



Tunisian  
American  
Enterprise  
Fund

IMPULSION AU DEVELOPPEMENT



INAUGURAL  
IMPACT  
REPORT

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**SMART  
CAPITAL**

2013

2014

2015

2016

2017

2018

2019

2020



**USAID**  
FROM THE AMERICAN PEOPLE



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**W. Bowman Cutter**  
Tunisian American Enterprise  
Fund Chairman

### **TAEF MISSION**

- Support the Tunisian economy.
- Expand economic and employment opportunities throughout the country.
- Catalyze investments and promote broad economic growth.
- Strengthen small and medium enterprises, improve prospects for sustainable growth.

### **TAEF OBJECTIVES**

- Financial sustainability and returns.
- New and stable employment.
- Investments throughout the country with a focus on the interior regions.
- Strong support to women and young entrepreneurs.

# Chairman's Message

**This report, TAEF's first Impact Report, provides an overview of TAEF, who we are, how and why we work the way we do and what we have accomplished as of the end of 2019.**

Tunisia, in early 2011, was the birthplace of the "Arab Spring" a series of revolutionary movements across the region. The Arab Spring brought economic and political transition to Tunisia and other countries in the Middle East region. In the subsequent years of democratic transition, economic challenges have made it abundantly clear that Tunisia needs increased private sector investment with a focus on the small and medium enterprises (SMEs) that lie at the heart of the Tunisian economy and, importantly, that hold the key to creating a more inclusive and well-functioning economy. It is precisely this critical SME sector that is the focus of the Tunisian American Enterprise Fund (TAEF).

TAEF was created using the model of enterprise funds first developed in the U.S. in the 1990s to provide flexible economic support to the economies of the newly independent states of the former Soviet Union. An economic development tool,

enterprise funds are deployed by the U.S. Agency for International Development (USAID) with the objective of boosting a country's economy via targeted investment strategies adapted specifically to the local context.

In February 2012, the U.S. Congress authorized the establishment of the Tunisian American Enterprise Fund to support Tunisia in its political and economic transition following the Arab Spring. TAEF was incorporated in 2013.

At TAEF we are very conscious of the privileges and responsibilities of our mission. Along with our board and staff, we have been and remain committed to expanding economic and employment opportunities throughout Tunisia. Our investing approach is based on Smart Capital: we adapt innovative financing mechanisms to the needs of Tunisian entrepreneurs in ways that drive innovation and create impact across many dimensions – social, geographic distribution, gender and youth inclusion, governance practices and lasting value creation. Smart Capital produces financial and development returns.

You will see that our dual mission of financial return and development impact has been at the heart of our investment strategy since day one.

# TAEF Inaugural Impact Report Executive Summary

We define Smart Capital as innovative financing adapted to the needs of entrepreneurs. Smart Capital drives innovation, generates multidimensional impact (social, geographic distribution, gender and youth inclusion, governance practices) and increases access to capital for SME entrepreneurs. Smart Capital contributes to a more robust and inclusive SME financing ecosystem.

Tunisian American Enterprise Fund (TAEF) is a US \$ 100 million investment fund created by the U.S government in 2013 to support the Tunisian private sector following the Arab spring.

Since its inception, TAEF has been committed to supporting small and medium enterprises (SME) in Tunisia by providing Smart Capital to sustain growth and to expand economic and employment opportunities, with a special focus on women and youth inclusion and investments in the interior regions.

TAEF formed its strategy with the objective of addressing the specific needs of Tunisian entrepreneurs. In turn, TAEF's strategy led to development of the Smart Capital framework. Over 7 years of operation, TAEF has built a large investment platform that addresses the needs of an array of private enterprises: microentrepreneurs, digital startups, growing small and medium enterprises, and entrepreneur searchers. TAEF supports specific business needs either via direct investments or indirectly through our investments in other financial institutions that share our focus. TAEF tailors its investments with flexible offerings: investments can be equity, debt, a combination of the two, mezzanine financing and, occasionally, be paired with technical assistance grants.

TAEF's Inaugural Impact Report shows how over time TAEF has progressively implemented new investing mechanisms to target gaps in the SME financing gap market. Each of TAEF's investment mechanisms falls under the Smart Capital concept and contributes to TAEF's dual mission of financial returns and development impact.

From day one, TAEF has balanced two main objectives:

1. Generating positive financial returns with the goal of creating a self-sustaining fund and
2. Creating positive development impact defined as stable jobs, opportunities for women and youth, economic activity in interior regions, and more broadly, contributing to several of the United Nations Sustainable Development Goals.

The positive impact of TAEF's work to date is evident at the individual level with employment, in particular of women and youth; at the company level with stable and growing companies that incorporate strong Environmental, Social and Governance practices; at the sector level with increased SME financing options available and at the national level with investments in every governorate of Tunisia. TAEF is working hard to promote a robust economy through investment in the SME private sector.

In the coming years, TAEF is eager to continue supporting entrepreneurs with Smart Capital, to increase its exposure to high value-added sectors, to increase its geographic outreach, to raise additional funds to deepen our work and to continue introducing new and proven investing models to the Tunisian market.

During the Covid-19 pandemic and ensuing global health and economic crises, TAEF's commitment to its investees and partners' continuity and resilience is evident in its active ongoing outreach, expanded efforts to safeguard investees and jobs, and active problem solving. To support investee companies, TAEF has restructured financing, extended loan repayment dates, increased investments, been available to trouble-shoot and when options were exhausted, sought purchasers.

