



# Digitalizing the future of entrepreneurship

SANAD Fund for MSME

Impact Report 2021

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DIGITALIZING THE FUTURE OF ENTREPRENEURSHIP

# Key Figures

as of 31 December 2021

## Funding

Assets under management (USD) ..... **484,000,000**  
 Number of investors/donors ..... **17**

## Investments

Outstanding investment portfolio (USD) ..... **401,000,000**  
 Cumulative volume invested in PLIs (USD) ..... **732,000,000**  
 Active countries ..... **16**  
 Number of active partner lending institutions ..... **43**

## Technical Assistance

Number of Technical Assistance projects managed\* ..... **116**  
 Volume of Technical Assistance projects managed (USD)\* ..... **22,000,000**  
 Number of countries to date with Technical Assistance projects\* ..... **22**  
 People trained\* ..... **34,000**

## Impact

Number of outstanding subloans facilitated to MSMEs and households ..... **18,000**  
 Volume of outstanding subloans to MSMEs and households ..... **257,000,000**  
 Total volume of subloans facilitated to MSMEs and households\* ..... **923,000,000**  
 Number of indirect jobs supported by MSMEs receiving financing through partner insitutions<sup>1\*</sup> ..... **267,000**  
 of which, women<sup>1\*</sup> > ..... **78,000**  
 Number of women-owned enterprises reached through MSME finance<sup>1\*</sup> ..... **34,400**  
 Number of subloans enabled to women borrowers through MFIs financed by SANAD Debt sub-Fund\* ..... **147,000**  
 Share of subloans disbursed to rural and semi-urban end-borrowers ..... **24%**



\* Cumulative figure since inception.  
<sup>1</sup> Figures are modeled by SANAD based on primary reporting and third-party data.

Eradicating poverty by meeting the basic financing needs of MSMEs and low-income households

SDG 1 – NO POVERTY  
NUMBER OF SUBLOANS FACILITATED TO MSMEs AND HOUSEHOLDS  
259,000

## Greetings from the Chairperson of the Board

Dear Reader,

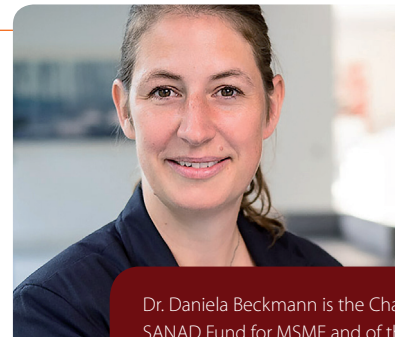
Welcome to SANAD's 2021 Impact Report.

Following a turbulent 2020, the SANAD Fund for MSME reached a notable milestone in its impact journey in 2021 as it celebrated its tenth anniversary. For SANAD, it was undoubtedly a year for the record books. Faced with extended socio-political and economic risks and an uneven Covid-19 recovery, the fund proved the strength of its impact strategy as it adapted successfully to a challenging operating environment and delivered impactful growth, of which we are very proud.

In 2021, the SANAD debt-fund demonstrated its continuous focus on employment and income generation in the region, disbursing a record of more than USD 112 million in loans to financial institutions serving the micro, small and medium enterprise (MSME) sector. This helped small businesses access much needed liquidity to continue their operations, sustain jobs and livelihoods despite the ongoing COVID-19-related disruptions. With its persistent impact focus in MENA since inception, SANAD debt sub-fund has enabled more than 259,000 loans to MSMEs and households in its core region-MENA, as well as in selected countries of SSA. Working together with its 43 financial partners across the region, the fund has strongly contributed to employment, supporting over 267,000 jobs over the past decade.

The SANAD equity sub-funds embarked on the first two strategic divestments, with strong commercial returns on each exit while also contributing substantially to the impact of its investees and their capacity to serve the needs of MSMEs. The continued support of SANAD ESF for its portfolio companies, including two top-up investments in existing partners, strengthened their resilience to the Covid-19 induced crisis and enabled sustainable financing for small businesses in the region.

As a leading impact investment fund in the MENA region, SANAD uses this holistic approach of coupling the provision of uninterrupted access to finance with technical assistance support and expertise to help build an inclusive financial ecosystem, particularly for underserved groups such as women, youth, and rural and agricultural MSMEs. In this context, the fund's financing for the local MSME sector was complemented



Dr. Daniela Beckmann is the Chairperson of the Board of Directors of the SANAD Fund for MSME and of the SANAD Debt sub-Fund Investment Committee

by well-tailored technical assistance initiatives totaling USD 2.3 million across 38 projects, with a strong focus on digitalization. This has been key for MSMEs, as digitization enables enterprises to become more resilient and adapt to new market conditions. The stories in this report provide a further glimpse into the positive impact of digitalization on the MSME sector.

By empowering small businesses to thrive in the modern economy, SANAD's long-term, comprehensive approach is invaluable in helping both entrepreneurs and the financial institutions they depend on, to confront and successfully mitigate the economic consequences of the pandemic.

Thanks to the steadfast support of our investors and the passionate resolve of our on-the-ground partner institutions to foster financial inclusion, the fund has been resilient and adaptable to change through difficult economic times. We are very thankful for the strong partnerships we have formed throughout the decade with investors and local financial institutions as we move forward in our journey.

It is with great pride that I present the SANAD Impact Report for 2021 on behalf of the Board of Directors. This year we have further demonstrated our commitment to driving lasting economic change through MSME development and have highlighted the actions that we are taking to ensure a long-lasting, sustainable impact for future generations.

With best regards,

**DR. DANIELA BECKMANN**

Chairperson of the SANAD Board of Directors

## Letter from the Advisor

Dear Reader,

It's been a turbulent year of continuous adjustment and adaptation in the wake of the pandemic. Yet throughout this time, SANAD has remained steadfast in its commitment to meeting the evolving needs of the micro, small and medium enterprise (MSME) sector by delivering a targeted, time-sensitive, and financially inclusive response to a region profoundly affected by Covid-19.

It has done this in several ways. Building on the progress of a decade-strong commitment to fostering inclusive economic growth and employment through entrepreneur support, the fund's Technical Assistance Facility launched a first-of-its-kind digitalization programme, providing targeted loan and grant facilities to implement new digital solutions that strengthen small businesses and the financial institutions that sustain them.

The fund also accelerated its support to partner institutions in both its core region of the Middle East and North Africa (MENA), and selected countries in sub-Saharan Africa (SSA), closing 2021 with outstanding portfolio of over USD 400 million. SANAD's debt sub-fund reinforced its focus on supporting small agricultural businesses in the region, increasing the share of disbursements to this segment, and supporting partners and end-borrowers with relevant capacity-building programs.

