aatif

Africa Agriculture and Trade Investment Fund

Increasing Income. Improving Food Security.

AATIF Annual Report 2021/22

Contents

Abbreviations

AATIF	Africa Agriculture and Trade Investment Fund
BMZ	German Federal Ministry for Economic Cooperation and Development
CAA	Cocoa Abrabopa Association
CBN/NIRSAL	Central Bank of Nigeria/Nigeria Incentive-Based Risk Management System for Agricultural Lending
CFC	Common Fund for Commodities
CMA	Collateral Management Agreement
COCOBOD	Ghana Cocoa Board
CPI	Consumer Price Index
DIC	Direct Investment Company
ESG	Environmental, Social and Governance
ESIA	Environmental and Social Impact Assessment
ETG	Export Trading Group
EUR	Euro
FI	Financial Institution
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) Dutch development bank
FX	Foreign Currency
GADCO	Global Agri-Development Company
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GAP	Good Agricultural Practice
GRI	Global Reporting Initiative
HACCP	Hazard Analysis and Critical control Points
IA	Investment Advisor
IC	Investment Committee
IFC	International Finance Cooperation
ILO	International Labour Organization
ISO	International Organization for Standardization
KfW	Kreditanstalt für Wiederaufbau
m	Million
MT	Metric Tons
OHS	Occupational Health and Safety
PAP	Project Affected People
PIs	Partner Institutions
S&E/E&S	Social and Environmental
SEMS/ESMS	Social and Environmental Management System
SME	Small and medium enterprises
TA Facility	Technical Assistance Facility
TAFM	Technical Assistance Facility Manager
TCX	The Currency Exchange Fund
TDB	Trade Development Bank
TND	Tunisian Dinar
USD	US Dollars
UN	United Nations
UNEP	United Nations Environment Programme
WAEMU	West African Economic and Monetary Union

Letter from the Board

Dear Reader,

When AATIF was established more than ten years ago in 2011, we set out on a mission to support uplifting Africa's agricultural potential by increasing household income and improving food security. The goal remains ambitious, but has been at the core of our investment purpose. In a continent where more than 60 percent of the population are smallholder producers, the focus of our investment activity has been clear. AATIF has deliberately and consistently worked to support smallholder producers, directing debt capital and technical assistance to agri-businesses and financial institutions that work directly with them.

One of the key lessons learned throughout the past ten years has been that only the combination of (1) funding, (2) a strong social and environmental management system which integrates S&E aspects into the investment decisions, and (3) technical assistance tailored to the investee's needs, allows for the gradual progress of AATIF's objectives.

Investments in African agriculture have long been perceived as high-risk by private sector investors. Thus, the AATIF blended finance structure has allowed for a risk profile that matches the risk appetite of private sector investors. Both public and private sector investors remain essential to continue bridging the agri-sector funding gap. For Sub-Saharan Africa, this gap is estimated to amount to USD 180 bn annually, with USD 65 bn – or more than 35% of the total gap – found among SMEs with borrowing needs of USD 25k to USD 1.5 m. In 2021 our agri-businesses and financial institution investees have mostly seen demand picking up. The war in Ukraine and its indirect impact on inflation and increasing interest rates have started to halt the positive trend across the continent.

Highlights within the financial year 2021/2022

The Fund's support for our PIs over the last year has strengthened, demonstrated through the following highlights by March 2022:

- The Investment Committee approved eleven transactions throughout the year. Of these, five turned into commitments for AATIF, and three Partner Institutions drew on the available commitments amounting to USD 30 m.
- Eleven new TA projects were approved during 2021, bringing the total number of approved TA projects to 87 since inception. The committed TA funds to these projects amount to EUR 4.79 m.
- AATIF Partner Institutions have, together, employed slightly more than 20,000 women and men.
- The Agricultural Leasing Company Zambia Limited, funded through the AATIF Innovation Facility, continued its expansion. As of 31 March 2022, the company had 500 contracts for tractors and other agricultural implements outstanding, up from 217 in 2021.

Investment Portfolio

AATIF, in May 2021, entered into a USD 4 m collateral managed agreement (CMA) facility with Seba Foods Zambia Limited (Seba). Seba is a processing company founded in 1997 in Lusaka which processes maize and soyabeans into consumer food products such as snacks, powdered beverages or meat equivalent products. The company is fully embedded into the Zambian value chain, as it is involved in sourcing and processing raw materials locally, while selling their processed product locally and across international markets. AATIF also decided to continue supporting the Export Trading Group (ETG) by participating in an IFC-led syndication to backstop the company's efforts to connect seed and nut farmers and producers in Eastern Africa with international markets. In January 2022, AATIF extended a EUR 25 m senior loan to the ECOWAS Bank for Investment and Development (EBID), aimed at increasing outreach and lending to the agriculture value chain within least developed countries (LDCs) in West Africa. The bank's well-diversified regional approach and support for LDCs allow it to target countries in West Africa that rely heavily on agriculture for economic growth and employment opportunities. These are countries where AATIF would, with all likelihood, struggle to establish direct exposure. In January 2022, AATIF finally signed the multi-currency USD/EUR 1.5 m trade finance facility with Vantage Netherlands. The terms of the facility were already concluded in December of 2020. However, the official signing only took place in January 2022 after the pandemic brought the trading activities of the company mostly to a halt. On the already committed, but so far undrawn facilities, SAF Ingrédients, the Senegalese onion processing factory, saw progress slow down severely, driven by the COVID-19-induced halt of international business activities. After the re-opening, the progress is back, despite a loss in time of almost one year.

Financials

The last financial year was dominated by the gradual recovery from the COVID-19-related economic shockwaves that affected multiple value chains and confronted businesses and the financial sector with numerous challenges. The demand for liquidity remained very volatile as many businesses cut back on previous expansion plans. Even though the number of approved investments was satisfactorily high, the utilization of AATIF's capital remained limited. As of 31 March 2022, the interest income from the investment portfolio reduced to USD 4.3 m (USD 6.0 m, 2021). This is mainly a reflection of the amortizing investment base. The net value of outstanding investments fell accordingly as amortization on existing positions was higher than new investments.

Investor commitment

During the financial year 2021/22 AATIF received a USD C-Shares commitment in equivalent of EUR 9.5 m from the German Ministry for Economic Cooperation and Development (BMZ) to increase its footprint in Cameroon. AATIF repaid on schedule the B-Shares from OeEB and extended the B-Shares of both, KfW and DWS for another 5 years.

The year ahead

The year ahead is expected to remain challenging for our investees. Geopolitical tensions, particularly the developments in Ukraine, supply chain disruptions, and the risk of stagflation, present risks to value chains AATIF is active in. Supporting and financing African local agricultural value chains will remain crucial to reduce the stress put onto the region against the current market environment. We believe AATIF is a powerful vehicle in our common aspiration to enhance responsible agricultural lending and trade in Africa.

We hope you will enjoy reading the report.

Your AATIF Board

Thomas Duve (Chairman), Doris Koehn, Jyrki Koskelo, Thomas Albert

Letter from the Investment Advisor

Dear Reader,

During 2021/22, AATIF's investees were still impacted by COVID-19 induced economic repercussions that affected both the agriculture and the financial sector with numerous challenges. The demand for liquidity remained very volatile, with many businesses having de-risked their balance sheet, especially reducing USD exposure to curb impacts from negative FX developments. These decisions were driven by risk awareness and the ability to handle economic shocks.

AATIF Portfolio

The Investment Committee approved elven transactions throughout the year, which proves that the Fund continued to operate at full speed. Out of the eleven transactions, five turned into commitments for AATIF. The difference between the approval and execution rate already indicates the volatile environment during which decisions change fast. Of such commitments, AATIF disbursed USD 30 m to companies with a strong record in reaching out to smallholder producers. AATIF re-engaged with ETG with a facility of USD 26 m, after the company's loan matured in 2021. ETG is procuring agricultural goods from multiple African countries and processes them locally. ETG uses the new AATIF facility in Malawi, Mozambique and Tanzania for the purchase of cashew, pulses and sesame. The main operations of Seba Foods include sourcing soybeans and maize from smallholder farmers and cooperatives and processing the produce into products for human consumption (powdered beverage, snacks, soya-based minced meat equivalent) and ingredients for animal feed. AATIF also closed a EUR 25 m financing line with the ECOWAS Bank EBID which were disbursed after financial close in May and June 2022. The overall performance of the existing investment portfolio was satisfactory. AATIF increased its provisions in relation to the loan to ABC Holdings Ltd. by USD 4 m to assume a prudent position on the outstanding receivables. Otherwise, the investment portfolio has shown a strong resilience against the downturn shock in the international markets.

Investment structures

AATIF continued to build on its collateral managed CMA facility structure. The structure so far has proven resilient for African Milling Zambia and has also been rolled out to Seba Foods. For both transactions UBN has taken the role as agency bank while CMI has been engaged as Collateral Manager. The AATIF manufactured structure also induced the local Bank to expand its footprint into the sector providing financing alongside AATIF. Going forward, the Investment Advisor will continue to pursue collateral based financing for smaller and medium sized processors and intermediaries in the year ahead.

The year ahead[1]

Africa's gross domestic product has recovered strongly in the last year, but the lingering effects of the COVID-19 pandemic, Russia's invasion of Ukraine and the ensuing war pose considerable challenges in the medium term. Africa's gross domestic product grew by an estimated 6.9 percent in 2021 after the continent suffered a pandemic-induced contraction of 1.6 percent in 2020. The continent risks sliding into stagflation. Real GDP (Gross Domestic Product) is projected to grow by 4.1 percent in 2022, markedly lower than the near 7 percent in 2021. The deceleration in growth highlights the severity of the impact of the Russia–Ukraine conflict on Africa's economy. This growth will be driven by private consumption and investment on the demand side and by continued expansion in the services sector on the supply side. The services sector, especially tourism, has shown strong post-pandemic recovery and is likely to remain buoyant in the medium term, supported by industry, especially in mining, underpinned by soaring metal prices. Africa's low COVID-19 vaccination rollout, persistent sovereign debt vulnerabilities, high debt levels, and climate and environmental concerns remain the main threats to medium-and long-term growth trajectories. Disruptions to global trade and supply chains – primarily in agricultural, fertilizer, and energy sectors – following the Russia – Ukraine conflict and the corresponding sanctions on trade with Russia have tilted the balance of risks to Africa's economic outlook to the downside. The impact is, however, likely to be asymmetrical. On the one hand, net oil- and other commodity-exporting African countries could benefit from higher prices of their exported commodities. Further, regions with gas reserves might see a strong inflow of foreign direct investments. On the other hand, the impacts on net energy-, food-, and other commodity-importing countries, are concerning as higher food and energy prices will exacerbate inflationary pressures and constrain economic activity. Vulnerable populations, especially in urban areas, will bear the greatest burden of rising food and energy prices, and in the absence of measures to cushion the impact, this could stoke social tension across the continent.

We very much appreciated having advised AATIF during the previous year along all collaboration partners of AATIF and remain committed to address the challenges in front of us.

Your DWS Team

[1] AFDB (2022-05-25): African Economic Outlook 2022 – Highlights

Letter from the Sustainabilty Advisor

Dear Reader,

For the first time in AATIF's ten years we are greeting you as Sustainability Advisor! The AATIF is constantly evolving and as the global impact investing industry is increasing assets under management to unforeseen highs and the regulatory authorities providing more guidance on what sustainable investments contain, the AATIF has taken the decision to integrate the Fund's social and environmental compliance-related activities as well as development impact-related activities under the auspices of an independent Sustainability Advisor expanding on the former Compliance Advisor function.

This step followed a year-long review of AATIF's impact measurement framework and of the evolving impact investing landscape. The review included two external analyses as well as several rounds of internal assessment, guided by the AATIF Board of Directors and culminating in a joint workshop with the Fund's Board of Directors, Investment Committee, Investment Advisor, Sustainability Advisor and Technical Assistance Facility Committee and Manager. Based on the conclusion that AATIF's impact measurement is well advanced vis-à-vis industry standards, the Fund launched a workplan to continue staying ahead of the curve and to further upgrade selected tools and procedures as well as communication initiatives related to impact management. We will inform you about these updates next year!

Impact Highlights

While economies across the world began to step out of the shadow of the COVID-19 pandemic, we continued living through global emergency during the last 12 months, fuelled by worsening climate change effects across all continents and impacted by the war against Ukraine. For one, we still see the results of the human toll that COVID-19 had in some countries. For example, the enforcement capacity of regulatory authorities at national level is still hampered due to the death toll especially in developing countries and continues to delay mandatory social and environmental compliance visits and issuance of related licenses. Secondly, we have seen attempts to increase local grain production driven by the shortage of international supply. However, it takes more than one season and increased investment to change agricultural production patterns that benefit local production and traditional crops. The Sustainability Advisor continued informing industry networks like the Smallholder and Agri-SME Finance and Investment Network (SAFIN), the Global Impact Investing Network (GIIN), or the Social Performance Task Force (SPTF), with impact observations originating from the work of AATIF and its partner institutions. Thirdly, we constantly integrate changes in the macroeconomic environment across the impact measurement activities of the AATIF, for example in the rapid appraisals.

In the last 12 months, we have published on the AATIF website five Impact Briefs. The Impact Briefs summarise the main findings of the rapid appraisals conducted on Orabank in Côte d'Ivoire, Mount Meru Millers Zambia, Amsons Tanzania, African Milling Zambia, and Seba Foods in Zambia.

The study in Côte d'Ivoire was AATIF's first rapid appraisal of a short-term investment in a financial institution. It informed us of the imperative to allow time for indirect development impact to materialise. It also showed us that impact investors can, if intentionally engaged, support business growth of financial institutions and specific sectoral lending as well as improve sustainability management systems including client monitoring.

The Impact Briefs for direct investments informed us that African Milling Limited has increased its workforce from 212 full-time equivalent employees (FTE) in 2018 to 283 in 2020 linked to an increased utilisation of the processing plant facilitated by to AATIF investment. Mount Meru Millers increased its seed crushing capacity utilisation for oil production from 55 % to 75 % over a time span of three year, almost tripling its traded volume of edible oils (soy, sunflower, cotton seed) to 27,000 MT.

Furthermore, the Impact Brief of Seba Foods summarized the baseline rapid appraisal and provided us with insights on how the company might create significant impact in the value chains where it operates. Based on purchasing 5 % of its maize and soyabeans from 1,300 smallholder farmers in the 2021 season, the company plans to increase its direct outreach to 5,000 smallholder farmers. The smallholders selling maize to Seba Foods had 40 % higher average earnings than farmers who do not sell to the company.

Impact Spider

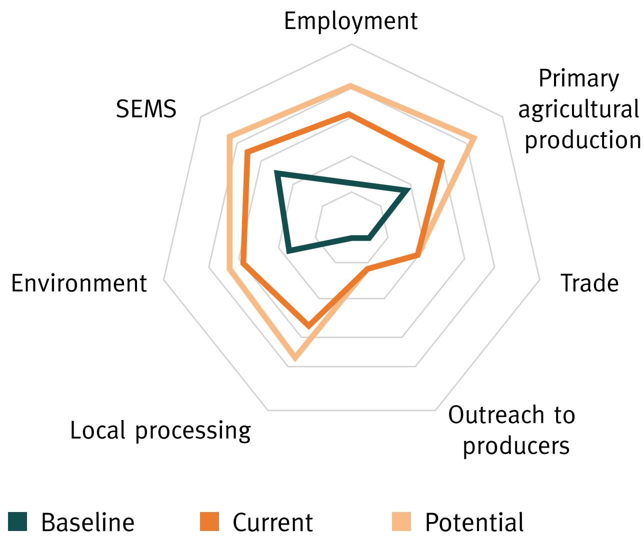
Last year, we introduced to you a new AATIF tool to measure impact created by the AATIF partner institutions, the AATIF impact spider. The tool was highlighted as very useful by the external reviewers of the AATIF impact measurement framework and thus we continued finetuning and implementing it across the AATIF portfolio.

You will find the progress that each single AATIF partner institution is making towards achieving its impact potential in this Annual Report in a dedicated section titled "Impact Review".

Capacity building for sustainability management

Lastly, we would like to update you that over the past year several people joined the different AATIF entities. All new AATIF colleagues underwent an induction on AATIF's sustainability management framework and procedures. In addition, several team members attended training courses including members of the sustainability advisor team focussing on environmental and social risk management, impact management, and climate change. We are looking forward to further learning this year and applying it to the benefit of AATIF partner institutions and the ultimate AATIF beneficiaries who are the women and men as well as their family members depending on the well-functioning of sustainable agricultural value chains across Africa.

AATIF impact spider



Annual Report – Our Timeline | Impact Highlights

Launch of AATIF

2011

AATIF successfully disburses its first **USD 10 m.**

With our first investment, we become active in the **maize, wheat, and soybean** sectors and engage with a partner institution that is providing employment to **238 people,** dominantly men.

2012

In June, the International Labour Organization (ILO) becomes AATIF's **Compliance Advisor.**

The Fund enters the **rice** value chain and onboards its first investment with a community-based outgrower programme.

The AATIF onboards its **first financial institution** investment.

The AATIF extends its first loan to an SME bank in East Africa.

2013

UN Environment joins the AATIF Compliance Advisor team.

In March, the Common Fund for Commodities (CFC) becomes AATIF's **Technical Assistance Facility Manager.**

The Fund establishes its support for the **cocoa and cotton** sectors.

The Fund onboards its first partner institution with existing smallholder schemes and thus reaches out to **42.000 cocoa, maize, and cotton** farmers.

The Fund expands its financial institution portfolio in **Southern Africa** to cover Botswana, Mozambique, Zambia, and Zimbabwe.

AATIF ventures into Sierre Leone financing **cocoa** processing and trade.

2014

AATIF has successfully disbursed its first **USD 100 m** cumulatively.

AATIF's direct investee companies cumulatively employ more than **1.100** people.

The Fund explores lending into the **Agro inputs and tomatoes** sectors.

2015

AATIF entered into a facility agreement with a diversified pan-African agribusiness specialising in end-to-end agricultural supply chain management, including procurement, warehousing, transport, agricultural processing, and consumer products.

Compliance Advisor conducts **first S&E study** on clients of an AATIF partner SME bank.

AATIF financial institution investee company launches a Social and Environmental Management System for agri SME loans.

2016

AATIF's direct investee companies cumulatively employ more than **10.000 people**.

The Fund launches its first in-depth impact evaluation assessing the effects of smallholder farmer schemes in Ghana.

The Fund expands its financial institutions portfolio and for the first time ventures into the Nigerian banking sector.

2017

AATIF has successfully disbursed a cumulative **USD 150 m.**

The Fund sets up the Innovation Facility – AgLeaseCo in Zambia becomes the pilot Partner Institution under the facility.

