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Recovery and Resilience:

A Note from Co-CEOs Agnes Dasewicz and Bert van der Vaart

Dear Friends,

For each of us—all across the world—2020 was a year unlike any other—a global pandemic, an ensuing economic crisis, a continued climate crisis, and global social upheaval. Lives were uprooted, and lives were irreversibly altered, and lives were lost. 2020 demanded that countries, companies, and individuals alike, rethink our missions and actions in the midst of multiple converging crises—how we not simply survive but prevail, seeing all of our lives as inextricably bound to one another and drawing upon deeply rooted resilience and common purpose.

COVID-19 exposed and exacerbated the global challenges wrought by climate change and unequal access to basic needs and significantly affected the growth and stability of entrepreneurs around the world who are seeking to alleviate them. As the majority of global economies and individual livelihoods are underpinned by small and medium-sized enterprises (SMEs) created and managed by local entrepreneurs, 2020 compelled a genuine internal assessment within both SEAF and CEED—to meet the unprecedented challenges of the present moment and to both foresee and prepare for how that present would eventually translate into a post-COVID world. SEAF and CEED recognized that our collective recovery is predicated upon the innovative and dedicated entrepreneurs whose enterprises have been and will continue to narrow existing and growing disparities. SEAF’s and CEED’s proactive and responsive approach to support our SMEs and entrepreneurs throughout the COVID-19 pandemic is a natural extension of our business model which actively cultivates resilience within SMEs and entrepreneurs themselves, and more largely within their communities, even during critical periods.

We know we still have a long way to go, and the many challenges of the past year are still with us. In sharing our impact data from 2020, we acknowledge our deep gratitude for your continued support, as we look forward to a more just and equitable future for all of us.

Executive Summary

For over 32 years, SEAF has been a strategic partner and trusted resource for SMEs in emerging markets, and the onset of the pandemic resulted in SEAF’s specialized focus on three impact themes for providing growth and operational support to SMEs:

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<th>IMPACT THEMES</th>
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<tr>
<td>Climate Resilience</td>
<td>SEAF implements a two-tiered approach to build climate resilience: adaptation and mitigation.</td>
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<tr>
<td>Food Security</td>
<td>SEAF invests in the food value chain focusing on innovation and sustainability.</td>
</tr>
<tr>
<td>Inclusion</td>
<td>SEAF is committed to increasing racial, gender, and other forms of inclusion in emerging markets, as well as access to basic needs.</td>
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These themes not only embody the much-needed solutions to our shared global challenges, but SEAF’s own growth and resilience in 2020 demonstrates how integral these themes are to achieving meaningful and measurable impact and to transforming businesses and increasing the shared prosperity of communities.
Despite the many challenges of the year, 2020 saw SEAF distinguished once again by Impact Assets’ IA50 for our commitment to impact investing, as well as the expansion of our gender equality initiatives, and the establishment of new partnerships and 7 new investments.

SEAF maintained our commitment to gender equality internally with the appointment of Agnes Dasewicz as CEO, creating a 40% women-led management team, and externally with the further development of our gender impact metrics and new investments.

We launched the Gender Equality Scorecard© Manual in 2020 building upon SEAF’s earlier development of our proprietary Gender Equality Scorecard© to guide investment professionals on how to assess a company’s demonstrated commitment to gender equality, identify areas for improvement, and implement corresponding improvement plans.

Along with the U.S. International Development Finance Corporation (DFC), SEAF launched an investment vehicle to support women entrepreneurs affected by COVID-19, as women-led SMEs are more vulnerable than their counterparts due to more limited access to funding.

SEAF also began a partnership with Heifer International to increase investments in local food and farming businesses in the United States, Africa, Asia, Central and Latin America.

Additionally, SEAF acquired a majority ownership interest in Camex Restaurants Inc. in Guyana, which was the first for SEAF’s Caribbean SME Fund, originally launched in October 2019.

As part of our Morocco Growth Fund, SEAF also invested in the biometrics cybersecurity company Deepsense which specializes in instant identity verification and online fraud detection.

We made our first investment in the Philippines in 2020 as part of our Women’s Opportunity Fund (SWOF) in Ellana Cosmetics Pte. Ltd., a fast-growing and leading homegrown mineral cosmetics brand.

SEAF additionally initiated investments in Kingo, a leading solar energy service provider to the off-the-grid (OTG) market in difficult-to-access geographies within Central America and Colombia, as part of our Colombia Agribusiness Fund.

For CEED, 2020 created a greater demand for our services and holistic approach as entrepreneurs faced significant, unparalleled challenges, and CEED’s global network and cultivation of the local entrepreneur community were critical for their survival. Most of our entrepreneurs reported negative impacts from COVID, and in evaluating their needs, we saw the vital importance of expanding our support services to help navigate the initial market disruption created by the crisis. We implemented SOS services to help entrepreneurs navigate various government resources available for small businesses locally, weather disruptions in supply chains and share practical tips for how to digitize their services to continue serving their customers through new channels. Our CEED centers also moved our peer group meetings and events online and CEED Global launched a Global Leaders Talk webinar series bringing industry leaders and experts to our entrepreneurs to provide practical tips for retooling their assets.

CEED, too, saw its own organizational growth and resilience throughout 2020 in the expansion of our global footprint, in the utilization of new practices and platforms to meet the crucial growing needs of entrepreneurs reeling from the pandemic, and in the strengthening of our management systems. CEED added two new locations, one in Uganda and one in Thailand, adapted its recruitment measures initiating new practices, leveraged mentors in innovative ways to acclimate new members, and employed different virtual and media platforms to facilitate continued engagement and maintain close-knit, supportive entrepreneurial communities, as entrepreneurs heavily depended on one another to navigate the pandemic both professionally and even personally.

