

Raising Capital for Small Business in Conflict Environments

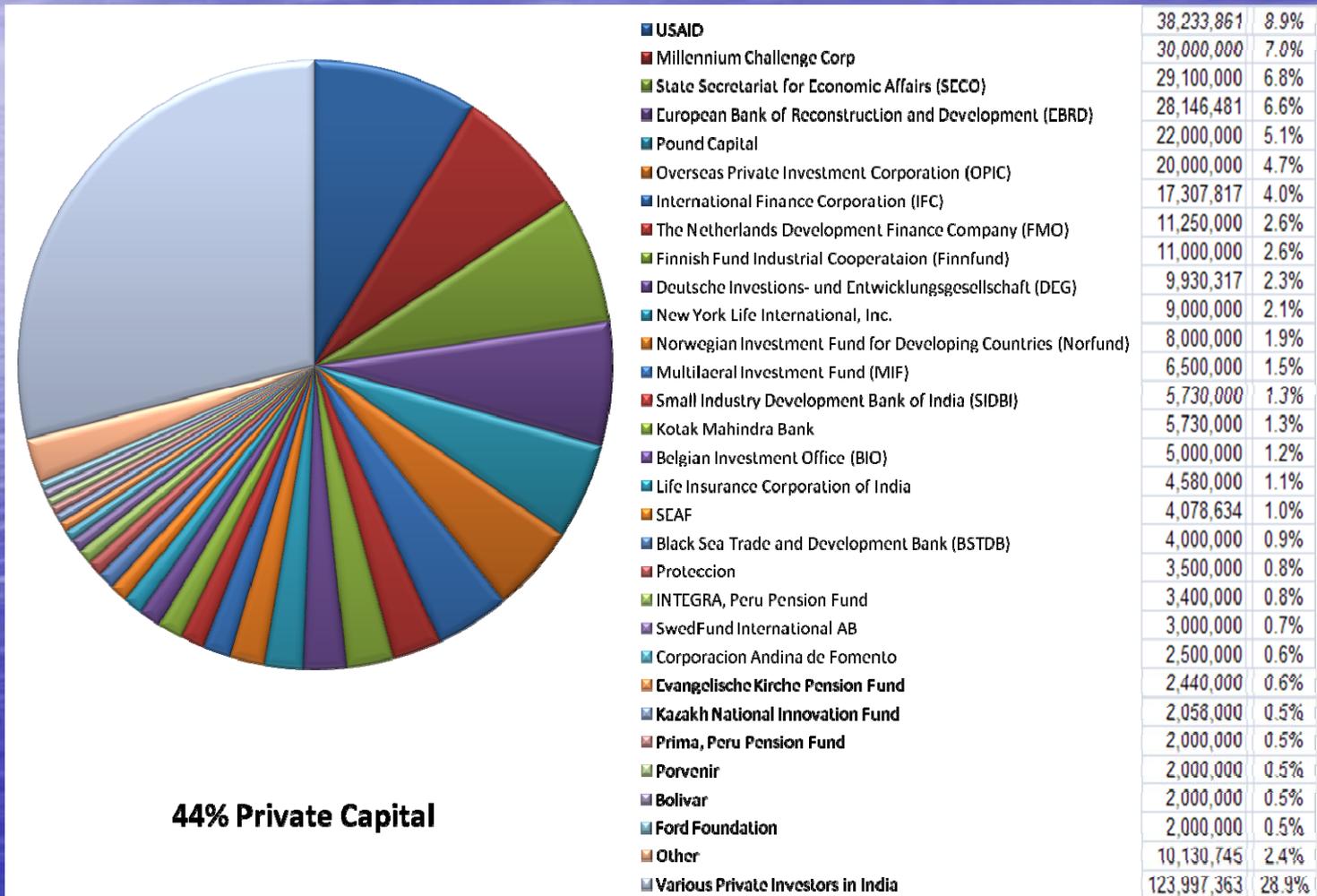
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SEAF
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Who We Are

- Small Enterprise Assistance Funds (SEAF)
- Emerging market fund management firm
- Invests in and lends to small and medium sized enterprises (SMEs)
- Provides critical post-investment technical assistance
- 501(c)3 not-for-profit organization
- 16 active funds in developing countries
- \$429M aggregate capital under management since inception
- 260 investments in SMEs globally
- Over 90 employees worldwide
- On the ground presence in every country providing critical post-investment technical assistance

Who Provides Our Financing



What We Do

- SEAF invests, lends and provides technical assistance to SMEs in developing countries
- Financing from \$100,000 to \$2,000,000
- Actively works with portfolio companies to expand the markets and improve operational efficiency

What We Do (Cont')

- Equity
 - Standard Equity
 - Preferred Equity
- Debt
 - Lines of Credit
 - Short, Medium, Long-Term
- Quasi Equity
 - Convertible Debt
 - Participating Debt
- Factoring
 - Standard Factoring
 - Reverse Factoring
- Leasing Finance
- Trade Finance
 - Letters of Credit
 - Revocable
 - Irrevocable
 - Transferable
 - Confirmed
 - Unconfirmed
 - Back-to-back
 - Standby
 - Cash advance against letter of credit