**104M  
TND**  
INVESTED

**+324K**  
EMPLOYEES

**59%**  
WOMEN

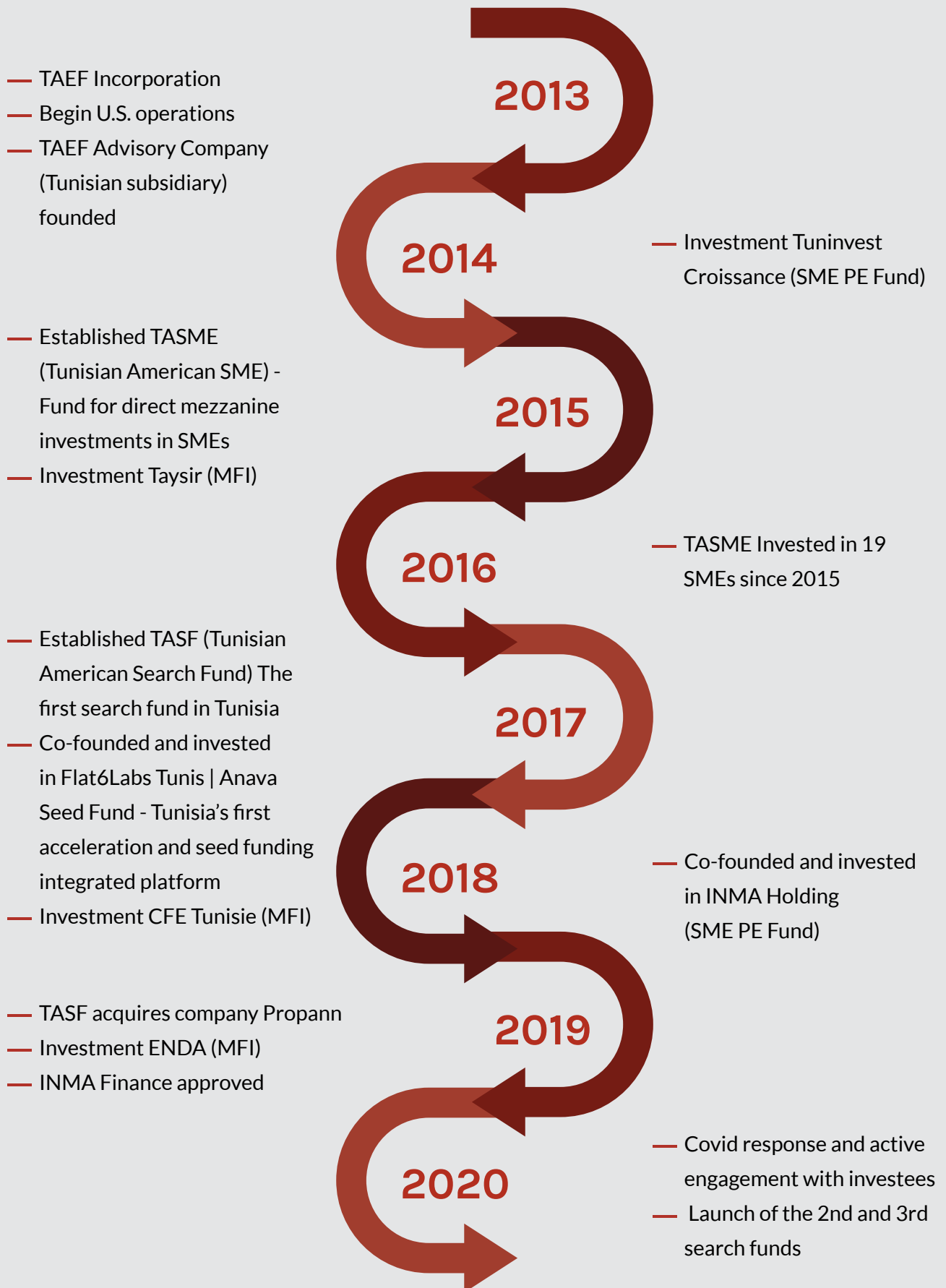
**59%**  
YOUTH

INVESTMENT  
IN **SME**  
COMPANIES  
IN EVERY  
TUNISIAN  
GOVERNORATE



TAEF support of UN SDGs

# TAEF Milestones

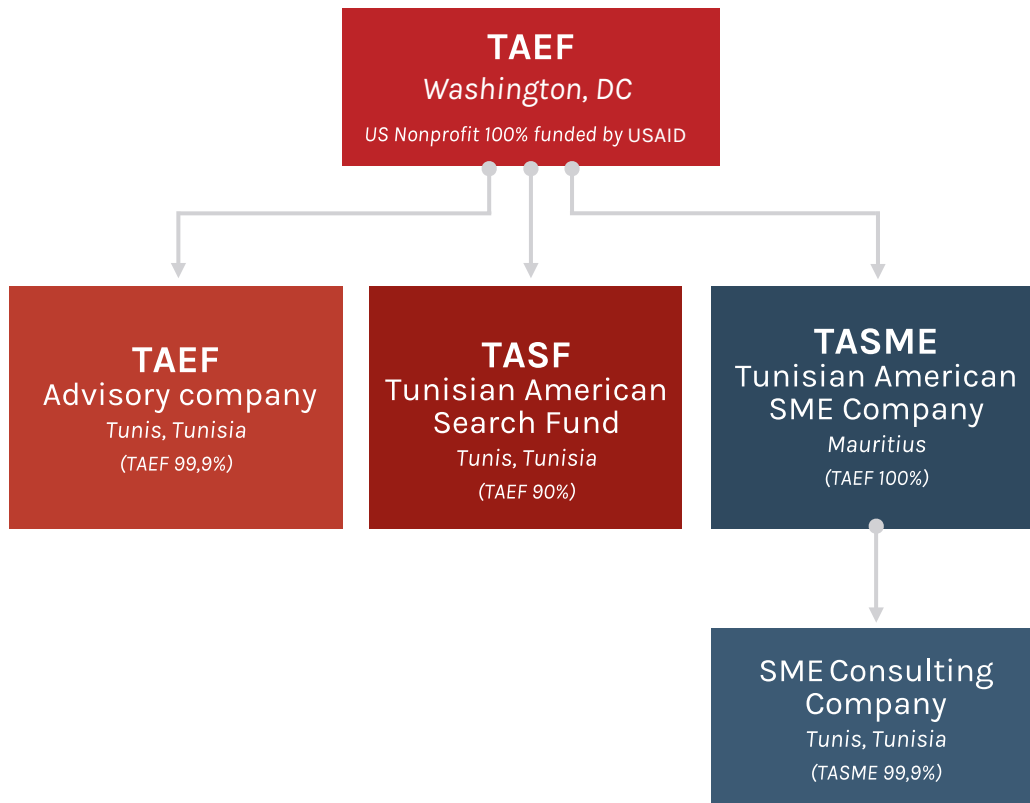




# TAEF Structure

A key part of TAEF's strategy from the outset has been to create capacity in Tunisia by establishing Tunisian subsidiaries that serve as investment managers and dedicated SPVs.

TAEF's Tunisian subsidiaries are managed and staffed by a tremendously talented team led by a dynamic and tenacious COO. TAEF expects these institutions to carry on our legacy once the fund has come to an end.



## TAEF - founded 2013

- \$ 100 million - funded by the US Government.
- Tunisia focused investment firm | US nonprofit with US and Tunisian board members.

## TAEF Advisory Company - founded 2013

- Investment management and strategy implementation for TAEF.
- Oversees all investment entities.

## TASME - founded 2015

- \$ 50 million - committed by TAEF.
- SME mezzanine debt dedicated investment vehicle.
- Innovative financing tailored to needs of SMEs.

## SME Consulting Company - TASME Subsidiary

- Tunis based investment management firm.
- Acting general manager of TASME.

## TASF - founded 2019

- SVP dedicated to the search and acquisition of a SME poised for growth and new management.
- Acquired Propann in 2019.



**\$100**  
**MILLION**

Funding Amount

## TAEF Highlights

### FUNDING SOURCE

The U.S Agency for International Development funds TAEF & provides oversight.

### FUNDING TERM

The fund will continue to actively invest through 2028.

A period of investments exits & fund wind-down will follow.

# TAEF Investment Strategy

## TAEF's investment strategy was developed to address the specific needs of Tunisian entrepreneurs and SMEs

Our goal was to find mechanisms and innovations in financing from around the world that worked and could be adapted to the specific Tunisian context.

TAEF has flexibility in its offerings: investments can be equity, debt, a combination of the two, mezzanine financing and, occasionally, technical assistance grants as well. TAEF provides inclusive and innovative financing to Tunisia's SMEs. TAEF:

- Invests at every step along the SME continuum: micro-businesses, start-ups, growing companies.
- Innovates by adapting investment tools to address the needs of Tunisian SMEs.
- Partners with local investment companies as well as local & international investors (PE funds / microfinance institutions).
- Invests in Tunisian majority owned firms.

- Seeks financial and development returns.
- Supports investees in developing strong governance and best management standards.

TAEF's financial solutions are based on an understanding of the financing gaps and SME needs.

When we started, a survey of the Tunisian financial and SME landscape revealed that limited SME access to financing was due to a complex of factors: a current liquidity crisis, a scarcity of financing, an existing financing system that addressed the needs of larger companies able to provide guarantees and collateral.

The financing needs of smaller SMEs were poorly met. Over time, TAEF has implemented progressively more financing mechanisms that address the specific needs of SMEs in different parts of the economy—microenterprises, start-ups, growing SME businesses and medium sized businesses in transmission and succession phases.

TAEF's allocation of resources across the entrepreneur /SME spectrum is relative to the needs: indeed, our most significant commitment is to entrepreneurs with growing SME businesses.



**TAEF has contributed to a more robust and inclusive SME financing ecosystem.**

# TAEF Investment Strategy

## Providing creative financial solutions across Tunisia's SME sector

The chart below illustrates our investment strategy and mechanisms for each segment of the SME economy.



### Growing small & medium Entrepreneurs

TASME for mezzanine financing (direct investment in SMEs)

Fund of Fund providing Equity, Quasi-Equity and Private debt to SMEs (indirect investments in SMEs)

- Private Equity: Tuninvest Croissance
- Private Equity: INMA Holding
- Private Debt: INMA Finance



### Micro-Entrepreneurs

Microfinance institutions

Taysir

CFE Tunisie

ENDA



### Digital innovating Entrepreneurs

TAEF Invests in high growth startups along with other partners through an accelerator model and a venture capital fund with a focus on innovation, knowledge and technology (Flat 6 Labs).

Flat6Labs - AnavaSeed Fund



### Entrepreneur searchers

TASF Tunisian American Search Fund

TASF II & TASF III

## TAEF invests across the spectrum of SMEs

TAEF supports entrepreneurs with tools adapted to their particular business needs.

TAEF also invests in programs to inspire future entrepreneurs such as our Fellowship and Open Innovation programs.