In the pages that follow, SEAF’s and CEED’s 2020 impact data demonstrates the inseparability of our own resilience and that of our SMEs, entrepreneurs, and their communities, evident in how many of our portfolio companies and entrepreneurs weathered the economic and public health disruptions induced by the pandemic; increased gender diversity by actively emphasizing and implementing the creation of an equitable workplace and workforce; anticipate positive growth in 2021, and intend to stay with CEED, indicating the collective high regard for our holistic approach and distinctive value proposition as trusted, strategic partners in the betterment of our shared local and global communities.
About SEAF

SEAF envisions a sustainable and inclusive world where entrepreneurs everywhere have the capital, tools, and support they need to transform their businesses and increase the shared prosperity of their communities.

Utilizing an ESG+ investment approach, SEAF provides growth capital and operational support to small and medium-sized enterprises (SMEs) in emerging markets to build climate resilience, food security, and inclusion. SEAF’s global reach, on-the-ground local presence, and proactive business model enable entrepreneurs to accelerate their businesses’ growth and profitability while achieving meaningful and measurable impact. SEAF’s more than 32 years of experience have shown that impact investing and maximizing performance complement each other—we can do good and realize strong financial returns.

Founded in 1989 as the private equity investment subsidiary of the international development organization CARE, SEAF evolved in 1995 into an independent organization specializing in the sponsorship and management of investment funds that target growth-oriented, emerging enterprises located in countries underserved by traditional sources of capital.

A global leader in SME finance, SEAF is headquartered in Washington D.C. with an international network of 15 offices in Central and Eastern Europe, Latin America, the Caribbean, Asia, the Middle East and North Africa, and Sub-Saharan Africa. Over the past three decades, SEAF has managed more than 40 Funds and founded 14 Centers for Entrepreneurship and Executive Development (CEED) across 33 countries. SEAF has made more than 430 risk capital investments in entrepreneurs whose products and services create more equitable, sustainable, and financially stable communities, while generating positive returns for our investors, creating the efficiency, accountability, and sustainability of our process.

SEAF 2020 Snapshot

- 39 ACTIVE PORTFOLIO COMPANIES
- 17 COUNTRIES WITH ACTIVE PORTFOLIO COMPANIES
- 7 NEW INVESTMENTS MADE IN 2020
- 9.23% AVERAGE INCREASE IN PORTFOLIO COMPANY REVENUE FROM 2019-20
- 60% OF PC FULL-TIME EMPLOYEES ARE WOMEN
About CEED

As a trusted and strategic partner, CEED empowers a global community of like-minded entrepreneurs who want to grow as leaders, build their companies, and give back to their communities.

CEED, originally founded in 2006 as the technical assistance arm of SEAF, was created to meet the complex challenges entrepreneurs face in the effective management and growth of their businesses. SEAF found that entrepreneurs needed further resources beyond technical assistance to successfully navigate rapid business growth, assess new markets, and gain access to capital. SEAF recognized that for entrepreneurs to truly prosper they needed training, peer support, and mentorship within close-knit networks of other entrepreneurs who had experience entering regional and international markets and bringing their businesses to scale.

In the past fifteen years, CEED has become an invaluable resource for entrepreneurs in their growth, creating sustainable local communities across the world. CEED developed both a community model to create a much larger impact and a sustainable model that remains long-term in our countries of operation. CEED’s differentiating ALL IN methodology combines peer learning and training in business fundamentals with connections to a powerful business network, as well as holistic ancillary support services. In order to adapt to a rapidly changing world and navigate the current market environment, entrepreneurs substantially benefit from the expertise of their more experienced peers, local and international business leaders who share their experiences and solutions for overcoming today’s nuanced challenges to advise our members on how to make the best decisions to grow their businesses. The essence of CEED is this robust sharing culture built on the trust developed through our dedicated peer learning groups and engaged mentoring. This trust, fostered by our services, is incorporated in the broader communities of entrepreneurs CEED develops in each location and around the world.

Today CEED has 15 active locations on 3 continents and over 50 staff globally. Over half of CEED’s Center Directors have founded a business, so they are acutely aware of the challenges their particular CEED community faces. We pride ourselves on our entrepreneurial values, membership model, great member care, and community-based approach, leveraging our collective skills and experiences to affect positive change in the communities in which we work and live.

CEED 2020 Snapshot

- 15 ACTIVE LOCATIONS
- 2000+ ENTREPRENEURS SERVED
- 700+ PAYING MEMBERS
- 76% MEMBER RETENTION AFTER 2020
- 72% MEMBERS RETAINED OR CREATED JOBS
- 47% MEMBERS MAINTAINED OR INCREASED REVENUE
SEAF and CEED
Around the Globe
In March of 2020, both SEAF and CEED acted quickly to support our companies and entrepreneurs so that they could withstand the worst effects of the COVID-19 pandemic. The strategic partnerships and established trust at the heart of our proactive and responsive business model fostered deep-rooted resilience during this critical period, laying the foundation for future growth and profitability.

SEAF surveyed our portfolio companies at the end of 2020, and CEED surveyed our entrepreneurs to see how our assistance and recommendations helped them weather the pandemic as they looked forward to 2021.

SEAF provided varying customized assistance to 95% of our portfolio companies to minimize the effects of the COVID-19 pandemic on their businesses and employees.

1. The data sample size is 37 portfolio companies.
Reported Impact of COVID-19 on SEAF’s Portfolio Companies’ Growth and Sales

- Positive Impact: 8%
- Small Negative Impact: 52%
- No Significant Negative Impact: 7%
- Severe Negative Impact: 27%
- Serious Negative Impact: 5%

Securing Third Party Financial Assistance to Build Food Security and Climate Resilience

SEAF assisted over 67% of our portfolio companies in securing third party financial assistance to mitigate the effects of the pandemic; the funding was primarily derived from the public sector. Of those who received third party financial assistance, approximately 50% added jobs during 2020.

