

Norfund

BUSINESS SUPPORT

ANNUAL REPORT 2023



CONTENTS

Business Support	3
Results 2023	4
Strengthening our investees through responsible ownership	7
A pioneer in carbon footprint measurements	8
Elevating Business Impact through ESG	11
Delivering on the SDGs	13
Creating Inclusive Leadership Spaces – one boardroom at a time	14
Securing local oil seed supply in Ethiopia	17
Supplying rural Ethiopia with vaccines and medicines	19
Projects 2023	20

MARCH 2024

Business Support is an important tool for Norfund to strengthen the development effects of our investment activities. Being a responsible investor in challenging markets and sectors requires more than just finance. This technical assistance facility, financed by the Norwegian Ministry of Foreign Affairs (MFA), enables Norfund to assist in enhancing sustainability to the investees in the most challenging markets and sectors.

In 2023, we experienced an increasing demand for Business Support projects and around a quarter of Norfund’s investees received support through this facility. This is in line with a growing investment portfolio and increasing demand for climate related projects.

Norfund aims to be a responsible owner across all investment sectors, contributing with expertise, establishing sound corporate governance, and setting high financial and environmental, social and governance (ESG) standards. During the year Business Support has contributed to strengthening investees on, amongst other, E&S, gender, climate, and how to include smallholder farmers in the value chain. We are also continuously working on increasing our efforts to meet net-zero ambitions.

Norfund collaborates closely with other Development Finance Institutions (DFIs) in supporting technical assistance projects with high development impact. In recent years, most of the DFIs are seeing increased activity levels and financing for their technical assistance facilities. This trend is in recognition of the effectiveness and unique development effects associated with these types of programs.

With this report, I am pleased to present the results of Norfund’s Business Support portfolio in 2023.

Tellef Thorleifsson,
CEO

BUSINESS SUPPORT

Norfund’s Business Support facility was established in 2000 based on a mutual recognition by the MFA, Norad and Norfund for the need for technical and professional assistance in relation to investments in the private sector in developing countries.

The main objective of Business Support is to strengthen the sustainability and developmental effects of Norfund’s investments. It is therefore an important instrument to exercise responsible ownership, in line with Norfund’s investment strategy, and a way to support our investments in high risk sectors, markets and segments.

Business Support interventions adhere to the annual assignment letter from the MFA, Norwegian development policy priorities, the OECD/DAC criteria, and Norfund’s investment strategy.

Interventions focus on sustainability and value add by securing that important issues for which portfolio companies do not have the resources or knowledge, can be addressed and resolved. Projects are furthermore important tools to create awareness on important topics and have constructive conver-

sations about controversial issues. These projects often strengthen the relationship between a company’s owners and management or a company and its stakeholders.

Norfund provides in-house expertise and assistance for Business Support applications, after which these applications are submitted to a Committee which makes a decision on the project.

Together with portfolio companies, Norfund’s Project Manager, Environment and Social advisers and Business Support Managers, new projects are identified, developed, and monitored. As Norfund has a strong emphasis on good internal control and zero-tolerance for corruption, Business Support projects are developed based on standard templates and Norfund receives reporting on each intervention at least once a year.

Finally, as part of the application procedure for Business Support projects four cross-cutting issues are assessed: human rights, anti-corruption, climate and environment, and gender equality. The facility is an instrument to deliver on value add in these areas. For this reason, Business Support is incorporated

CROSS-CUTTING ISSUES

NORFUND
BUSINESS
SUPPORT
REPORT 2023

Head office:
Oslo, Norway

Address: Fridtjof Nansen plass 4,
0160 Oslo Norway

Phone:
+47 22 01 93 93

E-mail:
post@norfund.no

Cover photo:
Miniplast, Ghana

Layout and design:
Frode Granum



Strengthening our investees through responsible ownership



A PIONEER IN CARBON FOOTPRINT MEASUREMENTS



ELEVATING BUSINESS IMPACT THROUGH ESG

BII/Norfund ESG Trainings

Since 2017, Norfund has partnered with BII in supporting and building Environment, Social and Governance (ESG) knowledge of investees, fund managers, and their portfolio companies, by providing regular workshops across the countries where we invest.

