

Public Information Summary

Host Country(ies)

Morocco, Tunisia, Jordan, Egypt, and the West Bank

Name of Counterparty / Issuer

Sharaka Capital Management

Project Description

DFC will provide pre and post investment Technical Assistance to Sharaka Capital Management. The objective of the Pre-Investment Services is to assist Sharaka Capital Management, a first-time fund manager, in the finalization of structuring for Sharaka Capital Fund (the “Fund”) to bring the proven innovation of Revenue Capital for risk financing to growth-oriented family SMEs to the MENA region, as final design with Limited Partners / Investors is completed. The objectives of the Post-Investment Services are to (1) establish ESG policies for the proposed Sharaka Capital Fund Technical Assistance Facility (TAF), and (2) provide technical assistance to SCF investee SMEs, through the TAF, to achieve sustainable growth.

Sharaka Capital Fund (SCF), through DFC’s debt investment, will offer a single, revenue-based investment instrument for SMEs that cannot access adequate financing. The proposed Technical Assistance Facility will fund expert advisory services that will increase the developmental impact of DFC’s loan by enabling SME investees to expand their reach by utilizing best practices, including ESG best practices.

DFC is planning to provide SCF with a \$50 million long-term loan that will be repaid in 15 years. The proceeds of the DFC loan will be used primarily to finance the downstream shareholder loans to SMEs in the region. The target Fund size for first closing is \$100 million and will consist of the \$50 million DFC loan and \$50 million in cash equity.

DFC Product Type

Technical Assistance

DFC Investment / Insured / Equity Amount

\$3,500,000 in Technical Assistance Funds

Total Project Costs

\$6,500,000

U.S. Involvement (If not applicable, put N/A)

N/A

Fund Specific (If not applicable, put N/A)

Fund Manager

Sharaka Capital Management

Policy Review

U.S. Economic Impact

The Project is not expected to have a negative impact on the U.S. economy.

Developmental Objectives

- The core outcome of the Technical Assistance Facility (TAF) is to support the growth of portfolio revenues and improve their competitiveness and sustainability by adopting and adapting to improved governance structures, green technologies, prudent fiscal strategies and business standards.
- The proposed Technical Assistance will be used to support SMEs to grow and thereby create new private sectors jobs in each of the investment countries.
- The TAF will invest in SMEs in all economic sectors and will primarily target businesses run by entrepreneurs who have identified opportunities to expand, including regionally and internationally, but cannot access the financing required to realize such opportunities.
- The primary objectives of this post-investment TA will be in establishing a foundation for sustainable growth through adoption of business & ESG best practices.