EMPLOYMENT GAINS/LOSSES OF SEAF’S COMPANIES WHO RECEIVED THIRD PARTY FINANCIAL ASSISTANCE

2. Two additional jobs were added by companies who received public sector business strategy assistance.
SOWIT—

Morocco Growth Fund

Fostering innovation and creating climate sustainability and food security to generate lasting impact.

SOWIT was founded in 2018 following a chance encounter between co-founders Hamza Rhka and Hamza Bendahou who share a passion for utilizing custom-made drones and advanced technology to improve agricultural production. The co-founders combined their expertise in precision agriculture and advanced mathematical and statistical modeling to meet the growing challenges in the Middle East and North Africa (MENA), which is one of those most affected by climate change, food insecurity, water shortages, desertification, as well as rural migration.

50% of the arable land in Africa is still uncultivated, and the livelihoods of 60% of the African people depend upon agriculture. The UN’s Food and Agriculture Organization forecasts that the world’s population will reach almost 10 billion by 2050, with well over 2 billion living in Africa⁸, and the corresponding demand for global food production increasing exponentially. The recent growth in agricultural production in Africa over the last three decades has been largely due to land deforestation and mobilizing a larger agricultural labor force. Without the use of sustainable innovative technology, like what SOWIT provides, this rate of increase will not be sufficient to meet growing food production demands.

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Instead of relying on further deforestation that would contribute to global warming, SOWIT’s technology increases the crop production levels of arable lands. Through the implementation of technology and data-driven solutions, Rhika and Bendahou created SOWIT to empower African farmers by not only providing and supporting a sustainable model of agriculture to mitigate unique regional challenges, but also by fostering dignified employment that supports the needs of the African people, especially youth farmers and women farmers who tend to face greater information gaps, providing greater access to basic needs for the hundreds of thousands of people who live in the MENA region.

SOWIT’s non-invasive, remote-sensing, multi-devices solution technology enables farmers to optimize water on a daily basis, while also supplying farmers and agribusinesses with data-driven insights on their crops and farmland. SOWIT’s approach enables farmers to adopt more efficient farming practices, drive critical farming operations, and make accurate decisions during their crops’ lifecycles by leveraging AI and machine learning to analyze and extract practical recommendations through satellite imagery combined with drones, on-the-ground inspection, and historical agricultural and climatic data, to allow farmers better control of their yields. SOWIT is uniquely positioned as the only player in Africa providing both data and actionable insights customized to each farmer’s unique needs and crops. SOWIT also owns the data its systems generate allowing for higher rates of iteration and subsequently a higher degree of understanding of African agronomy.

SEAF initially reached out to SOWIT and began investing in the company in 2019, following SOWIT successfully converting paid tests with major clients to begin commercial application. In addition to funding, SEAF brought a robust local network to the partnership, which proved invaluable to SOWIT during 2020 due to the initial impact of the pandemic. 2020 started very successfully for SOWIT, as they were engaged in multiple projects with their clients, but the COVID-19 travel ban significantly affected their sales and ability to collect data, which was dependent upon in-person engagement, and their funding disappeared. The SEAF Team worked closely with SOWIT to implement three major interventions to minimize any further negative effects and find new paths for growth and profitability. The first was to activate SEAF’s extensive network in Morocco to initiate SOWIT’s business development in this sector; the second was the SEAF Team encouraging SOWIT to move to remote sensing operations instead of in-person data collection; and the third was an in-depth assessment of their business model to transition to automating other operations so that SOWIT would rely less on travel and in-person engagement.
All of these highly customized interventions altered how SOWIT worked in the field and sped up their tech development and other projects previously slated for 2022, such as the launch of their new app, an all-purpose, comprehensive smart mobile app providing data-based knowledge directly to farmers. “Through multiple introductions with key players in the citrus industry,” said Hamza Rhka, “SEAF accelerated the development of SoYield, our yield estimation mobile app, and provided critical business insights.”

The all-in-one free mobile app provides weather data and satellite imagery analysis (NDVI), among several other innovative features. With SEAF’s assistance, SOWIT is also piloting a farming insurance product to leverage their technologies to assess weather impact on insured farms and calculate farmers’ compensation, seeking to mitigate risk for small farmers to grant them greater access to insurance, as well as a credit score platform dedicated to agribusinesses and farmers in the hopes of democratizing financing, as banks often do not consider agribusinesses for funding.

SEAF also partnered with SOWIT to secure third-party funding during 2020. With SEAF’s assistance, SOWIT competed for the Call for Innovations by the Water and Energy for Food Grand Challenge (WE4F) Middle East and North Africa Regional Innovation Hub (MENA RIH). SOWIT was chosen as one of the Innovation Finalists to receive financial support in the form of $200k USD in grants, as well as technical assistance. Hailed as “one of the most promising and innovative companies working to produce more food with less water,” SOWIT competed against more than 135 other companies and organizations for this award. SEAF also worked to secure a $70k USD grant from the KfW Development Bank.

What SEAF’s tailored interventions and responsive approach coupled with SOWIT’s rebounding growth in 2020 illustrates is that good business in Africa is tied to generating impact. SOWIT aims to create more jobs for women, young people, and those who live in rural areas, while also cultivating food security, building climate resilience, and providing access to basic needs. Despite the many initial setbacks created by the onset of the pandemic, SOWIT increased its employee count by 40% in 2020 from the previous year and currently has a 3:2 ratio of women to men employees.