The objective of the trainings is guiding businesses on the successful creation, implementation, and evaluation of E&S

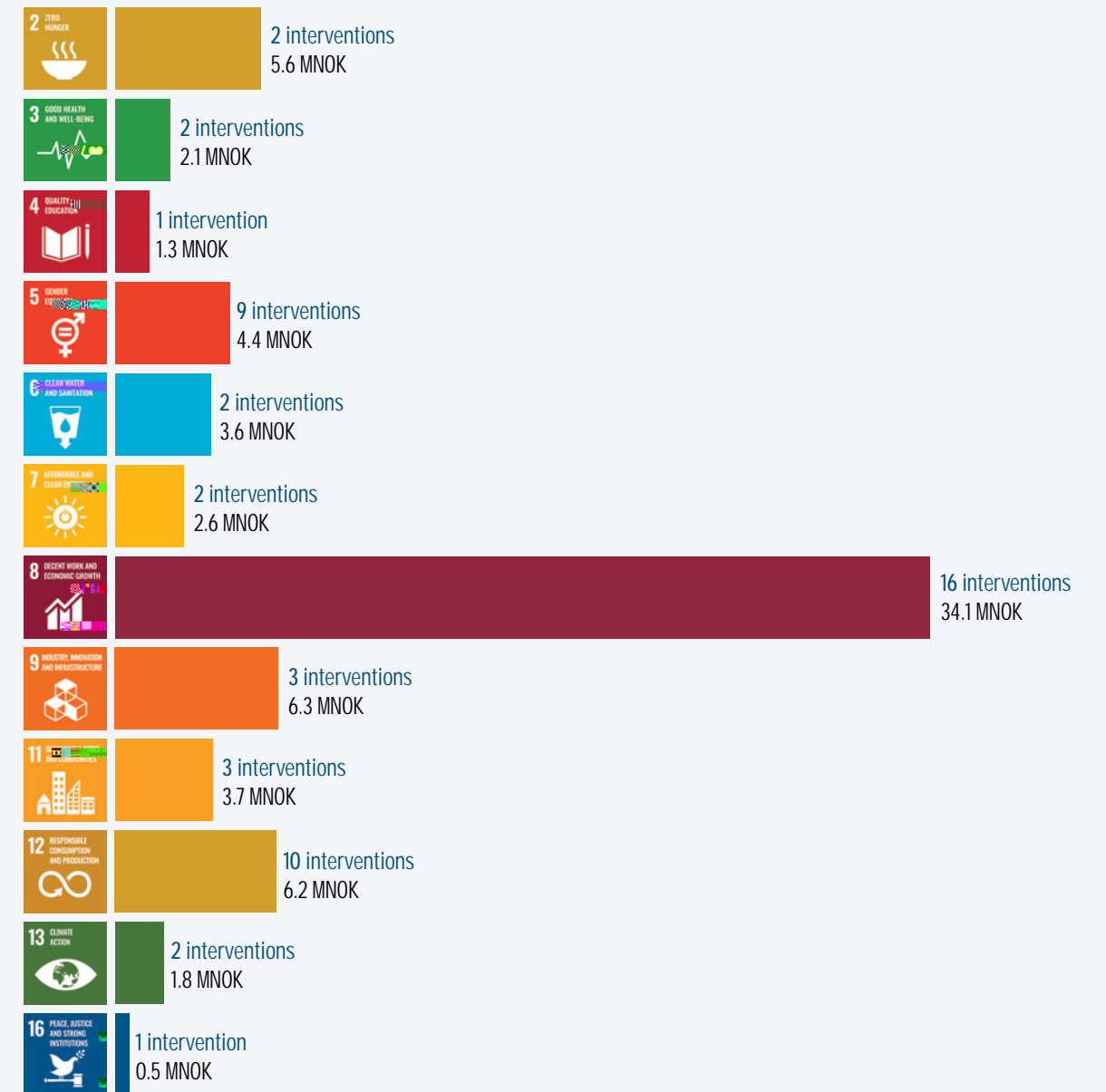


Image: For Hela, the Business Support project's objective is to create a working environment that allows the employees working at Hela (70% female) to grow into leadership positions and advance in their career through supporting two training programs, P.A.C.E. and Career Progression for the Workforce. Photo credit: Hela

DELIVERING ON THE SUSTAINABLE DEVELOPMENT GOALS

The figure below shows how the Business Support Portfolio relates to delivering on the SDGs in value and number of projects. Aligned with Norfund's mandate and strategy, the majority of the projects relate to SDG 8 – Decent work and economic growth, SDG 12 – Sustainable consumption and production and SDG 5 – Gender equality. The aim for the coming years is to increase the number of projects with a focus on SDG 13 – Climate.

Active portfolio 2023





CREATING INCLUSIVE LEADERSHIP SPACES – ONE BOARDROOM AT A TIME

"I deeply appreciate the profound impact of the training (Female Future) on me. Female Future has helped uncover some of my hidden strengths, enabling me to confidently raise my hand, persistently advocate for my agenda, and ensure my voice is heard." – Evaluation Kenyan Cohort 16

Female Future

The Female Future Program (FFP) is a unique opportunity for female leaders and leadership talent in Norfund's portfolio companies in Uganda, Tanzania, Kenya and Ghana to develop and flourish as emerging leaders. This female leadership and Board development training program was developed by NHO, the Confederation of Norwegian Enterprise, in 2003. The FFP is demanding and challenges the participants in various subjects adapted to each country, focusing on leadership, rhetoric, self-development, and board competence. The program is directly linked to the participants' daily work routine with professional networking and coaching done in different