True to its mission to deliver inclusive and responsible finance, the fund also continued to address the shortage of local currency financing. Leveraging on its internal hedging capabilities, it provided local currency financing to its non-banking institution partners, thus safeguarding them and the end-borrowers from further exchange rate risks during these difficult times.

While the pandemic caused disruption and economic instability, it also taught us valuable lessons, including the importance of co-learning, collaboration, and connection. The fund has made considerable



progress on this front through its technical assistance activities, leveraging the links between SSA and the fund's core region, MENA, to transfer valuable knowledge and innovations. We aim to bolster the entrepreneurship environment by further scaling up TA activities and encouraging further co-operation between our partners in MENA and SSA.

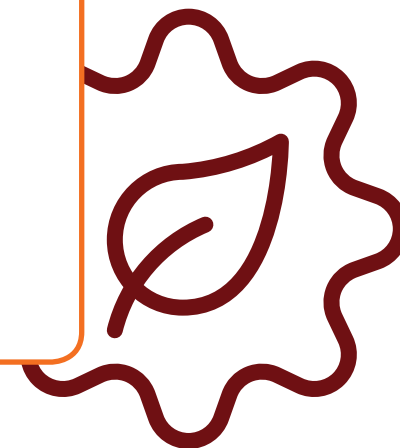
The SANAD's equity sub-funds have seen similarly increased momentum this year. Having long promoted the power of technology for financial inclusion and business growth, the pandemic highlighted the crucial role played by digital solutions in ensuring flexible, sustainable operations for entrepreneurs.

The equity sub-fund II's third equity investment of USD 2 million into digital innovator and online marketplace, is a powerful example of delivering on our vision to expand the benefits of e-commerce to the local businesses driving the economy.

As the advisor since the inception of SANAD 11 years ago, Finance in Motion remains proud and honored to serve a fund that has demonstrated such innovation and expertise in overcoming the unprecedented challenges faced by MSMEs and low-income households in the region. We look forward to an onward journey of impactful growth together, particularly now with the additional challenges evolving within the region, so that we can gear up to provide our best support possible.

With kind regards,  
**FINANCE IN MOTION**

## SANAD's approach to managing impact and sustainability



SANAD's mission is to finance micro, small, and medium enterprises (MSMEs) and low-income households in the Middle East, North Africa, and selected countries in sub-Saharan Africa via qualified local lenders. By facilitating much-needed access to financial and nonfinancial resources, SANAD helps MSMEs fulfill their role as engines of business growth, job creation, and income generation – including youth employment, thus reinforcing economic stability, improved livelihoods, and sustainable development. SANAD further strives for systemic impact by contributing to strengthening the financial sector serving its target groups, as well as empowering entrepreneurship by building skills along with access to resources and opportunities.

SANAD's impact management approach combines managing and mitigating potential negative outcomes with enhancing positive impact. Thereby, SANAD works towards the Sustainable Development Goals and aligns with international standards and good practices. These include the Operating Principles for Impact Management, the IFC Performance Standards, the eight core conventions of the International Labour Organization, the International Bill of Human Rights, and key responsible finance initiatives.

Finance in Motion, SANAD's advisor, is a signatory of the Operating Principles for Impact Management (Impact Principles), the leading industry standard for integrating impact management throughout the investment lifecycle. In the framework of the Impact Principles, Finance in Motion is committed to periodic independent principle alignment verifications of the alignment with the principles.

In 2021, BlueMark, a specialized impact verification services provider, conducted this assessment by benchmarking Finance in Motion's impact management system against the Impact Principles. The verification, which included a review of SANAD practices, showed notable ratings across all principles, affirming the fund's strong impact management system.

Read Finance in Motion's Disclosure Statement at:

<https://bit.ly/3wBfz7H>



### Positive impact management

Assessing SANAD's positive impact is crucial to the fund, as it demonstrates progress towards SANAD's social objective and provides insights and learnings that inform its strategy.

SANAD tracks and reports its progress towards its impact objective based on a set of key indicators. They have been selected based on SANAD's Theory of Change, reflecting both the direct impact on the investee and the sector overall (for example, by improving the financial institutions' capacity to serve the micro, small and medium enterprise, or MSME, sector) as well as the indirect impacts on or through the investees' clients (for example sustaining and creating job opportunities in the local MSME sector). In 2021, SANAD introduced a new Impact Scoring Tool to further strengthen its systematic impact management. The tool builds on SANAD's Theory of Change and reflects the targeted impact of the fund's partner institutions as well as the final socio-economic impact to be supported through the investments. It is further aligned with best practice industry frameworks and

### Quick facts

In pursuing its sustainable investment objective, SANAD is classified as an Article 9 impact fund in accordance with the Sustainable Finance Disclosure Regulation<sup>1</sup> (SFDR). The fund's overall sustainability-related impact of the Fund is demonstrated by relevant sustainability indicators ([see pp. 9](#)).

builds on the 5 Dimensions of Impact. In assessing the potential impact of each investment, the tool considers the need for and relevance of an investment in a particular country and sector. It further evaluates the investees' outreach to the target group as well as its commitment and capacity to deliver positive impact. Finally, SANAD's investor contribution is estimated, considering the financial and non-financial additionality of each investment. The expected impact is mapped against the UN SDGs. This tool is integrated in the investment lifecycle and will be used for impact assessment during the due diligence process as well as to monitor impact over time and at the portfolio level.

<sup>1</sup> Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

### Managing environmental & social risks

SANAD places a priority on the effectively managing – i.e., avoiding, minimizing, and mitigating – potential environmental and social (E&S) risks and impacts associated with its investments. To this end, the fund maintains and continuously improves on its environmental and social management system (ESMS).

E&S risks are considered throughout the investment process. E&S screening and thorough E&S due diligence processes are a key tool for identifying potentially significant adverse sustainability impacts and for assessing the capacity and commitment of SANAD's investees to address and mitigate against these impacts. Once capital is deployed, SANAD regularly monitors the E&S performance of its partner institutions and engages with them to strengthen their E&S capacity where required.