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2020 Timeline of SEAF’s Interventions

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<td><strong>SEAF attracts founders</strong></td>
<td><strong>Partnership Development</strong></td>
<td><strong>Strategic Guidance</strong></td>
<td><strong>Local Business Development</strong></td>
<td><strong>Intro to Local Gov &amp; Institutions</strong></td>
<td><strong>Local Business Development</strong></td>
<td><strong>Partnership Development</strong></td>
<td><strong>Partnership Development</strong></td>
<td><strong>Intro to Local Gov &amp; Institutions</strong></td>
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<tr>
<td>SEAF introduced SOWIT to Prosper Africa, a US Government initiative in Africa</td>
<td>SEAF introduced SOWIT to Zalar Holding, a leading agribusiness financed by IFC, and signed a sole contract for remote sensing monitoring services</td>
<td>Following COVID-19 breakout, SEAF supported SOWIT in reviewing its strategic tracks and its product and technological roadmaps</td>
<td>Facing travel limitations, SEAF supported SOWIT focusing on local business development efforts in Morocco</td>
<td>Introduced by SEAF to Moroccan Agricultural Ministry, SOWIT signed a major contract</td>
<td>SOWIT entered a partnership with Danoar &amp; Microsoft to build specific monitoring services for wheat and maize cultures in Morocco, Russia, Spain &amp; Poland</td>
<td>SOWIT introduced a partnership with Danone &amp; Microsoft to build specific monitoring services for wheat and maize cultures in Morocco, Russia, Spain &amp; Poland</td>
<td>SEAF introduced SOWIT to Credit Agricole du Maroc, leader in farmers banking and agribusiness financing in Morocco and a key player in Moroccan agricultural policies</td>
<td>SEAF introduced SOWIT to USAID, which was selected for Water and Energy for Food Grand Challenge competition, which was awarded in 2021.</td>
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Creating Equal Employment Opportunities and Inclusion to Reduce Poverty

SEAF’s portfolio company industries which saw job growth aligned with major job growth trends worldwide; jobs were created predominantly in food retail and healthcare.

The data from our 2020 survey also demonstrated SEAF’s continued commitment to women’s economic empowerment, as full-time jobs held by women increased from 2019 to 2020. Empowering women has never been more important, as the pandemic disproportionately impacted women and girls worldwide and substantially increased their rates of poverty.3

In 2020, 60% of SEAF’s portfolio companies’ full-time jobs were held by women, which was a 10% increase from full time jobs held by women in 2019.

65% of SEAF’s portfolio companies provide services and products that benefit women and girls.

Some of SEAF’s portfolio companies did see job losses, which were experienced across multiple industries.

- Agriculture/Food: -22%
- Retail - Agriculture: -11%
- Healthcare: -1%
- Business Process Outsourcing: -10%
- Information Technology: -3%
- Education: -2%
- Retail: -19%
- Financial Services: -1%
- Clean Energy: -32%

DIGICON—Bangladesh Ventures

Empowering women and reducing poverty to create equal employment opportunities

COVID-19 created a global recession in Bangladesh. Its national lockdown extending from March through May of 2020, and despite reaching pre-pandemic normalcy by October, Bangladesh still experienced increased rates of food insecurity and job losses, reversing twenty years of reduced poverty rates. Bangladesh’s increase in poverty has disproportionately affected Bangladeshi women and girls. Around half of the country’s population are women, and prior to the pandemic, the number of women workers had been steadily rising, increasing from 25% in 1990 to 36% in 2019. But with the onset of the pandemic, women in Bangladesh have been more vulnerable to job loss and reduced employment hours—83% of formal women employees and 49% of informal women employees have experienced job and income insecurity—widening the rates of poverty between women and men in Bangladesh even further.

One of the important ways the World Bank has found to mitigate the gender poverty gap and increase employment in economies like Bangladesh’s is greater internet access and digital connectivity, particularly as the pandemic has forced the world—governments, companies, and individuals alike—to move online to reduce the spread of the virus. Over 66% of Bangladesh’s population is under 35 years old, and approximately 55% of this population are connected over the internet.

Digicon Technologies Limited (Digicon), founded in 2010, is one of the leading Business Process Outsourcing (BPO) service providers in Bangladesh, delivering turnkey solutions to all industries that outsource their customer care division and back-office support. SEAF first invested in Digicon in 2018 due to the large growing market for BPO services in Bangladesh, along with the company’s robust commercial traction, partnership with all telecom operators, and the government incentives and vision for a Digital Bangladesh. Digicon offers a breadth of voice-based services covering clients across multiple industries, and their client base includes leading telecommunication companies, multinational electronic companies, insurance companies, non-banking financial institutions, and government institutions, among others. Currently over 1,000 employees work for Digicon, and of those, 39% are women. Digicon’s impact on Bangladesh extends beyond its telecommunication service offerings, aligning with 7 UN Sustainable Development Goals.

Prior to the pandemic’s slowing of operations within the country, Digicon had also been extensively involved in conducting various training projects for both government and private organizations, though many of these are projects are currently on hold. Most of the government projects were focused on developing the next generation of skilled employees for Bangladesh’s thriving Information and Communication Technology (ICT) sector, especially women. As obstacles due to social norms often hinder many educated women from engaging in traditional employment, Digicon has been participating in specialized training programs for women in partnership with different government authorities. For example, the Skills for Employment Investment Program (SEIP) supports the government’s reforms in skills development, enabling a large proportion of the population to find employment. Over 2,000 people have enrolled and graduated from SEIP training programs with Digicon, and over 700 of them have been women. Digicon also assists with another program that actively increases female entrepreneurs in the ICT sector: the “She Power Project: Sustainable Development for Women through ICT” training program, which is in conjunction with the ICT division of the government. 56% of Digicon’s women trainees are currently employed in the BPO sector.