approaches. The program promotes personal growth and empowers women to top decision-making positions in the corporate world, increasing the percentage of women in decision-making processes, management positions, and on corporate boards. Furthermore, the program provides a forum for the participants to interact and exchange ideas, and to assist companies in developing their gender equality policies.

In 2023, Norfund sponsored the participation of a total of 18 female professionals, with 10 of these participants joining the program in Kenya and 8 in Ghana. This is the first year that participants from Norfund's investees have participated in the program in Ghana and marks a substantial increase in participation in the program overall.

Norfund's support: 45,000 USD (50% of total cost)
Intervention period: March 2020 – January 2025
Current number of women Norfund has sponsored: 18

The Boardroom Africa

The Boardroom Africa was officially launched in 2016, to build what has now become a vibrant private community of African women executives. Today, The Boardroom Africa is enhancing and amplifying the potential of Africa's exceptional women leaders, by creating more inclusive leadership spaces – and ultimately, better boardrooms.

The program is tailored to African women in senior management or C-suite level positions and builds a foundation necessary for a senior leadership position, while breaking down barriers to help organizations realize the benefits of increased diversity.

Norfund entered into an agreement with The Boardroom Africa in 2023. So far, Norfund's Business Support facility has helped sponsor 8 female managers in Norfund's investees to participate in the Ontological Growth Experience Program, and with the potential for growth in future cohorts and other programs. These women hold positions ranging from CFO to Legal Counsel and managers in Norfund's portfolio companies, ranging from a bank in Kenya to a fast-moving consumer goods company in Ethiopia.

