



## AATIF Investment Updates

### Chobe Agrivision Company



Country:	Zambia
Type of investment:	wheat and soy farm
Outstanding AATIF investment:	USD 7mn
Financial close:	October 2011
Maturity:	5 years

### Project Description

In October 2011, AATIF made an investment of USD 10mn into the Zambian maize, wheat and soya bean farming operation Chobe Agrivision. AATIF's investment will support the operations of Chobe Agrivision by increasing its operational capacities and thus enable it to contribute to regional food security.

### Recent Developments

**Project:** Chobe increasingly benefits from its strategic decision in 2014 to vertically integrate and expand operations towards milling. While it continues to feel the effects of the drought affecting Southern Africa on its farming operations, the mill is running at full capacity. Demand for milled maize produce exceeding the milling capacity.

**S&E:** After welcoming an Environmental, Social and Governance Manager and assistant as well as a Corporate Social Responsibility Manager in their team last year, Chobe Agrivision has established a department in charge of dealing with S&E risks and liaising with stakeholders. Furthermore, the company has implemented a grievance registry and updated the S&E action plan.

**TA:** TA Facility Manager and Compliance Advisor have developed a project to assist Chobe in mitigating increasingly observed alcohol abuse amongst farm workers, which foresees the implementation of long term corrective measures that will create awareness and trigger social actions through the farm worker community. The TA Facility Manager is currently negotiating the contract with a consultant team to implement this project together with Chobe farm managers. The team is scheduled to commence work in July 2016.

### Global Agri-Development Company (Ghana) Ltd. ("GADCO")



Country:	Ghana
Type of investment:	rice farm
Outstanding AATIF investment:	USD 1.3mn
Financial close:	June 2012
Maturity:	5 years

#### Project Description

In June 2012, AATIF provided a loan to GADCO, a Ghanaian rice producer. AATIF financed a rice mill as a first step for GADCO to develop an integrated value chain. GADCO however faced severe operational issues and was completely restructured in 2014/2015.

#### Recent Developments

**Project:** GADCO has prepared land for the next planting cycle and last year's crop has been harvested. GADCO placed an order for new electrical pumps to secure proper watering.

**S&E:** In Q1 2016, GADCO prepared and submitted the S&E reports to the various lenders and the Environmental Protection Agency. The company also started drafting and updating S&E related policies, such as the human resources policy, occupational safety and health policy and emergency response plan.

**TA:** The TA Facility Manager is continuing his dialogue with RMGC on the modalities to contract a rice agronomy expert for adapted rice variety selection and optimizing rice farming systems for the nucleus farm and outgrower schemes.

### Balmed Holdings Ltd. ("Balmed")



Country:	Sierra Leone
Type of investment:	coffee & cocoa trader
Outstanding AATIF investment:	USD 0.3mn
Financial close:	December 2013
Maturity:	5 years

#### Project Description

In December 2013, AATIF entered into a USD 1mn trade finance agreement with Balmed, a Sierra Leonean cocoa and coffee trading company. Balmed started out as a trader of cocoa and coffee in 2004, eventually moving upstream by establishing a blockfarming model to secure future supply of cocoa. A first tranche of USD 250,000 has been disbursed in December 2013 and has been used to strengthen Balmed's trading business.

#### Recent Developments

**Project:** In Q1 Balmed continued to focus on discussions to source grant funding under the post Ebola grantfunding program coordinated by the Sierra Leone Chamber for Agribusiness Development (SLeCAD). The post Ebola Agricultural World Bank program was officially signed off on the 18th February 2016. The final beneficiary selection process as well as disbursements are expected to take place in Q2 2016. Balmed, in parallel continues its fund raising efforts to allow the company to move forward should the World Bank grant not be awarded.



### Wienco (Ghana) Ltd.



Country:	Ghana
Type of investment:	intermediary input supplier
Outstanding AATIF investment:	EUR 11mn and USD 6mn
Financial close:	October 2013
Maturity:	3 years

#### Project Description

In October 2013, AATIF disbursed a senior debt loan to Wienco (Ghana) Ltd. (“WGL”), a Ghanaian agribusiness intermediary company. Wienco provides fertilizer and agro-chemicals as well as training in input application methods and business skills to smallholder farmers via three smallholder associations. These include the Cocoa Abrabopa scheme, the Masara N’Arziki maize smallholders association and Wienco’s own smallholder cotton growing scheme. AATIF’s financial commitment allows Wienco to significantly expand the scope of its smallholder operations.