These programs foster women’s healthcare, women’s entrepreneurship, and women’s technical skills development. The BPO sector in particular offers an excellent working environment and employment opportunities for women that are outside the informal sector, in addition to higher income, the ability to gain new and varied skills, better healthcare, and a stronger sense of empowerment.

Not only does increasing female ownership and leadership foster a culture that embraces diversity and rewards people based on their achievements and potential, but for Digicon, both the training and

employment of women also makes good business and financial sense. With SEAF’s guidance, the company has been focusing on developing women within their mid-level management, an initiative that they view as key to their growth and critical to the BPO and ICT sectors at large, as well as a path to ensure the provision of top-level service to their customers. 14% of Digicon’s C-Suite executives are women, whereas less than 5% firms in Bangladesh have women in top management positions.7 To further increase the advancement of women within Digicon, SEAF recommended a robust internal mentoring program to drive both women’s career growth and their engagement within the company, to ensure they feel empowered to participate in and lead decision making. Digicon’s commitment to developing and supporting women is enabling the company to attract and retain top talent, which not only sets them up for growth and measurable economic success but also for weathering critical periods, such as the COVID-19 pandemic.

The disruption in 2020 caused by the pandemic only minimally impacted Digicon’s operations and finances. In order to secure the health and protection of employees, Digicon implemented enhanced safety measures, such as remote work and various non-overlapping work shifts to allow social distancing on company premises. Digicon also did not allow women employees to work during the night shifts and arranged transportation for them, as women have experienced the greatest impact from COVID-19, and these measures secured their safety and ability to retain their positions. Digicon did see an initial decrease in sales which forced them to apply for additional financing. SEAF provided strategic support and guidance and assisted Digicon with applications and negotiations for funding from the government and with applications for financing from banks. Digicon’s outlook for 2021 is relatively positive, as the company has seen partial positive sales growth returning operations and revenue to pre-COVID levels. “The pandemic has caused the business to shrink and revenue to drop,” said Wahid Sharif, Managing Director. “I believe next year new opportunities will come in health, education and other citizens services sector. Digicon will be able to capitalize those opportunities in the coming days.”


A Closer Look: SEAF Helping Women-Owned Businesses Weather COVID-19

To respond to the pandemic’s deepening of preexisting inequalities, especially the vulnerabilities faced by women entrepreneurs, SEAF, in partnership with the U.S. International Development Finance Corporation (DFC), launched the SEAF Global Gender Lens Emergency Loan Finance facility (C19F) to support women entrepreneurs affected by COVID-19, as women-led small and medium sized enterprises (SMEs) are more vulnerable than their counterparts due to less access to funding. C19F provided emergency funding and business support to mitigate the impact of the pandemic, empowering women across the developing world. SEAF shared with our borrowers the best practices learned across our global platform, including those learned by CEED members. Our interventions focused on cash preservation, inventory controls, accounts receivable/payables management, banking and supplier relationships, and employee management issues.
CEED Global surveyed our entrepreneurs to understand the impact of COVID-19 on their businesses.4

The vast majority of CEED Global’s members across the globe—77%—experienced some or significant impact due to COVID restrictions. Only 8% reported no impact, though 13% reported somewhat positive and significantly positive impact, which tended to be those members in the software and health care industries.

4. The data sample size is 624 members.

Victoria Finance — CEED Tanzania

Founded in 2009, Victoria Finance PLC (VFP) is one of the leading microfinance institutions in Tanzania, dedicated to providing credit and insurance to small and medium sized enterprises (SMEs), corporate entities, and individuals, especially Tanzania’s low- and middle-income earners, women, youth, and the needy. As financial inclusion needs to be significantly expanded in Tanzania, VFP focuses primarily on providing financial services to underserved populations who are unable to access such services from commercial banks or other financial institutions in order to create a more equitable economy. VFP also manages special impact funds to specifically promote financial inclusion in rural areas.

SEAF first invested in VFP in 2018, and VFP joined CEED Tanzania in 2019. Julius Mcharo, VFP’s Managing Director noted that VFP joined CEED to build positivity among the staff for the benefit of both operations and VFP’s customers, and “I think we have benefited quite a lot,” Julius stated, “but the major driver to join CEED was also the networking; we have had quite a lot of success stories from our membership, with many willing to participate to enjoy the benefit of networking, and we met quite a lot of people.”
In the time since SEAF began investing in VFP and they joined CEED, they have experienced several positive impacts from their relationship with both SEAF and CEED. Due to SEAF’s investment, they have substantially increased their number of clients and their net revenue, seeing a $200,000 USD increase. VFP’s membership with CEED brought expert training for VFP’s staff on customer service and management, in addition to team building, as well as training and coaching for VFP’s customers on topics such as financial literacy and wellness. VFP has also actively contributed to the CEED community by sharing their knowledge and business management expertise, along with their connections.

As with entrepreneurs all over the world, VFP dealt with many challenges due to the COVID-19 pandemic, including the slowdown of the Tanzanian economy which directly affected VFP as customers defaulted, impacting their cash flow and their slowing business. In the early stages of the pandemic, CEED conducted several peer meetings that directly benefited VFP, enabling them to weather the worst effects of the pandemic. One of the first meetings discussed guidelines an organization should take in the workplace during the pandemic; another brought in a doctor from the prestigious Muhimbili National Hospital to discuss COVID-19 facts and myths. In the third quarter of 2020, CEED conducted a peer meeting focused on building business resilience in uncertain times.

Even with the setbacks and slowing of the Tanzanian economy and VFP’s business, VFP was still able to assist many people during 2020, including their staff, customers, and suppliers. VFP dispersed 6 billion TZS, aided 2,000 customers with loans, trained 280 customers, and conducted multiple trainings for local farmers. Aided by both SEAF and CEED, VFP showed resilience in the face of unforeseen and difficult circumstances.