The AATIF enters financing the production and distribution of **animal health products** in East Africa.

2018

AATIF has successfully disbursed a cumulative **USD 200 m.**

The Fund sets up local presences in East and West Africa.

AATIF extended a facility to a leading edible oil producer in Zambia.

AATIF's innovative character was demonstrated when we granted a Collateral Management Agreement ("CMA") facility to a Zambian miller.

2019

AATIF has successfully disbursed a cumulative **USD 300 m.**

We are now active in multiple sectors, investing in **processing and logistics** along the entire value chain.

AATIF's investee companies cumulatively **employ more than 20'000 people**.

Through its investee companies, the Fund reaches **250'000 smallholder farmers**.

AATIF expands its footprint with financial Institutions in Nigeria.

AATIF, for the first time steps into Francophone Africa by providing facilities to a Togolese and Ivorian financial institution.

2020

AATIF's direct investee companies produce and deliver **340'000 MT** of food and food related products (including maize, wheat, soya, rice, cotton and sunflower seeds).

AATIF as part of a syndication extends its first loan to a microfinance institution, expanding its footprint into Northern Africa.

2021

AATIF has successfully disbursed a cumulative **USD 343 m**.

Since inception, the Fund has published **13 Impact Briefs** about the change that its Partner Institutions create along agricultural value chains in Africa.

In 2021, the CMA structure gained further traction. AATIF under this structure now also supports a 2nd processor in Zambia.

AATIF Impact

USD 343 m

invested and more than 18 countries impacted

Zambia:
AATIF PI reaching out to maize smallholders of whom

47 %

are living under 1.9 USD/person/day

AATIF PI reaching out to cotton smallholders of whom

64 % are living under 1.9USD/person/day

Tanzania:
AATIF PI reaching out to wheat farmers of whom

11 % (medium-scale) and **17 %** (small-scale)

are living under 1.9USD/person/day

AATIF PIs employ slightly more than

20,000 people

100 %

of AATIF PIs have or are developing Occupational Safety and Health policies

› 342,000 MT

of food and food related products produced and delivered by AATIF direct investees alone (including maize, wheat, soya, rice, cotton, and sunflower seeds)

Workforce of AATIF PIs is composed of

42 % women

› USD 60 m

invested since inception using innovative structures such as revenue-based interest rates, collateral managed and risk sharing structures, to promote the local food and agri industries at different stages

All AATIF

All PIs with local primary agricultural production applying or promoting good agricultural practices

AATIF Highlights

18

Countries impacted

AATIF's geographical footprint now spans the entire continent – from the North (Tunisia) to the South (Botswana) and from East (Kenya, Tanzania, Zambia) to West (Ghana, Côte d'Ivoire).

342,000 MT

of food and food related products produced and delivered by AATIF direct investees alone (including maize, wheat, soya, rice, cotton, and sunflower seeds)

USD 343 m

Disbursed since fund inception

Thereof into FIs for on-lending into the agricultural sector USD 173 m. Thereof to Intermediary and Direct Investee Companies USD 160 m.

87

approved Technical Assistance Projects in total since inception:

The projects have benefitted 31 AATIF Partner Institutions with ultimate beneficiaries across 14 African countries.

~ 20,000

Number of employees of AATIF partner institutions reached slightly more than 20.000.

13

Impact Briefs since inception

All Impact Briefs are accessible through the AATIF website.

› 272,000

smallholders reached by our investees

AATIF at a Glance

Sustainable Investment Objective

The sustainable investment objective of AATIF is to realize the potential of Africa's agricultural production and related manufacturing, service provision, and trade through sustainable investments across the entire value chain by inter alia:

- promoting inclusive growth,
- increasing decent employment and income to farmers, and
- entrepreneurs in the agricultural sector in Africa.

The Africa Agriculture and Trade Investment Fund at a glance

The Fund's principles

Sustainability:
AATIF strives to unite economic, social and environmental aspects when considering investments in order to create a lasting and sustainable impact. By financing economically sound investments, the Fund allows for a revolving use of its means. Guided by a strong commitment to sustainable economic development, AATIF intends to complement earlier-stage development assistance programs (funded by grants or concessional financing) by providing financing at market-based terms. AATIF promotes and builds awareness for responsible finance by providing funding only to those investees that are willing to work towards AATIF's Social and Environmental (S&E) Policy and Development Impact Statement.

Additionality:
AATIF provides resources to areas which experience a lack of appropriate financial services. Consequently, AATIF does not intend to provide financing in areas where the private-sector already satisfies demand. Such positive 'crowding in' effects can also be observed by scaling up existing development assistance programs or by bridging the gap between such programs and private-sector actors. AATIF's approach to agricultural lending in Africa is thereby characterised by innovation with respect to loan structures, risk sharing with industry partners or the combination of loan products with insurance mechanisms.

Governance structure

The Fund's shareholders elect the Board of Directors, which oversees the Fund's activities and is responsible for strategic decisions. The Board of Directors is the legal representative of the Fund. In compliance with AATIF's founding documents and applicable laws and regulations, it has the exclusive power to administer and manage the Fund.

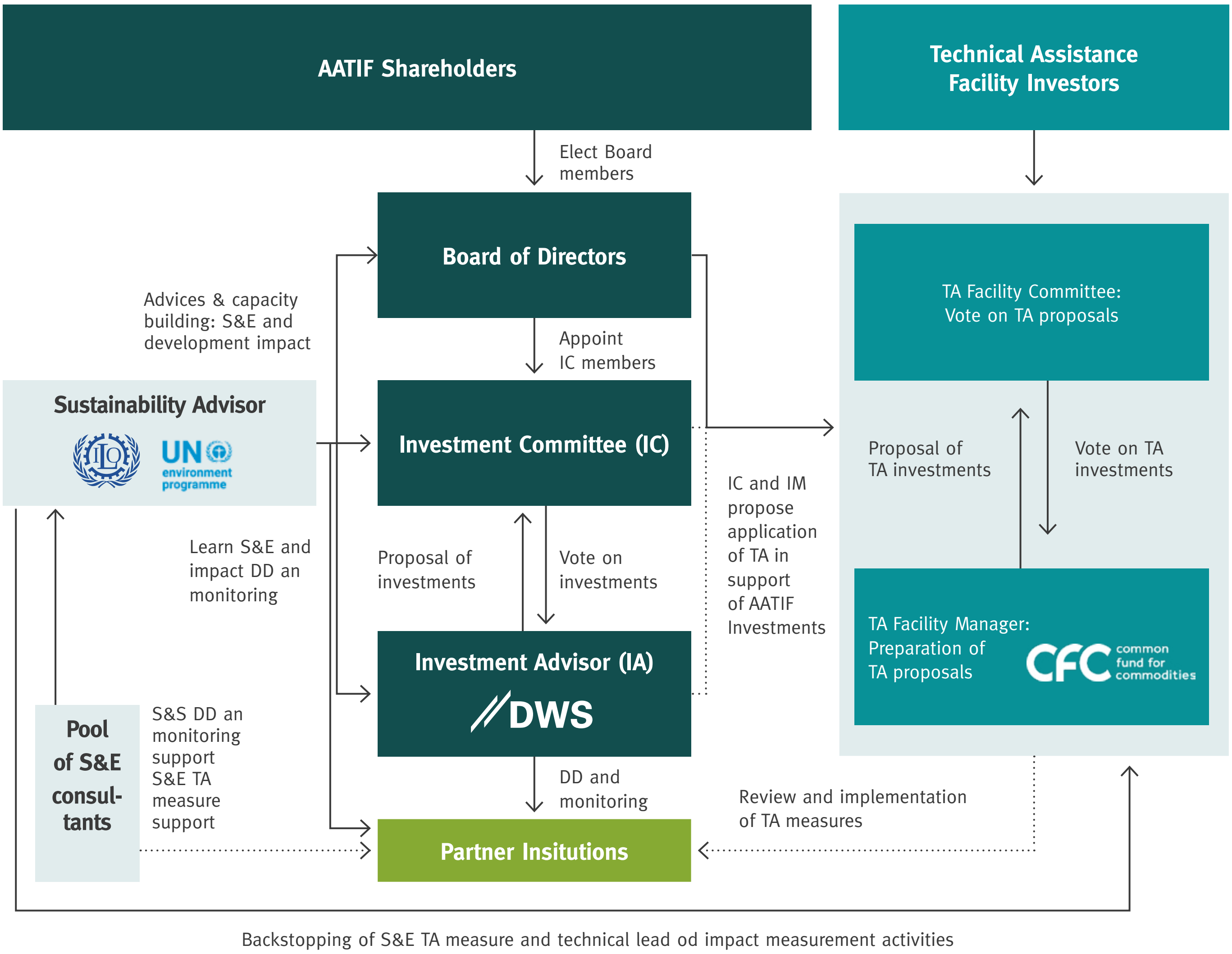
The Board of Directors appoints the Investment Committee, which approves or rejects investment proposals brought forward by the Investment Advisor and monitors the activities of the Investment Advisor.

The Investment Advisor was selected in a competitive and public process and supports and advises the Board of Directors in relation to ongoing fund-management measures.

A Technical Assistance Facility (TA Facility) accompanies AATIF's lending. The TA Facility is supervised by the Technical Assistance Facility Committee representing the Facility's donors. It is managed by the Common Fund for Commodities, an intergovernmental financial institution established within the framework of the United Nations. The focus of the TA Facility is to grant capacity building support as well as ensure knowledge dissemination on agriculture and agro-finance (including scientific studies or trials concerning factors such as social impact or climate change effects). Capacity building measures may comprise support through hands-on and customised services to the investees of the Fund to achieve results such as the Partner Institution's (PI) compliance with the Fund's Social and Environmental Policy and the Development Impact Statement or by improving agronomic/management/credit analysis skills through offering investment specific support to PIs and Final Beneficiaries.

Sustainability Advisor. To assess an Investment's compliance with the Fund's Social and Environmental Policy and the AATIF Development Impact Statement, the Fund has partnered with the International Labour Organization (ILO), a specialised United Nations agency with the mandate to promote decent work. As the Fund's Sustainability Advisor, ILO focuses on the social risk and impact component of AATIF's S&E Policy and Development Impact Statement, has signed an agreement with UNEP to receive technical input and advice on environmental matters related to the AATIF investments. In concert with ILO, UNEP and other competent partners, the AATIF Sustainability Advisor team provides an independent opinion to the Investment Advisor and the Investment Committee before any investment decision is made.

Organizational Structure



Innovation Facility

History and rationale

At the end of 2017, AATIF set up the AATIF Innovation Facility which was established to promote innovative projects in Africa. KfW, on behalf of BMZ, the German Federal Ministry for Economic Cooperation and Development, has been the first donor to this facility and has granted an initial amount of approx. USD 7 m. The AATIF Innovation Facility allows AATIF to venture into early stage/high risk market segments and offer new instruments to clients in this segment (e.g. equity).

How it works

The AATIF Innovation Facility is a separate vehicle from AATIF. This allows the AATIF Innovation Facility to be a highly flexible instrument and AATIF to broaden its impact and support hitherto untested ideas. Some companies benefitting from the AATIF Innovation Facility's support, may with time mature into partners for AATIF's regular, direct financing activities. Since the AATIF Innovation Facility does not use AATIF's funding and liquidity, it has to raise itself funds from donors in order to implement specific projects.

Progress to date

The AATIF Innovation Facility's inaugural investment was made to create Agricultural Leasing Company Zambia Limited ("AgLeaseCo") which was incorporated in 2017 with the aim company to lease agricultural equipment including tractors and smaller equipment to farmers in Zambia.

As of March 2022, the company offered Zambian Kwacha currency leases with a maximum tenor of 48 months at fixed interest rates and had a portfolio of above 500 leases (more than double the number of last year).

The team has grown from nine individuals as of March 2021 to 21 as of early 2022 and was split between eight in the headquarters and 13 in the provinces. The share of female employees was closely below 50 %.

For the year 2022/2023, the company aims to further grow its number of leases and to improve its operating profitability.

Technical Assistance Facility

Mandate

The AATIF Technical Assistance Facility (TA Facility) is a due part of AATIF and accompanies AATIF's financing activities with technical assistance support for AATIF's investees to maximize their development potential and to achieve compliance with the Fund's Social and Environmental Policy. Additionally, the TA Facility conducts standard impact assessments of all AATIF investments and pursues research and development activities to promote agri-finance in Africa.

Structure

The TA Facility is managed by the Common Fund for Commodities (CFC). The CFC is an intergovernmental financial institution established within the framework of the United Nations and is specialized in development projects for the global agricultural commodity sector.

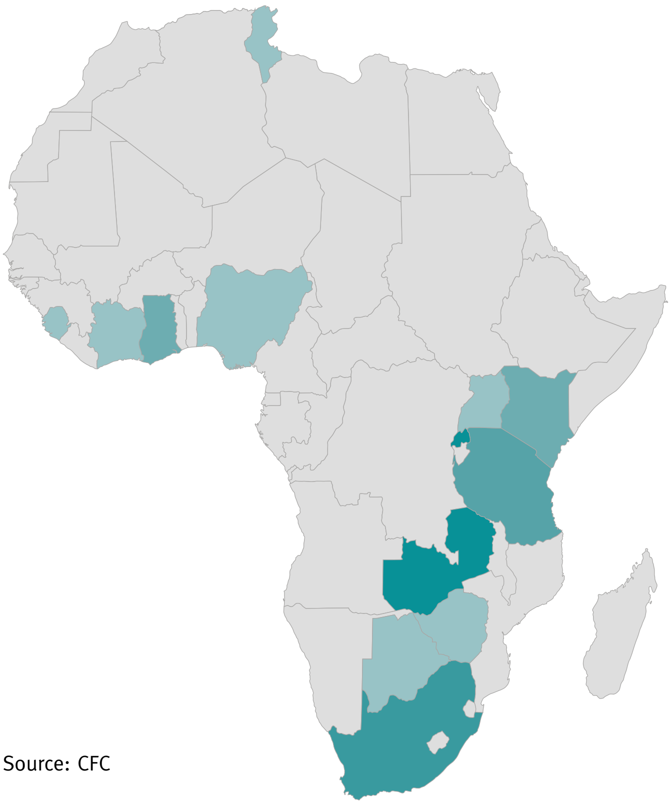
Four CFC staff members are dedicated to the identification, development, and management of AATIF TA Facility interventions. The CFC TA Facility team comprises expertise in tropical agriculture, project management, impact assessment, as well as financial and administrative support.

To ensure that AATIF's Technical Assistance supports the mission of the Fund, the TA Facility Manager is directly supervised by the TA Facility Committee, which consists of representatives of TA Facility Donors, Fund sponsors and independent experts.

In regular TA Facility Committee meetings, which are also attended by AATIF's Investment Advisor and Sustainability Advisor, new projects are approved, the ongoing portfolio of activities is being discussed and progress monitored.

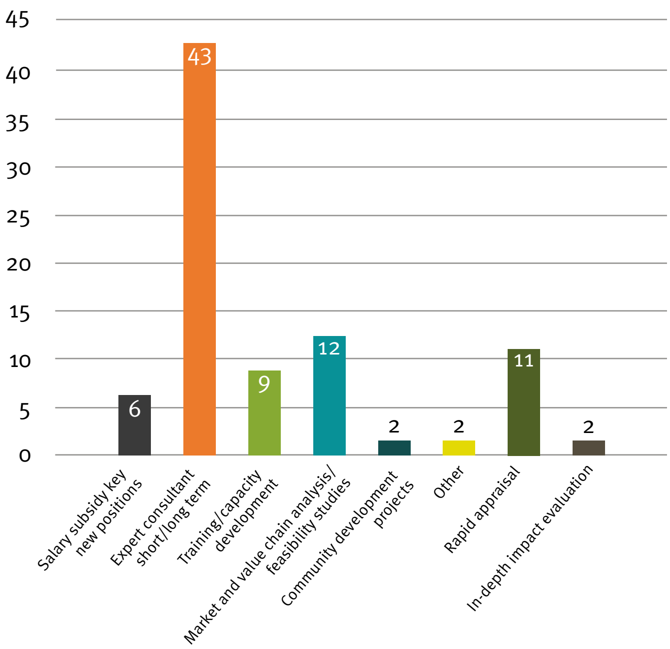
The AATIF TA Facility is financed with a total contribution of EUR 12 m provided by the German Ministry for Cooperation and Development (BMZ). Besides donor funds, the AATIF Board can decide to allocate income of AATIF to the TA Facility when needed.

African countries where TA Facility support has been provided



Source: CFC

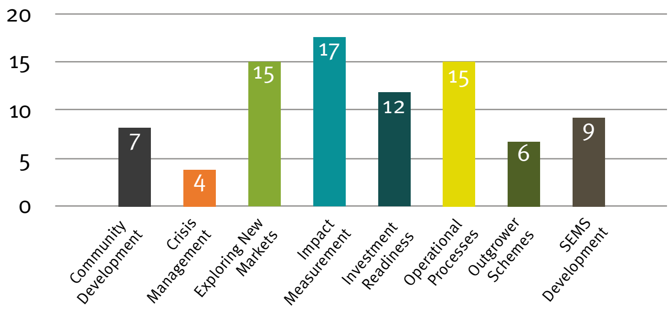
Scope of TA projects, 2012-Q1/2022



Performance since inception

In its 10 years of existence, the AATIF TA Facility Committee has approved 87 technical assistance projects with a total TA budget of EUR 4.79 m. By 31 March 2022, 52 projects have been completed, 24 measures are under implementation, and 11 have been cancelled. The projects have benefitted 20 AATIF Partner Institutions with ultimate beneficiaries across 14 African countries.

Objective of TA projects, 2012-Q1/2022



Examples of Technical Assistance Projects

TA Facility interventions are very diverse in size (ranging from EUR 6,000 to EUR 500,000) and scope. Technical assistance can be deployed throughout the complete "lifetime" of an AATIF investment and can even take place prior to the investment transaction close. TA interventions can be of more conventional assistance, such as providing expert services to address specific business-related challenges and opportunities, or market analyses. Other examples include initial co-financing of the salary for the new position of a Sustainability Manager within an AATIF investee company, or an expert assessment and development of a smallholder outgrower scheme for an oil seed processor in Zambia, who is determined to increase its use of local raw material.

Another area where the TA Facility frequently assists investees relates to the establishment of a sound Social and Environmental Management System (SEMS), which is a recurrent condition for receiving AATIF funding. While it is important that the ownership for the development of such a system is with the AATIF investee, the TA Facility, in tandem with the AATIF Sustainability Advisor, assists with pointed expert advice and backstopping and provides for coaching and capacity development of staff members assigned to manage the system.

Since development impact is a core feature of AATIF, the TA Facility routinely assigns external experts to conduct ex-ante and ex-post impact assessments of each AATIF investee.