#### Recent Developments

**Project:** Over the course of last year, Wienco has established a crop agency which will seek to provide different farming services to farmers. Farmers will have the choice to either engage in a fixed contract with Wienco, whereby they will pay a monthly fee and Wienco will be in charge of agreed activities (e.g. harvesting, spraying, weeding etc.) or they can order services “a la carte” by hiring Wienco on a demand basis for individual activities e.g. only spraying. This new business line will complement Wienco’s existing role as input provider and off-taker in the cocoa, cotton and maize outgrower schemes.

**S&E:** Wienco has made progress on the implementation of the agreed S&E action plan. In Q1 2016 the company updated its human resources manual to include anonymity in the grievance procedure.

**TA:** The scoping mission for an in-depth impact evaluation of Wienco outgrower schemes to Ghana took place in January 2016. As a result, fundamental issues on method and modalities to be applied throughout this long term evaluation have now been resolved and agreed. The evaluation baseline study is foreseen to commence in July 2016.

### Cape Concentrate Ltd.



Country:	South Africa
Type of investment:	tomato processing
Outstanding AATIF investment:	USD 8mn
Financial close:	August 2014
Maturity:	5 years

#### Project Description

In August 2014, AATIF signed a USD 8mn facility agreement with Cape Concentrate, a South African agro processing company which started its operations in 2010, but was placed under business rescue in May 2013, due to adverse weather effects and failure of securing sufficient tomato supply. Cape Concentrate specializes in the processing of tomatoes into tomato paste for the local market, which serves as an import substitute. The AATIF investment was made to finance a business rescue plan which foresaw the complete restructuring of the business including new management. In 2015, Cape Concentrate resumed its first cycle of operations after having entered business rescue, producing high quality tomato paste from tomatoes supplied by commercial as well as community farms, while facing ongoing challenges on the supply side.

#### Recent Developments

**Project:** Following the company’s failure to source a level of tomato supply which would have allowed the company to reasonably operate during the upcoming season and the Business Rescue Practitioner consequently applying for provisional liquidation at the end of the last quarter, the company was first put in provisional liquidation in January and then in final liquidation in March 2016. AATIF continues working with the company and the liquidators to protect AATIF’s interests as much as possible.

**S&E:** Due to the company’s current situation, the outstanding S&E report has been suspended and any other S&E activity has come to a halt.

**TA:** Due to the company’s current situation, the TA Facility has suspended all approved engagements with Cape Concentrate.

## Eastern and Southern African Trade and Development Bank (“PTA Bank”)



Country:	Supranational
Type of investment:	financial institution
Outstanding AATIF investment:	USD 30mn
Financial close:	September 2012
Maturity:	5 years

## Project Description

In September 2012, AATIF and PTA Bank signed a USD 30mn facility agreement. PTA Bank is a multilateral financial institution, owned by eighteen East African member states, the People’s Republic of China and the African Development Bank. The funding is being used by PTA Bank to expand its agricultural lending activities.

## Recent Developments

**Project:** In February 2016, PTA signed a memorandum of understanding with China Exim Bank with the aim to cooperate in areas such as project and infrastructure finance, trade finance and treasury activities.

**S&E:** PTA submitted its annual S&E report and the implementation of the revised social and environmental management system (“SEMS”) is in full swing.

**TA:** Out of the PTA sub loan portfolio financed through AATIF, the Tanganda Tea Company in Zimbabwe has been selected to undergo a rapid impact appraisal for AATIF impact indicator measurement. Preparations for the baseline study for this appraisal are underway for a mission to take place in early April 2016.

## Chase Bank (Kenya) Limited (“Chase Bank”)



Country:	Kenya
Type of investment:	financial institution
Outstanding AATIF investment:	USD 10mn
Financial close:	October 2012
Maturity:	5 years

## Project Description

In October 2012, Chase Bank, a privately owned Kenyan bank, received funding under a five year senior loan facility in two tranches, totalling USD 10mn. On-lending activities of Chase Bank target investments along the entire agricultural value chain including input providers, farmers and off-takers, with contract farming schemes receiving special attention.