Norfund's support: 50,000 USD (50% of total cost)
Intervention period: March 2023 – December 2024
Current number of women Norfund has sponsored: 8





SECURING LOCAL OIL SEED SUPPLY IN ETHIOPIA

SAMANU is an established Ethiopian producer of fast-moving consumer goods and carries leading brands for edible oil, soaps and detergent and pasta. After years of being dependent on imported crude oil for its edible oil production, the company is now embarking on an ambitious local sourcing project. This will allow SAMANU to become less dependent on hard currency - while creating jobs, increasing food security, and providing increased income for thousands of local farmers.

From import to local sourcing

As of today, Samanu has depended on imported unprocessed oil, which they refine, pack, and distribute to the Ethiopian consumer market. A newly constructed Solvent Extraction Plant, cofinanced by Norfund, will allow the company to backwards integrate in the value chain into sourcing the raw material for edible oil production locally. To ensure enough volume of locally produced oil seeds, SAMANU intends to develop large oil seed clusters in Ethiopia over the next six years, aiming to provide livelihoods for up to 200 000 smallholder farmers.

While SAMANU will buy established crops like soybean and sesame, the company is also targeting a new large and growing market in Ethiopia for sunflower- and rapeseed oil. These are new crops for Ethiopian farmers. Through this Business Support grant, Norfund supports SAMANU in assisting contracted smallholder farmers with inputs like high quality seeds, fertilizers, training, and capacity building, as well as

SAMANU has the ambition to become the leading buyer of sunflower in Ethiopia.

Will thousands of farmers choose to start growing

While planting new crops constitutes a high risk to farmers, there is a financial case for them to grow sunflower and

PROJECT LIST 2023

Image: Copperbelt Energy Corporation Plc

Project name	Company	Company	Department	Year	SDG	Amount (USD)
260 Brands Efficient Treatment Plant*	260 Brands	Zambia	**SE - A&M	2022	6.3	210 000
Adenia V TA Facility	Adenia Capital	Sub Sahara Africa	SE - Funds	2023	8.3	165 000
Advans Capacity Development Programme	Advans Myanmar	Myanmar	Financial Inclusion	2021	8.1	159 000
AgDevCo TAF	AgDevCo	Sub Sahara Africa	SE - A&M	2021	8.2	1 000 000
Agri Vie II TAF	Agri-Vie	Sub Sahara Africa	SE - Funds	2023	8.2	220 000
Arise TA Facility	Arise	Sub Sahara Africa	Financial Inclusion	2019	8.1	250 000
Arnergy management skills training*	Arnergy Ltd	Nigeria	Renewable Energy	2019	8.3	12 000
Ascent ARVF II TAF	Ascent ARVF	East Africa	SE - Funds	2021	8.3	185 000
Banco BDI ESMS Development	Banco BDI	Dominican Republic	Financial Inclusion	2023	12.6	20 000
Banco Cuscatlan ESMS Development	Banco Cuscatlan	El Salvador	Financial Inclusion	2022	12.6	17 500
Baobab+ capacity development*	Baobab+	Sub Sahara Africa	Renewable Energy	2023	4.7	120 000
BECIS - Biomass certification	BECIS	India	Renewable Energy	2023	8.2	23 500
BII ESG training 2023 - 2024	Multiple	Asia, Africa	Multiple	2022	12.6	60 000
CASEIF IV TAF	CASEIF IV	Latin America	SE - Funds	2021	5.A	150 000
CBI staff training & CSR	Continental Blue Investment (CBI) Ltd.	Ghana	SE - A&M	2023	9.5	100 000
Central America banking sector initiative	Multiple	Latin America	Financial Inclusion	2020	12.6	450 000
Cepheus JP Textile Workforce Review*	Cepheus Growth Capital Fund	Ethiopia	SE - Funds	2022	8.2	15 000
City Bank Net Zero Strategy	City Bank Limited	Bangladesh	Financial Inclusion	2023	13	17 587
CRDB Bank capacity development	CRDB Bank	DR Congo	Financial Inclusion	2022	5	33 000
d.light energy ladder study*	d.light	Kenya	Renewable Energy	2019	5	59 000
EcoEnterprises Fund III TAF	EcoEnterprises Partners III	Latin America	SE - Funds	2022	13	170 000
EcoWise Nigeria	OH Ecosystems	Nigeria	SE - A&M	2023	8.2	350 000
ENEL Project Coral support to local community	ENEL	India	Renewable Energy	2020	11.C	193 000
ENEL Thar local community development	ENEL	India	Renewable Energy	2021	11.C	175 000
Female Future program support 2020 - 2024	Multiple	Sub Sahara Africa	Multiple	2020	5.5	45 000
Ficohsa gender digitalisation project	Ficohsa	Guatemala	Financial Inclusion	2022	5.5	25 000
Finsocial gender project*	Finsocial	Colombia	Financial Inclusion	2022	5.5	14 500