What We Do (Cont')

Networking Learning Events



Training - Strategies for Growth

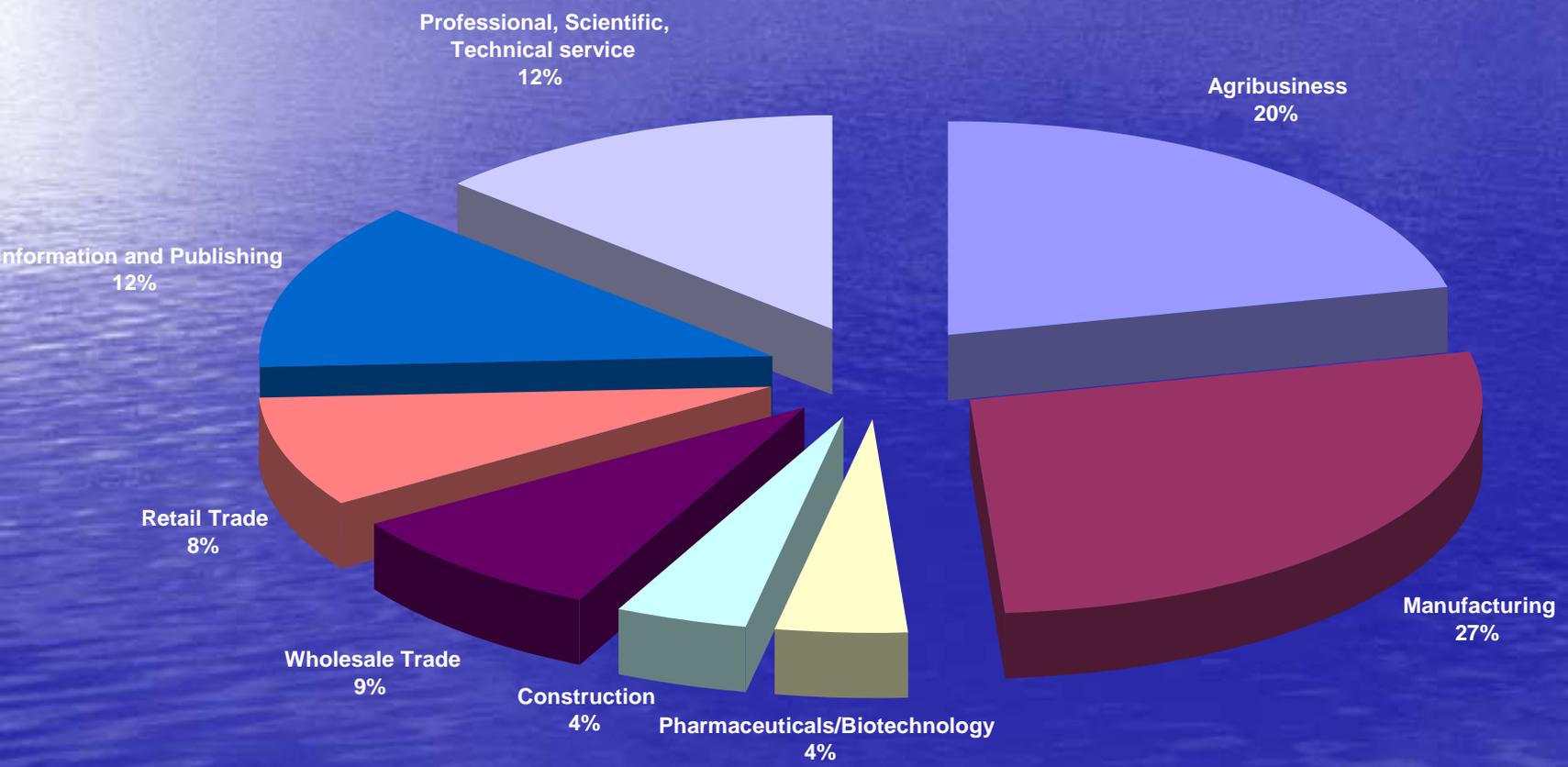


Networking learning and Bilateral exchanges with other countries - i.e. Russia, Kazakhstan, Hungary



What We Do (Cont')

SEAF Industry Portfolio Breakdown, as of December 31, 2007



Where We Are

- Afghanistan
- Colombia
- Croatia
- China
- Estonia
- Georgia
- India
- Latvia

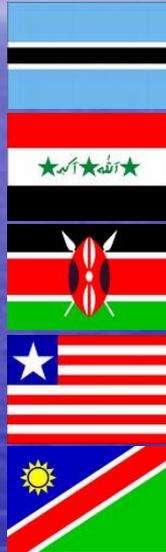


- Lithuania
- Macedonia
- Montenegro
- Peru
- Poland
- Romania
- Vietnam
- Uzbekistan