## Recent Developments

**Project:** In January 2016, Chase Bank participated in AATIF’s stakeholder meeting in Berlin and Dr. Njaga, CEO of Chase Bank, emphasised the importance of commercial partnerships (like the one between Chase Bank and AATIF) instead of grant funding.

**S&E:** In Q1 2016, Chase Bank started planning an audit of their SEMS, however, this has been delayed due to the current situation.

**TA:** To provide further assistance to Chase Bank’s expansion into the agricultural sector, the TA Facility has prepared a proposal to assist the Bank in analysing additional commercially interesting value chains in the cereals and edible nuts sector. This undertaking has however, been put on hold due to the current situation.

**Subsequent events that took place after 31 March 2016:**

Following a bank run by depositors of Chase Bank, on 07 April 2016, the Central Bank of Kenya (CBK) placed Chase Bank under receivership. The Kenya Deposit Insurance Corporation (KDIC) currently acts as receiver for Chase Bank. KDIC appointed KCB Bank Kenya Ltd (KCB) as manager on 20 April 2016 who ensured operational continuity of Chase Bank. Chase Bank’s branches re-opened on 27 April 2016, allowing for withdrawal of deposits up to KES 1,000,000 (approx. USD 10k). CBK declared on 20 April 2016 that CBK and KCB will ensure that Chase Bank will have adequate liquidity for its operations and KCB will make available a management team that will assist in the receivership. AATIF is collaborating closely with other senior lenders to Chase Bank and local authorities in Kenya to protect the interests of AATIF’s shareholders.

BancABC		
	Country:	East Africa (Mozambique, Tanzania, Zambia, Zimbabwe & Botswana)
	Type of investment:	financial institution
	Outstanding AATIF investment:	USD 25mn
	Financial close:	December 2013
	Maturity:	5 years

#### Project Description

In December 2013, AATIF signed a USD 25mn risk sharing agreement with BancABC, a financial institution with its holding company based in Botswana and subsidiaries operating out of Zimbabwe, Zambia, Mozambique, Botswana and Tanzania. Originally, BancABC focused exclusively on wholesale banking. In 2008, the bank started to expand gradually into retail banking, including SME and consumer lending products. The AATIF facility will allow BancABC to increasingly step into transactions along the entire agricultural value chain and extend their maturities.

#### Recent Developments

**Project:** At Group level, the bank has continued to focus on centralizing and standardizing processes across in its countries of operation in an effort to reduce back office support resources, improve front office focus, and drive efficiencies.

In view of BancABC's agricultural activities, the portfolio is, albeit slowly, growing. As of March 2016, the volume of agricultural loans disbursed since Dec 2013 under the AATIF Facility sum to more than USD 24.7m. Transactions are spread across the group's agricultural focus hubs including Mozambique, Zambia and Zimbabwe. Typical transactions include the funding of milling operations, cotton processing, sugarcane as well as dairy schemes. BancABC managed to grow its agricultural portfolio since 2013 despite severe challenges including (i) undergoing a takeover by Atlas Mara Limited followed by a still on-going group restructuring and (ii) facing the aftermath of elections in Zimbabwe and economic challenges especially in Zambia and Mozambique, which included a severe weakening of the currencies against the USD and a major ongoing drought.

**S&E:** BancABC has been actively working with a consultant contracted through the TA Facility to enhance the bank's SEMS. As of March 2016, the bank had drafted the job description for a sustainability manager, which has been approved by the bank's executive committee, as well as an outline of the SEMS manual and a capacity needs assessment matrix.

**TA:** The TA Facility contracted a consultant to assist BancABC to upgrade its existing structures into a full-fledged SEMS in line with international standards. The inception workshop for this assignment took place at BancABC group office in South Africa in December 2015. Next to the ongoing project the TA Facility Manager is in ongoing discussions with BancABC on possible TA measures to improve the capacity of bank staff in agricultural lending. TA Facility Assistance in piloting the establishment of a dedicated agricultural unit in one of BancABC's country branches is one of the options that is currently being discussed.