Explore SANAD's impact logic in its Theory of Change



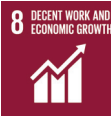
<https://bit.ly/3NpnB9o>








# Our contributions to the Sustainable Development Goals (SDGs)

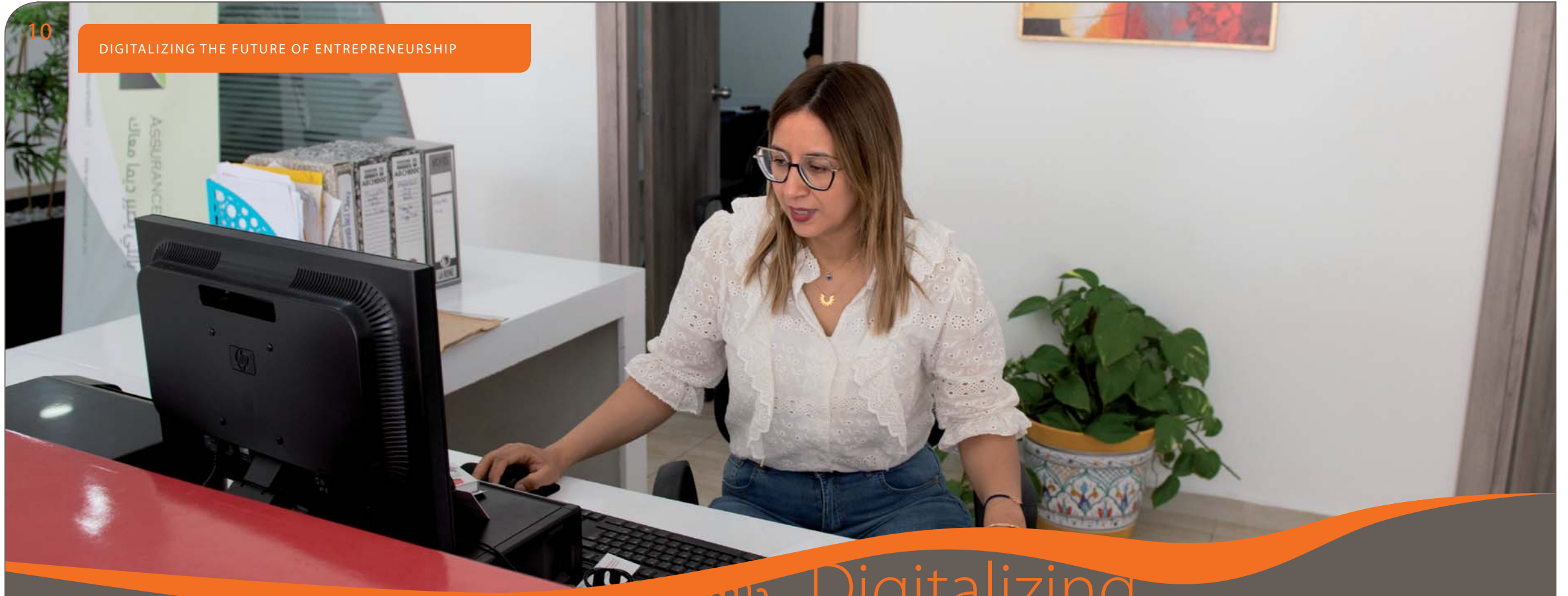
SANAD's activities have been mapped towards the SDGs at an SDG target level, based on which 6 have been selected as core SDGs.

SDG	SANAD contribution & indicators	2020	2021
	<b>SANAD contributes to eradicating poverty by meeting the basic financing needs of MSMEs and low-income households.</b> Number of subloans facilitated to MSMEs and households* Average amount (USD) of subloans	241,550 3,260	<b>259,000</b> <b>3,570</b>
	<b>SANAD contributes to improving agricultural productivity and the livelihoods of small-scale food producers through secure and equal access to financial services.</b> Share of subloans disbursed to rural and semi-urban end-borrowers	27%	<b>24%</b>
	<b>SANAD contributes to economic development and job creation by enabling entrepreneurs to grow their businesses, especially young entrepreneurs and MSMEs in rural areas.</b> Number of indirect jobs supported in MSMEs receiving financing through partner institutions <sup>1*</sup> Number of direct jobs contributed to within SANAD Equity sub-Fund I partner institutions* Number of partners served by SANAD with individual capacity building* Number of people trained*	> 229,000 2,900 190 29,000	<b>&gt; 267,000</b> <b>3,000</b> <b>190</b> <b>34,000</b>

\* Cumulative figure since inception

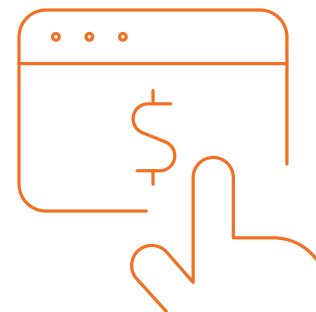
<sup>1</sup> Figures are modeled by SANAD based on primary reporting and third-party data.

SDG	SANAD contribution & indicators	2020	2021
	<b>SANAD contributes to inclusive industrialization by upgrading small-scale enterprises through improved access to finance and innovative solutions.</b> Volume of subloans enabled for SANAD's target group (USD)* Number of active borrowers Number of subloans contributed to by building up SANAD Equity sub-Fund partner institutions* Number of SANAD partner institutions* Share of outstanding portfolio in local currencies	782,000,000 19,200 1,000,000 49 16%	<b>923,000,000</b> <b>18,000</b> <b>1,400,000</b> <b>54</b> <b>18%</b>
	<b>SANAD contributes to economic inclusion by sustaining and growing business income among marginalized entrepreneurs, such as women, youth, refugees, and rural populations.</b> Share of outstanding subloans in local currencies Number of women-owned enterprises reached through MSME finance <sup>1*</sup> Share of female participants in capacity building projects	85% 32,300 52%	<b>93%</b> <b>34,400</b> <b>41%</b>
	<b>As a blended finance fund, SANAD brings together public and private investors for sustainable development.</b> Committed capital of SANAD Debt sub-Fund (USD) Committed capital of SANAD Equity sub-Fund I & II (USD) Total volume of technical assistance projects (USD)*	467,000,000 69,000,000 21,000,000	<b>471,000,000</b> <b>69,000,000</b> <b>22,000,000</b>



Digitalizing  
the future of  
entrepreneurship

## Empowering entrepreneurs and accelerating economic development through digitalization



Over  
**USD 923 million**  
volume of subloans enabled for SANAD's target group since inception

Digital innovation and transformation are revolutionizing the financial services sector globally, drastically reducing operational costs for providers while improving efficiency, facilitating new products and ways to reach clients, and enabling seamless, real-time transactions driven by digital connectivity.

In the Middle East and Africa (MENA), such technological transformation has given rise to an unprecedented opportunity to boost economic development and job creation by driving financial inclusion for the unbanked population. Yet fintech development could be accelerated even further with increased access to capital and improved technical skills, in support of new robust products and businesses that can scale successfully.

