



## 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 + extended by additional 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. On October 26 2015, Chobe Agrivision repaid a first Tranche of the AATIF loan of 3 m USD reducing the AATIF exposure to 7 m USD.

### Recent Developments

**Project:** As previously communicated Agrivision managed to end the financial year 2016 with a profit. Throughout the last season rainfall has continued to be satisfactory, albeit a bit late which has slightly delayed the ongoing harvesting of the summer crop. In addition the summer crop has partially been affected by the army worm attack which spread across Eastern and Southern Africa. In preparation for the winter season, Agrivision has started the planting of wheat both at Mkushi and Somawhe.

**S&E:** In collaboration with a professional land surveyor, Agrivision Zambia completed a beacon identification and placement exercise on land bordering the Tazara railway company. The exercise found that there is no structure in the border region on actual Agrivision land. In addition, the Compliance Advisor backstopped the revision of the Rapid Appraisal of the AATIF investment in Chobe.

**TA:** AATIF Chobe's investment has been selected for a rapid impact appraisal to contribute to the AATIF impact indicator measurement. Endline data has been collected in 2016, the final report was delivered in June 2017. In view of the available end-line data for the original loan tenor, an efficient methodology for this Rapid Appraisal to cover the loan extension period is under discussion with CA.

### 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 started to prepare the minor season on approx. 700ha..

**S&E:** GADCO submitted both its Annual Social and Environmental Report as well as bi-annual Development Impact Report in March 2017. The company has been working to improve water efficiency, by testing new irrigation methods, and waste management, by considering different alternatives to dispose of rice straw. While direct employment at GADCO and the number of outgrowers associated with the Fievie Connect programme have slightly gone up, the number of outgrowers associated with the Copa Connect programme reduced since September 2016 due to necessary reparations of irrigation channels that were affected in this minor season.

**TA:** The TA Facility Manager visited GADCO in early April 2017 to assess the mechanization capacity and the workshop conditions, which resulted in the approval of a Technical Assistance project ‘Workshop Organization and Staff Training’ in April 2017. A new temporary senior workshop manager has been appointed to train and develop staff as well as establish workflows and processes that will substantially reduce downtime of the farm’s machinery.

The TA Facility Manager is preparing a Rapid Appraisal to evaluate the impact of AATIF’s investment into GADCO.

### Wienco (Ghana) Ltd.



Country:	Ghana
Type of investment:	intermediary input supplier
Outstanding AATIF investment:	EUR 9mn and USD 6mn
Financial close:	October 2013
Maturity:	3 years + extension until 2019

#### 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 last quarter the Investment Manager closely monitored the developments in Ghana with regards to the cocoa sector. Earlier this year the national marketing agency of Ghana, Cocobod, announced a funding deficit of USD 400m and replaced 11 senior management staff. Following this shake up Cocobod instructed a group of six banks (Rabobank, Crédit Agricole, Natixis, Standard Bank, SMBC and Ghana International Bank) to structure a USD 1.3bn syndicated facility at 65bps above Libor to finance the 2017/18 cocoa season. In addition Ghana’s 2016/17 crop reached a six years high of over 880.000 tonnes, surpassing the target of 850,000 tonnes. Despite these positive developments, the sector remains to be under pressure due to low cocoa prices worldwide.

**S&E:** In Q2 2017, the Compliance Advisor continued backstopping the Technical Assistance Facility and reviewed the baseline report of Wienco’s impact evaluation and the feasibility study on climate smart financing package (see TA update below).

**TA:** A first draft report (for WIENCO’s cocoa outgrower scheme) of the comprehensive impact evaluation that commenced in late 2015 was submitted in June 2017. The final baseline report including the maize outgrower scheme is expected to be delivered in August 2017. Mid-term data collection is expected to take place in 2018.

The TA project to assess the feasibility of climate smart lending products will be launched in September 2017 together with the selected consulting firm specialized in this innovative field.

Wienco will also benefit from a new TA Measure to the RMG Concept Group approved in May 2017 to improve and capacitate the accounting and finance departments. The TA Facility Manager is currently preparing the tendering process for selection of consulting firms to undertake the activities.

## 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

Cape Concentrate has been a South African company which was established in 2009 in the Eastern Cape province. The business plan entailed to process locally grown tomatoes into tomato paste for sale into the South African market as an import substitute. In 2013, pre-AATIF engagement, the company was placed under Business Rescue in terms of Chapter 6 of the Companies Act 71 when key requirements to be successful were not met, including (i) sufficient and reliable tomato supply from local farmers to utilize the plant's large capacity, (ii) reliable financing for community and emerging farmers, and (iii) integrated experienced management of marketing, farming and processing operations. A business rescue plan provided for a restructuring of the business and the company's finances and led to an investment of USD 8m by AATIF in August 2014. AATIF's with the objective i.a. was to assist the company in implementing its business rescue plan under new management and to act as catalyst to attract additional finance to realize the development potential of the company's business model. The AATIF investment allowed Cape Concentrate to resume its first cycle of operations in the 2014/2015 season. Cape Concentrate produced high quality 36Brix and 28Brix tomato paste in the first season. All paste was sold to well-known local companies, illustrating the validity of the company's business model operations and distribution channels. Nevertheless for the reasons highlighted below above, the business rescue was not successful. The company applied for provisional liquidation in December 2015 which was made final in March 2016. In Q3 2016 the plant for the production of tomato paste was sold to Famous Brands. Famous Brands is a JSE listed South African company and Africa's largest branded food service franchisor. It intends continuing the tomato paste production and sourcing tomato supply from local farmers, thereby creating employment in an economically distressed area.