The TA project portfolio is growing steadily in line with AATIF's loan portfolio growth over the last years. In 2021 alone, eleven new TA interventions have been approved by the TA Facility Committee. For 2022, this number is expected to further increase.

Outlook 2022

In 2022, the TA Facility project portfolio is expected to further grow alongside the AATIF fund. In early 2020, COVID-19 started to rapidly spread across the world, which called for sensible and immediate action also by the TA Facility. The TA Facility Manager's approach to the unpredictable times is to exert attentiveness, flexibility, and advocate innovative solutions to problems that may arise in close dialogue with all stakeholders in AATIF and with all its partners. Given the improving COVID-19 situation and following a two-year travel hiatus, the TA Facility Manager is pleased to enhance it's on the ground presence in the coming year with several trips already planned to visit existing and new AATIF investees.

Furthermore, the year 2022 marks ten years since the inception of the AATIF and the TA Facility Manager is excited to continue working with the Fund to create social, environmental, and commercial value for investees and the related communities through the development and implementation of TA projects. After the successful completion of 14 TA projects in 2021, the AATIF TA Facility entered 2022 with a strong project pipeline that is set to explore both new countries and areas of TA support.

Environmental and Social Governance (ESG) monitoring and reporting platform, Nigeria

Implemented by: Deloitte

TA Project: To support Sterling Bank to obtain and implement an Environmental and Social Governance (ESG) monitoring and reporting platform, an expert consultant has recently been contracted to support the aggregation and analysis of ESG data from the bank's 135 branches. The improved software will allow Sterling to better assess and report its social and environmental performance and that of its clients. To manage the platform, relevant Sterling Bank staff will also be trained. The project is expected to launch in mid-2022.

Expert consultant for the design of a sustainable smallholder cottonoutgrower extension scheme, Zambia

Implemented by: Agova

TA Project: In 2021, the TA Facility financed an expert consultant to assess the Mount Meru Millers existing cotton outgrower scheme in Zambia and to establish ways in which the current sourcing structure could be efficiently improved and scaled-up. The expert sought to find means to help smallholder farmers overcome challenges that limit their seed cotton productivity as well as to identify an optimal relationship between the company and the farmers that would mitigate side selling to other commodity traders. As a result, the commercial viability for the company to upscale the scheme was confirmed and tangible benefits such as improved access to training, inputs, and mechanization for participating farmers were identified. The TA Facility stands ready to continue its support to the company with enhancing and upscaling the cotton outgrower scheme in the coming year during implementation phase.

Social and Environmental risk management system assessment and development, Tunisia

Implemented by: to be tendered

TA Project: The microfinance institution Enda Tamweel sees strategic value in further integrating social and environmental (S&E) commitments in its processes and has therefore reached out to the TA Facility for support in developing its S&E risk management system and capacitating its Loan Officers and management staff on S&E aspects. The TA Facility is in the process of contracting an expert consultant to assess the status of Enda Tamweel's current S&E risk management process and develop and implement a plan to support the microfinance institution in moving towards a fully developed Social and Environmental Management System (SEMS). The project is expected to launch in mid-2022.

Market analysis and branding strategy for new soymilk products, Zambia

Implemented by: Ipsos Zambia

TA Project: The objective of this TA Measure is to finance a qualitative market study to propose viable marketing strategies and product designs for Seba Foods' new soymilk-based product line. This will be target consumers at the bottom of the pyramid and enable Seba Foods to successfully launch its new line of soymilk products, including yoghurt drinks, flavoured milk pouches and milk cartons. Seba Foods will be the first and only locally producing soymilk company in Zambia, therewith providing another range of nutritious and affordable drinks to the local community, as an alternative to dairy milk and higher priced plant-based milk which currently exists in the market.

Apprentice Miller Training, Tanzania

Implemented by: n/a

TA Project: To qualify and capacitate Camel Flour's junior milling personnel to take over leading mill positions when the current senior staff will retire, the TA Facility is supporting two apprentice millers to enrol and attend the miller apprenticeship professional program offered by the African Milling School in Nairobi, Kenya. This will support Camel Flour's endeavour to ensure the identity and quality of the company's flour and production processes can be preserved over time. The apprentices will enrol in September 2021 and 2022, respectively. The program is a two-year comprehensive program, which aims to train young millers to understand the technology and equipment used to process grain into high value finished products.

Follow-up training: S&E risk assessment and management, Cote d'Ivoire

Implemented by: IBIS Consulting

TA Project: Following the successful training of the NSIA S&E Coordinator in 2019, NSIA Banque reached out to the TA Facility Manager requesting follow-up training that will provide insights and develop capacity on S&E risks in the agriculture sector for staff across different departments in the organisation. For that purpose, a consultant team was contracted and is anticipated to develop and implement the training program in early-2022. Upon completion of the TA project, NSIA Banque will also be in possession of virtual training material to be made available for other employees in the future as a means to enhance in-house capacity and knowledge in the future.

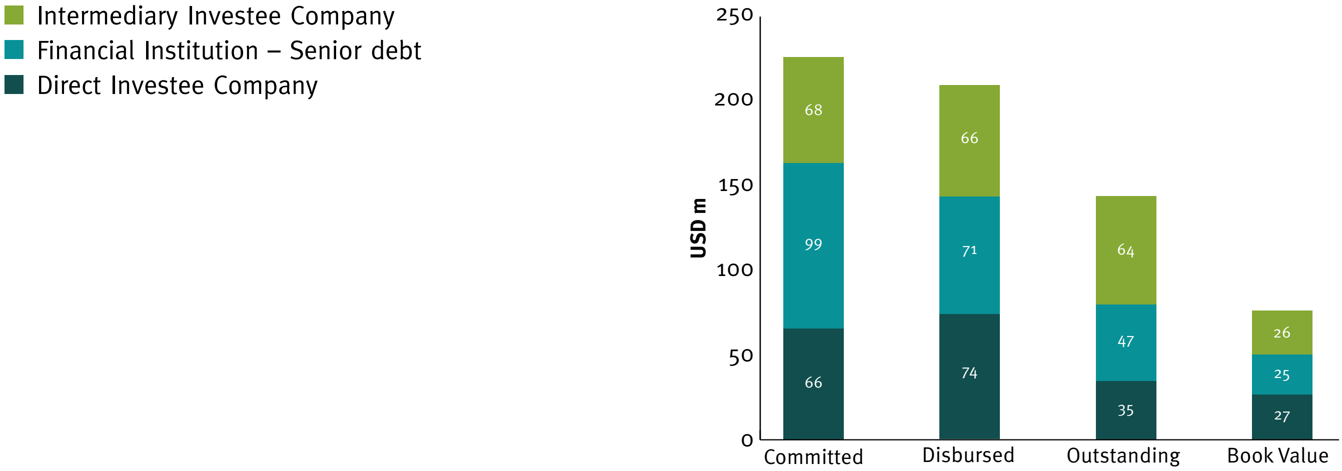
2021/2022 AATIF Activities Report: Investments

AATIF Investment Portfolio 31 March 2022

At the end of the financial year, AATIF's investment portfolio encompassed 6 direct investments in agricultural companies, 5 indirect investments in local and regional banks and a microfinance institutions as well as 3 indirect investments in agribusiness intermediary companies who act as aggregators for smallholder farmers.

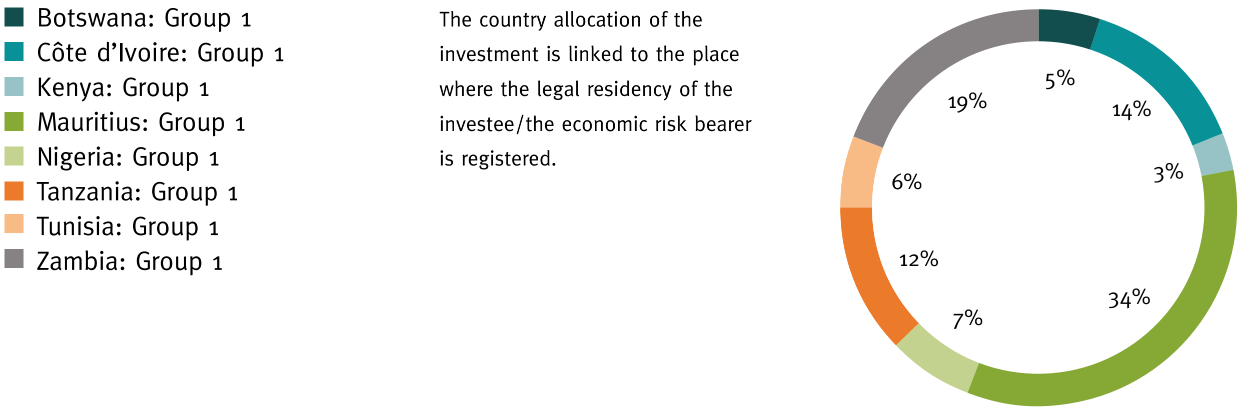
During the financial year, AATIF concluded transactions with 2 new Partner Institutions (USD 31.75 m) and also renewed financings worth USD 26 m with ETG. The balance of net loans outstanding reduced to USD 76.7 m (USD 96.5 m, 2021), following regular repayments and the ECOWAS bank EBID only drawing on their EUR 25 m commitment in May and July of 2022.

Portfolio by Type of Investee



Portfolio Composition by Country

The country allocation of the investment is linked to the place where the legal residency of the investee/the economic risk bearer is registered.



AATIF Investment Portfolio in Detail

Seba Foods (Two Six Zero Brands)

Seba Foods is a family-run business founded in 1997 as a subsidiary of Two Six Zero Brands Africa. The company's activities to date include purchasing, processing, packaging and shipping of maize and soya products for human consumption, with about 5 % going into animal feed products. Their key products include textured soy as a meat alternative, powdered/instant drinks, corn soya blend (porridge), as well as snacks, where the company is among the top market leaders in Zambia.

On 21st May 2021, Seba Foods Zambia Limited (260 Brands) made the first withdrawal of a USD 4 m senior secured CMA facility from AATIF to facilitate the purchase of maize and soybeans from local smallholder farmers in Zambia. Over an initial 12-month period, the facility will further allow the company to maximize the output of its recently installed plant.

The company's impact lies in their ability to be integrated from farm to fork – working with farmers at the start of the value chain and then further processing, packaging and marketing the final produce themselves. Through this unique position the company is able to positively impact various parts of the value chain. In partnership with local NGOs, 260 Brands has been able to engage with a group of 1,008 farmers, supporting them with agricultural training, access to inputs, transport and most importantly a stable off-take market. Further the final products of the company include affordable and nutritious snacks and drinks which are accessible by the same smallholder farmers. Many products are fortified, and others provide soy as a high protein alternative to meat which is often expensive.

Social and Environmental Review
Seba Foods has been systematically addressing the social and environmental gaps that were identified during AATIF's due diligence. The company conducted a social and environmental audit of its operations and submitted the Environmental Project Brief to the Zambia Environmental Management Agency (ZEMA). The company prepared a social and environmental action plan to guide the implementation of social and environmental management measures. Since, Seba has started implementing the action plan and is continually updating the same.

In efforts to promote sustainability across its entire operations, the company developed its Environmental and Sustainability Policy which was endorsed by Seba's management in February 2022. The company also signed a collective agreement with the National Union of Commercial and Industrial Workers where 55 workers are members.

Since engaging with AATIF, Seba started monitoring of noise, dust, and stack emissions weekly. The company also carries out a water reduction initiative of steam condensation recirculation to improve on water efficiency use in the boiler. Overall, social and environmental management is coordinated by the Chief of Staff and the Production Manager.

Area of improvement as per loan agreement	Status
Condition Precedent: Undertake the Environmental Audit of the plant in Lusaka and the regional depots and submit the Environmental Project Brief to the Zambia Environmental Management Agency (ZEMA).	✓
Designate an S&E coordinator.	✓
Develop missing components, maintain and regularly update its SEMS.	Ongoing
Develop and regularly update an S&E Action Plan.	Ongoing
Introduce regular training on S&E risk and impact management.	Ongoing
Review and update procurement policies and procedures, with a focus on S&E considerations (e.g. biodiversity conservation, natural resource management, working conditions).	Ongoing
Review and update its human resources manual and procedures, including grievance mechanisms.	Ongoing
Carry out periodic assessments and audits of OSH issues at workplace.	Ongoing
Monitor air emissions, effluent discharges, ground water levels and keep records of waste streams to ensure compliance with regulations and promote resource efficiency.	Ongoing

Impact Review

The investment in Seba shall contribute to most of AATIF's impact dimensions. After just one year of financing, the company already shows positive impact related to the SEMS and environmental indicators as shown in the graphic below.

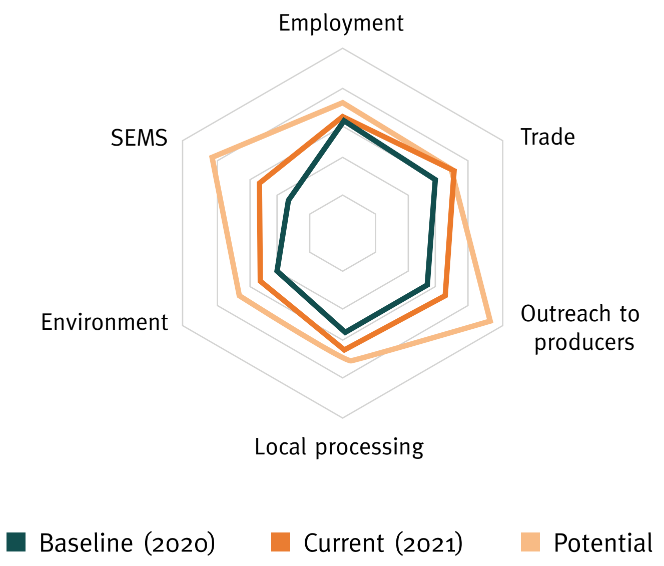
Importantly, Seba has obtained several certifications for managing social and environmental risks and impacts. These include Good Manufacturing Practice (GMP), NOP organic certification and ISO 22001 on food safety management. The company strives to implement the procedures to ensure that the standards of the respective certifications are continually met. The engagement of an EHS officer will facilitate this process moving forward.

Seba ended the year 2021 with 199 permanent staff (28 women and 171 men) and 439 temporary and casual workers (122 women and 317 men). This means a 34% increase in permanent workers over one year. Furthermore, the company trained 115 staff (20 female) on topics including fire safety, Kaizen principles and food safety management.

Seba directly impacts on the maize and soyabean producing communities in Zambia from whom the company sources the commodities. In 2021, Seba purchased about 20,800 MT of maize (both white and orange) and 11,960 MT of soyabean from 852 smallholder farmers (493 male and 359 female). Seba increased the number of farmers trained on production practices for orange maize from 89 in 2020 to 377 in 2021. Seba also launched an organic soyabean outgrower scheme which targets to engage up to 12,000 smallholder farmers by 2024.

From a total production of about 16,787 MT of maize products and 8,900 MT of soy products, Seba significantly increased exports to 4,306 MT of maize and 10 MT of soy products. Maize products were exported to Congo DRC, Namibia and South Africa and the soy products to the United States of America market.

The AATIF conducted a rapid appraisal baseline on its investment in Seba Foods. The results are available on the AATIF website as 260 Brands Foods Impact Brief.



TA measures

In March 2022, the TA Facility launched a project to support Seba Foods by financing an expert consultant to undertake a qualitative market study to propose viable marketing strategies, product designs and branding for a new soymilk product line. The consultant will conduct research on consumer preferences regarding taste, packaging, and branding. The results will ultimately support Seba Foods management to make informed and fact-based decisions on marketing and branding with the aim of successfully launching the new products in the local market as the first and only locally sourced and produced soymilk products in Zambia.

For a rapid appraisal of AATIF's impact on Seba Foods, the baseline data collection took place in September 2021 and the final baseline report was delivered in February 2022. An Impact Brief outlining the main findings is available on the AATIF website.

ECOWAS Bank for Investment and Development (EBID)

On 31st January 2022, AATIF signed a EUR 25 m senior loan facility agreement with the ECOWAS Bank for Investment and Development (EBID) – a financial institution established by the 15 Member States of the Economic Community of West African States (ECOWAS).

AATIF's loan with a tenor of seven years will be used to increase the bank's agriculture portfolio, providing long term funding and potential technical assistance to support the bank in improving it's understanding of and outreach to the agriculture sector.

EBID was founded in 1975 as the Fund for Cooperation, Compensation and Development of the Economic Community of West African States (ECOWAS Fund), the fund was converted into the ECOWAS Bank for Investment and Development in 1999. Today, the bank is 100 % publicly owned by the ECOWAS member states, within which it provides financing to both public and private sector clients, promoting growth in the agricultural sector by funding companies and projects that would not have been financed on a standalone basis.

The bank's well-diversified regional approach and support for LDCs allow it to target countries in West Africa that rely heavily on agriculture for economic growth and employment opportunities – countries where AATIF would otherwise be unable to establish direct exposure into. Leveraging on its strong presence in rural areas, the bank's lending contributes greatly to development of the agriculture sector both directly and indirectly, including through providing necessary access to transportation, water, electricity, and communication infrastructure.

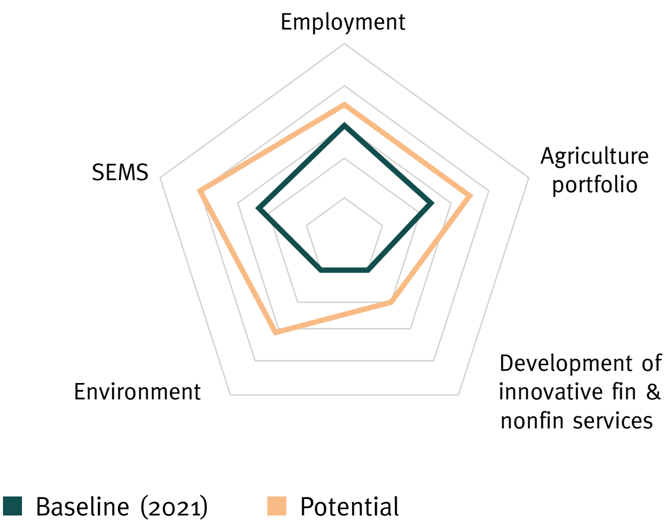
Additionally, EBID's support for smallholder farmers through its investment in The West African Initiative for Climate-Smart Agriculture fund, geared towards improving the food security and income of 90,000 smallholder households, is just one of the bank's initiatives that AATIF is keen to align with and support.

