



Financing Growth

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*How to create successful public-private
early stage co-investment funds*

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The Finance Gap

- Global gap in access to finance for MSMEs in developing countries is over \$2 trillion USD
- On average, over 80% of MSMEs do not have adequate access to finance

Finance Needs

- Equity
- Quasi Equity
- Debt
- Asset Based Finance
 - Leasing, purchase order finance, factoring, etc.
- Grants
- Technical Assistance

Scale

- Minimum investment size of large funds often too high
- Need funds / vehicles that can invest / lend in the range of 5,000 – 250,000 EUR
- Need both equity and revolving debt funds (and hybrid funds)
- Large funds can finance smaller, targeted funds
- Need to involve commercial banks

Crimson Finance Funds

- Crimson Development Foundation (CDF) Macedonia
- Crimson Finance Fund (CFF) Kosovo
 - Revolving Funds / Non-Bank Financial Institutions
 - Lend / Invest 5,000 – 150,000 EUR
 - 40 million EUR invested / lent
 - 6,500 jobs created
 - > 300 million EUR in sales / exports created
- Crimson Finance Fund (CFF Albania) Albania

What Is Needed?

- Increased number of funds targeting the right scale with both equity and debt financing
- Fiscal / tax incentives
- Improved business environment – reduced regulatory and administrative barriers
- Investment readiness
- Entrepreneurship & innovation supporting strategy & policies