

## **Oxfam and Symbiotics target investment industry with new SME fund**

Oxfam is taking a lead in demonstrating to the financial industry that investments can deliver both social and financial returns, with the creation of a unique investment fund.

The *Small Enterprise Impact Investment Fund* (SEIIF) is a joint initiative between Oxfam and asset management group, Symbiotics. The first fund of its kind, the SEIIF will target small and medium enterprises (SMEs) in developing countries, offering investors both measurable social impacts and financial returns, with relatively low risk. Investors are now being sought for the fund.

“The private sector has a critical role to play in lifting people out of poverty and has the potential to drive huge SME growth in developing countries at a scale that is simply not possible for traditional development finance institutions to achieve on their own,” **says Barbara Stocking, chief executive of Oxfam.**

Known as the ‘missing middle’, Oxfam says that there are huge numbers of small businesses in Africa and Asia stifled by underfunding and limited access to credit, despite being recognized as a critical engine of growth in many economies. This sector is not being met by the existing microfinance asset class, the SEIIF will target this financing gap by investing in a variety of local financial intermediaries which focus on small enterprise development.

In its role as ‘impact adviser’ for the fund, Oxfam will use its local knowledge and development experience to offer independent intelligence on the impact of investee activities. Its primary focus will be activities which build women’s empowerment, job creation and food security in low income economies. The fund aims to directly create 100,000 good quality jobs in its first five years.

“Impact investing is still a relatively new concept for both financial markets and the development community. Oxfam has long talked about the role the investment industry could play in poverty eradication, but now we’ve decided to prove it. As well as providing capital to an under-served market, the SEIIF’s biggest job will be demonstrating success and leading the way for a new wave of impact investment centered on SMEs in developing economies – helping them become an asset class in their own right,” **continues Stocking.**

The target size of the SEIIF is \$100 million after three years, which will be invested in a portfolio of debt and equity instruments, targeting those with low risk, high impact profiles. The fund will target capital preservation and yield a realistic return for investors.

“The SEIIF seeks low risk through high diversification and clear exits, which offers investors both breadth and diversity in terms of models, geographies and activities,” **says Roland Dominicé, chief executive of Symbiotics.**

---

**Gavin Stewart, previously Chief Executive of Resolution Asset Management and Ignis Asset Management and a SEIIF investment committee member, says:** “This is an innovative and exciting way to bring together the private sector skills of a specialist player and the knowledge and experience of Oxfam in the impact space. The long term potential benefit from proving that you can invest successfully in this area is massive and I look forward to helping this new fund be a success.”

**Stephen Acheson, Director, Standard Life Investments, says:** "One of the greatest obstacles facing entrepreneurs and small businesses anywhere in the world is access to funding. This problem is particularly acute in developing countries. I believe that this new fund, SEIIF, has the ability to assist many embryonic and small businesses and in doing so generate wealth, employment and economic growth in areas where business potential has historically been constrained due to a lack of affordable capital."

A significant proportion of SMEs targeted by the SEIIF will be in the vital agricultural and food sectors. Around 500 million small farms in developing countries support almost two billion people worldwide and women produce a large proportion of the world's food by contributing to this agricultural production. According to the Food and Agriculture Organization (FAO), if these women had equal access to farming resources they could see an increase in harvests that could reduce the number of hungry people in the world by 100-150 million. The FAO says that investing in women farmers could raise total agricultural output in developing countries by 2.5 to 4 per cent.

#### **Notes to editor**

**Fund Manager:** Symbiotics Group

A pioneer team in impact investments, Symbiotics' mission is to reach out through investments, financing small enterprise development and the social economy.

**Impact Adviser:** Oxfam GB

Oxfam is one of the world's most respected global development agencies. The organization delivers local presence and knowledge, as well as strong experience and expertise in impact criteria and measurement.

#### **For further information or interviews, please contact:**

##### **Oxfam Press Office**

Leona Everitt

+44 (0)1865 472237 / +44 (0)7827 957337

[leveritt@oxfam.org.uk](mailto:leveritt@oxfam.org.uk)

[www.oxfam.org.uk](http://www.oxfam.org.uk)

##### **Symbiotics Group**

Claire Dorey, Communication Officer

+ 41 (0)22 338 15 40

[claire.dorey@symbioticsgroup.com](mailto:claire.dorey@symbioticsgroup.com)

[www.symbioticsgroup.com](http://www.symbioticsgroup.com)