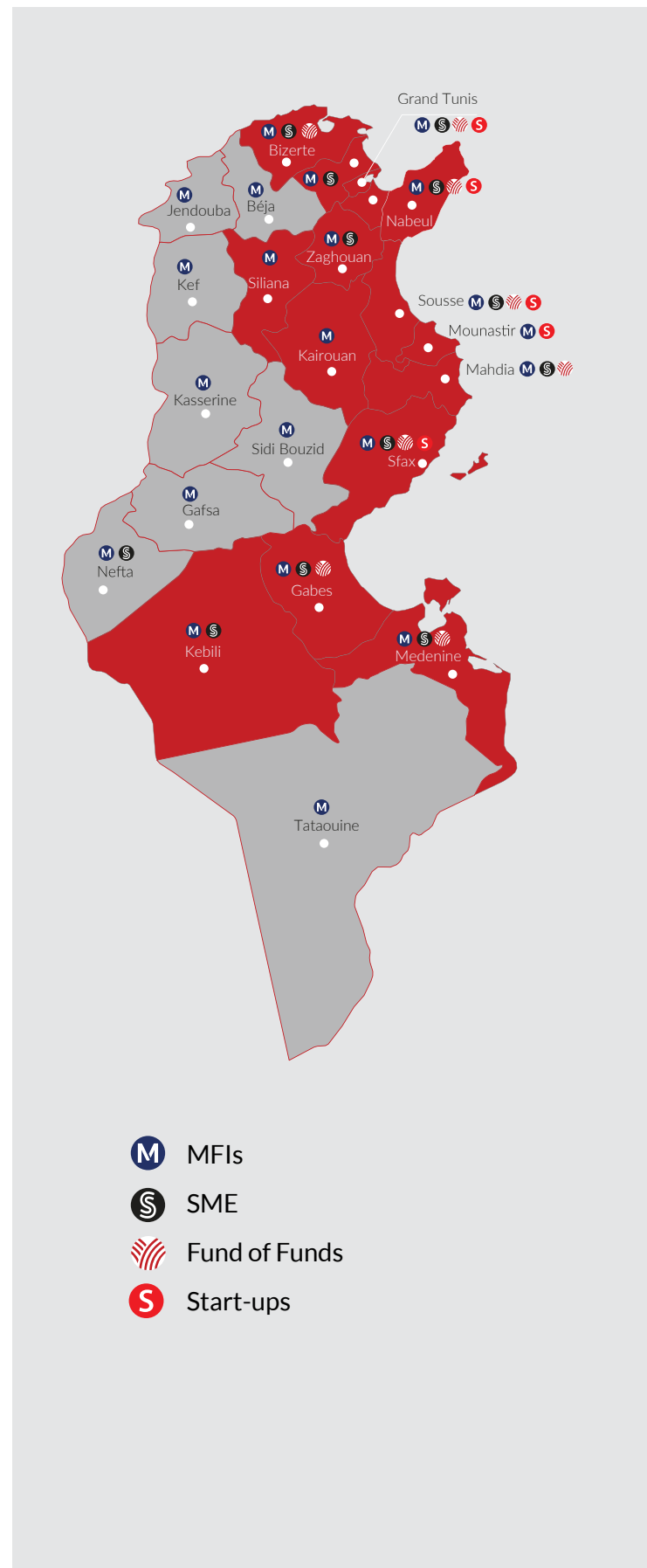
# TAEF Key Impact Indicators

## TAEF's impact

Provide capital to SMEs that need it to finance their growth in a sustainable way. Growing companies create jobs and revenues, hence supporting local economies throughout Tunisia. Investments in such companies create opportunities, for the entrepreneur and for their current and future employees.

## A widespread geographic presence : Map of TAEF's Investments

In order to increase its outreach, TAEF has sought investments throughout the country and particularly outside the capital city. TAEF has invested in all the regions of the country as shown in the map.



TAEF's objective is also to strengthen investee companies by supporting partner entrepreneurs in institutionalizing and deploying best efforts to improve corporate governance and management processes.



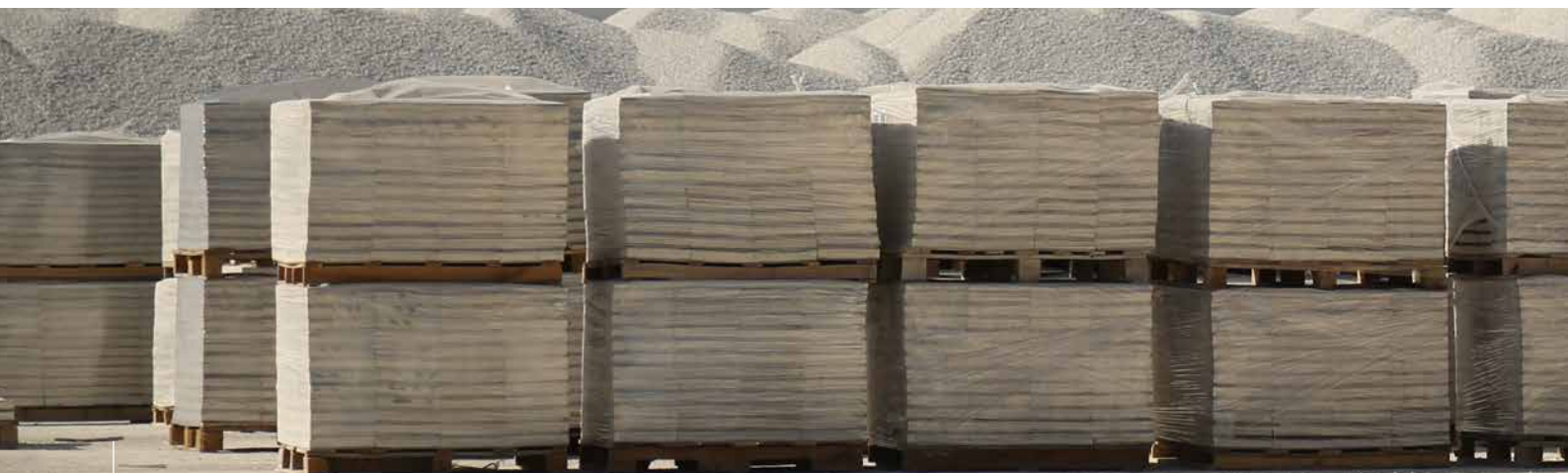
**100%** of TAEF investees have regular and efficient Board of Directors or equivalent governance body meetings.



**92%** of our investees have women in governance or management positions

## TAEF's Impact Investing Framework Smart Capital

TAEF's Smart Capital approach tailors innovative financing mechanisms to address the gaps of the Tunisian SME financing environment and to meet the needs of Tunisian Entrepreneurs (Entrepreneurs refer to the entrepreneur in the different stages of its development including micro-entrepreneurs, startups, SMEs, etc) .



TAEF's Smart Capital is defined by three drivers:

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Innovation



Investee  
Impact



SME Financing  
Ecosystem  
Impact

## Innovation

TAEF's Smart Capital innovation is focused and purposeful: we identify innovative and proven investment tools and adapt them to the Tunisian context to address specific financing needs of Tunisian entrepreneurs.

In parallel, we look for entrepreneurs who bring innovation to their sectors by introducing new products, business models or new concepts and services. TAEF's criteria for bringing innovation to the Tunisian market:

- Does it meet a demonstrated and existing SME financing gap?
- Can it be adapted to the Tunisian regulatory environment?
- Is it scalable?
- Would it attract other partners?
- Does it foster innovation in the market?

## SME Financing Ecosystem Impact

TAEF's Smart Capital seeks to impact and stimulate the Tunisian SME economy:

- Target the “missing middle” and fill the financing gaps faced by Tunisian Entrepreneurs.
- Inspire and foster entrepreneurship among Tunisians.
- Partner with local financial institutions and organizations.
- Create and support the growing capacity of new investment vehicles.
- Support and inspire other local investors to adopt the innovative investment mechanisms introduced by TAEF.
- Promote new investment mechanisms to catalyze the financing industry.



## Investee Impact

TAEF's Smart Capital is designed for impact at the investee or entrepreneur level: TAEF's involvement with its investees is more than a financial transaction. During the due diligence phase and throughout the investment relationship, TAEF staff members maintain close communication with investees, bring high standards for legal and financial compliance, are active partners in providing support, problem solving and linking investees to business opportunities.

The investee impact list below captures the results of the success of TAEF's investees and the effect of TAEF's value added approach.

- Employment supported and job creation:
  - Women as managers / owners and as employees.
  - Youth.
- Geographic presence throughout Tunisia.
- Governance and oversight standards implemented.
- Financial stability and growth.
- Outside funders support to the investees.
- Value creation through technical assistance, networking and identification of business opportunities.





