



U.S. EMBASSY IN NEPAL

CORPORATION JOINS NEPAL-FOCUSED DOLMA IMPACT FUND II

By **U.S. EMBASSY KATHMANDU**

MARCH 9, 2022

KATHMANDU, Nepal — Dolma Fund Management announces the second close of Dolma Impact Fund II (Dolma II) – a private equity fund investing primarily in renewable energy, healthcare and technology in Nepal. U.S. International Development Finance Corporation (DFC), the U.S. government's development finance institution, joins existing investors FMO, CDC Group, Swedfund and IFC to bring the fund to over \$50m. With scaling commitments, Dolma II has \$13m of available capacity before reaching its hard cap of \$75m.

Dolma II has already made its first investment in Upaya City Cargo, a high growth third-party logistics platform, and is finalizing deals with a restaurant aggregator food delivery platform and a 100-bed, multi-specialty hospital.

Tim Gocher, CEO, Dolma Fund Management said: “We are delighted to welcome DFC at a time when our capital is in high demand, not least from the digital revolution sweeping Nepal and the healthcare sector which is experiencing unprecedented growth and efficiency requirements in the wake of the pandemic. Nepal’s COP26 pledges have stimulated more diverse renewable energy opportunities. Dolma is at the forefront of these industries, bringing companies to international scale and quality to facilitate further cross-border and domestic fundraising and growth.”

Lauren Cochran, Vice President of Equity and Investment Funds, DFC said: “DFC is thrilled to support Dolma Impact Fund II as it works to inject capital into the growing healthcare and renewable energy sectors in Nepal, while empowering and unlocking the economic potential of women as a 2X-qualifying fund. Dolma’s important work brings to life several of DFC’s key priorities, including tackling the climate crisis, promoting gender equity in financing, and strengthening health resilience in Nepal.”

Background

Nepal has one of the lowest GDP per capita in Asia (\$1,155) and a population of nearly 30 million. In 2015 the Government of Nepal set the ambition of achieving Middle Income status through the implementation of the Sustainable Development Goals (SDGs) and it has since been one of the world’s fastest growing economies, achieving GDP growth rates of between 6.7% and 9.0% in 2017-2019.

Dolma squarely addresses this challenge by bringing much-needed foreign direct investment (FDI) into Nepal, in full alignment with its national sustainable development strategy. Dolma makes a particular contribution towards SDGs 5 (Gender Equality), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 13 (Climate Action) and 17 (Partnerships for the Goals). In May 2020, Dolma qualified for the 2X Challenge, in recognition of the high participation of women in its management and overall team.

Launched in 2014, Dolma’s first fund, Dolma Impact Fund I (Dolma I), pioneered institutional FDI and Environmental and Social standards in this high-growth emerging market. Dolma I’s portfolio includes almost 50 MW of renewable energy, some of the country’s leading AI and e-commerce firms, and much-needed pharmaceutical manufacturing and medical care.

The outlook for the Dolma I portfolio is promising. In 2019, Dolma I achieved a significant exit of its stake in CloudFactory as a part of a \$65m growth round from US VCs. In May 2020, Dolma I invested in Nepal’s first on-grid solar plant with a PPA, which was recently commissioned at a capacity of 5 MW. At the end of 2021, Dolma I filed for IPO in 2022 for its 13.4 MW and 28.1 MW run-of-river hydropower companies.

###

Footnote:

1. World Development Indicators, The World Bank
2. Nepal’s Sustainable Development Goals Baseline Report, National Planning Commission, Government of Nepal, June 2017
3. World Development Indicators, The World Bank
4. Dolma Impact Report 2020
5. 2xchallenge.org

###