Social and Environmental Review

As a bank with a developmental mandate, EBID's mission is strongly aligned with AATIF goals seeking to achieve positive development impact through financial activities. Already between 2008 and 2013, EBID developed policies and procedures to manage S&E risks. However, the policies and procedures had gaps compared against international frameworks. Therefore, AATIF and EBID agreed on a set of actions to be taken by the bank. These include (i) updating S&E policies and procedures, (ii) building S&E management capacity across the bank, including recruiting and training staff, and (iii) measuring and managing EBID's S&E performance as well as that of its clients. As condition precedent for the disbursement of the AATIF loan, the bank obtained approval, from its Board of Directors, of an exclusion list which is aligned with international standards.

Area of improvement as per loan agreement	Status
Condition Precedent: Obtain board approval of an exclusion list which is aligned with international standards.	✓
Develop an S&E Action Plan following recommendations from AATIF and other lenders.	✓
Conduct assessment of current portfolio to identify existing S&E risks.	Not started
Perform S&E capacity needs assessment; develop and implement an S&E capacity building strategy, with a specific module on S&E risks in the agricultural sector.	Not started
Hire a qualified head of the environment unit and ensure enough resources are allocated to S&E and impact management across the organization.	Not started
Track its own S&E performance and develop actions to improve it, as well as include S&E performance indicators of its own performance and of its clients in its annual report.	Not started
Incorporate S&E aspects into employee performance appraisal at least for key staff from all areas with S&E responsibility.	Not started
Review HR Policy and Procedures and include recommendations from AATIF.	Not started

Impact Review
As a new partner institution, the investment in EBID is still to create measurable impact. The expectation is that the investment will contribute mainly to three of AATIF's impact dimensions as illustrated in the below graphic.



First, with support from AATIF, the bank could increase its current share of agriculture in its portfolio to the 10–15 % range. Such growth would come from various initiatives including executing the country strategies in which EBID identified target industries (e.g. Benin, Ghana, Burkina Faso and Guinea-Bissau).

Second, on its financial services offering, the bank is reaching clients or sectors which currently do not have access to export and trade finance facilities. Moreover, the bank is operationalising an innovative structure with the West African Initiative for Climate Smart Agriculture, a blended finance fund investing in advancing climate-smart agricultural practices of smallholder farmers in West Africa.

Finally, AATIF is aligning with other lenders to support improvements in how EBID manages social and environmental risks and impacts of its own operations and those of its clients. Improvements in its S&E Management System are expected to include procedure updates, as well as hiring and training of staff.

TA measures
The TA Facility Manager has initiated a dialogue with EBID management on potential areas for TA support.

Scipion

During the course of Q1 2021, AATIF concluded negotiations with Scipion Capital Ltd. ("Scipion"), a London-based investment manager focusing on commodity trade finance, to set up a dedicated investment vehicle for impact investments into the African agricultural sector.

Founded in 2007, Scipion focuses on self-liquidating short-term loans granted to SME borrowers to finance the delivery, production, and processing of commodities sourced in Africa. It aims to fill the financing gap left by commercial banks.

During Q1 2021, AATIF and Scipion finalised the set-up of the Scipion Active Impact Fund- the vehicle through which AATIF would be able to participate in agricultural commodity trade finance transactions originated and managed by Scipion. The first investment, a trade finance facility to a cocoa trader/processor based in Côte d'Ivoire, reached financial closure in Q4'2021. AATIF aims to provide USD 2.5 m in the first investment while another USD 2.5 m shall be provided by another fund advised by Scipion.

AATIF, through its Sustainability Advisor, supported the launch of the investment vehicle by guiding Scipion to upgrade its social and environmental management system and related tools, and facilitated capacity building and training of staff. The investment vehicle shall be open for other impact investors as well.

Through its interaction with Scipion, AATIF aims to potentially crowd in other investors that may have not considered commodity trade finance as an eligible impact asset class. Furthermore, AATIF is gaining access to SME borrowers, who tend to be less well served by the established bank market.

A second similar investment was approved by AATIF in Q1 2022 and is also expected to reach financial closure during the course of 2022. Furthermore, there are other investments under consideration which, if implemented, would continue to support small traders and ultimately bolster the market for smallholder farmers in Africa.

Social and Environmental Review
While AATIF financed its first Scipion participation in 2021, the Fund started working with Scipion towards improving Social and Environmental management already in 2019. Scipion started this journey with an Environmental and Social Impact (ESI) committee and some E&S policies and procedures in place. Increasingly, Scipion engaged management staff with explicit sustainability responsibilities that elaborated Scipion's S&E management system. AATIF accompanied and supported Scipion along this path. Activities included capacity building of Scipion staff, co-development of S&E assessment tools and joint assessment of S&E risks and impacts of participations. These guided assessments allowed Scipion to clarify employment conditions in participations, identify social and environmental compliance requirements and engage with investees on sustainability improvements in their own operations as well as supply chain. These efforts are now going beyond managing risks but also seizing development opportunities. Scipion is also a member of the Global Impact Investing Network (GIIN) showing the company's commitment to creating measurable development impact.

AATIF's participation in La Générale de Produits Agricoles (GPA)
GPA will use AATIF's investment for the purchase of cocoa beans from local suppliers and deliver the conditioned or processed products to international off-takers. AATIF, through Scipion, will support the company to improve social and environmental management in its direct operations and supply chain.

Area of improvement as per the loan agreement – Scipion	Status
Scipion shall comply with the AATIF S&E Policy for all investments where AATIF enters as a participant.	Ongoing
Scipion shall screen projects against the AATIF Exclusion List and present the result thereof to AATIF for funding approval.	Ongoing
Scipion shall maintain a sufficiently resourced Environmental and Social Management System appropriate to its size and type of activities including a trained, experienced and sufficiently staffed ESI Committee.	Ongoing
Scipion shall, and shall procure that the Scipion Entities taken as a whole, improve their environmental and social risk management policy ("ESRMP") and social and environmental ("S&E") procedures.	Ongoing

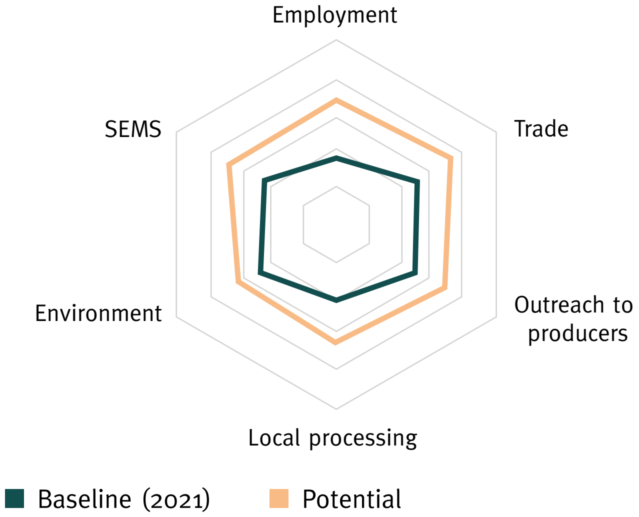
Area of improvement as per the loan agreement – GPA	Status
Develop an S&E Action Plan following recommendations from AATIF and other lenders.	Not started
GPA to develop and implement a Social and Environmental Management System which provides the methodological approach to managing environmental and social risks and impacts, including roles and responsibilities within the team, in a structured way on an ongoing basis. Include stakeholder management mechanisms.	Not started
GPA to develop an emergency and response plan for their facilities and integrate related regular safety trainings.	Not started
GPA to develop and implement a Human Resources Policy and procedures, including records of seasonal labourers and covering child labour, workers' rights and duties and formal mechanisms for grievance.	HR Policy – Completed
GPA to develop and implement an OSH policy and procedures, including hazard prevention and identification, responsibilities, training, accident record keeping and reporting system and OSH committee creation.	Not started
Supply chain GPA to map its supply chain and develop a procurement policy covering sustainability requirements for suppliers.	Not started
GPA to renew UTZ certification.	Not started

The three GPA companies follow a common S&E management structure. The companies have some elements of a social and environmental management system in place, while still missing others that will be developed during the investment. One person is designated for handling social and environmental issues. In 2017, GPA undertook an ESIA in for the processing of cocoa which proposed an S&E action plan to manage S&E risks and impacts. Along the AATIF investment, the company will develop the missing policies and procedures. In 2021, the company already developed an HR policy that was approved by employees through their representative. GPA has engaged actively with smallholder farmers, cooperatives and other suppliers, providing training and awareness raising. With AATIF's support the company intends to improve the outreach to smallholders.

Impact Review

As a new participation, the investment in GPA is still to create measurable impact. The expectation is that the investment will contribute to multiple AATIF impact dimensions as illustrated in the below graphic.

GPA is a trader that buys cocoa indirectly from approximately 1,400 smallholder farmers. These farmers supply cocoa to intermediaries and cooperatives linked to GPA. Through the AATIF participation, GPA intends to increase the traceability and transparency of the cocoa as well as services provided to the farmers. In addition, GPA could increase the number of farmers reached through an expansion of cocoa purchases. The increased volumes could boost the company's utilization of its existing processing capacity which is around 50%. Improvements are also expected in on employment, both in numbers and quality. At the start of the participation, GPA and its sister companies employed 145 FTE (11% women), 64% on permanent contracts. Along the investment, AATIF and Scipion will support improvements in HR management, OSH measures and staff training. The company is also expected to continue developing its social and environmental policies and procedures.



TA measures

The TA Facility Manager is in dialogue with Scipion management on potential areas for TA support, including support to further develop and strengthen its Social and Environmental Management System (SEMS).

Export Trading Group (Pan-Africa)

Export Trading Group (ETG) is a diversified pan-African agribusiness conglomerate specializing in end-to-end agricultural supply-chain management, including procurement, warehousing, transport, agricultural processing and consumer products. ETG has offices across 40 countries in the world with a significant presence across 26 African countries, including more than 400 warehousing and distribution assets across the continent. The company buys crops directly from thousands of smallholder farmers at farm gate without intermediaries. ETG provides smallholder farmers with training, agricultural expertise, farming equipment and farming inputs.

In September 2021, ETG repaid its initial AATIF facility which was committed in 2014. Due to the significant value addition capacity to the agricultural sector of ETG, AATIF participated in a new loan facility with USD 26 m to Export Trading Group (ETG) under a syndication led by IFC. The facility has been extended to backstop ETG's efforts to connect seeds and nuts farmers and producers in Eastern Africa with international markets.

In 2021, ETG's Fertilizer and Agri-Inputs Business unit, EIHL, developed a strategic approach to address the African agricultural industry's insufficient training in climate-smart farming techniques, and quality input products. The company established Container Shops placed throughout rural areas in Tanzania, Kenya and Uganda, as well as Farmer Training Centers in Tanzania and Zambia to this effect.

Already established in 94 areas across the three countries, the company's container shops offer quality inputs, including seeds, specialty fertilizers, and agro-chemicals, while the training centers assist farmer communities with agronomy services, farming best practice techniques, training for GAP, products training, soil testing and products efficacy trials and demonstration plots for farmers and agro-dealers. With more than 300 agronomists involved in regional mentorship programs, and over 500 sessions already conducted, the project has proven to be a great success.

ETG also made a commitment to play an active role in ensuring a sustainable, low-carbon future with the introduction of a Climate Desk, outlining the following focus areas:

- delivering **real climate and social benefits** by scaling existing **decarbonization and social projects** within the Group;
- establishing **climate positive initiatives** within countries where ETG has an operational footprint;
- identifying and driving investment in **climate positive business opportunities** within the group value chain and regions of operation;
- contributing towards continuous **internal decarbonization efforts**;
- assisting ETG entities in understanding and mitigating **climate change risks**;
- reasserting the role of **Africa as the world's most competitive carbon sink,** whilst simultaneously contributing towards the wellbeing of **local communities**.

Social and Environmental Review

In 2021, AATIF provided a new financing facility to ETG, specifically for the purchase of pulses, cashews and sesame in Malawi, Tanzania and Mozambique. The new facility is based on tremendous improvements in the management of social and environmental matters that ETG achieved during the first AATIF facility and which were guided by an action plan jointly developed with the AATIF. For the new facility, the company agreed on new milestones as set out below.

In 2021, ETG restructured the group-wide sustainability management function and separated it from the Environmental Health and Safety (EHS) function. The new group Head of Sustainability is supervising the supply chain risks across the group as well as the global programmes of ETG's Beyond Beans business. Through this new structure the company is developing a road map for sustainability management in ETG with the aim to better integrate sustainability elements across its supply chain and learn from the Beyond Beans sustainability measures. The road map will be launched in 2022.

ETG updated its Sustainability Policy and implemented, at group level, a platform for sustainability and EHS training accessible for all site sustainability champions across the countries of ETG operations. In addition, ETG developed a new Sustainable Sourcing Policy with a clear commitment to manage S&E risks in the supply chain and follow specific steps towards achieving sustainable supply chains.

Throughout the year 2021, ETG continued its COVID-19 response support to communities and donated USD 217’000 to the national relief fund of Tanzania. In Mozambique, the company distributed masks and sanitizer to communities in Nampula, Nacala and Beira, and donated food.

Area of improvement as per loan agreement	Status
ETG Group shall update the suppliers’ procedure	In progress
The ETG Environmental & Social Assessment of Suppliers policy and associated documentation for operations in Mozambique must be kept on record, as well as evidence of regular monitoring of adherence	In progress
ETG shall review the language of the ETGMS and update it with gender inclusive language	In progress
ETG to elaborate emergency preparedness and response plans for all facilities in Mozambique, as well as procedures and training material, all available in Portuguese at all facilities.	In progress
Conduct baseline noise assessment and ensure that machinery and plant noise emissions in the Mozambican facilities do not exceed acceptable occupational health thresholds. ETG should assess which facilities or parts thereof require their personnel to use hearing protection measures.	In progress
All relevant ETGMS documentation that is suited to the Mozambican operations should be translated into Portuguese for dissemination to EHS line function staff at the respective facilities ETG shall verify the compliance of the regulation of labour contractors through physical means: requesting proof of wage payment and any statutory benefits that the law requires	In progress

Impact Review

The new AATIF investment in ETG provides financing for the purchase of pulses, cashews and sesame in Malawi, Tanzania, and Mozambique. Through this facility, the AATIF aims at supporting the company’s outreach to smallholder farmers and improving the management of labour and working conditions in the processing facilities across the three countries.

The investment is expected to contribute to six of AATIF impact dimensions: trade, environment, outreach to primary producers, employment, local processing, and SEMS.

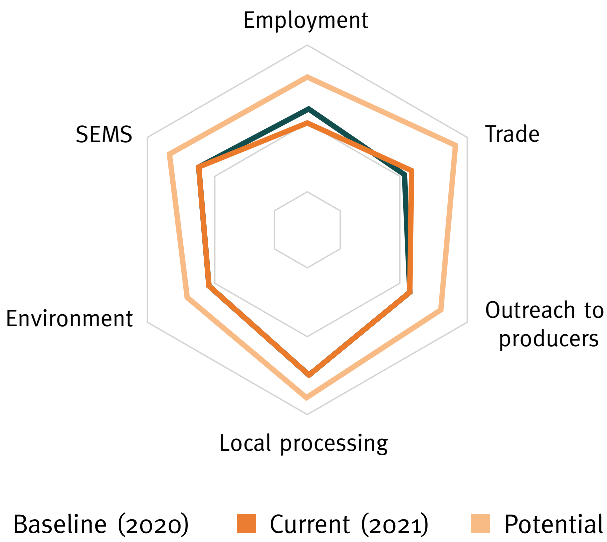
ETG employed 3,635 FTE in Tanzania, Mozambique, and Malawi (79 % women), during the baseline year in 2020. The company tracks and keeps records of environmental KPIs, including electricity, fuel and water use. The company exported 273,400 MT of cashew, sesame, and pulses in the three countries in 2020, mainly to Europe, Asia, North America and the Middle East.

Focusing on ETG’s operations in Mozambique, the company increased the traded volumes of pulses, cashews, and sesame (118,800 MT in 2020) to 149,500 MT in 2021 and exported to Asia, Europe, USA, among others. It reached out to farmers, for example through demonstration plots where the company trains farmers on how to use inputs, manage cropping systems and implement good agricultural practices with the support of ETG agronomists. In Mozambique, ETG also slightly increased its workforce from 1,707 employees


ALPHA

in 2020 to 1,738 employees, 71% women. However, it is mostly composed of temporary workers. ETG is a large processor in Mozambique and has high utilization rates of its processing facilities. The company implements sustainability practices to reduce waste.

As an illustration of the current and expected impact, see the impact spider for ETG Mozambique below.



TA measures
The TA Facility Manager has initiated a dialogue with ETG management on potential areas for TA support.

The TA Facility is undertaking a rapid appraisal of the social and developmental impact of the AATIF loan extended to ETG. The collection of baseline data took place in Malawi in late 2018, and the final baseline study report was delivered in early 2020. An Impact Brief outlining the main findings is available on the AATIF website.

Vantage

In 2020, AATIF established a partnership with Vantage Netherlands B.V. – a processor and trader of organic soybean and sunflower seeds. Vantage Organic Foods Pvt Ltd, India – the parent company of Vantage Netherlands – started off as a pure trader of organic soybeans out of India. Over the years, the company has developed into an integrated agribusiness with 8 crushing machines of 20 MT/day crushing capacity, sourcing soybeans locally from more organically certified smallholder farmers. The company would go on to invest heavily in Africa in 2014 by developing relationships with smallholders in Benin, Nigeria and Tanzania, in partnership with two local NGOs.

The concluded USD/EUR 1.5 m senior secured trade finance facility shall be used to enhance the company's activities in sourcing produce directly from these organic farmers.

In 2021, the lockdown and subsequent rise in shipment cost brought on by the pandemic lead to a standstill in operations until November. Thereafter, business picked up, allowing the purchase of 2,010 MT of organic soybean from Benin, out of which 937 MT was exported during the course of the year.

Despite these challenges, 2021 also saw the company support 994 farmers with 1,572 ha of organic land for cultivation.

AATIF's funding until financial year end was not yet drawn due to reduced business opportunities.

Social and Environmental Review

Vantage started adapting the social and environmental policies and procedures established in India to the African context. This process will eventually create a formal Social and Environmental Management System for Vantage's African country operations. In the reporting period, the company fulfilled a condition precedent for the disbursement of the AATIF loan related to a school gardening programme. The programme developed safety guidelines for the use of farming tools and obtained approval from the Ministry of Education.

Vantage also hired two staff members based in India to work on the development of policies and procedures for managing S&E risks and impacts linked to its business in Africa. AATIF's TA Facility will support the company in the development of the SEMS elements relevant to Vantage's activities in Africa.

Vantages manages its supply chain with the help of local NGOs. Jointly, they created a network of ~470 field officers and coordinators across the three countries. The field officers and coordinators are farmers themselves. They continued providing training to more than 40,000 farmers, focusing on seed preservation, pest and disease management, nutrition management, and post-harvest management. Vantage projects to reach 65,000 farmers in the next few years.