TAEF's Smart Capital is defined by three drivers:

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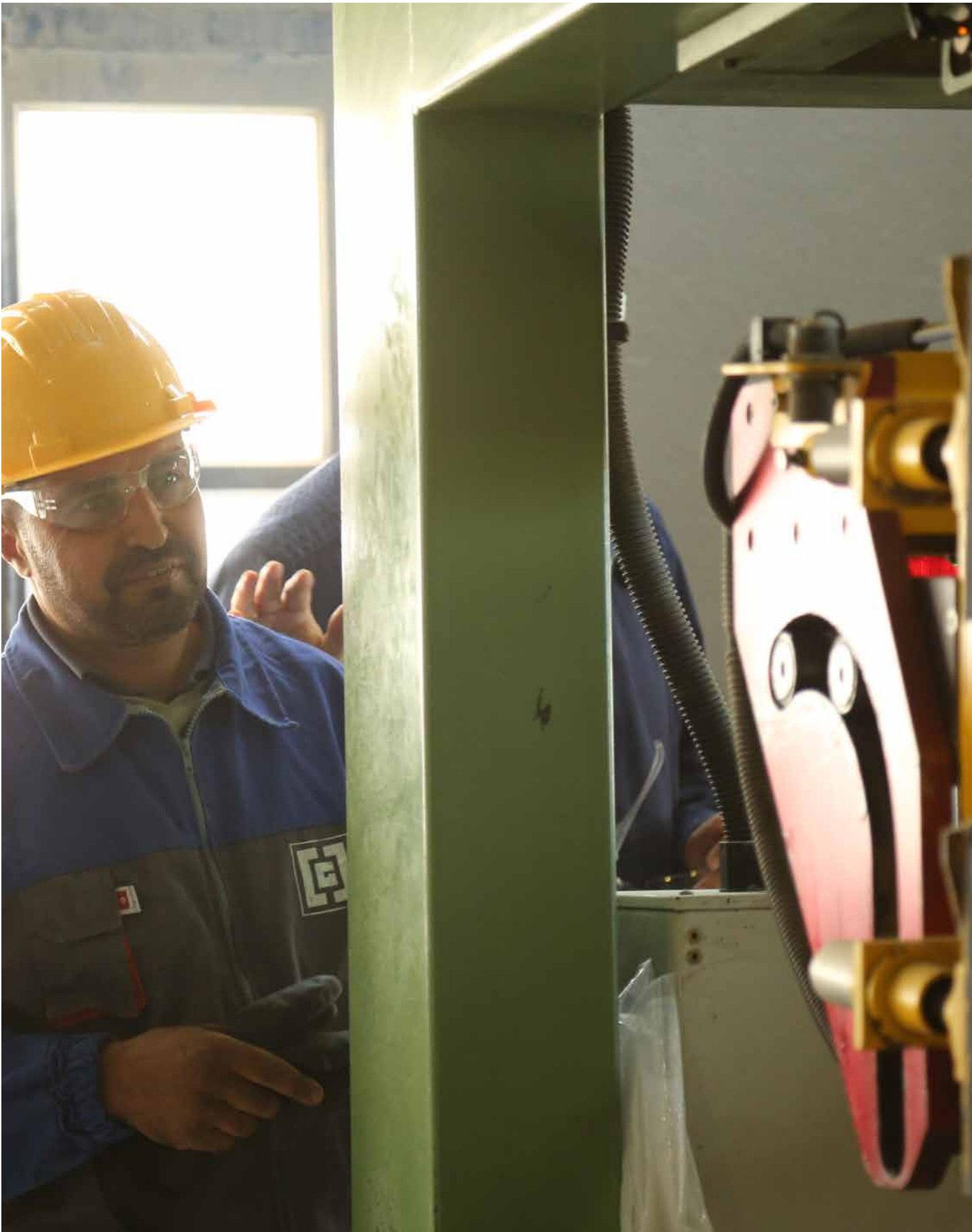
**Innovation**



**Investee Impact**



**SME Financing  
Ecosystem Impact**



# TAEF Investment Strategy Growing Small & Medium Entrepreneurs

Growing SME entrepreneurs lie at the heart of TAEF's strategy due to the fact that SMEs constitute the major tissue of the Tunisian economy and represent a key driver of economic development and job creation. For instance, 85% of the Tunisian workforce is employed by SMEs. Yet, most of Tunisian SMEs are in the "missing middle" of the financing landscape: they are too small to get access to international investors, too large to get financing from microfinance institutions and generally not served by local banks' product offering.

In addressing the unmet needs of Tunisia's SMEs, TAEF has put in place diverse, new and complementary financing mechanisms adapted to their needs, either through direct or indirectly investments through partnering investment funds enabling it to reach larger and more sophisticated SMEs with different needs. It supports SMEs via three investing mechanisms:

- Mezzanine & revenue capital financing via TASME – the Tunisian American SME fund: It is TAEF's largest initiative, with a capitalization of US \$ 50 million, which invests in Tunisian SMEs with an average ticket size of \$1 million.
- Equity and Quasi-equity financing via its commitment to two private equity funds (Tuninvest Croissance and INMA Holding) investing in Tunisia with complementary investment tickets.
- Private debt financing via co-founding and investing in INMA Finance.

# TAEF Investment Strategy: Growing Small & Medium Entrepreneurs – TASME vehicle



TASME's investment model, adapted from that of Business Partners International<sup>1</sup> in South Africa, combines a relatively small equity, shareholders' account and performance fees in investments tailored to the specific characteristics and needs of each entrepreneur. This approach of mezzanine & revenue capital finance is attractive for SME entrepreneurs who run and manage family owned businesses and are reluctant to bring in outside equity investment that would dilute their shareholding or force a liquidity event. It is also attractive to SME entrepreneurs with growing businesses who are unable to meet bank collateral and guarantee requirements for lines of credit and working capital. The model aligns interests among the parties through a mix of pre-fixed interest rate (below market) and a variable remuneration indexed on the performance of the company.

1: Business Partners International is a fund manager providing debt and equity financing to SMEs in East and South Africa. It also offers capacity-building support to its entrepreneurs. Loans provided range from US\$50 000 to US\$1 million. BPI supported more than 460 businesses. It has offices in South Africa (headquarters), Kenya, Malawi, Namibia, Rwanda, Uganda and Zambia.

## TASME selection criteria:

- TASME seeks value-adding **sectors** such as education, agribusiness, healthcare, manufacture of water treatment units, and IT sectors that are expected to have a strong development impact at the level of the company, its employees, and at a wider level of local and regional communities.
- TASME puts a special focus in selecting entrepreneurs that share the same **values** of strong governance, transparency and strong management.
- TASME seeks **high growth potential** entrepreneurs that are bringing innovation to their particular industries and who seek to positively impact their markets.
- TASME seeks to provide investments to entrepreneurs with **needs not addressed by the available tools** in the market
- TASME seeks investments **throughout the country**.

# Smart Capital - TASME



## Innovation

- An innovative investment mechanism tailored to the needs of mid-sized entrepreneurs.
- Combines equity (with a pre-negotiated exit price) and shareholders' account debt.
- Aligns interest by combining a pre-fixed interest rate and a variable remuneration indexed on the performance of the company (royalty fee).
- Backs high growth potential entrepreneurs bringing innovation in their field (new products, new technology, innovation in their sector, etc.)



## SME Financing Ecosystem Impact

- Addresses a missing gap in the financing industry in Tunisia.
- TASME made a significant investment in time, energy and legal expertise to adapt this innovative and proven model to the Tunisian regulatory environment.
- The model has proven its efficiency and is inspiring other local players to adopt it, in the process increasing the financing options available to Tunisia's vital and vibrant SME sector.



## Investee Impact

- **12 companies** are located outside of the **capital city**.
- Invested in agri-business, water treatment solution, healthcare, IT, manufacturing industries, etc.
- **100% of investees** have Board of Directors and/or equivalent committees.
- 100% of investees have **regular reportings** with adapted KPIs.
- Ongoing, active role in supporting entrepreneurs in their growth.
- Assistance in fund raising in equity, debt and/or technical assistance: a total of **10.1 M USD outside funding**.
- 73% of investees **benefited** from TA programs of TAEF partners (USAID, EBRD, etc)

**46.1M**  
**TND**  
INVESTED

**10.1M**  
**USD**  
OUTSIDE  
FUNDING

**1694**  
JOBS CREATED

**19**  
INVESTMENTS

**49%**  
WOMEN

**61%**  
YOUTH

## TASME is an Active Partner

For each investment, TASME actively partners with entrepreneurs. This partnership begins before investment: a few investees have undertaken legal restructuring to strengthen their governance or spent considerable efforts addressing legal and governance issues as a pre-requisite to receiving TASME funding. A Board of Directors or equivalent committee structure is implemented for each investee.

TASME team members are entitled to seats on the governance structure with the objective of bringing added value to the management.

Areas of focus include implementing adequate reporting with the relevant key performance indicators, combining financial returns and impact development, assisting the companies in developing growth strategies, supporting investees in their digitalization strategies, financial monitoring via raising debt aligned with the specificities of their businesses.

Having an institutional investor such as TASME providing its support to a SME company in Tunisia helps the company to raise other funds (debt, technical assistance) from local investors. Investees are able to leverage the trust and credibility of TAEF in the market. In addition to that, investees benefit from synergies and cross networking of other investees in TAEF portfolio.



# Case Study 1

## TASME

### Proxym IT



A growing IT company that leverages the highly trained Tunisian workforce to create tailored IT solutions for clients in Europe, the Middle East and Africa.

Founded in 2006 by Wassel Berrayana, Proxym IT develops Smart Government, digital finance and Omnichannel commerce solutions and apps and offers a digital factory with a large base of clients in Europe, Middle East and Africa.