The fund has long regarded fintech as a vital tool in building an agile, inclusive, future-proof financial system. Having championed its adoption and development as a core element of its impact mission, it addresses the regional challenges posed by digital transformation in a number of innovative ways.

### Supporting Partners Harness Digitalization

Through its Technical Assistance Facility (TAF), SANAD has strategically supported partners in accelerating digitalization processes through the introduction of digital payment services, automated lending platforms and training, and has supported product development to enhance our partners' outreach of the funds' target group – MSMEs in MENA and selected countries in SSA.

It has equally helped regulators adopt fintech-friendly policies through the design of world-class fintech strategies and has facilitated partnerships between financial institutions and fintech companies within the MENA region.



**Leveraging Digital Technology to Empower Women**

A White Paper from UN Women labels the digital revolution as one of the biggest opportunities and threats to gender equality. This view is supported by research from The Web Foundation, which reveals USD 1 trillion in GDP lost in low and lower-middle income countries in the last decade as a result of barriers preventing women from accessing the internet and participating online.



Watch video here:

Womenpreneur video  
<https://bit.ly/3PSdVGC>



Recognizing the setback in gender equality triggered by the pandemic, and the importance of leveraging women empowerment through digitalization, the fund has pursued numerous key efforts. Among them, the fund worked with Flat6Labs to ideate and incubate digital women-led businesses in Egypt. Regionally, in partnership with Womenpreneur Initiative, it launched the Womenpreneur Digital Hub in March 2021, an online knowledge and resource-sharing platform expanding women's access to skill-building tools. To date, more than 6000 women have been trained through 53 trainings, and more than 5000 women have registered through the platform and have set up a profile.

<sup>1</sup> [https://www.ifc.org/wps/wcm/connect/09012193-bbca-4d8b-8b3f-2322eda6d9de/IFC+Report\\_Final.pdf?MOD=AJPERES&CVID=jXA.xEV](https://www.ifc.org/wps/wcm/connect/09012193-bbca-4d8b-8b3f-2322eda6d9de/IFC+Report_Final.pdf?MOD=AJPERES&CVID=jXA.xEV)



**Broadening Access to Agrifinance through Innovation**

The agriculture sector plays a crucial role in promoting sustainable development across MENA by supporting income generation, employment, and food security. Almost a quarter of the working population in MENA are involved in agricultural activities, while the agriculture sector on average contributes to 13% of the Gross Domestic Product (GDP). However, only 8% of bank



Watch video here:

Video Agtech Acceleration Program in Morocco  
<https://bit.ly/3gGEFJQ>



lending is available to small and medium enterprises in MENA; which contribute nearly 64% to the GDP.<sup>1</sup>

This presents a strong case for using innovative digital agrifinance approaches to broaden access to finance for this critical sector in MENA and contribute to the strong development of small local agricultural businesses. In addition, the fund is actively supporting agrifinance companies by promoting and sponsoring acceleration programs across the region.

**Investing in the future of MENA fintechs**

Another way in which the fund demonstrates its commitment to promoting and advancing digital transformation is by identifying promising fintech companies that enable financial inclusion and helping

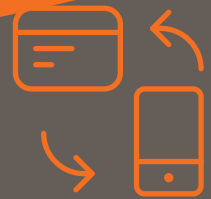
them grow through partnerships with fintech incubators and accelerators throughout the region. To do so, the SANAD TAF has supported both incubators and accelerators such as [ChangeLabs](#), [Flat6Labs](#), [ImpactLab](#), and [Meltwater Entrepreneurial School of Technology](#), as well as prizes such as the [Arab Financial Inclusion Innovation Prize](#).

In addition, through its equity sub-fund II, SANAD directly invests patient capital in promising fintech that improve financial inclusion through their focus on reaching tens of thousands of MSMEs. Recent example is its investment in POS Rocket, Jordan a successful tech startup offering digital sales solutions for micro, small, and medium enterprises.

**The Digital Roadmap Forward**

A top priority for 2022, digitalization will continue to play a key role for SANAD in supporting MSME finance in the year ahead. From advancing the digitalization of PIs and MSMEs through the fund's grant program, to deepening co-operation with regulators to promote digitalization in the financial sector, the fund remains committed to raising awareness of the importance of digital transformation and reinforcing the links between its two regions. This not only fosters knowledge transfer, but it also supports successful fintech models to expand from SSA to MENA, and vice-versa.

<sup>1</sup> Source: <https://bit.ly/3PRI1if>



Fostering fintech knowledge exchange between sub-Saharan Africa and the Middle East and North Africa

“We have been able to pilot our app in North Africa, which was made possible by the Pan-African Fintech Accelerator Program.”



EDWARD NEEQUAYE

Co-founder of Built Accounting,  
Ghana

# Pan-African Fintech Accelerator Program



10 start-ups write the future of finance in sub-Saharan Africa and the Middle East and North Africa



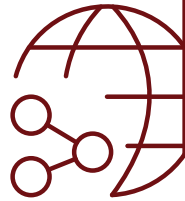
As a developing marketplace with a motivated and youthful population, sub-Saharan Africa (SSA) has much to offer in terms of fintech and innovations for financial inclusion. Fintech facilitates increased access for the unbanked and underbanked to financial services, by driving down costs and replacing in-person banking services with digital-only connectivity, as well as opening up previously untapped markets for financial institutions. Yet while the region – particularly East Africa – has become a global leader in fintech services, its adoption and usage in the Middle East and North Africa (MENA) is still lagging.

To address this and reinforce the links between SSA and its core region – MENA, the Entrepreneurship Academy of the SANAD Fund for MSME, in partnership with Meltwater Entrepreneurial School of Technology

(MEST) and IMPACT Lab, was proud to launch its premier program in SSA - The Pan-African Fintech Accelerator Program. The program was designed to attract high potential growth-stage start-ups looking to scale their businesses, develop global partnerships and expand into North African markets.

Over the course of six months, 10 targeted fintech startups from Ivory Coast, Ghana, and Senegal completed a high-impact and tailor-made market integration and immersion program. It enabled the startups to better assess and enhance their fintech products for the North African market, as well as pre-identify potential clients, corporate investors, industry experts and an eco-system of institutional partners.





Watch video here:

<https://bit.ly/3yTCyN8>



**Case Study: Built Accounting Ghana**

One of the fintech start-ups, Built Accounting, helps small and medium enterprises build a digital infrastructure that enables business growth through a cloud-based application that manages business finances whether invoicing, billing, payments, inventory management, payroll, and financial reporting.

Thanks to the program, the company had the opportunity to have one-on-one sessions with potential clients or partners, of which two were SANAD partner institutions. These sessions focused on key business development, product and communication initiatives to address product scale, integration and strategic planning, so as to adapt the offerings of the cohort to local needs.