Impact Review

Vantage is still to show measurable impact and we expect that AATIF support will contribute to several impact dimensions, as illustrated in the graphic below. Most remarkably, Vantage exclusively purchases from smallholder farmers in Benin, Nigeria and Tanzania, and then exports to Europe, North America and India.

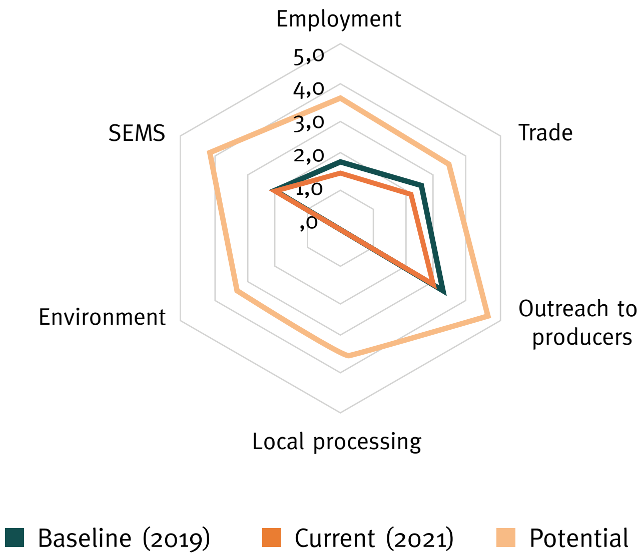
At baseline (2019), the company purchased 4,500MT soybeans from Benin and 450MT soybeans from Nigeria, from 3,530 and 260 farmers respectively. Due to the COVID-19 pandemic, these numbers reduced to 2,000 MT of organic soybeans purchased from 994 farmers in Benin in 2021.

Area of improvement as per loan agreement	Status
Develop safety guidelines and obtain approval from the Ministry of Education for the school farming programme in Nigeria.	✓
Develop an Action Plan for implementing and monitoring S&E management measures. The Action Plan to include performance indicators, resources, and responsibilities.	Not started
Develop and implement a Social and Environmental Management System, including a methodological approach to managing environmental and social risks and impacts as well as roles and responsibilities.	Not started
Develop and implement HR policies and procedures for operations in Benin, Nigeria and Tanzania aligned to AATIF's S&E Policy and national laws.	Not started
Develop a grievance mechanism for affected communities and other stakeholders, including one specifically for farmers to express concerns and complaints, and keep records of complaints and resolutions.	Not started
Develop and implement a service provider policy, covering S&E requirements that providers should comply with, and designate roles, responsibilities and a budget for implementation.	Not started
Keep records of NGO field staff.	Not started
Support improvements in the contracts of NGO field coordinators/officers, including responsibilities/activities, fair remuneration, and health coverage.	Not started
Support the creation of a training module that addresses child labour and raises awareness on the use of child labour.	Not started
Monitor farmer outreach activities and actively ensure that (i) no child labour is used and (ii) land conversion is not emerging, for example by using geolocation of farms.	Not started

The percentage of female farmers remained stable at 40 %. The company intends to develop soy processing facilities in Africa once the trading business is well established, and therefore there is potential for impact in the local processing and environment dimensions in the future.

Despite the challenges arising from the COVID-19 pandemic, the farmer training continued. Applying organic principles and the zero-budget farming concept improved farming practices. The organic farming practices liberated farmers of costs for synthetic fertilizers and pesticides, while using naturally occurring plants and organic matter in crop cultivation. With a decrease in synthetic input expenditures and an increase in labour inputs, the farming system is mostly self-sufficient.

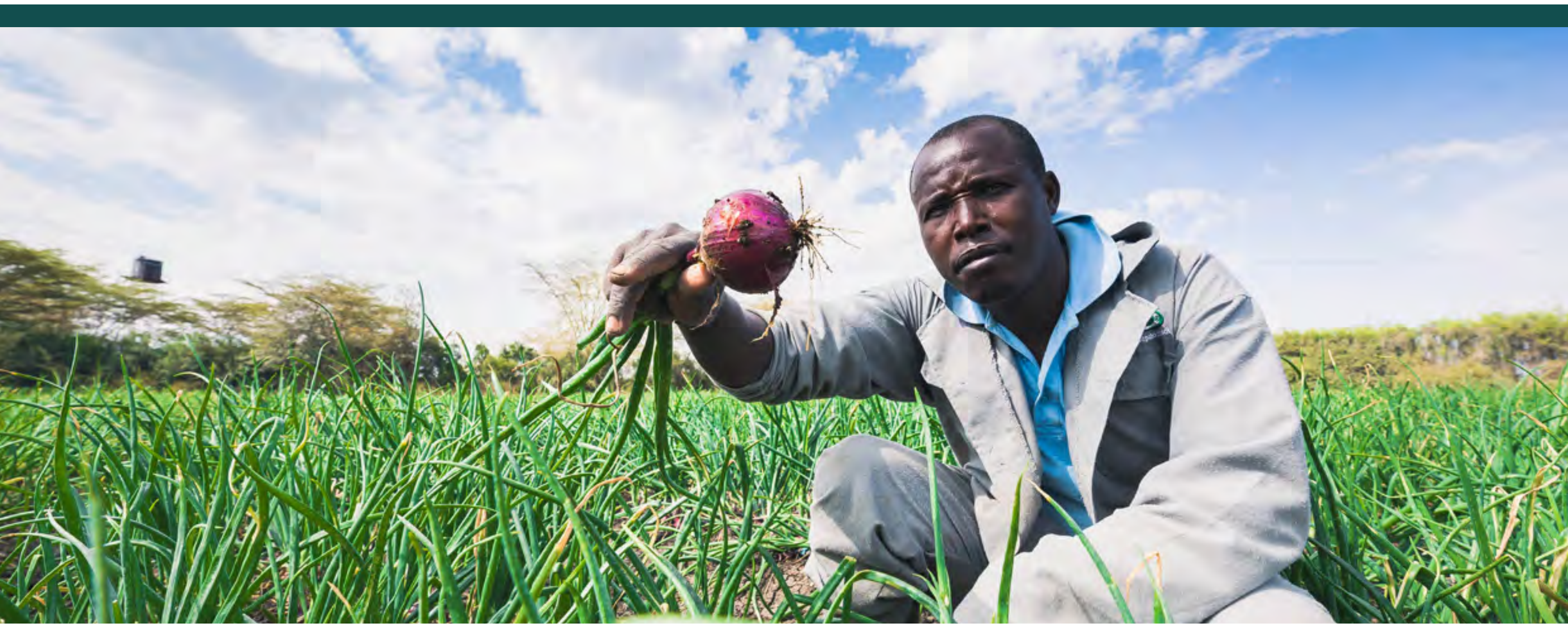
Moving forward, Vantage is exploring possibilities of improving its engagement with smallholders with the support of the AATIF TA Facility.



TA measures

The TA Facility has initiated a dialogue with Vantage management on areas for TA support which will focus on increasing their smallholder supplier network and improving relationship with the farmers.

Dijon Céréales



Dijon Céréales

In 2020, Société Africaine d'Ingrédients initiated a unique onion dehydration project in northern Senegal – the first of its kind in sub-Saharan Africa – with support from AATIF and the IFC. The EUR 13 m CAPEX financing will be used by the company to develop a 420-ha nucleus farm, while establishing an outgrower network of onion farmers from whom they source the equivalent of 340-ha of onions. The project also involves decommissioning an existing onion dehydration plant (built in 2003 and closed in 2014) near Dijon, France, and relocating it to St. Louis in northern Senegal.

SAF Ingrédients is a French-Senegalese joint venture created in 2019 between Dijon Céréales (a French co-operative in Dijon, France) and the "Club des Investisseurs Sénégalais" ("CIS"). Owned by 3,800 farmers and employing 515 professionals, Dijon Céréales is a large French agricultural co-operative from Franche-Comté created in July 1990 out of the fusion of 13 co-operatives. It remains one of the largest agri-business groups in the Bourgogne-Franche-Comté region in France. CIS is a Club of 75 Senegalese entrepreneurs that promotes a strong national private sector in Senegal by pooling their investment capacities and encouraging co-investments with other domestic and foreign investors.

The EUR 13 m investment is composed of AATIF's EUR 6 m senior loan, IFC's "A" loan of up to EUR 3.5 m from IFC's own account, and a concessional loan from the IDA Private Sector Window Blended Finance Facility of up to EUR 3.5 m. The IDA Private Sector Window was launched to catalyse private sector investment in places where it is needed most.

The ceremony of "foundation stone laying" took place on March 3, 2022. The construction works for the plant (which should last 1 year) are in progress and the plant commissioning is scheduled for March 2023. The 1st withdrawal is expected for end of 2022/early 2023.

Social and Environmental Review

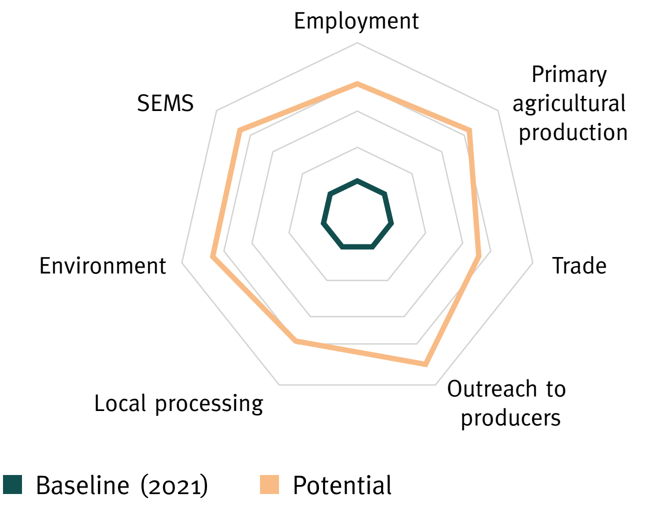
During project initiation, SAF Ingrédients obtained the required licenses for the set-up and operations of the onion dehydration plant. These included an approval, by the Ministry of Environment and Sustainable Development, of the Environmental and Social Impact Assessment (ESIA) for the *processing activities*. The next step is to prepare and obtain approval of the ESIA for the *farming operations*, which will produce nearly one third of the onions for the company's dehydration activities. In addition, the company also engaged experts to assess any potential impacts to biodiversity in the project area and its surroundings. The experts concluded that no significant negative impacts are expected to occur as a consequence of SAF's operations. Monitoring studies will be conducted at least every two years.

The construction of the onion dehydration plant started in early 2022, with processing operations expected to commence in Q2 2023. In the meantime, the company hired an experienced director general. Guided by the AATIF and co-lender IFC, SAF Ingrédients started implementing a Social and Environmental Action Plan covering the decommissioning of the existing facility in France as well as construction works, land preparation and operations in Senegal.

Area of improvement as per loan agreement	Status
Conditions Precedent (i) contractual clauses on labour and community health and safety measures in EPC contracts, (ii) assessment of biodiversity impacts (with development of action and monitoring plans if required) and (iii) obtaining the environmental license from the Direction de l'Environnement et des Etablissements Classés (DEEC)	In progress
Designation of staff with oversight of stakeholder engagement activities. Development and implementation of stakeholder engagement plan and community grievances procedure.	Ongoing
Development of an environmental, health and security, food safety and social management system.	Not started
Recruitment of a suitably qualified EHS manager and establishment of an EHSS function within the company.	Not started
Development of a human resources management policy and procedure in compliance with the national Labour Code, which includes procedures related to occupational health and safety and handling of grievances for all workers.	Not started
Development and implementation of supply chain management system including a responsible sourcing policy reflecting the company's commitment to sound S&E practices.	Not started
Implement sustainable agricultural practices and obtain Global GAP certification for the nucleus farm.	Not started

Impact Review

As a new company and new investment for AATIF, SAF Ingrédients is still to show measurable impact. In addition to the own farming operations, SAF Ingrédients will source onions from smallholder farmers in the area. This provides a new market opportunity for around 2,000 Senegalese smallholder onion producers. The producers will receive technical and financial support from SAF with the goals of increasing their yields, reducing losses, improving agricultural practices and increasing income levels. SAF will also generate impact in other dimensions, by creating employment opportunities and adding value locally before exporting its final product to African and European markets. The graphic below illustrates the different impact dimensions to which SAF is expected to contribute:



TA measures

The TA Facility has initiated a dialogue with Dijon Céréales management on potential areas for TA support. The proposed TA support will focus on supporting the company with the setup and roll-out of an outgrower scheme for smallholder farmers for the supply of onions.

Enda Tamweel

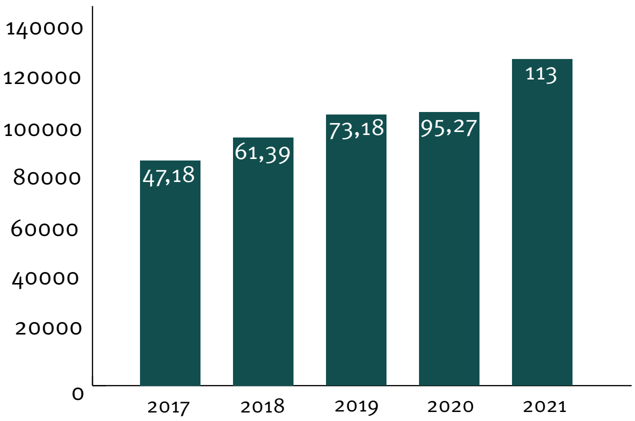
Enda Tamweel is a microfinance institution (MFI) created by the NGO Enda inter-arabe in late 2015 and based in Tunisia. In March 2020, AATIF as part of a syndication arranged by FMO, entered into a loan agreement with Enda Tamweel.

A leader in the microfinance sector in Tunisia, the MFI has a client base of more than 426,000 active clients, and an outstanding portfolio of over TND 368 TND (USD 128 m). Through a vast network of 103 brick-and-mortar branches, the MFI maintains its accessibility to its customers, while also operating mobile branches that are able to reach the most isolated and remote areas in the country.

As part of a syndication led by FMO, AATIF is providing a funding line with an equivalent of EUR 7 m in Tunisian Dinars to Enda Tamweel. The AATIF loan supports Enda Tamweel in providing necessary financing to farmers. It also allows the microfinance institution to enhance its capacity to extend financing to vulnerable populations, to increase the size of its active customer base.

Enda offers different microfinance products related to food production or rural activities to mostly very small farmers and micro-enterprises. The graph highlights the growing number of active agri-clients and the increasing volume of loans extended towards agricultural businesses/business activities since 2017, with a significant spike in 2021 despite restrictions which were imposed in the course of the pandemic.

Total extended loans **USD m**

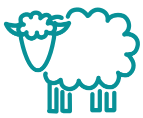


# of agricultural clients

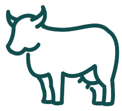
Enda explained the increase by noting that family farming plays a strategic role in Tunisia and contributes fully to the achievement of the objectives of sustainable development in terms of food, social and environmental security. Aware of its central role, Enda Tamweel has been fully committed to promoting this crucial sector. Enda has the necessary expertise to deploy its know-how and create synergies to support the potential of micro-farmers and accelerate the development of agricultural activities. Thanks to a variety of services that correspond to the needs of each farmer.

Enda in Numbers 2021:
129.000 agricultural clients of which 24 % youths, 54 % female.

BREAKDOWN OF AGRICULTURAL LENDING BY SUB-SECTOR:



Sheep farming
61 %



Other animal farming
3 %

Grains
6 %

Dairy farming
21 %

Olive trees/ perennial crops
4 %

Horticulture
5 %

Social and Environmental Review
As a microfinance institution, Enda's operations require a different approach to social and environmental management compared to financial institutions operating in the corporate or SME finance sectors. For that reason, the AATIF and Enda designed a Technical Assistance project to support the development and implementation of an appropriate, fully-fledged Social and Environmental Management System. With the help of a consultant, Enda will develop and

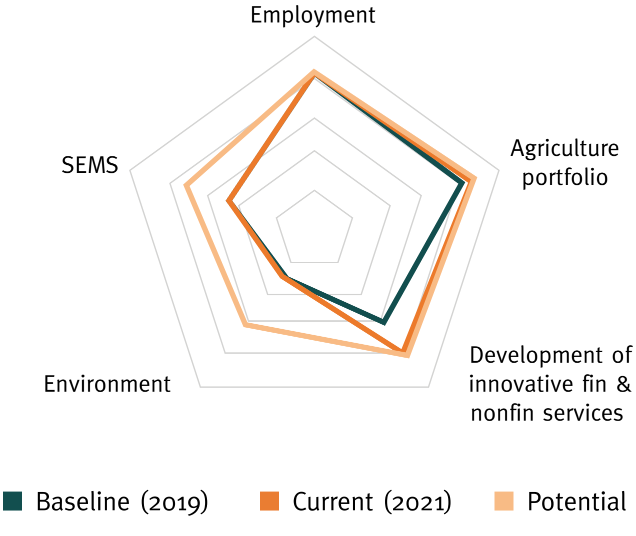
Area of improvement as per loan agreement	Status
Obtain a valid certification confirming compliance with the Client Protection Principles.	✓
Obtain a social rating covering all dimensions of the Universal Standards for Social Performance Management.	Not started
Finalise its environmental and social policies and obtain approval thereof from its Environmental and Social Committee.	✓

improve policies, procedures, and tools consistent with its target clientele but also considering the company's strategy to increase its share of MSME finance.

Enda is committed to obtaining a social rating covering the Universal Standards for Social Performance Management, but the process has been delayed due to COVID-19 restrictions.

Impact Review

In its second year in AATIF's portfolio, Enda continued to show an impressive impact in the agricultural sector. Its operations in the sector represented 30 % of its portfolio at the end of 2021, or more than USD 100 million and 120,000 loans. Enda's products targeting agricultural microbusinesses, particularly in sheep and cattle farming, had the most significant growth rates. The company continued delivering a broad range of services, including financial (e.g. insurance) and nonfinancial (e.g. entrepreneurship training), directly or through its close collaboration with Enda Inter-arabe. The below graphic illustrates progress to date and remaining potential for further impact:



TA measures

In early 2022, the TA Facility developed a project to support Enda Tamweel in further integrating social and environmental (S&E) commitments in its processes, developing its S&E risk management system and capacitating its loan officers and management staff on S&E aspects. The TA Facility is in the process of contracting an expert consultant to assess the status of Enda Tamweel's current S&E risk management process and develop and implement a plan to support the micro-finance institution in moving towards a fully developed Social and Environmental Management System (SEMS). The project is expected to launch in mid-2022.

Orabank

AATIF funded the Pan-African banking group Oragroup with a EUR 20m loan for one year. The funds received by Oragroup were used to finance private companies operating in the agricultural campaigns (e.g. cocoa) in the countries where Orabank Côte d'Ivoire is present including Côte d'Ivoire, Burkina Faso, Guinea Bissau, Mali, Niger and Senegal.