Proxym IT is headquartered outside of the capital city, in Sousse, a coastal area of Tunisia.

### THE NEED

Tunisia's high-quality education system has resulted in a deep talent pool of IT developers, many of whom start and join promising companies. In Tunisia, however, IT companies have difficulties accessing financing from local banks who seek very high levels (up to 160%) of collateral.

### TAEF SOLUTION

TASME's financing mechanism that combines equity, debt and performance-based remuneration is an attractive alternative – and often the only option—for growing IT companies. In fact, TASME has invested in several IT companies such as Proxym IT, its first investee.

### IMPACT

Since TASME's initial investment in Proxym IT in 2015, the company has accomplished the following:

- Expanded its offering by capitalizing on its expertise and developing verticals of its solutions, namely e-banking and e-gov solutions.
- Diversified its exporting beyond France by penetrating Middle Eastern markets.
- Formed new partnerships with leading players such as Deloitte to prospect and penetrate the sub-Saharan African market.
- Adapted its business model to contract directly with clients without intermediaries, which enhances their reputation in the sector.
- Contributed to reduced migration of IT engineers and developers to the capital city and abroad by recruiting graduates from the region's universities.
- Grew local talent and addressed brain drain issue by launching Proxym-University in 2017, a training program targeting graduates of bachelor degree programs from the neighboring universities. The company offers to finance the additional two years of university required for an engineering degree in exchange for part-time work for Proxym IT and a two-year commitment to the company after graduation. As of December 2019, 40 students have been supported by this program.
- Proxym further works to retain developers through a training and competency development program. This effort has also proven successful at slowing the brain drain of talented software engineers from Tunisia.

35

Clients

90%

of the revenues represent exports

175

Employees

40% women, 94% young

40 students

got scholarship via the program Proxym-University Headquarters in Tunisia, Affiliates in France and Emirates covering Europe, Middle East and African continent



# Case Study 2

## TASME

### Rose de Sable

# Rose de Sable

Founded in 2007 by Ahmed Belaifa, Rose de Sable is a Tunisian company specialized in the production and the packaging of dates. The company exports its full production to the U.S. and the European markets of Spain, France, Germany and Sweden. Its access to these sophisticated markets is due to its top-quality dates, its rigor and its certifications. Rose de Sable's focus on high value and diversified offerings is disrupting the traditional bulk trade of dates. The company has adapted its products to the requirements and preferences of the target markets for items like organic dates, fresh dates, dried dates, dates of different sizes, or pitted dates.

### THE NEED

Rose de Sable had financing issues as the available financing mechanisms were not adapted to their working capital needs.

### TAEF SOLUTION

TASME invested in Rose de Sable in January 2017, with financing structured specifically to their needs. Along with its investment, TAEF introduced the management to the Manager Training Program launched by GIZ (the German cooperation program), which helped them to export to Germany; and to the Export Lab program managed by AmCham and financed by MEPI which enabled them to penetrate the US market.

### IMPACT

- Expanded export markets – Germany and the US
- Increased production and doubled revenues in one year.
- Vertical integration: In order to increase its volumes and to be able to meet the growing demand for its products, the company decided to start growing dates to supplement the dates sourced from local farmers.
- Employment: The company acquired land in Matrouha in the Western-Southern area of the country, an area with few inhabitants and limited employment prospects. Rose de Sable employed the farmers who sold their lands to the company.
- Investment in Infrastructure: It made a big investment in digging a well, installing photovoltaic systems for water generation and irrigation, upgrading the crops to optimize productivity.
- Certification: It is certified Fair Trade and Organic.
- Fair trade expanded: The company succeeded to certify the whole village (not only its land) as fair trade, which is an extremely valuable certification in dates exporting that directly increased the value of the neighboring lands owned by small farmers.
- Supporting local environment: Rose de Sable has invested in upgrading the neighboring schools and the hospitals in the region to improve the quality of life of these farmers and their families.
- Increased reputation for Tunisian organic and fair-trade dates. Rose de Sable's disruptive business model is resulting in high value products that increase the visibility and branding of Tunisian dates worldwide.

A company specialized in the production and processing of dates, it has taken an active role in contributing to its local, rural community to improve people's lives.

Location: Nefta & Matrouha.

**552**

Employees

65% women, 65% young

**150**

Farmers

**14**

Certifications

**1400**

tons of dates produced/year

**6 types of dates**

Headquarters in Tunis and production units in Nefta and Matrouha







# TAEF Investment Strategy: Growing Small & Medium Entrepreneurs – Funds of Funds



Working in partnership is a key element of TAEF’s approach. Through partnerships, TAEF strengthens existing capacity, leverages our resources and impact growing SMEs with different types of instruments. TAEF looks for partners with complementary financing tools to TASME and who share our vision of responsible and impactful investing, of creating value and contributing to the Tunisian private sector growth.

TAEF has invested in existing and prominent investment vehicles, and co-founded other funds to meet specific Tunisian SME financing needs alongside local fund managers. TAEF’s fund of funds investments are:

## — TunInvest Croissance

A SME investment fund managed by the prominent pan-African group AfricInvest (investment made in 2014). TunInvest Croissance invests in equity and quasi equity in mid-sized entrepreneurs operating in diversified and high value-added sectors such as education, microfinance, waste treatment and IT.

## — INMA Holding

A local investment company founded to make equity and quasi-equity investments in mid-sized entrepreneurs at higher investment tickets level than TunInvest Croissance.

## — INMA Finance

A one-of-a-kind private debt fund co-founded by TAEF. This fund has been created in direct response to the expressed needs of SMEs, the liquidity crisis of the banking sector as well as the relatively low level of bank credits & debts available for the SME sector. At the end of 2019, INMA Finance was in the process of being structured and awaiting final approvals to begin operations in 2020. This vehicle will offer an alternative financing to the local banks’ products.



# Smart Capital - Fund of Funds



## Innovation

- Partnering fund managers look for innovation in investment companies - innovation in their business practices and product development.
- TAEF committed to INMA Holding as anchor investor and co-founded INMA Finance in response to SME financing needs.
- INMA Finance is the first private debt fund in Tunisia - providing debt solutions to mid sized SMEs.



## SME Financing Ecosystem Impact

- Supporting and strengthening the SME financing industry by supporting local funds and first time fund managers.
- Partnering with local investors with a common objective of supporting entrepreneurs and reducing the financing gap they are facing.
- Increase the financing options available to SMEs with two private equity funds and one private debt fund.
- Mid-long term objective of TAEF is to attract foreign capital to Tunisia.



## Investee Impact

- **47.4 MTND** committed by TAEF for a total size of **111.5 M TND** of the different funds.
- 11 underlying investments.
- 4 outside **capital city**.
- Sectors fund investees: waste treatment, education, agribusiness, IT, etc.
- Fund managers are active in adding value to their investees.
- At fund managers level: **17 total jobs**, 53% women and 53% youth.
- At underlying portfolio level: 2600 jobs created and maintained, **44% women and 52% youth**.

**47.4M**  
**TND**  
COMMITTED

**111.5M**  
**TND**  
DIFFERENT  
FUNDS

**2600**  
JOBS CREATED  
& MAINTAINED

**11**  
UNDERLYING  
INVESTMENTS

**44%**  
WOMEN

**52%**  
YOUTH

Through a strategy of partnering and investing in local investment vehicles, TAEF has been able to leverage its investments, resulting in investments in 11 portfolio companies located across Tunisia.

# Case Study 3

## INMA Holding

### Institut Laghmani



A school offering high quality education for students from preschool through high school.

The Laghmani Institute Group was founded in 1989 by Mrs Mariem Laghmani with the aim of developing an offer of a quality education for the youngest. Today, it has 1450 students, from preschool to high school, who are supervised by a teaching team of 155 people. It also offers trainings through the Berlitz language school with a team of 13 persons. It has 2 main locations: in Sidi Dhrif for preschool and elementary school and in Kram for middle and high schools. It offers more than 20,000 sqm of infrastructure allowing kids of all ages to grow and learn in a safe environment and in a qualitative educational context thanks to suitable equipment: almost 100 classrooms, 1 language lab, 5 scientific labs, 2 libraries, 1 cultural and sports center provided with 2 mini football grounds and 2 sports grounds. This context allows a success rate of 100% in national exams for both middle school and baccalaureate exams.

1450

Students

21

Students per class

222

Employees

76% women, 45% youth

168

Teachers

### THE NEED

Institut Laghmani sought financing for capital improvements and working capital. It needed an equity partner to invest in and assist in developing a strategy of development and retention of students. Over the years, Institut Laghmani has seen its best students leave for other schools and wanted to develop a strategy to retain these students to continue their studies at Institut Laghmani.