#### Export Trading Group ("ETG")



Country:	Pan Africa
Type of investment:	Intermediary
Outstanding AATIF investment:	USD 30mn
Financial close:	November 2015
Maturity:	5 years

#### Project Description

In November 2015, AATIF entered into a USD 30mn facility agreement with Export Trading Group ("ETG"), a Pan-African integrated trading and processing company specialized in end-to-end agricultural supply chain management and headquartered in Mauritius. The objective of the facility is to support the development of the smallholder agriculture sector in Sub-Saharan Africa. ETG has offices across 40 countries in the world with significant presence across 26 African countries, buying crops from thousands of smallholder farmers without intermediaries and connecting them to global commodity markets, thereby contributing to sustainable employment and income security for local farmers as well as global food security. In addition, ETG provides smallholder farmers with training, agricultural expertise, farming equipment and farming inputs. The proceeds of AATIF's facility will be used by ETG as long-term working capital for the export of crops and import of fertilizers as well as the financing of capital expenditures related to processing plants and warehouses.

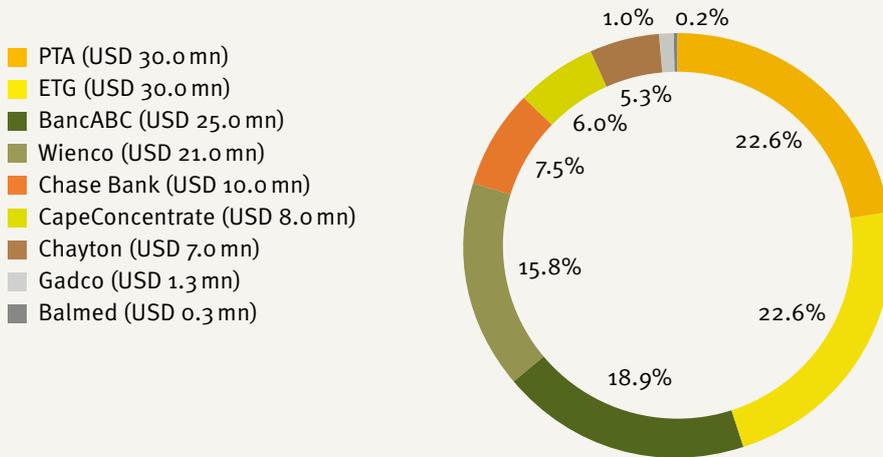
#### Recent Developments

**Project:** ETG used the AATIF financing for the import of fertilisers (approx. 15k t of urea) and the export of crops (approx. 16k t of coffee, green gram and pulses).

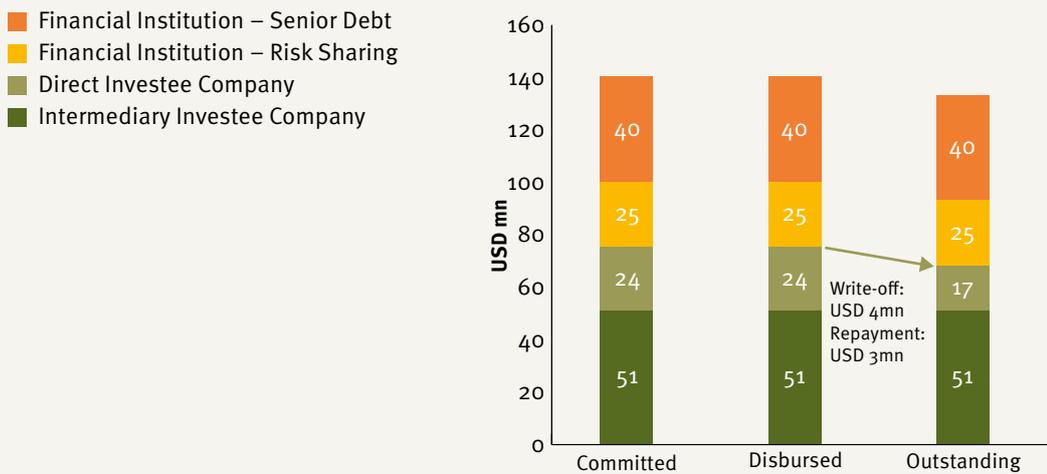
**S&E:** In Q1 2016, ETG started preparing a S&E capacity building strategy in order to improve the company's S&E management capacity.

