



Newsletter  
Oct 2008, Vol 1

## Greetings!

I am pleased to welcome you to the first edition of the Grassroots Business Fund newsletter. We hope that this newsletter will help us reach out, and will also be a useful resource for you, GBF's many partners, stakeholders, and friends. This and upcoming editions will provide information and updates on our progress as an organization, while highlighting our latest initiatives and projects.



First and foremost, I am delighted to announce that GBF has officially begun operations as an independent non-profit organization. For those of you not familiar with our work, GBF aims to strengthen and expand grassroots enterprises that provide economic access and sustainable services to large numbers of the poor and marginalized in emerging markets. Our unique approach involves the coupling of intensive capacity building with the placement of "patient capital" investment, to build sustainable, high-impact social enterprises.

Launching GBF has been a challenging but exhilarating process. With the help of our wonderful staff and other stakeholders, we have been able to make a smooth transition from our predecessor organization, IFC's Grassroots Business Initiative. GBI has now closed, and GBF is fully operational at our new office in Dupont Circle. We encourage all of you to pay us a visit (see address below).

After 30 years at the World Bank Group/IFC, I've said farewell to my extraordinary colleagues at IFC, who marked my departure with an entertaining goodbye party (see the photo above). The next phase of my career will provide many exciting challenges and opportunities, including many potential synergies with IFC and GBF's other stakeholders.

This issue of the newsletter also highlights one of GBF's first deals, a micro-leasing firm in Tanzania called SELFINA. SELFINA is a great example of an organization that, with the right mix of patient capital and capacity-building, can bring economic empowerment to large numbers of the poor and hard-to-reach by building productive businesses. It's a great illustration of the type of organization GBF plans to work with and the way we can add value.

I hope you find this newsletter to be a valuable resource, and I also invite you to visit our website at [www.gbfund.org](http://www.gbfund.org). We are always open to feedback, and are very interested to cooperate, reach out and find a great set of partners and transactions. We would love to hear your thoughts and suggestions, so send us a note on the Contact Us section of our website. Enjoy!

Sincerely,

Harold Rosen  
Executive Director  
Grassroots Business Fund

## GBF Launches!

**GBF officially starts operations with a day of events**



The Grassroots Business Fund officially launched operations on September 22, 2008. Building on four years as the IFC Grassroots Business Initiative, GBF has been established to help

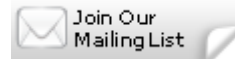
grassroots enterprises in the developing world maximize their social and economic impact, while building their organizational capacity and sustainability.

GBF works to build quality, scalable grassroots organizations that help impoverished communities in Africa, Asia, and Latin America gain access to economic opportunity and purchase essential services at affordable costs. GBF provides grant capital to build its clients organizational capacity, e.g. strengthening financial operations and management of social enterprises. An associated for-profit investment vehicle will help these organizations access equity-like "patient capital," a widespread but under-served need among small businesses and social enterprises in developing countries.

GBF's launch events commenced with a joint meeting

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## Going Forward...

GBF's strategy in the coming year will be to increase the number of projects (investments). Selected projects must be scalable and sustainable, with some track record, high social/development impact and large numbers of beneficiaries.

GBF aims to have 50% of its funding commitments in Africa and will be building a focused field presence to support projects throughout East and West Africa, and

of its Governing and Advisory Boards, which proved an excellent forum for exchange of information and ideas on some of the key strategic issues affecting GBF's development.



Following the meeting, IFC Executive Vice President and CEO Lars Thunell (pictured left) hosted a luncheon discussion with Dr. Victoria Kisyombe, director of SELFINA, one of GBF's first clients. Dr. Kisyombe gave an interesting presentation on her organization and the ways that SELFINA and GBF will work together.

The launch of GBF was also an ending of sorts, as the predecessor organization (GBI) officially closed its operations at IFC. Holding the launch events at the IFC building was a great way to celebrate the relationship, which will continue in a new form as IFC (along with other partners) contributes to GBF's development going forward.

The day of events concluded with an evening reception for GBF's Board members, staff, and other friends and partners. The celebration was a great opportunity for interaction among GBF's stakeholders.



other areas of concentration. Through new investments targeted within the next year, GBF expects to impact over 200,000 beneficiaries.

## Spotlight



Dr. Victoria Kisyombe's entrepreneurial motivation was sparked after losing her husband in 1991 and having to support her family with the only asset she had--a cow named Sero.

"If you have an asset, you can make a living," said Dr. Kisyombe (pictured above). "Some of the other women in Tanzania had it worse with not a single asset. This led me to think I should start something."

In 1995, Dr. Kisyombe established Sero Business Women's Association (SEBA). SEBA aims to promote the economic status of women in Tanzania by increasing the incomes and employment opportunities of the poor but economically active business women and

## GBO Focus

### SELFINA plans for expansion



The Grassroots Business Fund will soon be committing its first deal, SELFINA, a Tanzanian micro-leasing organization that helps rural women increase their incomes by leasing farm equipment, sewing machines, and other productive equipment at affordable rates.

Created in 2002 as a spin-off from a local NGO that provides business training to over 17,000 women, SELFINA's goal is to become a major provider of micro-leasing throughout Tanzania. SELFINA's financial products are a practical alternative to standard loans. The institution provides financing for the purchase of assets that will in turn serve as collateral for the financing. SELFINA, therefore, owns the piece of equipment and leases it to the client until the final repayment is made, at which point ownership of the item is signed over to the client. SELFINA also supplements leases, providing working capital loans for business expansion purposes to those women entrepreneurs who have established a credit record with SELFINA. (A SELFINA client is pictured below.)



GBF will be injecting a tier two capital investment into SELFINA with returns linked to profits. This patient capital will expand SELFINA's equity base, allowing the institution to increase its scale, supporting additional debt which should in turn accelerate growth. A technical assistance grant and related support from GBF will help with institutional development, operational improvements and market outreach. GBF support will help improve SELFINA's operations, financial management, planning and controls, and human resource functions.

GBF's capital investment should also help SELFINA attract the additional capital and technical assistance/capacity building needed to finance and develop capabilities called for in SELFINA's aggressive expansion plan. Over the course of the investment, the number of active clients is expected to jump from 7,000 to over 80,000. SELFINA expects

youth.

SEBA's first programs included providing business training, legal advice, health workshops, and forums on gender issues. But after providing business training to over 7000 women, Dr. Kisyombe realized that the training alone didn't help women access the finance they needed to develop small business ventures. SEBA needed a finance wing.

"It's different for women," said Dr. Kisyombe. "You go to the bank and they look at you and see that you don't have collateral so they can't offer much--if anything at all."

As a solution, Sero Lease and Finance Lt. (SELFINA) was formally registered as SEBA's financial wing. Through SELFINA, 14,400 women have been financed so far and more than 72,000 lives have been impacted.

"It is so satisfying to visit these women, especially when you know where they started," said Dr. Kisyombe. "We have cases where the women show us where they used to live compared to where they live now. It is such a difference!"

to provide sustainable livelihoods for 58,000 new women entrepreneurs and impact 220,000 children per year, reaching a total of 278,000 beneficiaries over six years.

## Contact Us

For more information on GBF and its work, please visit our website ([www.gbfund.org](http://www.gbfund.org)). There you can meet our team, learn more about our objectives, approach and our projects; read up on the latest news and events; view our photo galleries; and much more.

If you have experiences or ideas you would like to share, issues to discuss, or suggestions for activity areas where GBF can add value, please take a moment to email us at [communications@gbfund.org](mailto:communications@gbfund.org).



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