### TAEF SOLUTION

INMA Holding made an equity investment in Institut Laghmani in 2018 to upgrade infrastructure and expand programs. The fund is adding value through its participation to the Board and the strategic committees.

### IMPACT

- Institut Laghmani and INMA Holding partnered to develop a new offer of education based on the French programs to retain its students.
- Upgraded infrastructure with a dual objective: to have an additional advantage as compared to its competitors and to provide space in Sidi Dhrif for the French school.
- Expanded school global capacity from 80 to 100 classrooms.
- Expanded educational offerings of French programs. The new school, Jean Jaures opened its doors in September 2019.
- Recruitment, mainly for the needs of the French school, of 19 persons.





# TAEF Investment Strategy

## Digital Entrepreneurs



After the revolution, it became evident that one of Tunisia's greatest assets was its talented and brilliant young Tunisians who were passionate, ambitious, connected to the world and very agile with technology. Tunisia has a wealth of young entrepreneurs who are tackling challenges with innovation and technology.

TAEF searched for an effective and innovative start-up accelerator and funding model to support these start-up entrepreneurs. Flat6Labs with successful programs and investments in the Middle East was the right partner. In 2017, TAEF co-founded as anchor investor Flat6Labs Tunis along with a local bank, a local family office and a regional technical partner Flat6Labs<sup>2</sup>. Flat6Labs Tunis was the first integrated platform for Tunisian startups that includes acceleration, seed & follow on funding and pre-series A funding.

Today, Flat6Lab / Anava Seed Fund (the affiliated investment fund) is Tunisia's leading platform and is recognized as the most inspiring program for startups in Tunisia. In 2020, the International Finance Corporation (IFC) joined the adventure. Flat6Labs Tunis and Anava Seed Fund are key elements of Tunisia's current dynamic startup ecosystem. A healthy startup ecosystem is an important element of Tunisia's private sector development. The Tunisian government has recognized the importance of this sector with a new regulatory framework, the "Startup Act," intending to facilitate procedures for startups. Tunisia today is ranked 1st in Africa and 40th globally on the « Global Entrepreneurship Index 2018».

Flat6Labs Tunis / Anava Seed Fund has supported and financed founders of startups from several regions in the country.

2: Originally founded in Cairo in 2011, Flat6Labs is now the leading start-up accelerator and seed stage investor in the Middle East and North Africa region and one of the fastest growing start-up accelerator programs in the world, it is currently present in Abu Dhabi, Bahrein, Egypt, Lebanon, Saudi Arabia and Tunisia.



# Smart Capital - Digital Entrepreneurs



## Innovation

- Co-founded the Tunisian branch of this innovative startup model which combines a 4-month acceleration program with a funding mechanism of seed capital injections, follow-on funding with a fund raising matching mechanism and a pre-series A funding.
- Flat6Labs startups apply digital technology space in innovative solutions for the Tunisian and export markets.



## SME Financing Ecosystem Impact

- Catalyze the venture capital investment landscape through seed, follow on and pre-series A funding.
- Matching of startups' fund raising attracts additional funding and leverages Anava Seed Fund investments.
- The integrated investment model improves the survival rate of startups.
- The Tunisian startup ecosystem is growing with Flat6Labs entrepreneurs' success, and an engaged network of alumni and mentors.
- Flat6Labs played a key role on the emergence of a new regulatory framework («Startup Act» and «Startup Label») which is unique in the whole region and has led to the creation of a 200M€ fund of funds to support VC funds in Tunisia and backed by major international development financial institutions.



## Investee Impact

- **5 cohorts** of 34 startups (3% acceptance rate) have been selected for acceleration and seed funding
- **1 startup** received a pre-series A funding
- **4 startups** received follow-on funding from Anava Seed Fund
- 274 full time jobs created at startups (**40% female, 69% youth**)
- **57 founders** (9% female, 86% youth)
- **128 mentors**. All of them are prominent recognized professionals
- Acceleration program offers a series of tailored sessions and **interactive workshops**, a mentoring program, trainings on hard and soft skills.

**5**  
COHORTS

**4**  
STARTUPS

**274**  
FULL-TIME JOBS

**57**  
FOUNDERS

**40%**  
WOMEN

**69%**  
YOUTH



Dabchy team at the inauguration of their new offices in Lake 3 district, January 2020





# Case Study 4

## Flat6Labs Tunis

### Anava Seed Fund

#### Dabchy



Dabchy

Tunisia's first online fashion marketplace for gently worn clothes.

**1200**

Items per day

**250**

Order per day

**400,000**

Customers

**4th**

Most visited E-commerce website in Tunisia

Dabchy, the first online fashion marketplace (2nd hand clothes) in Tunisia, is co-founded by a dynamic, young Tunisian woman, Ameni Mansouri, CEO, and two co-founders Ghazi Ketata and Oussama Mahjoub, who oversee the technical development. Dabchy was selected as one of the companies in the first cohort of Flat6Lab Tunis program from over 200 applicants.

### THE NEED

Dabchy's founders had a vision for their startup company but were lacking access to expertise and seed funding.

### TAEF SOLUTION

Selected as one of the 7 companies of Flat6Labs Tunis' first cohort, Dabchy received seed funding, business support, access to technical expertise and mentoring in developing a sound business plan and fund-raising plan. Dabchy received funding from Anava Seed Fund beyond the seed funding as part of a pre-series A round of funding.

### IMPACT

- Dabchy has grown to be one of Tunis' premier online destinations for shopping after their graduation from Flat6Labs Tunis' cycle one.
- Business growth: They have reached over 400,000 customers and register 250 orders/day with users listing over 1200 items/day on the platform.
- Dabchy became the 4th most visited E-commerce website in Tunisia.
- Funding: Dabchy secured \$300k in a seed round led by 500 Startups and joined by Flat6Labs, Saudi Venture Capital Company (SVC), Khobar-based Vision Ventures, Daal VC and a group of business angels.
- High visibility: Dabchy is the first Tunisian and African startup to join the European Fashion Tech Incubator Lookforward by Showroomprivé, in Paris. The first Tunisian startup to participate in Womentum, a woman in tech accelerator by Womena in partnership with Standard Chartered. It was also listed by IFC and the World Economic Forum as part of the first 100 top African and Arab promising startups.
- Ameni is a fashion lover who dreamt of launching a startup. In 2016, Ameni left a job with one of the largest pharmaceutical companies in France to return to Tunis, launch Dabchy and pursue her dream. She is an inspiring and passionate entrepreneur and has been featured on Forbes Middle East's 30 under 30.



# Case Study 5

## Flat6Labs Tunis

### Anava Seed Fund

#### GoMyCode

GoMyCode's vision is to leverage technology to empower a new generation of people and businesses in Africa by (i) delivering convenient, up-to-date and affordable technology training that allows African youth to build tech products or to start a career in technology, (ii) helping businesses hire tech talent to adapt to the digital age, and (iii) fostering an African tech ecosystem of developers, designers, experts, entrepreneurs, freelancers. Launched in 2017, GoMyCode pursues its vision through its educational platform that provides high-end computer science education with a unique learning experience. Students are trained on the newest technologies and connected to tech opportunities around the world.

The platform is integrated with skills assessment and a course library. Students follow their own learning path to skill development in areas including web development, gaming development, artificial intelligence, data science, UX design, and business intelligence.

#### THE NEED

As a digital startup without much of a track record, GoMyCode could not access the funding or expertise needed to support the launch and grow a successful business.

#### TAEF SOLUTION

GoMyCode is the first startup selected by Anava Seed Fund for a pre-series A investment. Anava Seed Fund investment joined a larger investor group of local and international venture capital investors such as Wamda Capital (this is their first investment in Tunisia), Jasminum Capital, Meninx Holding and several business angels.

#### IMPACT

- GoMyCode today employs 62 (54% women) and has locations in Tunis, Sousse and Sfax with plans for other locations in Tunisia, Algiers, Paris, Egypt, Nigeria and Morocco.
- GoMyCode has trained more than 5,000 students, made partnerships with more than 40 recruiting tech companies and ensured the placement of more than 1000 developers with their partners.
- Recognition: The company has been named one of the 100 most innovative startups in the Arab World by World Economic Forum; won the 1st place in

# GOMYCODE

A digital startup that provides high end computer science education in an interactive platform to African youth.

**62**

Employees  
54% women

**5,000**

Trained students

**1000**

Developers placed

**1st place**

in the MIT competition



- the MIT competition in Tunisia BloomMasters; US Embassy has funded 50 students in Game Development; and Impact Fund Drosos has funded 200 students. GoMyCode has also received the "Startup Act" label.
- Expanded program: GoMyCode received funding from USAID to launch the program "Reskill, Upskill" which aims to help 2000 unemployed young graduates to benefit from a 4 months training to prepare them for jobs in innovation.