**TA:** The TA Facility Manager has commenced a dialogue on possible TA Measures for ETG.

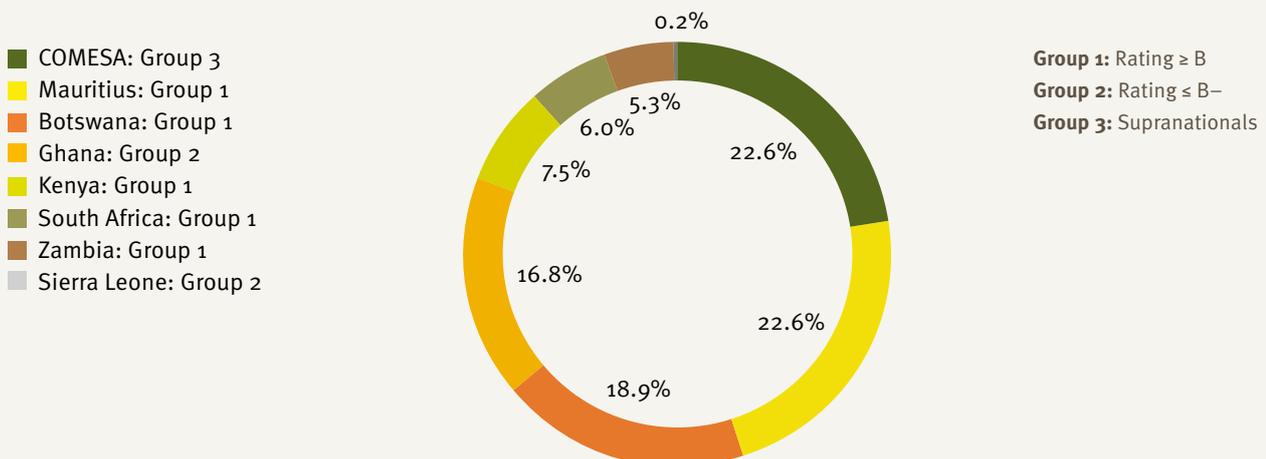
**Portfolio Composition by Partner Institution (Outstanding)**



**Portfolio Composition by type of Partner Institution**



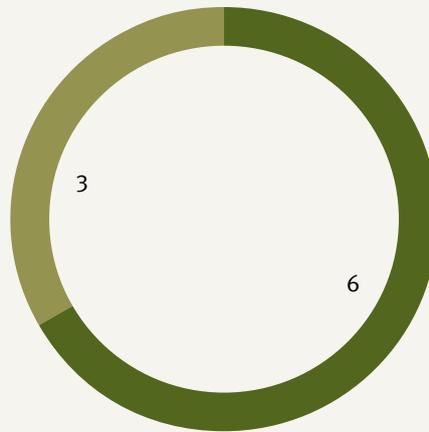
**Portfolio Composition by Country Groups (Outstanding)**



### Portfolio Composition by LDC and Sub-Saharan Countries

- Sub-Sahara
- Sub-Sahara/LDC

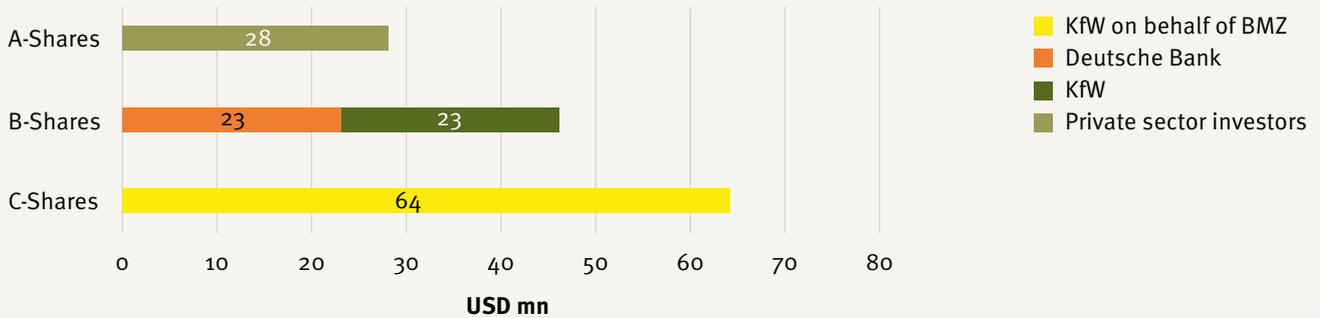
**LDC:** Least Developed Country as defined by the United Nations



### Commitments



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## Imprint

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