The financing of agricultural campaigns is a strong commitment from Oragroup in its willingness to participate in the financing of the real economy while supporting sectors that have an impact on the development of economies. This financing also supports the Group's efforts. The group created in 2018 a commodities department within its subsidiary Orabank Côte d'Ivoire with the objective of enhancing its offer of financing for the agricultural sector, whose annual needs are constantly increasing because of economic and demographic growth.

Oragroup repaid AATIF's loan on June 30, 2020, in accordance with the facility agreement. The financing was used towards funding agricultural campaigns and supported the Group's efforts to overall enhance the banks offer of financing the agricultural sector. AATIF and Oragroup are in ongoing discussions on continuing their partnership.

Social and Environmental Review

During the active period of the AATIF loan, Orabank improved its Social and Environmental Management System and particularly learned through its implementation on the loans financed with the AATIF line in Côte d'Ivoire. The bank obtained information related to sustainability policies and procedures, including related to clients' supply chains and working conditions, to better inform its credit committee on relevant S&E risks and impacts. Furthermore, Orabank publishes an annual integrated report following GRI standards. The latest integrated report covered social and environmental themes such as workforce diversity, working conditions and training provided to employees, alongside financial topics.

Impact Review

The AATIF conducted a rapid appraisal of its investment in Oragroup the results of which are available on the AATIF website as Oragroup Impact Brief. The study in Côte d'Ivoire was AATIF's first rapid appraisal of a short-term investment in a financial institution. It informed us of the imperative to allow time for indirect development impact to materialise. It also showed us that impact investors can, if intentionally engaged, support business growth of financial institutions and specific sectoral lending as well as improve sustainability management systems including client monitoring.

Area of improvement as per loan agreement	Status
Integrate the recommendations of AATIF's S&E Assessment Report into the Social and Environmental Borrower Action Plan agreed with its shareholders	✓
At all times, maintain a qualified S&E Manager who shall be responsible for (i) overseeing the implementation, upgrading and reporting of the Orabank's Social and Environmental Management System as well as (ii) the S&E committee set up within the bank	Ongoing
Develop an internal form for annual social and environmental monitoring to AATIF	✓
Develop a mechanism to identify AATIF S&E Category A Project transactions among Orabank's S&E risk classification (A/B/C/D/E)	✓
Develop and integrate into its performance appraisal system social and environmental employee performance indicators which facilitate measuring the S&E performance of relevant employees	In progress
Develop and implement a dedicated social and environmental capacity building strategy as part of its overall human capacity development efforts and ensure that all staff have received training on such strategy	In progress
Closely communicate with the AATIF's Compliance Advisor in overseeing the first three (3) transactions providing loans with AATIF funding	✓
Maintain an effective and reliable procedure for receiving, recording and addressing and providing feedback on project-related grievances from external stakeholders	✓

TA measures

For a rapid appraisal of AATIF's impact on Orabank, the endline data collection took place in November 2020 and the final endline Report was delivered in late 2021. An Impact Brief outlining the main findings is available on the AATIF website.

Amsons

Amsons Industries (T) Limited is a family-owned business that was founded in 2012 in Tanzania, in order to diversify Amsons Group, whose main business operations historically involved trading in petroleum products and transportation. Having started with a sole focus on cement production, the company eventually diversified in 2014 to provide wheat storage services to third parties. Later, in October 2017, the company set up its own wheat mill with a total capacity of 150 MT/day, using the brand name "Camel Flour" for its wheat milling operations. Demand for wheat flour in Tanzania and other neighbouring countries increased steadily over the years, creating an opportunity in the market for the company to grow its operations.

Spurred by a successful year of milling operations, AATIF concluded financing facilities amounting to USD 15 m in 2019 to finance the construction of an additional wheat mill with a capacity of 350 MT/day, as well as an accompanying working capital line. As AATIF's first direct investment in Tanzania, funding provided has been used to help create job opportunities and promote local value addition. Through continued cooperation with AATIF, the company has been able to continue with its ongoing initiative of sourcing more local wheat and to support farmers in improving the quality of the local wheat crop.

The outbreak of the coronavirus pandemic impacted the pace of ramping up the new wheat mill, resulting in the need for AATIF to postpone the first principal repayment from 30th September 2020 to 31st March 2021. The business managed to rebound in line with global economic recovery and made its first principal repayment on 31st March 2021.

Camel Flour has also continued to engage with local communities as part of its strategy to increase wheat production in Tanzania. In 2021, the company cultivated 1,000 acres of farmland in the Basutu ward (northern Tanzania) and used these fields as demonstration farms for surrounding farmers. Throughout the season, nearby farmers received training on good agricultural practices within these demonstration farms. The first harvests of the fields showed success, with yields being four times higher than the usual average in that region. As a result, the company has been engaging the government to cultivate 10,000 acres of land in the upcoming season to further boost their outreach to local farmers and capitalise on 2021's increased yields.

Camel Flour seeks to increase support to local farmers also to mitigate against supply risks rising due to unavailability of vessels since the advent of COVID-19 and, more recently,

Area of improvement as per loan agreement	Status
Formal commitment to integrate sustainability as guiding principle across business operations.	✓
Prepare a Social and Environmental Action Plan integrating results from the initial Social and Environmental Audit, recommendations made in AATIF's Social and Environmental Assessment Report as well as any other conditions or requirements from the National Environmental Management Council and other authorities.	✓
Complete the development of a Social and Environmental Management System within 18 months and thereafter maintain and regularly update the system including allocation of adequate resources.	In progress
Within the frame of the Social and Environmental Management System, undertake regular social and environmental audits of all activities likely to have adverse social and environmental effects.	Ongoing
Designate a staff member responsible for the management of environmental issues related to the operations of the Wheat Milling Plant, and a staff member responsible for the management of social matters that reach beyond employees' concerns.	✓
Obtain all relevant permits and licenses including but not limited to those related to use of the borehole, effluent discharge, occupational health and safety and fire safety.	✓ (Borehole permit obtained) Ongoing
Develop a grievance mechanism for workers and for affected communities and other stakeholders.	In progress
Include clauses on the management of social and environmental issues in the Memorandum of Understanding with outgrowers, including labour and working conditions as well as sustainable agriculture practices and a commitment from the company to follow good practice with regards to responsible contract farming operations.	In progress

the spike in international wheat prices due to the invasion of Ukraine by Russia. Given that the two conflicting countries account for approximately 29 % of global wheat exports, the ripple effects have impacted international wheat supply, pushing Camel Flour to increase prices of their flour. Despite this, the company remains optimistic for increased availability of wheat locally in 2022.

Social and Environmental Review

The Amsons team responsible for health, safety, environment, and quality continued managing the social and environmental risks and impacts of the company's operations. The responsibilities include coordinating reporting on health, safety and environment, conducting internal audits, coordinating external audits, conducting internal training as well as organizing for external training for relevant staff.

In 2021, the company conducted an internal health, safety, environment, and quality audit which, in addition to identifying measures in place on emergency preparedness, fire safety, workers' medical and health safeguards, made recommendations on the respective indicators to continue being monitored. Amsons also conducted the Annual Environmental Audit of its wheat mill in November 2021 and submitted the report to the National Environment Management Council (NEMC). The Audit report included an environmental management and monitoring plan with parameters to be tracked on air quality, noise, industrial hygiene, energy efficiency, health, and safety. Based on the recommendations of both audits, the company updated its Social and Environmental Action Plan.

In compliance with national fire safety requirements, the company renewed its annual fire safety certificate. Amsons continued the safety, health, and environmental induction programme of new employees and the safety briefings for all visitors to the milling plant. To enhance safety and emergency preparedness, the company doubled the number of staff trained on first aid and fire safety and rescue from 41 in 2020 to 80 in 2021.

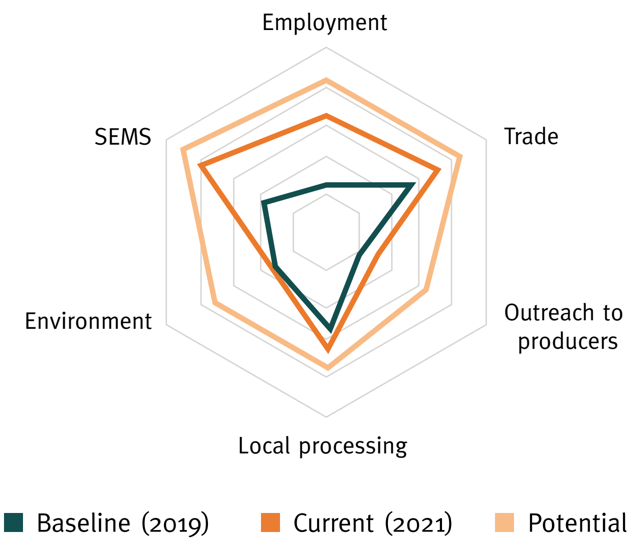
Impact Review

The investment notably contributed to AATIF's impact achievements in the employment dimension, as illustrated in the graphic below. The company increased its workforce, from 108 people (28 women) in 2020 to 175 people (30 women) in 2021. The 67 additional permanent staff are employed in operations, loading, cleaning and maintenance. Since AATIF's investment, the company improved employee training on occupational safety, health and environment.

In 2021, the company imported 43,000 MT of wheat, an increase from 21,000 MT imported in 2020. Locally, Amsons sourced about 2,300 MT (1,000 MT from 15 smallholder farmers and 1,300 MT from other suppliers including traders). Amsons sold 88 % of the processed products in the local market and exported 5,298 MT of bran.

Amsons continued to implement its waste management procedures developed in 2019 and segregates the waste from its mill using different waste containers for bio-degradable and recyclable waste. Air emissions from noise and dust in the mill are monitored to ensure they are within the permitted limits.

Furthermore, the AATIF conducted a baseline rapid appraisal on its investment in Amsons. The results are available on the AATIF website as [AATIF Impact Brief 10 – Amsons].



TA measures

In early 2020, the TA Facility launched a project to support Amsons' food brand Camel Flour by financing an expert consultant to design and develop an implementation plan for a wheat outgrower scheme that will support the company to increase its local sourcing of wheat in Tanzania. The consultant has identified several challenges to be overcome but the overall indications are positive that an outgrower scheme can be established. The TA Facility stands ready to further support Camel Flour with follow-up TA support for outgrower scheme development and roll-out.

In 2021, the TA Facility launched a project to support two Camel Flour junior millers to attend the miller apprenticeship professional program offered by the African Milling School in Nairobi, Kenya. The apprentices will enrol in September 2021 and 2022, respectively. The objective is to qualify and capacitate Camel Flour's junior milling personnel to take over leading mill positions when the current senior staff will retire. This will support Camel Flour's endeavour to ensure the identity and quality of the company's flour and production processes can be preserved over time.

Furthermore, in late 2021, the TA Facility developed a TA project to support Amsons/Camel Flour to conduct a prestudy for soil testing and wheat seed trials for its wheat seed farm. The project is anticipated to launch in 2022 and will ultimately provide the company with necessary information regarding wheat seed varieties and soil conditions that can support the increase of local sourcing of quality raw material.

For a rapid appraisal of AATIF's impact on Amsons, the baseline data collection took place in September 2020 and the final baseline Report was delivered in early 2021 and an Impact Brief outlining the main findings is available on the AATIF website.

NSIA

In 2018, AATIF entered into an amortizing senior debt facility of EUR 17.5 m with NSIA Banque Côte d'Ivoire ("NSIA"), amounting (at the time of disbursement) to approximately USD 20 m. As one of the leading commercial banks in Côte d'Ivoire, NSIA is a public limited liability company listed on the Bourse Régionale des Valeurs Mobilières in Abidjan since October 2017.

The group operates in 12 countries, namely, Togo, Benin, Burkina Faso, Côte d'Ivoire, Gabon, Guinea Conakry, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Chad, and 4 monetary zones (West African Economic and Monetary Union, Central African Economic and Monetary Community). The loan is used to support agricultural campaigns in Côte d'Ivoire, Senegal, Benin, Guinea and Togo.

Over the past year, NSIA has shown continued ambition in building a new sustainable business model to the satisfaction of its customers and stakeholders, reflected in kicking off a new five-year strategic plan dubbed 'Altitude 22–26.'

This plan is geared towards increasing the Bank's market share by capitalizing on the growth of its customer portfolio with particular emphasis on SMEs and VSEs in the period from 2022 to 2026. The Bank aims to ensure profitability by optimising its digital processes and enacting better risk control measures.

Through an institutional campaign, NSIA has purposed to establish a new brand image as a sustainable bank, aiming to position itself in the top 5 banks in Côte d'Ivoire.

Social and Environmental Review

Following a challenging year for S&E management in 2020, the bank was able to further progress in the second year of operation of its SEMS. NSIA staff resumed client visits, which allowed the bank to interact and discuss its approach to sustainability management more closely with clients.

Following a review of the state of its SEMS conducted in 2021, the bank requested support from AATIF's TA Facility to develop a training module for its relationship managers on S&E management. To ensure continued delivery of the S&E management training, the AATIF support also developed sessions and capacitated NSIA's S&E staff to deliver the training to new NSIA employees and as a refresher course.

For 2022, the bank plans obtaining certification of its S&E management processes. In addition, the bank seeks accreditation with the Green Climate Fund. Both of these aspirations illustrate the evolution of NSIA's approach to sustainability in recent years, also triggered by support of international lenders like the AATIF.

Impact Review

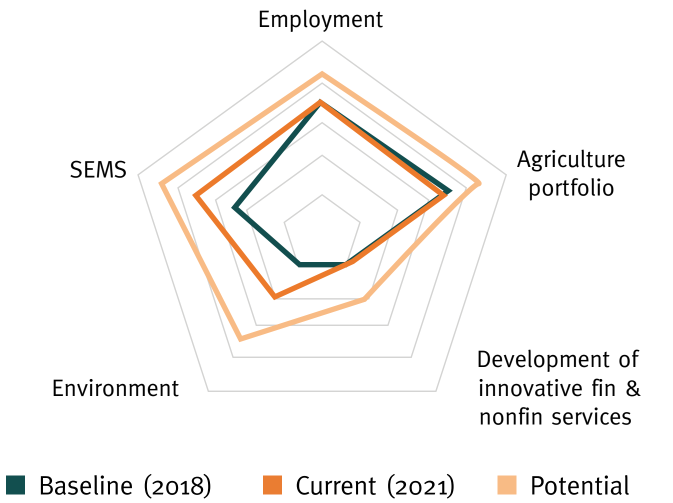
NSIA has achieved remarkable impact across several of AATIF's impact dimensions. Most notably is progress in the SEMS dimension: the bank reached a good level of SEMS development and implementation. The AATIF TA Facility progressively supported this process: initially through capacity building of S&E-dedicated staff and, in early 2022, through the development of a training programme focusing on the role of relationship managers in the S&E management process.

Following a reduction in 2020, NSIA recovered and slightly increased its agricultural portfolio in 2021. The bank expects to sustain this growth over the next years.

Area of improvement as per loan agreement	Status
Develop and implement a Social and Environmental Management System.	✓ Implementation ongoing
Closely communicate with the AATIF Compliance Advisor in overseeing the first transactions involving AATIF financing.	✓
Include in the existing S&E Action Plan all recommendations from the AATIF S&E assessment report.	✓
Maintain an effective and reliable procedure for receiving, recording and addressing and providing feedback on client/project-related grievances from external stakeholders.	✓

Finally, on the environment dimension, NSIA started tracking indicators related to its own energy consumption and waste production. The bank is also looking into obtaining an internationally recognized certification of its environmental management practices. Although it is early days to assess concrete impacts of such initiatives, they pave a promising way towards improved environmental impact at the institution.

The below graphic illustrates overall progress towards achieving impact to date and remaining potential for future impact.



TA measures

The TA Facility has previously supported NSIA by co-financing a training program for the Social & Environmental Coordinator. The training program commenced in September 2019 and was successfully completed by February 2020. The training included components on strengthening skills in understanding how a bank may be exposed to social and environmental risks (credit, legal and reputational risks), assessing S&E risk level of a particular credit, understanding how Environmental & Social Management Systems (SEMS) lead banks to develop and implement measures to manage S&E risks, as well as understanding the roles of an S&E coordinator vis-à-vis a company's Board for S&E.

In 2021, following the success of the previous TA support, NSIA requested follow-up training to provide insights into S&E risks in the agriculture sector for staff at different the levels of the organisation and provide more in-depth training to the previously capacitated S&E Coordinator. An expert consultant was contracted in late 2021, and the training is expected to take place in early 2022.

CKL Africa

Cooper K-Brands Ltd, now CKL Africa Ltd, is a leading animal health and agricultural inputs company in East and Central Africa.

In January 2018, AATIF concluded a USD 4 m facility to enable CKL Africa Ltd to finance a new processing plant for minerals and nutritional supplements used in the livestock sector, thereby increasing the company's local value addition.

CKL Africa Ltd ("CKL") is a family-run company set-up in 1906, which over several generations has become a leading animal health and agricultural inputs company. CKL remains one of the oldest standing local companies in Kenya's well-established livestock sector providing critical inputs, know-how and R&D assistance to farmers.

During 2021 CKL had a strong start. In terms of manufacturing, the company surged ahead of plans, with manufacturing levels at their plant in Kenya's Tatu City (CKL's newly established production site) reaching 80 % utilization – a level previously planned to be achieved by 2023. In an effort to prevent any bottlenecks arising from increased production, the company plans to set-up a second packaging line. The new line will help prevent over-utilization of existing equipment, acting as a potential backup to the existing line.

The company also invested further into their production plant in Loresho (CKL's existing production site) in order to modernize it and improve efficiency to meet increasing demand.

The company also maintained a proactive stance towards mitigating the effects of the COVID-19 pandemic on their staff. A COVID-19 response team has continued to meet weekly to monitor the evolving nature of the pandemic and communicate the appropriate response to staff.

Towards the end of 2021, Kenya as a country overall – and therewith also CKL – saw some challenging developments. The key difficulty for the company in Q3 were macroeconomic changes which were outside of their control and led to a strong increase in prices of raw inputs for farmers, especially feed. The increase in input prices was not accompanied by a price increase in farmer's final products. Further unpredictable weather patterns caused a drought in many parts of Kenya and affected agricultural production for farmers. Hence the buying power of farmers overall, who remain to be CKL's ultimate clients, has diminished and resulted in a lower uptake of CKL products.

CKL undertook several activities to try and address these challenges. This included ramping up marketing activities and being present in the market. The company makes use of its vast network of distributors and stockists, reaching 9,000 stockists in the past quarter.

On top of this, the company took a key step in boosting its e-commerce activity by getting officially validated on the African online retailer Jumia, further increasing accessibility of its products and communicating the importance of providing animals with quality feed to ensure stable production.