Thanks to these sessions, Built Accounting was able to test their app with first-hand users, and receive

feedback from entrepreneurs in North Africa on ways to improve their own accounting systems. This helped the company to enhance their offering and product suitability for the target market. Their immersion in North African culture has bolstered their confidence and they are now planning to enter the market.

"We have been able to pilot our app in North Africa, which was made possible by the Pan-African Fintech Accelerator Program," remarks co-founder of Built Accounting, Edward Neequaye.

The next step for the company is to build sustainable technology partnerships to support its pilot, in order to extend coverage of its services as a standalone product or as a bouquet with a technology partner.

Prior to joining the program, the ability to scale their businesses across Africa had been a pipe dream to this select group of innovative entrepreneurs. But now,



thanks to the training and mentorship received, as well as the networking opportunities and introductions made, it has become a reality. A number of participants have successfully established a positive collaboration with the North African tech ecosystem, either in the form of customer acquisition, strategic business partnership, strategic technology partnership, investment opportunities, and setting up office in North African countries.

"This is just the beginning for these 10 extraordinary entrepreneurs," commented Ms. Kim Saskia Reichel, Chairperson of SANAD Technical Assistance Facility, which runs the Entrepreneurship Academy. "We look forward to seeing how they can implement what they have learnt and, in so doing, contribute directly to the development of a resilient and agile tech ecosystem in SSA, transferring their success stories for the benefit of North Africa and beyond."



Digitalization Program  
Supports MSME lending  
and entrepreneurial success

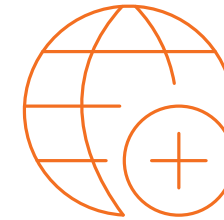
KAMEL SAIBI

General Manager of CFE,  
Tunisia

“In this period of economic crisis, SANAD has demonstrated its continuous support to our institution and indirectly to microentrepreneurs in Tunisia.”

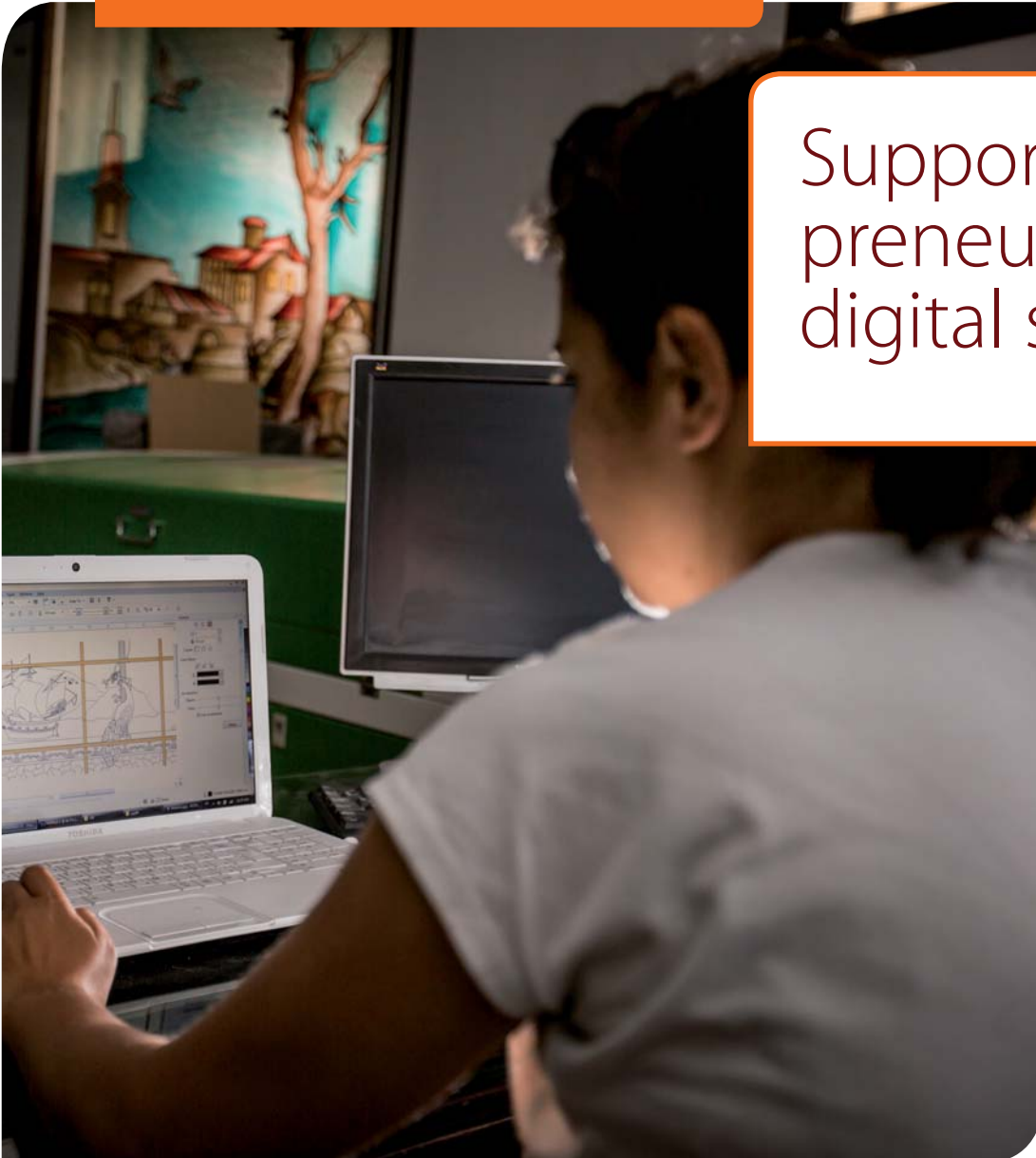


## Supporting entrepreneurs implement digital solutions



# USD 695,000

The amount SANAD TAF has provided in grants in 2021

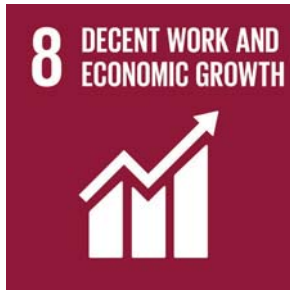


Regardless of market conditions, building a new business is a complex affair. While the onset of the pandemic saw the fintech industry accelerating digitalization on a global scale, the lockdowns instituted to contain the spread of the coronavirus led to severe business disruptions, particularly for MSMEs. In order to adapt to new market conditions and remain operational, it became critical for businesses to build their digital capabilities. However, in regions such as the Middle East and North Africa (MENA) and sub-Saharan Africa (SSA), such a rapid digital transition added significant pressure on entrepreneurs, SME and microenterprises, due to a lack of existing financial infrastructure and support.

