their products from farmers which face short-term working capital and collateralization challenges. Funding from HEKS/EPER will increase the portfolio size for Venture South allowing it to expand its lending to renewable energy and agricultural SMEs with short- and medium-term working capital needs, allowing its borrowers to increase their impacts, which include reducing carbon emissions, lowering energy costs, and increasing market access to smallholder farmers.

Impact KPIs monitored under this loan includes number of solar home systems and solar water pumps financed, total tons of agricultural goods financed, and number of smallholder farmers supplying financed SMEs.



### Free Works Services (Kumba)

Free Work Services (Kumba) is a food processing and commercialization company based in Senegal. Established in 1994, the company specializes in grain processing mainly local by-products made of millet. The company also processes and commercializes products produced and consumed locally like hibiscus, baobab powder, and fruit juices all sourced from traders in Dakar. The company pursues a dual commercialization strategy of selling 20% in Senegal through its small shops and exporting 80% through distributors of African food products in Europe.

HEKS/EPER has completed a loan to Kumba to invest in new industrial machinery, as well as re-arrange its production facility into a streamlined production line. Impact KPIs monitored under this loan includes number and the volume of grain sourced from smallholder farmers, as well as the price premium paid for the grain.



### Get in Touch

iGravity, a Zurich-based company fully dedicated to impact investments with a regional office in Kampala, is serving as the investment advisor to the Window, in charge of sourcing, due diligence, deal execution and monitoring. Any questions regarding the Window – including sharing potential investment opportunities – can be sent to iGravity’s Impact Ventures team at [impactventures@igravity.net](mailto:impactventures@igravity.net).