Further, on a product basis, the company has introduced new feed additives and lower cost alternatives which can enhance the low-quality feed many farmers started using to cut down on input costs. This step was critical to CKL to avoid a spiralling situation whereby low-quality feed given now results in low production and, further, reduced buying power next quarter.

Beyond these challenges CKL has remained consistent in digitalizing multiple processes, spurred on principally by the COVID-19 pandemic and its effects on operations. One of these is a new mobile app, used primarily to link farmers in the field with solutions and information based on their needs.

Social and Environmental Review

CKL is continually implementing and updating its social and environmental management system. A notable change was achieved when 35 staff (27 men and 8 women) were transitioned to permanent staff of CKL making the total workforce within the company 151 permanent (37 women and 114 men). The collective bargaining agreement was finalised and signed in January 2022 and there are 34 members (7 women and 27 men) in the union. In efforts to improve employee wellness, CKL conducted a culture survey and is using results to continuously implement improvements like mental health mentoring sessions for staff.

The company continues to conduct annual audits on occupational health and safety as well as environmental management within its processing plants. Based on the recommendations of the occupational safety and health audit, the company developed policies on Emergency Procedure Protocol and Supplier Code of Conduct. 53 staff were trained on near miss, incident, hazard identification and prevention. An accident and incident and near miss register is now placed at different departments for reporting, monitoring, and closure of identified hazards.

A total of 99 internal trainings were conducted mainly on Good Manufacturing Practices (GMP) and Good Nursery Practices (GNP) in the period.

Furthermore, the Annual Sustainability Communication Report (2021–22) was submitted to the CKL Board summarizing social and environmental milestones achieved.

Area of improvement as per loan agreement	Status
Complete ESIA for the new production project site at Kiambu Site in line with relevant regulations and Tatu City Limited SEA approved conditions and submissions of draft ESIA report.	✓
Obtain NEMA licence for the new production project site at Kiambu Site.	✓
Implement conditions attached to its NEMA license for the new production project at the Kiambu Site.	✓ Ongoing
At all times, employ qualified personnel responsible for managing safety, health and environment issues as well as quality assurance.	✓ Ongoing
Follow good international industry practice on safety, health and environment, and quality assurance; and submit relevant documentation to the AATIF Compliance Advisor, including committee meeting minutes, audit reports, and capacity building activities.	✓ Ongoing
By no later than the indicated deadlines, address recommendations of the 2016 annual audit reports and each subsequent annual audit report in relation to safety, health and environmental matters.	✓ Ongoing
By no later than 30 June 2018, update the human resources policy in relation to the role of the human resources manager and the grievance mechanisms, include a provision for union membership and collective bargaining, and increase details of employment conditions in either its human resources policy or employment contracts (e.g., through an annex).	✓
Address staff anxiety related to company relocation.	✓
Apply for effluence disposal licence to the sewer line at the Kiambu Site where relevant.	✓
Observe the riparian reserve bordering the Kiambu Site.	✓
Immediately inform the AATIF of any land-related conflicts as soon as the same comes to the Borrower's knowledge, including, without limitation, unauthorised use of or trespass to the Kiambu Site by Maasai or other nomads or unplanned settlements arising on land bordering the Project Land.	Not triggered

Impact Review

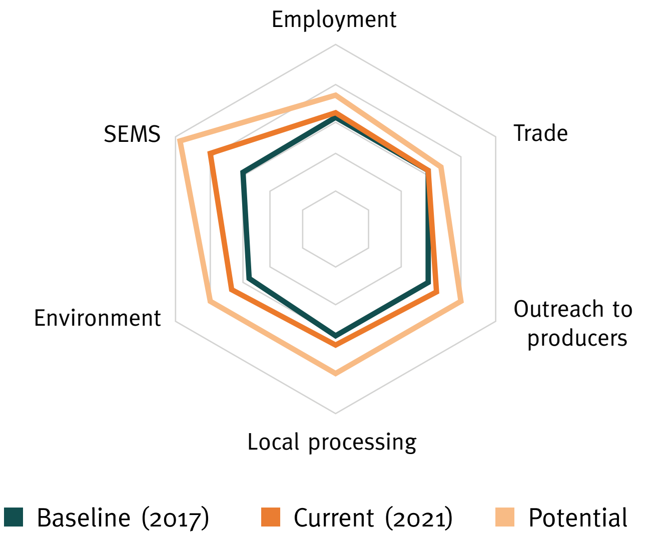
Four years into AATIF financing, CKL has created considerable impact in producer outreach, environmental and SEMS dimensions as illustrated in the graphic below. This impact is now also visible on CKL's dedicated sustainability website which shares details of economic, social, and environmental achievements.

The company is tracking monthly sustainability data on water use, electricity use and waste generated. To understand better the environmental impact and greenhouse gas emitted from its operations, CKL participated in a programme to measure carbon emissions and submitted its carbon assessment report to One Carbon World that issued a carbon neutral certification to CKL. As the company continues its engagement with UN Global Compact, it was awarded a certificate for the UN Global Compact Climate Ambition Accelerator Programme.

CKL has facilitated trainings reaching more than 71,000 smallholder farmers through farmers' expos, farmer field days, trade fairs, the Digicow app and group trainings in three different regions.

There was a reduction in final products processed from 7,435 MT to 6,451 MT caused by rising inflation, increasing fuel prices, high costs of inputs, reduced purchasing power of farmers hence a drop on demand of product in addition.

CKL also started tracking data on achievements of the Eco-care tree planting project. Since inception in 2010, the project nurtured about 1,937,726 tree seedlings and transplanted 1,732,240 tree seedlings with a survival rate of 79 per cent (1,362,622 tree seedlings). In the reporting period, CKL donated and distributed 175,484 tree and fruit seedlings to various institutions across Kenya.



TA measures

To strengthen CKL's coordination of sustainability initiatives and external and internal communication capacity, in 2019 the TA Facility launched a project to co-finance the salary of the newly created permanent position of Group Sustainability Coordination and Communication Manager at CKL Africa Ltd. for three years. As a result, the Group Sustainability Policy was delivered in April 2020, a sustainability menu is now available on the CKL website, and environmental and social issues are addressed at all levels of the organisation.

Furthermore, in November 2020, the TA Facility financed an independent consultant to provide the company with scenario analyses of how the COVID-19 pandemic may operationally and financially impact the company. As a result, CKL was provided with different options of how to cope with the situation during and post-COVID-19.

Additionally, CKL approached the TA Facility to assist in financing the design and development of architectural/engineering plans for two new state-of-the-art production facilities for manufacturing veterinary pharmaceuticals and agricultural pest control products. An expert consultant was contracted in end-2020 and the final designs were delivered in early-2021.

For a rapid appraisal of AATIF's impact on CKL, the final baseline report was approved by the TAFM in September 2020 and an Impact Brief outlining the main findings is available on the AATIF website.

Inside Impact: The CKL Africa Story

"When I wake up in the morning, and I see my cows healthy and happy, I am happy"

"The milk I sell is what runs this household." Leonard, a local dairy farmer from Kenya's Kiambu County, has been taking care of his late father's dairy cows for the past two years, but only recently has he seen the profitable side of being a dairy farmer. With a lack of adequate knowledge on good farming practice, he confesses to struggling initially to take care of the cows. In 2010, he reported averaging around 12 litres of milk per day from his 10 cows.

That was until meeting Mr John Kariuki, a territory manager for CKL Africa, and part of the company's impressive sales network. Mr Kariuki would guide Leonard on the proper products to use, and the best mode of application, over many months. Chief among these supplements would be Maclik Super.

Maclik Super is a proprietary animal supplement used by dairy farmers to provide their cows with crucial minerals to improve milk production. The product is manufactured and distributed over an elaborate supply chain before it makes it to the farmer as the ultimate end user. Before this happens, however, the product starts out as a number of separate minerals sourced from multiple suppliers globally.

The sourced components that form Maclik Super are then shipped to Kenya's seaport in Mombasa, where they are transported inland by the Standard Gauge Railway (SGR) to the country's Internal Container Depot in Nairobi. Here, they are cleared, offloaded, and moved by road to CKL's factory.

In Kenya's Kiambu County, CKL Africa operates a state-of-the-art processing factory that produces animal nutritional products for farmers across Eastern Africa. The plant is the product of the company's strategic partnership with AATIF, whose financing has enabled CKL to increase local production and meet the growing demand for quality supplements in the region. Peter Njuguna – the head of warehousing and logistics management for the company – has worked at CKL for the past 3 years. Peter, together with his team of 46 employees offload the raw materials once they arrive at the plant. CKL's Quality and Regulatory Assurance Department then ensures that all quality processes and controls are observed before the imported elements – along with other locally sourced elements – are combined to form Maclik Super. In total, the factory produces around 550 MT – 600 MT of finished products every month.

After the mixing process, Maclik Super is packaged at the factory into different sized units ready for distribution. Orders are placed by the company's network of distributors nationwide using an innovative mobile app, allowing the dispatch process to be seamless and efficient. It is around this point that Mr Stephen Muriuki – the company's head of sales – comes in.

"My role is to avail the product to the farmer in the shortest time possible," he articulates. Indeed, since 2018, it has been his prerogative to avail the product to each of CKL's distributors – termed as Strategic Business Partners since they exclusively sell CKL products.

CKL distributors operate in various territories countrywide, making sure all of the company's products reach its network of thousands of its stockists. Maclik Super is particularly popular in the Kiambu and Nyeri territories in Kenya, primarily due to the prevalence of dairy farming here in comparison to the rest of the country. Livestock keeping (and sales) is the dominant source of household income in Kiambu, accounting for more than half (55 %) of overall household income.

It is in Kiambu County that Dr Lucy – proprietor of Vam Distributors – runs a tight ship to ensure that all CKL products are ready and accessible to the vast network of stockists she serves. "We operate a number of routes, and we serve quite a number of our stockists on a daily basis." Her team of about 30 staff members work to take orders and load their trucks with the day's expected orders from as early as 7am each day.

Each stockist is supplied to at least once a week, with the busier stockists being supplied to 3 times per week. Once on the stockist's shelves, Maclik Super now becomes available to the farmer. In Kiambu, CKL products are also distributed through cooperative unions – a system whereby farmers can purchase goods such as supplements and household items by exchanging milk from their dairy cattle.

The largest cooperative – Githunguri Dairy Farmers Cooperative Society with an estimated 17,000 farmers – is located here, and it is through this system that Leonard accesses CKL products in exchange for milk.

Today, Leonard has 15 cows, and reports collecting 30–40 litres of milk from his cattle each day. With 'zero-grazing' farming as the most popular method of rearing livestock in Kiambu, Leonard has subsequently expanded his unit to hold more cows, as he anticipates the numbers to keep growing.

With renewed optimism, Leonard now aspires to be a full-time dairy farmer, running his home solely on milk sales. Selling milk as a means to run a household is a commonplace practice in the region, with a study finding that over 8,500 litres of milk per household were sold annually in Kiambu in this respect.

"When I inherited the cows, I was only making a net income of KES 4,000 a month and taking losses. Now, I make around KES

[3] Githunguri Dairy Farmers Co-operative Society, Kenya | Stories

[4] AATIF Rapid Appraisal – Final Baseline Report for CKL Africa

Sterling Bank

On 18th February 2019, AATIF disbursed a USD 15 m facility to Sterling Bank to grow its agricultural lending portfolio. Sterling Bank is a listed Nigerian mid-sized commercial and retail bank originally established in 1960 and licensed in 1969 as Nigeria's first merchant bank. The bank has a network of 185 branches, over 3,000 cash centers, 3,000 employees, and 1.4 million customers. Sterling Bank has set a focus on Healthcare, Education, Agriculture, Renewable Energy and Transportation (the "HEART" sectors), which has led them to review and expand their environmental and social risk sectorial coverage.

Sterling, just to highlight a few, has made progress on the following initiatives in the course of 2021:

Agricultural practice
The Bank is considering providing funding into solar energy cooling solutions, availing solar-powered freezers for storing fish, dairy, and meat products to processers and sellers across the respective value chains, ultimately linking them with off-takers such as fast-food outlets. The technology can also be used to store vaccines in the form of 'cool-boxes'.

Technical Assistance
- The farmers radio station requires many stakeholders to join forces. The set-up costs (USD 5–8 m) and OPEX (5 m) are not small, even though revenues can be generated (16 m projected p. a.). Against a net income of Sterling of USD 14 m, the first year(s) expenses cannot be covered by Sterling alone. Sterling is very likely in contact with other stakeholders albeit Sterling was not willing to share too many details. Sterling has asked for another contribution from the Technical Assistance Facility. Against the background of the potential revenues, Technical assistance will have to be considered carefully. The Technical Assistance Facility Manager will review the case and try to identify support areas with the highest catalytic effect.
- Value chain analysis is under review and Sterling has to decide which section it plans to deepen.

Governance and Corporate Strategy
With regards to the current setup of the company, we understand that the bank considers a restructuring of the entity to amend the existing shareholder/ownership structure. To this end, in December of 2021, Sterling Bank obtained the Central Bank of Nigeria (CBN)'s permission to restructure to a holding company.

Corporate level
Sterling continues to pursue its H.E.A.R.T strategy (health, energy, agriculture, retail, transformation) with innovative solutions that are not common for commercial banks to pursue:

- Market Platforms: Leveraging on the experience with the renewable energy sector having built up a digital market platform, Sterling plans to expands its digital market platform through which agricultural services and solutions are traded. Sterling seeks the platforms to generate trades and infer credit demand from it, which it can then route into its underwriting. Further, the trade platform allows third parties to be added (like Hello Tractor, a company AATIF had looked at in the past for an investment that was ultimately deemed to be too early).

- The headquarter shall become 100% carbon emission neutral in its energy consumption. This is set to be achieved by installing photovoltaic (PV) panels across the building and adding sufficient battery storage capacity. The Bank is expecting the installation to have a lifetime of 25 yrs. while amortization is not yet clear. Extensive energy consumption measurement has been done prior to installation and the decision is based on the Bank's target to continue its pathway to a 100% sustainability-orientated bank. It is assumed to be the first office building on 100% renewable energy in Nigeria, if not in West Africa

Social and Environmental Review

Sterling Bank has a Social and Environmental Management System in place, which builds, among others, on the Nigerian Sustainable Banking Principles and on IFC Performance Standards. By adopting these principles, the bank not only committed to assessing social and environmental risks and impacts of its operations and its clients, but it also regularly reports on such assessments to the Central Bank of Nigeria. In 2021, the bank continued expanding the number and proportion of transactions assessed for S&E risks (reaching 160 transactions).

In 2021, Sterling Bank maintained its network of 11 sustainability champions. In addition, the bank increased the S&E-dedicated team and added an S&E Assessment Analyst and an S&E Operations & Reporting Analyst.

The bank also started working on two projects which will further improve its sustainability management practices. The first one is an assessment of the bank's portfolio exposure to climate-related risks, following TCFD recommendations. The second one is the development of an ESG dashboard, which will allow the bank to monitor and manage sustainability indicators. Both projects are supported by AATIF's TA Facility and will be implemented during 2022 and 2023.

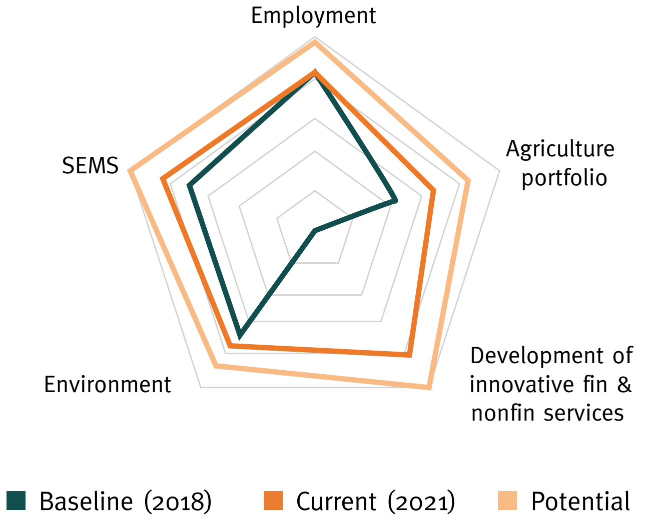
Impact Review

The AATIF investment in Sterling aims at enabling the bank to expand its agricultural portfolio. The bank is gradually achieving this goal, especially supported by the development of innovative services, as illustrated in the graphic below.

As part of its HEART strategy (which sets the bank's priority sectors as Health, Education, Agriculture, Renewable energy and Transportation), Sterling has been increasing its operations in the agricultural sector. The share of the sector in its portfolio increased from 4% to 11% over the last three years and reached approximately USD 150 million in 2021. The roll-out of innovative services developed in previous periods helped the bank achieve this growth. One highlight

Area of improvement as per loan agreement	Status
Improve Social and Environmental Management System, including expansion to address financial institutions as its own category and setting out specific risk management procedures and impact assessments for this category, as well as maintaining a qualified Sustainability Manager to, among other responsibilities, oversee the implementation, upgrading and reporting of the SEMS.	Ongoing
Develop an Social and Environmental Action Plan based on recommendations of the AATIF Social and Environmental Assessment Report.	Ongoing
Develop an internal form for annual social and environmental monitoring to the AATIF, including SEMS, SEMS governance, capacity building, social and environmental portfolio statistics, human resources statistics, and stakeholder involvement including grievance reporting.	✓
Develop a mechanism to identify AATIF Social and Environmental category A transactions among the bank's S&E risk classification and integrate in the sub-loan reporting to AATIF.	✓
Closely communicate with the AATIF Compliance Advisor in overseeing the first transaction involving AATIF financing.	✓
Develop and integrate into the performance appraisal system social and environmental employee performance indicators to measure performance of relevant staff.	✓
Develop and implement a social and environmental capacity building strategy and ensure that all staff have received training on such strategy.	Ongoing

of an innovative service is the Sterling Women And Youth (SWAY-AgFIN) initiative, a special fund open to women and youth interested in agribusiness. The graphic below summarises overall impact achieved to date and shows remaining potential for future impact.



TA measures

In 2021, the TA Facility assisted Sterling Bank to design and develop a plan for the establishment of a nationwide agricultural radio channel to enable smallholder farmers to access key agriculture-related information and increase financial inclusion. The TA measure aimed to evaluate the implementation and achievements of a radio pilot project undertaken by Sterling Bank and assess the requirements for setting up a fully-fledged agricultural radio station. As a result, Sterling Bank is now equipped with a sound assessment and information on which the bank's management can decide on next steps towards the establishment of a nation-wide radio program.