The SANAD Technical Assistance Facility (TAF) was proactive and thorough in its response to the growing crisis, launching a Covid-19 response Grant TA program

for its partner institutions and their end borrowers, with a special focus on digitalization and coupled with new financing from the fund. The initiative reflected the fund's comprehensive, holistic approach to creating a supportive environment for entrepreneurial success and building resilience in MSMEs to mitigate the effects of the pandemic.

Full-scale implementation of the program is under way with six financial institutions, to which the SANAD TAF has provided over USD 695,000 in grants. By offering grants and funding to facilitate the implementation of digital solutions, such as the upgrading of IT equipment or systems, the program has enabled further digitalization at both financial institutions and among micro, small



enterprises (MSE), and supported the ongoing supply and demand of MSME finance. In this way, the SANAD TAF takes a comprehensive and holistic approach in promoting an environment that supports entrepreneurial success, and the financial institutions that sustain them.

The benefit of SANAD's innovative outreach – together with financial institutions – enabled MSEs to adjust their businesses to online operations and adapt to the new market environment created by the global pandemic.

**Case Study: Centre Financier aux Entrepreneurs**

One financial institution to receive a SANAD digitalization grant was Centre Financier aux Entrepreneurs (CFE). A greenfield microfinance institution founded in 2015, CFE has since become a dedicated provider of micro-finance in Tunisia and is a strategic SANAD partner.

Having worked with SANAD from as early as 2018 to channel crucial liquidity to Tunisia's micro and very small enterprise segment, CFE's core client focus is on women, young entrepreneurs, and small and micro enterprises that are looking to make the transition from the informal to the formal sector.

The microfinance institution has also benefitted greatly from the fund's Technical Assistance facility, receiving ongoing technical support, particularly with regards to their IT infrastructure, mentorship, and on-the-ground training over the years.



Mr. Kamel Saibi, General Manager of CFE, remarked, "In this period of economic crisis, SANAD has demonstrated its continuous support to our institution and indirectly to microentrepreneurs in Tunisia. For example, by helping us revamp our Management Information System, this will strengthen our internal capacities and advance our digital skills. Our growth over the years has enabled us to continue serving the unique needs of thousands of entrepreneurs across the country."

The new digitalization grants will go a long way in helping to strengthen the CFE's digital capacity, and the capacity of its borrowers who are benefitting from dedicated digital products and digitalization services. This includes, for example, internet subscriptions, computers tablets and website development and training. The grant will help them build resilience in the wake of the pandemic and enable their businesses not only to grow, but to flourish.



Strengthening the fintech sector through impactful equity investments



POSRocket is the second largest cloud-based point of sale company in the Middle East and North Africa



Watch video here:

video  
<https://www.youtube.com/watch?v=Pgtythjdtj0>



As a fund dedicated to promoting the success of MSMEs, SANAD has always placed importance on new technologies in supporting the growth of entrepreneurs. The journey of Jordanian-based startup POSRocket is an excellent example of this commitment to supporting entrepreneurship and to fostering financial inclusion in the MENA region.

A cloud-based point-of-sale system, designed to help small to medium companies 'sell and grow more,'<sup>1</sup> POSRocket empowers merchants in the retail, service, and food and beverage sectors to run digitally enabled businesses. To date, it has served approximately 2,000 merchants through an employee base that has grown to 64.

Launched in 2016, the fintech startup innovatively addressed a burning business need in the region's MSME market: a cost-effective, centralized point of sale system that was easy to set up and scale in line with business growth. POSRocket achieved this by developing a platform that successfully enabled merchants to optimize staffing decisions, manage inventory, generate sales reports and monitor transactions, remotely and in real time.

The startup first captured the fund's attention in 2017, when its founders participated in the Fincluders Challenge Amman, which is an acceleration program for early-stage entrepreneurs, organized and sponsored

<sup>1</sup> <https://www.posrocket.com/>



by the fund's Technical Assistance Facility. It went on to participate in the Fincluders Bootcamp, a dedicated mentoring program to support impact-driven early-stage companies.

Thereafter, in what was a critical step towards reaching its next stage of development, SANAD ESF II proactively supported POSRocket in raising equity capital, by co-leading its B Round financing together with like-minded local investors. The round enabled POS Rocket to raise USD 5 million, of which USD 2 million equity investment was provided by SANAD. With its long-term support of the company, SANAD played a strong role in the company's expansion across the MENA region, enabling it to recruit top talent, develop new strategic partnerships and diversify its product and

services offering, benefiting over 2,000 SMEs in the region. Along the way the fund contributed to its E&S framework and corporate governance, creating long-lasting impact. POS Rocket was part of the Amman Fincluders Challenge back in 2017 when it was still at a very early stage of development and by the time SANAD divested, the company became a prominent success story in the region.

In January 2022, the fund sold its shares in POSRocket following the acquisition of the business by Foodics, the leading Saudi-based restaurant-tech company with a shared ambition to help business owners grow their operations. This strategic exit allowed the startup to consolidate its position and become a market leader in Egypt, Kuwait, Oman and Jordan.