**GOMYCODE**<sup>®</sup>  
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**GOMYCODE**



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**Yahya Bouhlel**  
GOMYCODE CEO and  
co-founder

Team GOMYCODE

# TAEF Investment Strategy

## Micro-entrepreneurs



TAEF is convinced that financial inclusion is key to reduce poverty, formalize businesses and improve the quality of life of families. A major study<sup>3</sup> conducted in 2011 looked at the relevance of microfinance in Tunisia as a tool to fight poverty and unemployment. The study led to new regulations and a framework passed in 2013 that provided for the creation of new microfinance institutions. In this context, TAEF invested directly in microfinance institutions to support the growing microfinance sector and the access of microentrepreneurs to capital.

TAEF tailors its investment in each MFI to meet their needs with a mix of debt, equity and technical assistance. TAEF has invested in three of Tunisia's microfinance institutions, each with a different focus:

- Taysir, created in 2014 as the first licensed microfinance institution under the new issued law. Taysir provides loans of an average of TND 5 000 TND (USD 1.8K) to micro-entrepreneurs.
- CFE Tunisie, created in 2015, provides loans of an average of TND 14 500 (USD 5K) targeting larger micro-entrepreneurs than other Tunisian MFIs.
- ENDA, the pioneer MFI in Tunisia and the largest operator, provides loans of an average of TND 2 300 (USD 800) targeting small micro-entrepreneurs.

Through investments in three of Tunisia's microfinance institutions, TAEF supports microentrepreneurs throughout the entire country. These microfinance institutions share a common objective of supporting microentrepreneurs in sustaining, formalizing and growing their businesses, improving their family's living conditions, with a special focus to support women microentrepreneurs by offering special loans

<sup>3</sup>: "Vision Concertée pour le Développement de la Microfinance en Tunisie 2011-2014 » is a major study conducted during the post-revolution phase of Tunisia to study the relevance of microfinance in Tunisia as a proven tool to fight poverty and unemployment.

# Smart Capital - Micro-entrepreneurs



## Innovation

- TAEF invested in the newly created MFIs.
- Expanded tool in Tunisia to fight poverty and unemployment.
- MFIs have different target populations: very small entrepreneurs to larger mid-sized ones.
- Investment in debt, equity and/or technical assistance adapted to the needs of the institution.



## SME Financing Ecosystem Impact

- Financial solutions for micro to small entrepreneurs that boost them as potential prospects of other financial players, ensuring their continuity.
- Invest in MFIs that finance a range of microentrepreneurs from very small to small-mid sized.
- A network of complementary MFIs reaching all areas of the country and making financial inclusion possible.
- Attract and partner with other Tunisian financial institutions to invest in and to help grow MFIs such as local banks and insurers.
- Strong advocacy role in implementing best standards and improving regulatory framework of the sector.



## Investee Impact

- **TND 29.9 million** invested in **3 MFIs**.
- **111 number** of branches, **78% outside** of capital city, branches in all the governorates.
- **1886** total employees, **49% women** and **63% young**.
- Governance: seats at governance bodies of two MFIs to play a role addressing issues and creating value.
- Outside Funding: **TND 555M**
- **+317K** supported microentrepreneurs, **59% women**.

**29.9M**  
**TND**  
INVESTED

**3**  
MFI'S

**555M**  
**TND**  
OUTSIDE  
FUNDING

**1886**  
TOTAL  
EMPLOYEES

**49%**  
WOMEN

**63%**  
YOUNG

# Case Study 6

## Micro-entrepreneurs

### Taysir



A new microfinance institution building capacity and reaching Tunisia's average microentrepreneurs (with loans of TND 5 000).

**9588**

Financed microentrepreneurs

**53%**

Women

**6**

Branches

**66%**

outside the capital



Taysir was the first microfinance institution to receive its license further to the implementation of the new regulatory framework for microfinance institutions.

### THE NEED

Taysir was a newly created MFI in need of capital to fund growth and it needed technical assistance and support during its early phase.

### TAEF SOLUTION

TAEF provided needed debt and filled an important advisory role. TAEF worked hand-in-hand with Taysir's management and the other investors to address the many challenges this MFI faced during its early years of operation including an IT system crash, a high turnover, fraud and recovery difficulties.

TAEF provided debt financing to Taysir in 2015 which was reimbursed after 3 years.

### IMPACT

- TAEF and the team successfully addressed the many challenges and laid a strong foundation for sustainable and stable growth:
  - Put in place a new and robust IT system.
  - Implemented new procedures.
  - Hired a new experienced management team (top managers as well as mid-level managers).
  - Close monitoring of the portfolio and collection procedures implementation via regular meetings with the team.
  - Fundraising and preparation of the company to be sold to a local family.
- Taysir continues to grow and provide much needed access to finance to Tunisia's microentrepreneurs in several governorates.
- At TAEF's exit in 2018, Taysir had 6 branches, 66% being outside of the capital city.
- During TAEF investment, Taysir had financed 9588 microentrepreneurs out of which 53% women.

# Case Study 7

## Taysir

### Habiba - Artisanal weaving

A traditional weaver passionate about her craft, Habiba has been weaving, making rugs, scarves and cushions. Habiba started working from her home with her neighbors. Then, she began to share her passion with young people, teaching the traditional handicraft. At present, Habiba teaches the art of weaving at the technical center of creativity, innovation and professional training for rugs and weaving in Kairouan. With that base of experience, she opened her own workshop in the medina of Kairouan with the help of her husband and her friends.

#### THE NEED

Habiba's business has been impacted by the economic climate and the tourism downturn in the country. She needed funding to increase her exposure through participation in the "Foire du Kram," one of Tunisia's major international handicraft fairs. She wanted to attend to present her products and to demonstrate the Tunisia know-how.

#### TAEF SOLUTION

Taysir provided a microcredit loan to Habiba which enabled her to pay the participation and rent fees for the fair and have access to new potential markets.

#### IMPACT

- At the fair, Habiba she met with a French customer who ordered more than 50 scarves and 30 traditional baskets, the largest order she had at that time.
- She benefited not only from the microloan but also from the training, mentoring and coaching sessions offered by Taysir to enhance her activity.
- She learned business skills she did not have such as managing her expenses.



A traditional artisanal weaver in Kairouan who is expanding by teaching her craft and creating a local workshop.



# Case Study 8

## CFE Tunisie

### Houda - Nursery School

Houda is the founder and manager of the nursery school « Réveille ton soleil » since 2016. When she had her first child, Houda was unsatisfied with local nursery schools and saw an opportunity. At that time, she opened a nursery school on the ground floor of her house with the support of her family. Very quickly, she expanded her services in response to growing demand. She has now outgrown that first round of expansion.

#### THE NEED

Houda's business needed funding to expand the nursery school and be able to satisfy the growing demand.

#### TAEF SOLUTION

CFE Tunisie provided a first microloan to Houda which enabled her to expand on the first floor of the house and to implement two different sections separating the 3-year kids and the 4-year children.

Then CFE Tunisie provided her a second and larger microloan to enable her to arrange the second floor and arrange for an adapted playground and to better equip its nursery school.

#### IMPACT

- The nursery school is well-equipped and welcoming around a hundred kids a day with a good level of care including diverse educational activities developed with the help of the psychologist of the nursery school.
- The proposed activities are provided by qualified child teachers who are continuously monitored and trained.
- Houda is managing a team of more than 10 employees.



The founder of children's nursery seeks to expand her high-quality service in response to demand.



# TAEF Investment Strategy

## Entrepreneurs Searchers



Tunisian SMEs are mostly family owned businesses, many of them established during the 1990s. A challenge faced by these businesses is succession or exit from their companies, especially when a family member is not the preferred alternative. In this SME landscape, TAEF saw an opportunity for introducing an innovative model of entrepreneurship through acquisition, or search funds, to Tunisia. A search fund solves the problem of a family owned and managed business by providing an exit and succession/legacy and by matching an entrepreneur to a business with growth potential that would benefit from new management.

For our first search fund, TASF (Tunisian American Search Fund), TAEF partnered with a successful experienced manager to adapt this model to the Tunisian context. Originally American, the search fund model consists of sponsoring a seasoned and successful executive in his/her search for a company to acquire and manage as CEO. The model was initially developed in Harvard Business School in 1984 and is today taught in most of the leading business schools in Europe and in the USA.

The search fund model aligns the motivations and interests of

— **Entrepreneurs:** experienced managers looking

for an opportunity to become entrepreneurs and run their own businesses. The search fund model enables them to undertake the search phase with a financial and non-financial support.

- **Sponsors and owners of family owned businesses:** with succession issues or non-core business affiliates of groups who are seeking an exit and a continuity plan for their companies; and
- **Investors:** looking for interesting and strong growth potential opportunities of investments.