## Recent Developments

**Project:** While the liquidation process is expected to continue for the foreseeable future the liquidators have effected a first installment of 19 Million ZAR to AATIF. From site visits by the IM we understand that the factory continues to operate, though only at a significantly lower level than capacity would allow for. Key issue remains to be the input from local farmers. On the recovery side, AATIF is engaging in further recovery procedures arising out of legal actions.

**S&E:** No ongoing activities.

**TA:** No ongoing activities.

## Trade &amp; Development Bank ("TDB", formerly know as 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:** TDB has issued a 2nd tranche of a bond maturing in March 2022 thereby increasing the notional by USD 200m to USD 700m.

**S&E:** TDB submitted its Annual Environmental and Social Management Report for the year 2016.

**TA:** No material news.

## 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. 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 to ensure operational continuity of Chase Bank. The initial receivership period was extended until October 7, 2017.

## Recent Developments

**Project:** On March, 30, 2017, the CBK announced the “Commencement of Process for an Investor to Take an Equity Interest” in Chase Bank. Under this process, CBK selected three Kenyan and four international banks are among those which have shown interest in owning a stake in Chase Bank. The successful bidders have been given access to internal bank data to help them develop a proposal for buying a stake in Chase Bank by June 9. The selected investor is expected to inject the capital required to raise bank’s equity to levels desired by the regulator. CBK indicated that the process and timing of any resultant transaction will depend on the structure proposed in the preferred investor proposal, but completion is expected before September 30, 2017 (within the above-mentioned statutory deadline of 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 stakeholders.

**S&E:** No ongoing activities.

**TA:** No ongoing activities.

## 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.

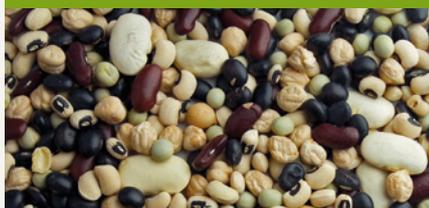
## Recent Developments

**Project:** No material news.

**S&E:** In line with BancABC’s capacity building strategy on environmental and social matters, in Q2 2017, the bank’s Sustainability Officer completed two online training courses and participated in other S&E capacity building activities (e.g. webinars). The Compliance Advisor commenced working with BancABC on designing an S&E study to evaluate the effectiveness of the upgraded SEMS.

**TA:** Apart from the TA support given to the bank’s Sustainability Officer for online training courses, the TA Facility Manager is currently negotiating a contract with the selected consultant to start the coaching component in September 2017, which will have the duration of 12 months.

## 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:** No material news.

**S&E:** No material news.

**TA:** No material news.

## Guaranty Trust Bank (“GTB”)



Country:	Nigeria
Type of investment:	financial institution
Outstanding AATIF investment:	USD 20 mn
Financial close:	December 2016
Maturity:	7 years

## Project Description

As part of a 7 year syndicated loan facility, AATIF granted a loan to GT Bank Nigeria in an amount of USD 20mn the capital of which is earmarked for granting loans to Nigerian borrowers active in the agricultural value chain. GT Bank is Nigeria’s fourth largest financial institution by total assets with a market share of around 8-10% while it is one of the most advanced lenders from a technology standpoint. It started its activities in 1990 and currently employs more than 3,000 staff across Nigeria.

## Recent Developments

**Project:** GT Bank has launched its newest mobile banking app, further reiterating its commitment to the development of digital banking in Nigeria. Customers are now able to access more than 90 per cent of the bank’s services via their smartphone, while using biometric authentication to ensure security.