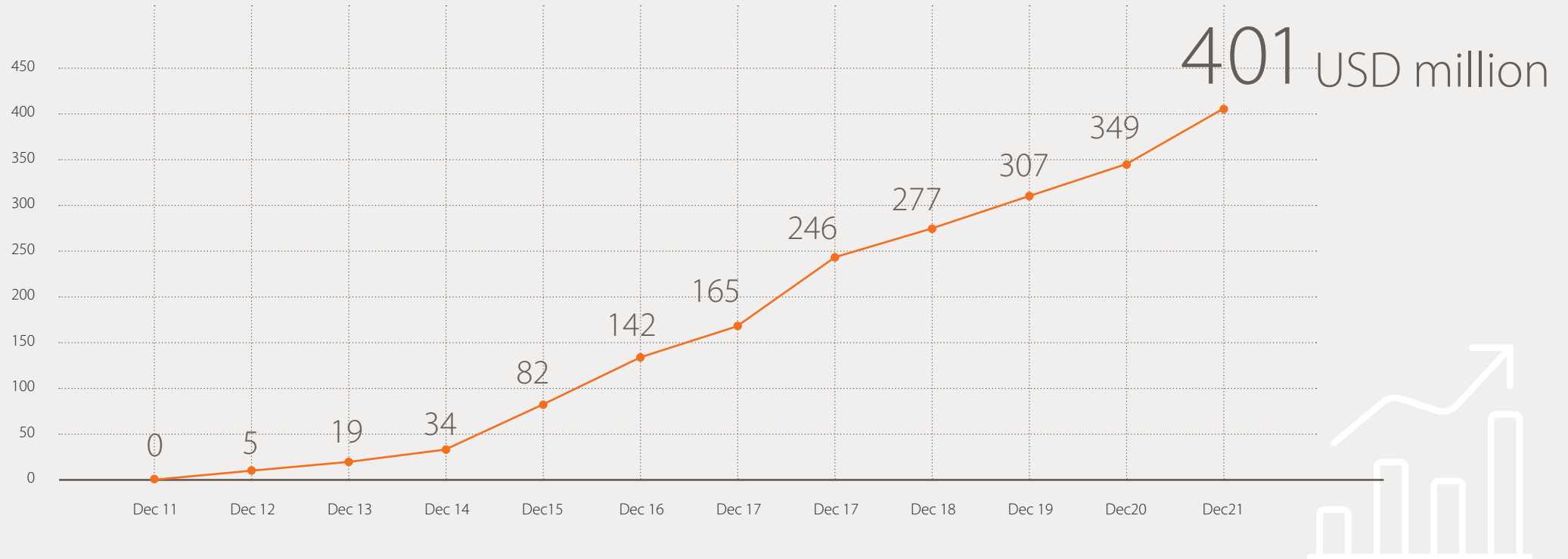


## Operational Results

# Operational Results

## INVESTMENTS

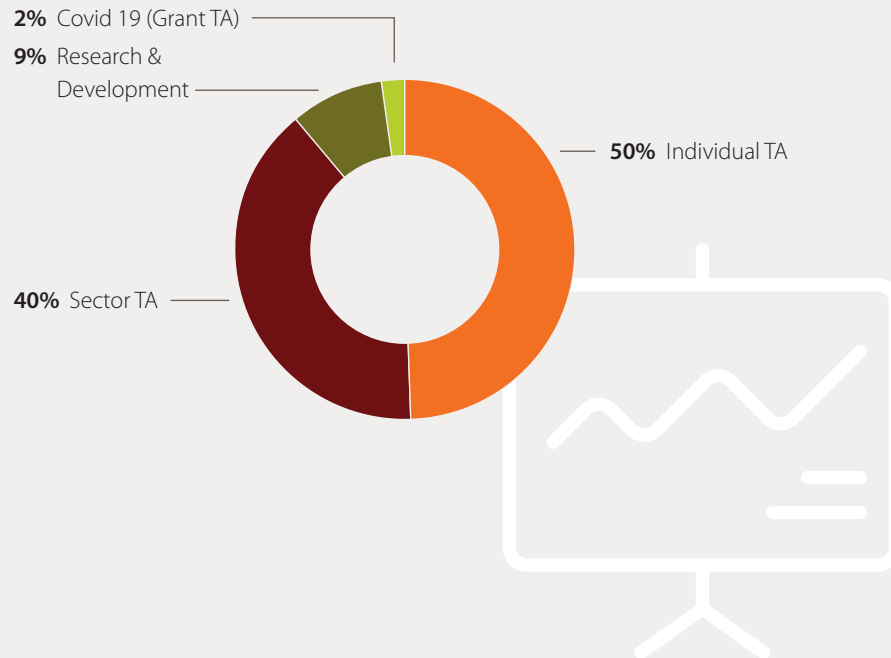
**Outstanding investment portfolio**  
(including all sub-funds)  
as of year-end



# Operational Results TECHNICAL ASSISTANCE

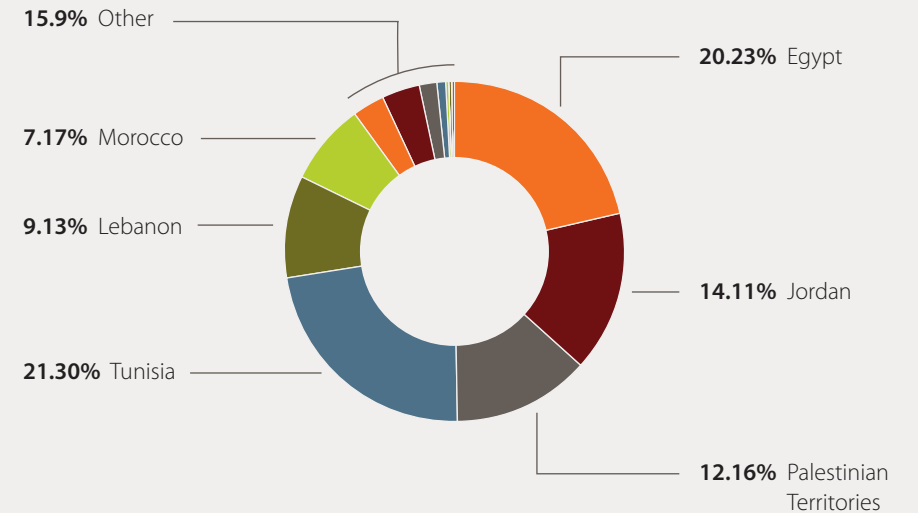
## SANAD Technical Assistance Facility

By type



## Project distribution by country

Based on total project volume



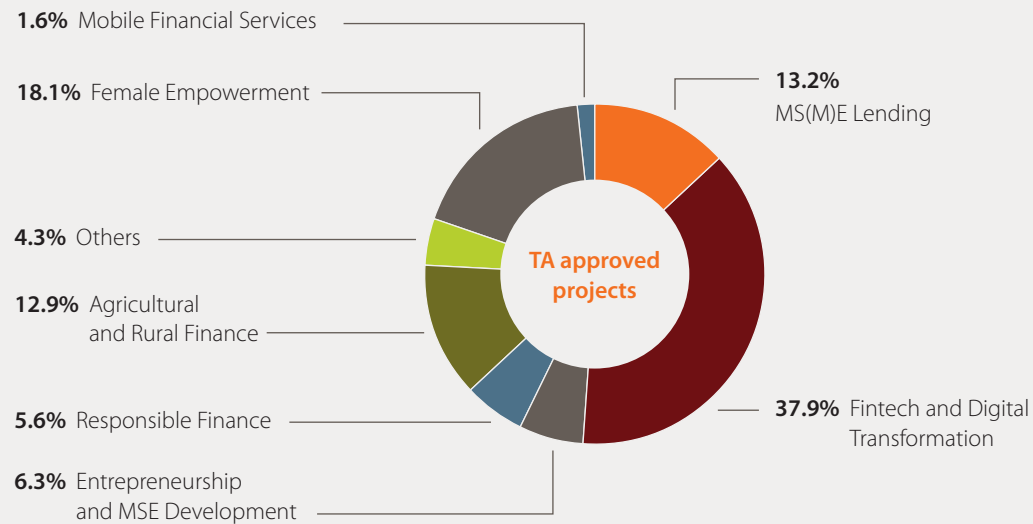
Cumulative, from inception of the SANAD Technical Assistance December 2021