“"The kind of people we’ve interacted with from SEAF and CEED," said Julius, "have been very supportive. Atiba Amalile (the Director of CEED Tanzania) very useful—we discuss, we chat. This relationship has been very good, very very good, so far above our expectations, and we are very grateful."
Upping the Ante

In evaluating the needs of entrepreneurs at the onset of the pandemic, we saw the vital importance of expanding our support services to help navigate the incredibly complex and distinct situation created by the crisis in each country. Though there were many similarities affecting entrepreneurs across the globe—the need to move online and digitize services to reduce the spread of the virus—there were still a multitude of singular challenges dependent upon the specific country.

We implemented SOS services tailored to these unique challenges to enable entrepreneurs to pivot and adapt. The main negative effects on CEED members have been business closure, decline in sales, and inability to pay employees. Though many CEED members introduced digitized services, invested in digital platforms to offer online services, and some switched completely to online sales, most businesses still had reduced income throughout the year, and cost-cutting was an inevitable decision causing some to cancel their CEED membership, which in turn created financial constraints for certain centers. Despite the necessity of online events and services, they were not well-received in every country, requiring innovative thinking to maintain optimism around networking and encourage members to identify and embrace all opportunities to keep their businesses strong and growing. A CEED club for women entrepreneurs and women managers began in Macedonia to address the challenges specific to their needs and create a supportive like-minded community, as the pandemic has notably had a greater impact on women-owned businesses. Our center in Tanzania offered online events that were COVID-related to dispel myths, as well as guide members in people-management, communication, operations, and financing, using the challenges wrought by the pandemic as a discussion point for potential members seeking direction in an uncertain business environment.

In all of the various ancillary services implemented throughout 2020 to empower our entrepreneurs, what stood out to all of our CEED members was the unmatched value of each local entrepreneurial community and how each service reinforced and deepened that community, evident in that over 75% of our members decided to remain with CEED after 2020 and maintain a trusted partnership in the face of unprecedented difficulties.

Pika na P —CEED Slovenia

In 2020 CEED Slovenia launched the Pika na P podcast for Slovenian-speaking entrepreneurs with the sole purpose of sharing the skill sets that are vital to successful small business founders and entrepreneurs.

Pika na P was a joint project between CEED Slovenia and long-time CEED member and mentor Uroš Čimžar, an entrepreneur turned manager, who is currently serving as the CEO of DHH SpA. DHH is a tech group that invests and grows companies in the web hosting, SaaS, and cloud computing industries across Southern Europe. DHH’s growth has been tightly connected with CEED since 2011, when they were a web agency called Klaro. CEED supported their biggest business transformation, from a small company with 15 employees to being a publicly traded tech corporation listed on the Italian Stock Exchange. All members of their founding team and key management personnel have participated in various CEED entrepreneur programs for company growth and professionalization, along with functional programs for marketing, sales, leadership, and finance.

Uroš came to the CEED Slovenia team in early 2020 with the initial idea for the podcast, which the team and Uroš then developed together, including the concept, content, slogan, logo, and timeline. But when COVID-19 hit Slovenia, the podcast was temporarily delayed. In the summer of 2020, as wholly digitized initiatives were of the utmost importance in navigating pandemic restrictions and lockdowns, CEED Slovenia and Uroš returned to developing the podcast. It launched in October 2020 and currently has over 8,500 listeners in 15 countries. It airs weekly, every Monday, featuring guest founders from Slovenia and hosted by Uroš.

Uroš’s and CEED Slovenia’s goal was to reach a wider entrepreneurial community in Slovenia in addition to Slovenian-speaking communities abroad, as the continued pandemic has prevented CEED Slovenia from organizing in-person Leaders Talk events, which introduced founders and entrepreneurs to our CEED Community.

The guest speakers invited to the podcast are handpicked based on their willingness to share openly and with brutal honesty, which reflects CEED’s culture and methodology. The candid, unique nature of the discussions between the speakers and Uroš has been wildly successful.
The CEED Slovenia team has received amazing feedback on the podcasts’ success from the CEED community, as well as non-member listeners, and it has turned out be the lead generator of new potential members. Four new members joined CEED Slovenia in 2020 after listening to the podcast: Matija Krajnc of Aero 4m, Aljoša Mlakar of Vine d.o.o., Andrej Kolar of Navter, and Grega Krč of Hitri dirkač, who in fact rejoined CEED. They all expressed their satisfaction with the honest conversation the podcast offered, which they needed to hear as they navigated their own businesses through the pandemic.

CEED Slovenia has further enhanced the podcast experience for members and listeners through initiating the monthly Pika na P Afterhours Event in which one guest speaker from the podcast is invited to continue the debate live in a virtual setting with the entire CEED Slovenia community. The Pika na P Afterhours event is an off the record, even more candid conversation. The new season begins in September 2021.

The openness and honesty Pika na P and CEED itself provides entrepreneurs is not only refreshing but highly necessary in these unprecedented and uncertain times when maintaining community and close-knit relationships have never been more important.

Looking Ahead to Increased Sustainability and Growth in 2021

At the end of 2020, most of SEAF’s portfolio companies projected a positive outlook going into 2021, the majority anticipating partially positive to strong yearly sales for the new year.