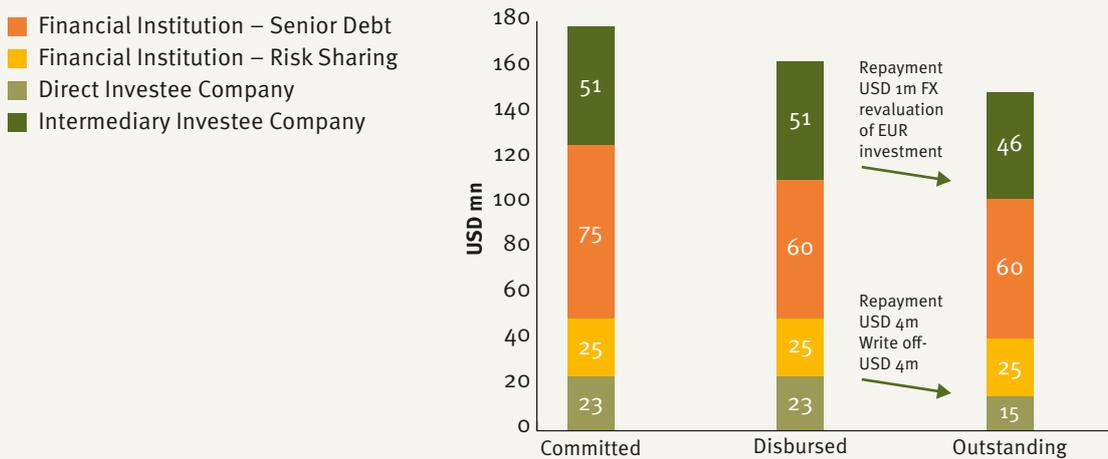
**S&E:** As part of implementing the S&E action plan as agreed with the lenders, GTB started developing key performance indicators for tracking and reporting on the progress made.

**TA:** Currently no ongoing TA projects.

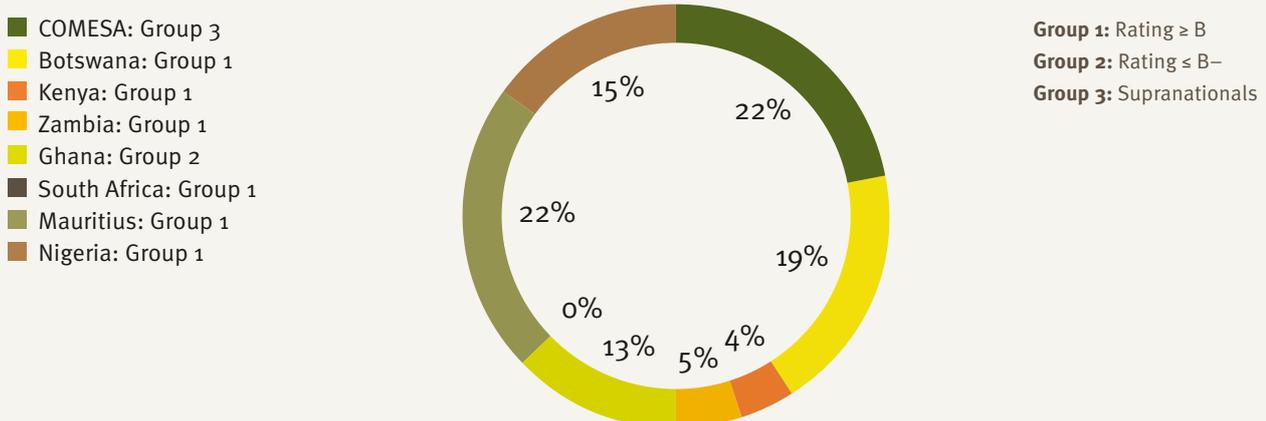
**Portfolio Composition by Partner Institution (Outstanding)**



**Portfolio Composition by type of Partner Institution**

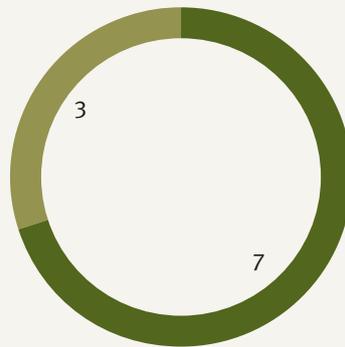


**Portfolio Composition by Country Groups (Outstanding)**



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

- Sub-Sahara
- Sub-Sahara/LDC\*



\* 1 direct investments (Zambia),  
2 investments onlending in LDC  
(PTA & BancABC)

LDC: Least Developed Countries

**Undrawn commitments**



- KfW on behalf of BMZ
- Deutsche Bank
- KfW
- Private sector investors
- CFC
- OeEB

**NAV as at 31/03/2017**



- KfW on behalf of BMZ
- Deutsche Bank
- KfW
- Private sector investors
- CFC
- OeEB

## Partners and Key Investors



Implemented by:



## Disclaimer

All statistics presented in this report, unless otherwise specified, are based on non-audited figures of the financial model and reporting tool of the Africa Agriculture and Trade Investment Fund. Care has been taken in preparing the financial model and the statistics presented in this report but no representation, warranty or undertaking (express or implied) is given or will be made and no responsibility or liability is or will be accepted by the Africa Agriculture and Trade Investment Fund or any of their respective officers, directors, employees, servants or agents in relation to or concerning the content, completeness or accuracy of any information, opinion or other matter contained in this report.

## Imprint

### Africa Agriculture and Trade Investment Fund

31 Z.A. Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg  
[www.aatif.lu](http://www.aatif.lu)  
[info@aatif.lu](mailto:info@aatif.lu)