# Operational Results

## TECHNICAL ASSISTANCE

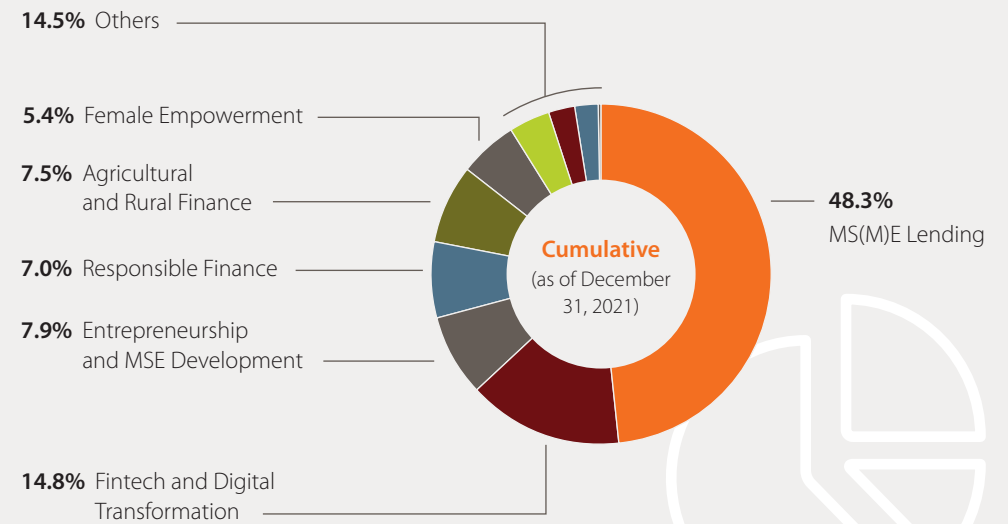
### Total scope of activities

Based on total project volume



### Total scope of activities

Based on total project volume



# Board and Committees

## BOARD OF DIRECTORS



DR. DANIELA BECKMANN  
(CHAIR)



ANDREA HAGMANN



FROUKE HOEKSTRA



BABETTE STEIN VON KAMIENSKI



STEFAN ZEEB

### DEBT SUB-FUND INVESTMENT COMMITTEE

- Dr. Daniela Beckmann (Chairperson)
- Koen Wasmus
- Maike Lerch- Simross

### EQUITY SUB-FUND I INVESTMENT COMMITTEE

- Rauf Khalaf (Chair)
- Joachim Rang
- Sonja Höss

### EQUITY SUB-FUND II INVESTMENT COMMITTEE

- Dr. Heinz J. Hockmann (Chair)
- Inga Müller
- Noha El Ghazaly

### TECHNICAL ASSISTANCE FACILITY COMMITTEE

- Kim Reichel (Chair)
- Andrew Shaw
- Koen Wasmus

### FOREIGN EXCHANGE COMMITTEE

- Nikolaus Siegfried
- Sylvia Gansser-Potts

DIGITALIZING THE FUTURE OF ENTREPRENEURSHIP

# Investors

## Initiated by

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## Advised by

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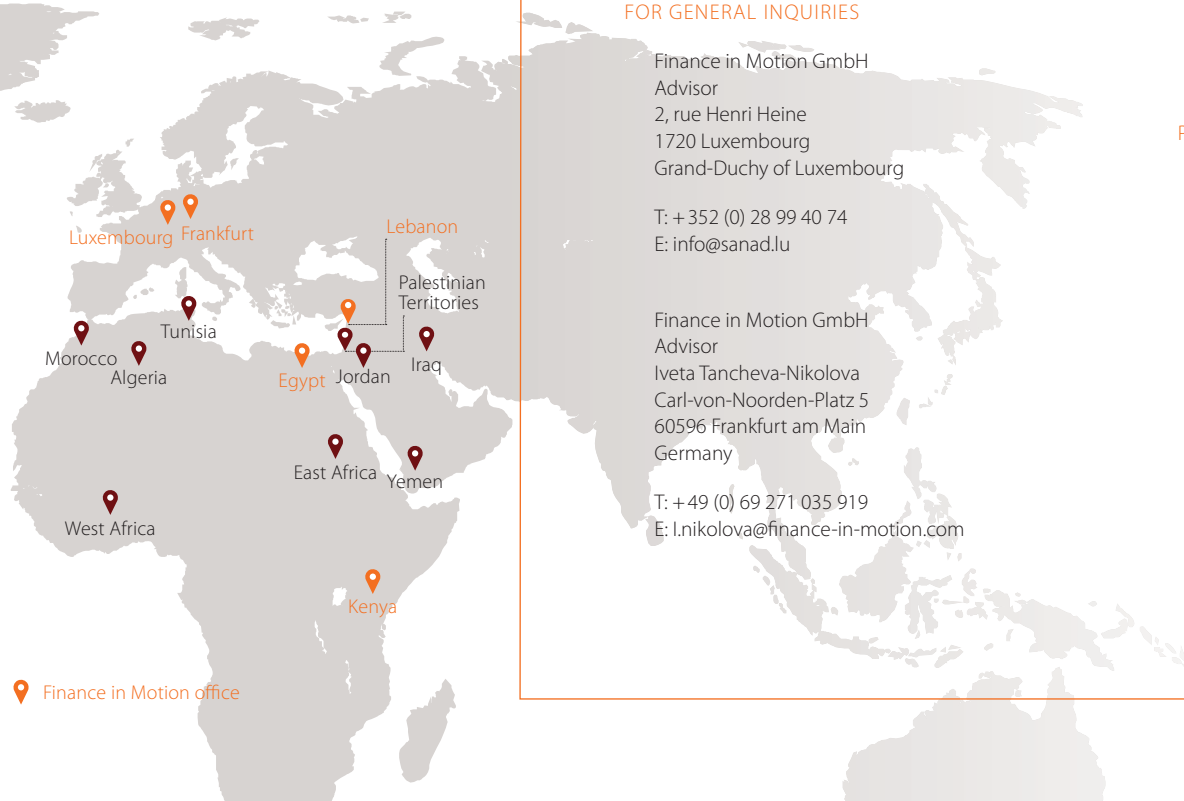


## Funded by

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