76% of our CEED members expressed their commitment to stay with CEED in the coming year, indicating a high regard for CEED’s distinctive value proposition and holistic approach during an unprecedented global crisis.
CAMEX—
Caribbean SME Growth Fund
Diversifying supply chains, supporting women employees, and improving governance for sustainable growth

In Guyana, as much of the rest of the world, the COVID-19 pandemic hindered access to basic goods and services for the majority of the Guyanese people, especially women and Indigenous peoples. 58 percent of Guyanese households worried about not having enough food during 2020; 70 percent of employers closed their businesses temporarily or reduced worker hours; 74 percent of women-led households faced food insecurity; and 76% of women-led households needed money and basic hygiene products. According to the UN, household income decreased noticeably during the pandemic compared to the level in January 2020, median income decreased from G$100,000 to G$67,000 between January 2020 and (September 2020). Such reduction in income were experienced in both households headed by females and other households, in each region without exception. Female headed households earned less than other households to begin with and this continued to be true after the decreases in income due to the pandemic.1

Camex Restaurants Inc. in Guyana has long been recognized as a good corporate citizen and has developed a reputation for delivering high-quality service and popular products and for being an ethical business player, investing significantly in its employees, the majority of which are women. Camex was founded in 2006 by Terrence Campbell and is Guyana’s largest restaurant operator, with five brands and 28 franchise locations throughout the country: Church’s Chicken, Dairy Queen, Pollo Tropical, Mario’s Pizza, and Quiznos. Completed during the COVID-19 pandemic, SEAF’s investment in Camex is the first for our Caribbean SME Fund, which was launched in October 2019. Campbell expressed his confidence in the process and SEAF’s investment, stating “from the initial discussion to financial close, SEAF operated with commendable professional competence and good faith that made me comfortable that the company I founded and built and, most importantly, the employees, are in safe hands.”

As part of its focus on improving the lives of its employees, Camex provides different levels of strategic training for its many employees, from frontline workers, like cashiers and cooks, to senior managers. Approximately 80% of Camex’s workforce are women, including top members of senior management, and many employees are single mothers. Even prior to the COVID-19 pandemic, Camex provided workers with flexible schedules and time off to balance family responsibilities, establishing a trusted good faith relationship that carried over into how Camex navigated the COVID crisis for its workers. Camex found ways to cut as few jobs as it possibly could, such as rotating employee shifts, to weather the worst effects of the pandemic on its people and sales revenues, which are now quickly approaching pre-pandemic levels.

Camex found ways to cut as few jobs as it possibly could, such as rotating employee shifts, to weather the worst effects of the pandemic on its people and sales revenues, which are now quickly approaching pre-pandemic levels. COVID-19 both revealed and exacerbated companies’ pre-existing vulnerabilities, so while the pandemic’s effects on sales and revenue were similar across the world and across industry, there were complexities and gradations dependent on the company and country, which is why SEAF’s customized interventions have proved instrumental for our companies throughout 2020. What the pandemic exposed for Camex specifically were the many vulnerabilities and constraints of its supply chain and the pressing need for a localized, homegrown sustainable solution. Remedying this difficulty was at the very center of SEAF’s recommendations.

With additional funding from the Inter-American Development Bank, SEAF directed Camex to both establish a formal procurement department and conduct a search for a local technical assistance consultant to set up sustainable, environmentally-informed processes and procedures across all the brands under the Camex parent company. SEAF focused on Camex’s supply chain as the most critical to Camex’s business and capital due to its multilayer impact for the country and for the people of Guyana. Establishing local sustainable sourcing for Camex’s franchises is paramount to Guyana’s post-COVID development, enabling the country to build back better. Training and involving local suppliers develops and supports Guyanese small businesses, which has a related social impact throughout the supply chain, creating more desirable jobs, livable wages, and equal pay for equal work across genders to address some of the cultural norms in Guyana and associated femininity of the food industry. Establishing a sustainable, environmentally-aware local supply chain will reduce waste to build climate resilience within Guyana by controlling carbon emissions and lessening further global warming.

2 Ibid
Frigo Deluxe Solutions, LLC—CEED Kosovo

According to the World Bank, the six countries of the Western Balkans—Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia—experienced their “worst economic downturn on record during 2020” due to the devastating impact of the pandemic, ending 10 years of increasing incomes and reduced rates of poverty.10 The region saw a decline of 139,000 jobs, which largely impacted women and youth, and between 165,000 and 336,000 people fell into poverty.11 The severity of the recession was driven by a drop in private consumption, private investments, reductions in imports and exports, and social distancing restrictions, as tourism and retail trade were hit especially hard.12

Kosovo reported its first economic contraction in 2020, a damaging -6.6%, following a growth in 2019 of 4.9%; the country’s budget deficit more than doubled in 2020.13 The World Bank projects Kosovo will not reach pre-pandemic economic activity until 2022 despite the country seeing some positive changes in 2021.14

In the midst of such grim challenges, one of our CEED Kosovo members Frigo Deluxe Solutions, LLC was able to end 2020 with increased profit, business expansion, new jobs, and salary growth, along with boosted employee morale.

Burim Kuraja and Meliha Kuraja founded Frigo Deluxe in 2016 as a small family business to provide customers with professional industrial kitchen and bar equipment, refrigerated display cases, bakery furniture, and catering equipment. “We had a very clear vision what we would offer our clients, a very niche type of client,” said Burim, “by offering specific, perfect solutions for their businesses.”

Within one year, Frigo Deluxe became operational internationally and started exporting to countries in the European Union, offering bespoke customer solutions to meet their clients’ various challenges focusing on three segments of the food service equipment industry: commercial kitchen equipment, bakery shops and confectioneries, and coffee shops.

“We combine our technical and management capabilities with the focus of an independent private company, as we believe we are key for our customers, letting them focus on their mission and core competencies, while we take care of the rest,” stated Burim. Frigo Deluxe offers their clients a holistic approach, providing guidance and support so their clients can turn their visions into successful businesses. From the initial consultation through the creation of the business concept to its implementation and installation, Frigo Deluxe advises and partners with their clients, focusing entirely on generating successful sales and growth.