In 2017, TAEF and Slah Kooli launched Tunisia's first search fund, TASF, as a pilot project. After a two-year search period and consideration of hundreds of companies, TASF successfully acquired Propann, a family owned manufacturing company. The acquisition was financed by an investment from TAEF and a leveraged buy-out financed by the leading private bank in Tunisia. Slah Kooli is today the CEO of this company and applying his experience in management, marketing, building international relationships and operations to its development.

Based on the success of the TASF pilot, TAEF launched in 2020 TASF II and III.

# Smart Capital - Entrepreneurs Searchers



## Innovation

- Adapt innovative financing and growth investment mechanism to Tunisia
- Acquisition of a company using a rare financing mechanism in Tunisia of leverage buy-out.



## Investee Impact

- Solution to succession issues and legacy plan
- Acquisition maintains - and most likely expands- jobs.
- Financial and non-financial support to entrepreneurs in the different phases of the process including the search, the acquisition and the development of the company post-acquisition.
- Ensure continuity while upgrading the company governance & management to the best standards & practice.



## SME Financing Ecosystem Impact

- Search Funds are proven to work as an investment mechanism that ensures continuity and legacy of existing companies and offers entrepreneurship opportunities to Tunisian professionals.
- Mechanism offering full buy-out transaction opportunities which is rare in the tunisian PE ecosystem.
- Leverage buy-outs are expected to be generalized as a financing mechanism in Tunisia.
- Attracting other equity investors in the transaction structuring (in addition to banks) and expanding the model .

# Case Study 9

## TASF

### PROPANN



A mid-sized manufacturing company with sound fundamentals and founders seeking an exit is acquired by a seasoned manager with TAEF backing.

Propann is an industrial company producing laminated wood-based boards (MDF, wood particles) used in furniture and construction.

### THE NEED

Propann's founders were ready to transition out of the daily management and ownership of the company.

### TAEF SOLUTION

TAEF sponsored Slah Kooli as our first Entrepreneur Searcher for a search phase of two years. TAEF provided financial, business and strategic support during the search process as well as the in-depth evaluation of several potential acquisition targets.

### IMPACT

- Successful acquisition of 100% of the shares of Propann in May 2019.
- Preserved and expanded employment.
- Successfully modeled the adaptation of the search fund model in Tunisia.
- Arranged for a leveraged buy-out with a Tunisian bank – a rarely used financial mechanism in Tunisia.
- Management and governance processes put in place to strengthen the company:
  - New governance has been put in place, Slah Kooli became the CEO.
  - Processes are being digitalized.
  - Implementation of a new and tailored business intelligence system.
  - New product development is underway.
  - Expanded export relationships have been developed.
- Expanded model: management is developing regional clusters where carpenters can go and use installed machines to transform wood panels before selling them to their customers. The first cluster has been implemented in 2019 and is currently operational.

48

Employees

10% women, 12% young

**Certifications: Iso 9001**

**2015 and Normes Tunisiennes (NT)**





# TAEF Investment Strategy

## Future Entrepreneurs

TAEF's commitment to Tunisian entrepreneurs goes beyond our investment strategies. TAEF also works to inspire and prepare Tunisia's next generations of entrepreneurs, small business owners and managers, the people who will build tomorrow's businesses, creating economic and employment opportunity. TAEF has designed and put in place innovative programs targeting students, the next generation of entrepreneurs.

### Fellows Program

TAEF launched the Fellows Program in 2017 to link students to possible careers in SME businesses or as entrepreneurs. Open to students from all Tunisian universities, students are selected by TAEF based on their application, references and skill and interest match with the needs of TAEF investee companies. Interns receive training in soft skills such as communication and design thinking from TAEF. TAEF provides stipend funding which must be matched by the hiring company.

At the portfolio companies, interns work on specific projects that meet the real needs of our investees in areas such as operations, marketing, software design and accounting. Trainees are coached and are closely supervised by TAEF and their supervisor in the company. TAEF supports the Fellows community of former interns with ongoing learning opportunities.

### Other Initiatives

TAEF continues to develop and pilot other initiatives that seek to support students and young entrepreneurs and promote SME entrepreneurship more broadly.

- **Open Innovation** directly linked case studies of real problems being experienced by TAEF investees to student teams in a competition, or "hackathon." A pilot project was launched in ISET Kairouan in April 2019, a university selected in an interior region with high unemployment where students have limited access to resources and opportunity. Eleven teams of 4-5 students were eager to participate in the competition under the guidance and coaching of faculty. These students successfully developed creative and pragmatic solutions to three distinct business problems: one in manufacturing and operations, one in software design and one in digital game development.

Based on the success of the Open Innovation pilot, elements of the approach will be integrated into an expanded Fellows Program.

- **Inspire Us** is designed to be a series of podcast interviews that promote entrepreneurship by sharing inspiring stories of successful and inspiring individuals. The first video in 2019 spotlighted Abdelhamid Bouchnak a young and successful entrepreneur in cinema and theater.



# Smart Capital - Future Entrepreneurs



## Innovation

- Expose students to careers as entrepreneurs and SME managers.
- Provide SMEs with vetted and talented interns.
- Link students seeking experience to SMEs seeking solutions to real business problems.
- Raise the visibility of SME entrepreneurship.



## SME Financing Ecosystem Impact

- Increase capacity and standards for university internships and partnerships.
- Involving SMEs in CSR projects, hence rising their standards and their contribution to communities & development goals.
- Creating a community of Fellows & intern alumni - a resource for employment and hiring in the future.



## Investee Impact

- **3 fellowship** editions: **39 total fellows**, **64% women**.
- 1 launched her own startup, and 1 joined the shareholding of a startup.
- 3 have been **hired by the companies** where they did their fellowships.
- Fellows participated in group training at TAEF on **soft skills and design thinking**.
- Introduced talented and dynamic interns to **TAEF investees**.
- **11 student** teams of 4 to 5 students competed to devise solutions in the **Open Innovation Program**.

**39**

TOTAL  
FELLOWS

**3**

FELLOWSHIP  
EDITIONS

**64%**

WOMEN

# Looking Forward

Over the past 7 years, TAEF has targeted support to Tunisia's SME entrepreneurs through innovation, identifying gaps in the SME financing ecosystem, piloting financing mechanisms new to Tunisia, and working as an active partner and investor alongside entrepreneurs and their companies.

The result is a positive impact in terms of stable and growing companies, employment, geographic distribution, opportunities for women and youth and added value to its partner entrepreneurs.

In the coming years, TAEF is eager to continue what it started:

- Supporting entrepreneurs in all their stages of development with the appropriate tools.
- Supporting other general partners in financing and supporting entrepreneurs.
- Identifying new investing models that meet a need in Tunisia and adapting them to the Tunisian environment.
- Increasing its portfolio of direct and indirect investments through its

large catalog of products (mezzanine debt, private debt, equity, quasi-equity).

- Supporting other entrepreneur searchers through new search funds.
- Increasing its geographical outreach.
- Increasing its exposure to high value-added sectors.

As this report is being written, an unprecedented health and economic crisis related to the Covid-19 pandemic is shaking the entire world and disrupting millions of people's livelihoods and businesses.

Across the globe, leaders in the public, private, and development sectors are continuously taking decisive action—both to save lives and to protect households, businesses, and national economies from the fallout of the pandemic.

TAEF has a critical role to play. Our imperative is to expand efforts to safeguard investees, partners, and jobs, to ensure continuity and to mitigate the crisis' impact. We expect a challenging year ahead. We are ready to act promptly. We commit to resolve immediate challenges. We will strengthen our resilience. We will reform to adapt to the Next Normal.



*Hela Kaddour Fourati*

*Chief Operating Officer - Managing Director*

# TAEF People

TAEF is led by an experienced Board of Directors who bring extensive experience in investing in emerging markets and particularly Tunisia, development finance, private equity and a deep knowledge of the Tunisian entrepreneur ecosystem. Our dedicated team of 12 (66% women) also brings deep experience in investing in SMEs and Tunisia and management.

Together, board and staff are eager to pursue TAEF's investment and development mandate and are motivated by the same values and commitment to positively impacting the Tunisian private sector and improving people's lives. The team relies on a wide network of top-notch experts on legal, financial, and industry specific matters.

## TAEF BOARD OF DIRECTORS

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*This inaugural impact report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the Tunisian American Enterprise Fund and do not necessarily reflect the views of USAID or the United States Government.*





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**LEFT TO RIGHT:**

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Missing Aicha Baccouche

*Photo credit : Ilyes Bourigua*



Louise Stoner Crawford



Tunisian  
American  
Enterprise  
Fund

IMPULSION AU DEVELOPPEMENT

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