Where We Are Going

- Botswana
- Iraq
- Kenya
- Liberia
- Namibia



- Nigeria
- South Africa
- Tanzania
- Trinidad & Tobago
- Uganda



Why We Do It

- SME sector accounts for almost 90% of all enterprises in developing world
- Necessary engines for economic growth and poverty alleviation
- Access to financing a prevalent problem
- Every dollar invested in SMEs generates on average an additional **12 dollars** in the local economy.
- This multiplier effect is experienced among multiple stakeholders, including employees, suppliers, competitors, producers of complementary goods, the local community, and the broader local economy
- Each SME—through its purchase of inputs—supports **18** manufacturers, **10** distributors, **20** service providers, **3** equipment suppliers, and **280** micro-suppliers and farmers

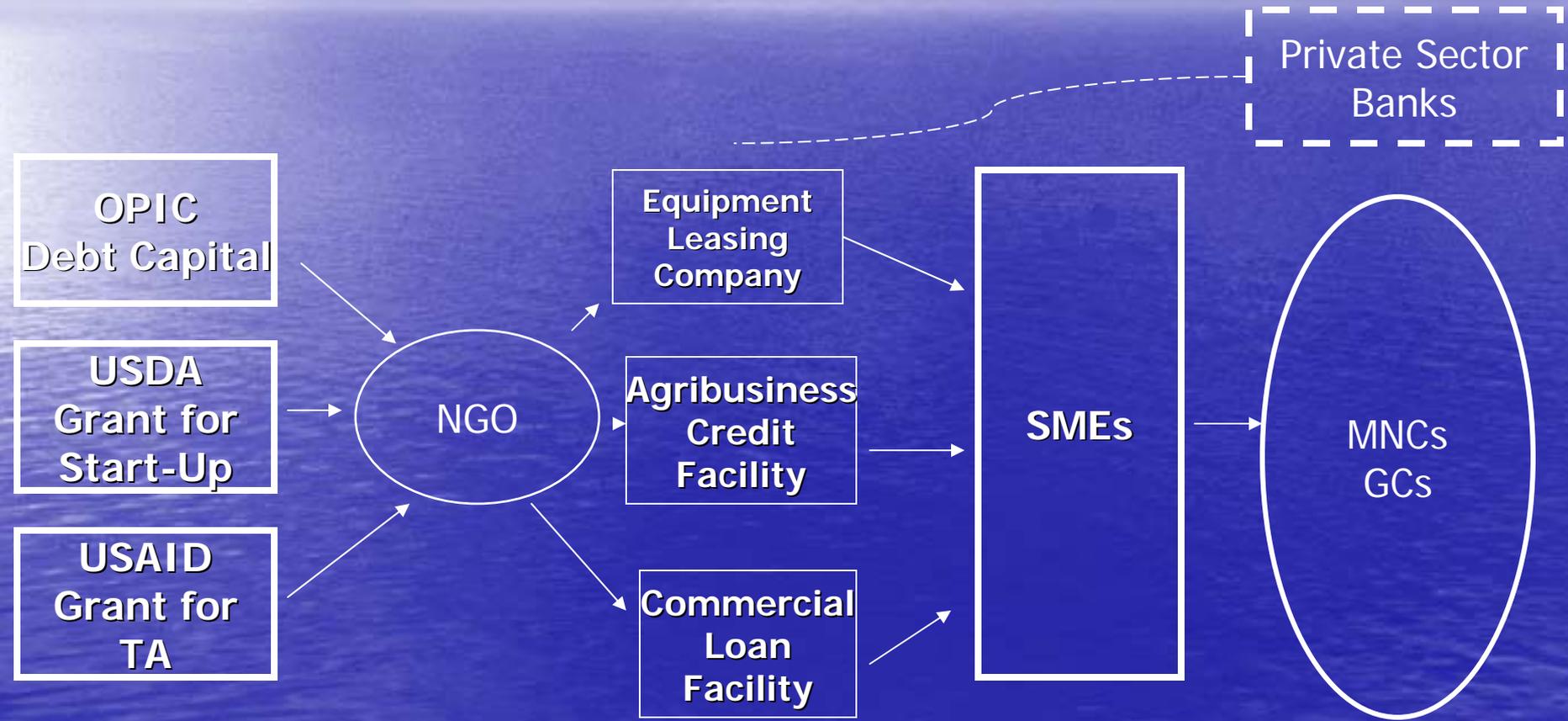
Funding Challenges

- Private sector risk tolerance too low for post-conflict environments
- Donor money tied to political support for the effort
- No adequate local sources of capital
 - Don't exist, interest rates too high, collateral requirements too severe

Suggested Approach

- USDA provides grant capital through commodity monetization to cover start-up and initial operational costs
- OPIC provides debt capital for follow-on lending
- NGO establishes local “platforms” for agribusiness credit, equipment leasing, operating capital, mezzanine finance, etc
- USAID provides grant capital to establish technical assistance facility
- Multi-National Corporations and Government Contractors involved in reconstruction and stabilization effort agree to source goods and services locally
- Federal Acquisition Regulations adjusted for reality of post-conflict environments
- Platforms employs “reverse factoring” by which they collect accounts receivable from MNCs and GCs
- Developed platforms eventually partner with, or are acquired by, private sector financial institutions

Suggested Approach



Questions?

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