* Completed in 2023

** SE - Agri & Manufacturing

Project name	Company	Company	Department	Year	SDG	Amount (USD)
FIT - Last mile distribution*	Freight in Time	Ethiopia	SE - A&M	2022	3.8	60 000
Globeleq Cuamba local skills training*	Globeleq	Mozambique	Renewable Energy	2022	11	27 000
Greenlight Planet ABM training*	Greenlight Planet	Kenya	Renewable Energy	2021	5.5	29 000
Hela Career Progression Trainings	Hela Investment Holdings	Kenya	SE - A&M	2023	5.5	30 000
KV Asia VC - Strengthening E&S*	KV Asia Capital III	Vietnam	SE - Funds	2023	12.6	8 500
Lilongwe Dairy smallholder support	Lilongwe Dairy	Malawi	SE - A&M	2022	2.2	250 000
Locfund Next TSF	Locfund Next	Latin America	Financial Inclusion	2021	8.2	250 000
Maringpar Kaizen, Leadership and Team Development	Marginpar	Ethiopia	SE - A&M	2019	8.2	125 000
MTB E&S audit*	Mutual Trust Bank	Bangladesh	Financial Inclusion	2022	12.6	20 000
NDB AML risk assessment	National Development Bank	Sri Lanka	Financial Inclusion	2022	16.6	24 000
NDB E&S Audit	National Development Bank	Sri Lanka	Financial Inclusion	2023	12.6	12 400
Novastar cross portfolio projects*	Novastar	East Africa	SE - Funds	2021	8.3	50 000
Novastar TA 2021 - 2022	Novastar	East Africa	SE - Funds	2021	8.3	250 000
Phatisa II TAF	Phatisa Food Fund 2	Sub Sahara Africa	SE - A&M	2022	8.2	250 000
ResponAbility ACPF TAF*	ResponAbility ACPF	Africa, Asia	Renewable Energy	2020	7.1	250 000
Sahel SME Fund - Investor Readiness Program	Multiple	Mali	SE - Funds	2023	8.2	150 000
SAMANU Backward integration	SAMANU	Ethiopia	SE - A&M	2023	2.3	340 000
SEEA E&S Training	Schneider Electric Energy Access Asia	Global	Renewable Energy	2023	12.6	10 420
Spear TA Facility	Spear II	Zimbabwe	SE - Funds	2018	9.2	500 000
Technoserve CASA Partnership	Multiple	Sub Sahara Africa	SE - A&M	2021	9.2	200 000
The Boardroom Africa	Multiple	Kenya	Multiple	2023	5.5	50 000
TransAfrica - ESMS	TransAfrica Water	Kenya	Green Infrastructure	2022	12.6	12 000
VIG Executive Development Program*	VIG IV	Vietnam	SE - Funds	2023	9.2	40 500
W2AF TAF	Water Access Accelerator Fund	Global	Green Infrastructure	2023	6.1	165 000
WeLight technical assessment*	WeLight	Madagascar	Renewable Energy	2022	12.6	31 000
XSMR ARF - TAF	XSMR	Sub Sahara Africa	SE - Funds	2022	8.3	250 000