Their architectural designs not only perform at the highest level but consistently reflect current industry trends.

Burim was one of the founding members of CEED Kosovo when it opened in 2009, and his participation over the past 12 years has positively affected his businesses, including Frigo Deluxe: “the impact of CEED has always been the great quality of the network that we have built, sharing our experiences together. We also have gained a lot from specific programs such as Peer to Peer, Top Class, and Top Class Plus.”

During 2020, CEED provided opportunities for members from different markets to exchange their expertise through online webinars and other virtual forums, sharing their experiences and practices adapting to the restrictions and other effects of the pandemic, such as entering new markets and becoming more flexible. CEED’s responsive adaptation to entrepreneurs’ needs and challenges ultimately translated into measurable success. One specific topic that significantly benefited Frigo Deluxe was the session “Chaos Creates Opportunity” which provided them with helpful concrete strategies for thinking outside the box. Frigo Deluxe added jobs, increased salaries by 20%, expanded their business by 30%, and increased their net profit by 25% by the end of 2020. They also invested in new tools for workers, from software to new delivery trucks forklifts to office chairs and computers to increase employee morale during these difficult times and foster their creativity and job satisfaction.

Frigo Deluxe also doubled their marketing budget, starting in April 2020, including the three months when they were closed due to COVID-19 restrictions, “just to let people to see something better in social media, showing them smile or feel happy because of the solution we were able to give with our professional and special equipment,” said Burim. Their investment in marketing has been a great tool to attract more clients and other professionals. Burim proudly pointed out that “we can say that we became one of the key players in the Kosovo market; during 2021 we’ve improved even more than in 2020. Thanks to our long time CEED membership, we have also shared all of our experiences with our CEED network and peer to peer group.”

12  Ibid
SEAF’s Impact Alignment

Throughout its history, SEAF has engaged with an array of policymakers, providing us with an intimate understanding of the need for global frameworks and industry standards to improve social, economic, and environmental conditions around the world. As members of the impact investing community, we are committed to establishing and supporting these standards and both adopting and modeling best practices.

The United Nations’ Sustainable Development Goals (SDGs) have emerged as the most widely accepted criteria for investors interested in achieving impact. The 17 goals cover a wide range of social and environmental goals, the attainment of which are recognized as ensuring unambiguous developmental progress.

Successful achievement of the SDGs will require collective effort by the private and public sectors alike. At SEAF, we believe that real measurable progress comes from supporting local entrepreneurs who are looking to increase the shared prosperity of their communities.

Although the SDGs were developed in 2015, SEAF has made impactful investments over the course of our more than 32-year history, addressing nearly every SDG. Since our founding, working towards a sustainable and equitable world has been embedded in our mission and the impact objectives of each of our funds. The bedrock principle of SEAF’s work could be restated as “Decent Jobs and Economic Growth” – SDG #8 – which we seek to achieve through investing in and developing entrepreneurs in emerging markets.

Moreover, SEAF and CEED have mobilized and deployed public and private capital through virtually all SEAF investments and CEED activities, aligning with the objective of SDG #17 – Partnerships for the Goals.

In addition to SDGs #8 and #17, SEAF has made a significant number of investments addressing the objectives of SDG #5 – Gender Equality, primarily through our development and implementation of our Gender Equality Scorecard©, as well as SDG #10 – Reducing Inequalities.

We look forward to continuing this work into the future, when impact investing aligned with the SDGs is simply investing.
SEAF’s Impact Program

Throughout its history, SEAF has worked to promote economic development and job creation in its investee companies and in the broader ecosystem via CEED. SEAF has been able to establish local networks which generate interest and trust, allowing us to provide investments that make sense to companies and allow SEAF to pursue its impact mission.

As the impact investing industry and impact management practices evolve, SEAF is also enhancing its practices to create the mechanisms that are appropriate for SMEs in emerging markets to identify and realize their impact potential.

One such mechanism is the SEAF Impact Scorecard® (SIS©), a recently formulated tool specifically for SMEs which assesses investments and companies in three different areas—ESG, Impact, and Investment Additionality. The main concepts of the SIS© have come from extensive research of industry tools and best practices; a review of the frameworks SEAF currently leverages, including the IFC Operating Principles and the Taskforce on Climate Related Financial Disclosures (TCFD); and internal working group sessions with investment officers around the globe, who identified and validate the components of each of the three areas.

Throughout this process, SEAF’s investment lenses of Inclusion and Climate Resilience played an important role in developing the SIS© metrics.

Our approach when assessing investee companies in these areas is to identify where a company has a strong impact performance, without penalizing shortcomings in other areas. Instead, our aim is to identify where and how it is appropriate for a company to take action and increase their impact and optimize performance.

The key element of SEAF’s impact management process is to work together between stakeholders—companies, SEAF fund staff, and HQ team. Therefore, once all the impact information is collected, the team works to develop action plans that allow SEAF’s investment to not only to scale their business and maximize revenue and create jobs but to also maximize the impact the investee company can have on society and the environment.

Engage with SEAF Impact team throughout the investments.
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Affiliations and Memberships

GIIN
GLOBAL IMPACT INVESTING NETWORK

Council for INCLUSIVE CAPITALISM
with The Vatican

avpn

ASPIAN NETWORK
OF DEVELOPMENT
ENTREPRENEURS

EMPEA

IA 50
2021 EMERITUS MANAGER

evpa

OPERATING PRINCIPLES FOR
IMPACT MANAGEMENT
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As this report references our new impact measurement tool for SMEs, we want to acknowledge the integral support provided by SEAF’s investment team and the key role they play in implementing our impact metrics.

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