Additionally, in 2021 the TA Facility developed a project to finance a climate risk analysis of Sterling Bank's loan book to better understand the potential impacts of climate change on its loan portfolio and develop solutions to adapt or mitigate potential risks identified, according to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The portfolio assessment report will provide knowledge and recommendations for Sterling to anticipate the vulnerability that climate change poses on the bank's portfolio. This will further inform Sterling's strategy going forward and provide a basis for the bank to pave the way in the transition towards a low-carbon economy. The project is expected to launch in mid-2022.

Agrivision Zambia

The Agrivision transaction is AATIF's first and longest running investment, which was closed on 26 October 2011. AATIF extended a facility of USD 10 m to Agrivision Africa Mauritius, guaranteed by Agrivision Zambia (Chobe). The AATIF investment of USD 10 m allowed Agrivision to develop its Mkushi farm from about 400 ha to 1,686 ha. The farm development also included the installation of irrigation systems. On October 26, 2015, Agrivision Zambia repaid the first tranche of the AATIF loan of USD 3 m, reducing the AATIF exposure to USD 7 m. In October 2016, the loan was extended by an additional 5 years. The first and second tranches of the extended facility of USD 1.4 m were repaid on schedule in October 2017 and 2018, respectively. However, in 2019, the remaining facility (USD 4.2 m) was restructured again and principal repayments were postponed, resuming in October 2021.

Agrivision Zambia is a vertically integrated agribusiness focused on cultivating and processing staple food crops in Zambia. The company operates out of two hubs, namely Mkushi (Central Province) and Somawhe (Copperbelt Province). While the business started off as a pure grower of maize, wheat and soy, vertical integration is continuously pushed to reduce dependence on soft commodity price movements. In 2014 Agrivision acquired Mpongwe Milling, a milling operation situated in Kitwe, 180 km from the Somawhe farm with an annual capacity of 70,000 MT of maize and 26,000 MT of wheat. Mpongwe has the capacity to processes the majority of the produce of both farming hubs as well as maize from smallholder farmers in the region.

2020 was a challenging year for everyone due to the outbreak of the COVID-19 pandemic. Agrivision was in the fortunate position of operating in the essential food service sector and could operate with limited constraints and experienced no infections of the disease during the 2020/21 season. The main impact on the farming operations was on the logistics involved in getting inputs to the farms on time. These were mitigated by good planning and anticipation, ensuring that all inputs were received on time. Soya bean prices declined slightly on the back of reduced global demand, while the rest of the commodities saw little impact to their prices. The mill on the other hand was affected due to a drop in demand for its main product- biscuit flour as a result of school closures and a reduced demand for lunchbox biscuits.

2020 saw a significant devaluation of the Kwacha against the US Dollar – as much as 51.2 % – from USD 1=ZMW 13.9937 to USD 1=ZMW 21.1600. This had a major impact on Mpongwe Milling, whose funding and commodity purchases are denominated in USD, but sells in Kwacha, resulting in a significant exchange impact. Despite the sufficient water for the 2019 winter crop, the 2019/20 rain season did not provide sufficient water for a full winter crop at Mkushi. At Mkushi farms, Agrivision cultivated 1,830 ha of soya, 711 ha of commercial maize, 73 ha of seed maize and 763 ha of wheat. The hectarage of irrigated wheat farmed in Mkushi decreased from a full crop of 1,454 ha in 2019 down to 763 ha (max: 1,700ha). Opportunities to improve the Mkushi water situation are constantly being reviewed, but are very limited at this stage. In contrast, Somawhe had a good maize and wheat yield for the year. At Somawhe farms, Agrivision cultivated 3,153 ha of soya, 951 ha of maize and 2,875 ha of wheat.

Social and Environmental Review

As part of the requirements under FSSC 22000 and Global G.A.P, Agrivision provided significant training to its employees in 2021. In the year, 541 employees were trained on topics including workplace health and safety as well as hygiene. Furthermore, Agrivision is in the preparatory stages of developing a traffic management plant which will help minimise accidents and near misses related to traffic flows within the farm.

On the environmental side, the company successfully completed the tree-planting project started in 2020, as agreed with the Forestry Department. As a result, 15,000 assorted tree seedlings were planted in public spaces. Moreover, the company maintained other environmental initiatives, such as reuse of packaging materials or the sale of damaged bags or other waste to recyclers when possible.

For 2022, the company is in discussions with AATIF's TA Facility to start implementing a soil carbon quantification methodology, which will include:

- measuring the company's carbon footprint,
- designing or adopting emission reduction methodologies that best suit the nature of Agrivision's operations,
- enhanced sustainable/conservation agricultural practices so as to increase below ground carbon stock levels,
- identifying a suitable carbon exchange, and
- deriving tangible value (improved yields and possible sale of offsets)

The company continues to implement social and environmental management measures and has developed a draft Sustainability Policy to ensure that sustainability practices are embedded across the organization. In the reporting period, the company also started to update its human resources management manual which will include procedures for regular HR audits and culture surveys.

Area of improvement as per loan agreement	Status
Apply minimum wage as per Zambia Employment Act to casual workers.	✓
Adjust registration forms for casual workers to ensure no underage workers are hired.	✓
Ensure that rat poison and mosquito spray is stored in a closed storage, indicating that its content is hazardous or in an area marked as hazardous.	✓
Set up and implement a system for managing occupational safety and health, which also includes active worker participation.	✓ Ongoing
Ensure that workers and their families are provided with one insecticide-treated mosquito net per household and that these are regularly insecticide treated. Investigate the correctness of, and if necessary, adjust the mosquito spraying schedules.	✓ (2011–2015) Discontinued as no longer receiving bed nets from government health centre
Ensure that children of families working at the Chobe Agrivision have access to at least primary school.	✓ (2015)

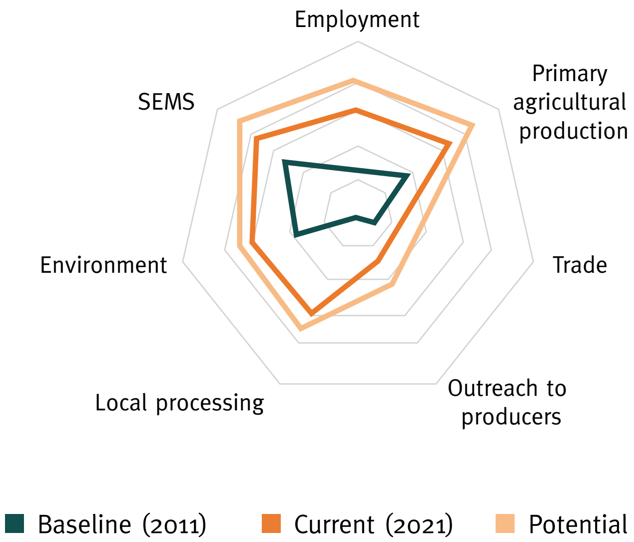
Impact Review

In 2021, Agrivision achieved impact across all seven impact dimensions of AATIF. However, the mill at Mpongwe closed operations on 31 December 2021 leading to termination of contracts with 151 employees. This has resulted in a decline in the employment dimension compared to the previous year. Leading up to the closure of the mill, there was a decline in production capacity and the plant was operating at 27 % capacity.

In efforts to improve water conservation, Agrivision has identified an opportunity for water saving. The company plans to construct a specific dam to capture water losses at the irrigation canal and will use the water for irrigation. The permits for the dam construction have been obtained from the Water Resource Management Agency (WARMA).

For improved energy efficiency, the company is implementing a number of measures across its operations. For instance, wate pumps have been installed with power factor correction systems, modern farming techniques (zero tillage) are employed which reduce fuel consumption, fluorescent tubes are being replaced with energy efficient LED lights and solar water heating is being installed in the staff quarters.

Agrivision continued to implement good agricultural practices in the production of wheat, soyabeans and maize. In 2021, the production of wheat increased from 30,526 MT to 40,605 MT and of soya from 15,402 MT to 19,909 MT. The volume of maize produced reduced from 16,781 MT to 6,446 MT.



TA measures

For assessing AATIF's impact on Agrivision Zambia, an ex-post rapid appraisal report was completed in 2018 and a summary of the results is available on the AATIF website. The continuation of the rapid appraisal is planned for 2023, when end line data will be collected, and a final report compiled.

Mount Meru Millers (Z) limited

On 28th February 2019, AATIF finalized a USD 5 m loan facility agreement for Mount Meru Millers, a leading edible oil producer in Zambia. Mount Meru Millers Zambia belongs to the larger group of Mount Meru companies in Southern and Eastern Africa active in the food processing, logistics, construction and petroleum sectors. The group of companies started as a family business in 1978 in Tanzania and has since expanded operations to twelve African countries. Mount Meru Millers in Zambia produces edible oils and feed cakes as well as several smaller by-products from soya, sunflower, cotton and palm oil. Products are sold in local and regional markets.

Mount Meru Millers increased its seed crushing capacity utilization for oil production from 55 % (2017) to 75 % in 2020, leading to an increased traded volume of edible oils (soy, sunflower, cotton seed) of ~27,000 MT (up from10,400 MT in 2017). The new impact briefs will be available on AATIF's website in Q3 2021.

Mount Meru posted positive results in Q3 2021, benefitting from favourable policy changes from the Zambian government, thus posting their highest ever sales of cooking oil in September.

Similar to AML the company ramped up operational activities as COVID issues subdued in the course of 2021. The company was able to increase the utilization rate of its seed crushing plant from 55 % (in 2017) to 75 %-80 % (2020 – 2021). This led to an increased trading volume of edible oils (soya, sunflower and cotton seed) of roughly 27,000 MT (10,400 MT in 2017). Further, the company invested in a new packaging plant which enables it to offer small packages of edible oil to local clients – especially since consumer income shrunk during the pandemic. This has been a vital product innovation for the market.

The growth is enabled by a strong farmer network continuing to provide the bulk of raw materials. In the past season the company estimates to have reached around 25,000 soya farmers and 20,000 cotton farmers.

The company also managed to benefit from the new government policies allowing export sales. As the soybean price reached USD 13.85 per bushel during the course of the 2021 marketing year, Mt Meru leveraged the opportunity and exported soya oil to India and through that posted its highest sales of cooking oil.

Social and Environmental Review

Mount Meru continued implementing its Social and Environmental Action Plan, addressing gaps identified in the initial AATIF S&E assessment and adding structure to its S&E-related management processes.

Furthermore, the company obtained ISO management certifications for Environment, Occupational Health and Safety (OHS), Quality, and Food Safety which are valid until 2024. Mount Meru set in place processes to implement recommendations of the certifications that are expected to result in significant improvements in OHS management, including reductions in work-related accidents. In addition, the company added two staff to the Environment, Health and Safety team to keep up with the company's growth and to support the processes upgrade through the ISO certifications.

The company has made considerable progress in the implementation of the supplementary resettlement action plan aiming to restore the livelihoods of project affected households in Katuba and Kanchibiya and the company is nearing the closure of the activities in one of the two regions. As part of the action plan, the project affected households in Kanchibiya received their finished houses and are being supported to obtain the title deeds of the land they currently live in.

Mount Meru also supports the communities in neighbouring areas of its premises in Katuba. The company continued its sponsorship of the School Feeding Programme benefitting 6,800 pupils in eight schools. Additionally, the company constructed three classrooms at the Katuba Primary School.

Area of improvement as per loan agreement	Status
Develop an integrated Social and Environmental Management System within 18 months after signing the facility agreement.	In progress
Draft a time-bound action plan that incorporates all recommendations included in the AATIF S&E assessment report.	✓
Formalize its stakeholder engagement in order to improve and maintain good relationships with the nearby communities by drafting a Stakeholder Engagement Plan.	In progress
Implement improvements related to Working Conditions • Adapt HR Manual to the Zambian context • Track employee's overtime to ensure compliance with limits set by the Zambian employment law • Implement measures to improve occupational safety and health throughout the processing plant	In progress ✓ Tracking employees working time ✓ ISO OSH certification
Conduct regular maintenance of the effluent treatment plant and assess the effects of expansion plans with regards to effluent generation and treatment.	Ongoing
Draft and implement a waste management plan and ensure adequate disposal of solid waste generated through the operations.	In progress (draft completed)
Put in place a driver safety program to ensure compliance with traffic rules and reducing risks of accidents.	In progress
Implement the Supplementary Resettlement Action Plan to ensure that project affected people: i) receive additional compensation, in line with applicable national and international standards; ii) have their livelihoods and standards of living improved or at least restored; and iii) make all reasonable efforts to ensure that the project affected people have security of tenure over the land they inhabit.	In progress

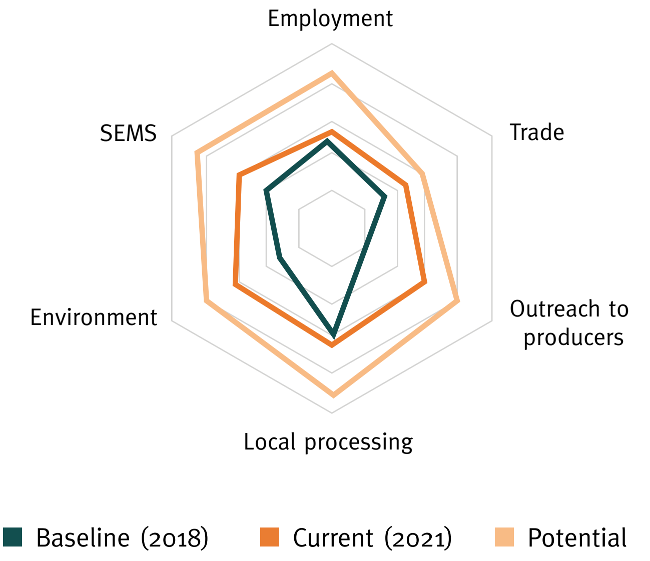
Impact Review

In the third year of AATIF financing, Mount Meru achieved impact across several dimensions as illustrated in the graphic below. The company reached over 27,000 farmers in 2021, purchasing 3,580 MT of sunflower seeds, 4,260 MT of cotton and 54,200 MT of soybeans. While the number of farmers reduced as compared to the year before, it was still higher to before COVID-19 figures. The company reached crushing capacity utilization of 85 % and refining capacity utilization of 90 %. The total production of edible oil increased to 52,770 MT in 2021 compared to 51,000 MT in 2020.

Mount Meru also achieved considerable impact in the environmental dimension. The new boiler reduced energy needs thanks to its better thermal efficiency. Furthermore, the company continues upcycling a considerable number of processing by-products. These include acid oil that is used as raw material for soap production, lecithin that is used as raw material in chocolate manufacturing and ash from the boiler used for cement production.

The company continued its growth trajectory and reached 766 FTE (23 % women) in 2021, more than 40 % above baseline figures in 2018. Through measures adopted for obtaining ISO 45001 certification (on occupational safety and health) the company significantly improved working conditions.

The graphic below summarises overall impact achieved to date and shows remaining potential for future impact.



TA measures

In 2021, the TA Facility contracted an expert consultant to design an implementation plan for a sustainable outgrower extension scheme that will assist the company to increase their sourcing from smallholder farmers. The project was completed in late 2021 and the TA Facility Manager is developing a follow-up TA measure to support the company to implement the outgrower extension scheme.

Next to this, the TA Facility is planning to assist Mount Meru with developing and adapted margarine formula. Mount Meru is interested in recycling its crude oil residues from its oil refinery into margarine formulation, thus actively seeking to reduce production waste and increase production cycle value.

Since a Resettlement and Livelihood Restoration Audit (in line with National and IFC Performance Standards) was conducted with assistance of the TA Facility in early 2018, a consultant is continuously assisting Mount Meru to implement recommended activities for addressing the gaps identified during the Audit. At the same time "Project Affected People" (PAP) receives support to meet formal obligations for claiming their rights. The consultant commenced its work in October 2018 with a field visit to the two resettled communities. The project continues with assisting both Mount Meru and the PAPs to find viable solutions to the outstanding resettlements issues (such as acquiring arable land for PAPs, constructing houses for relocated PAPs, and other forms of compensation).

For a rapid appraisal of AATIF's impact on Mount Meru, the baseline data collection took place in September 2020 and the final baseline Report was delivered in 2021. An Impact Brief outlining the main findings is available on the AATIF website.

African Milling Limited

AATIF is now closing in on four successful seasons with African Milling Limited ("AML"), having initially financed the company in 2019 as the Fund's first collateral management facility with the mission of addressing a critical funding gap in the market.

The facility provided by AATIF is a combination of USD 1m working capital and USD 10m in the form of the collateral management facility. The facility enables AML to purchase maize and wheat for its milling operations in Lusaka.

2021 was a very engaging year for AML as Zambia and the company recovered from the COVID-induced downturn, with the company expanding its vertical integration, exploring online sales and continuing to strengthen export activities.

Early in the year, AML embarked on setting up its own bakery in an effort to further integrate vertically and diversify its product base. Despite a few delays caused by the pandemic, a small bakery pilot commenced operations in June 2021 and by Q3 the company was consistently producing 45 to 50 bags of bread daily – about 4,000–5,000 loaves per day. Given the positive uptake from the market, the company is envisioning further expanding the bakery activity in the short-term.

Towards Q3 of 2021 the company further launched its first online sales. Through a local partnership with online store Tigmoo Eats, African Milling was able to take its sales onto a digital platform, subsequently becoming more accessible in new areas where existing distribution networks are not reaching. While this remains to be a small portion of their sales, it is a first step to diversification. Overall, the company has on average managed to sell 208,000 bags of mealie meal per month, estimating to reach over 104,000 households which roughly translates to 624,000 consumers per month who benefit from a basic food product produced by AML.

Lastly with the new government regime promoting export activities, AML has been able to grow export sales. During 2021 the company exported around 22% of its sales volume – going exclusively to DRC where AML is developing a brand name and clients are now directly ordering their products.

Social and Environmental Review

In 2021, AML paused expanding its S&E team due to challenges finding appropriate candidates and to health-related staff unavailability caused by the continued COVID-19 pandemic. The company reacted and engaged a local consultant to provide support on compliance issues. In March 2022, AML successfully hired an S&E officer. Subsequently, the company updated its Social and Environmental Action Plan and prioritized tasks. For 2022, AML is now better positioned to continue the trajectory of improvement of earlier years. Focus will be strengthening its occupational health and safety management practices as well as S&E compliance of suppliers.

Area of improvement as per loan agreement	Status
Review and integrate recommendations made in the Social and Environmental Audit Report and AATIF Social and Environmental Assessment Report, for the existing facilities and expansion plan, into the Social and Environmental Action Plan.	✓
Recruit a social and environmental coordinator within 3 months of facility disbursement.	✓
Develop a social and environmental management system within 18 months of facility disbursement. Thereafter maintain and regularly upgrade SEMS, including sufficient allocation of resources.	In progress
Implement and regularly update the Social and Environmental Action Plan.	Ongoing
Introduce training on social and environmental risk and impact management.	In progress
Undertake social and environmental audits of all activities likely to have adverse social and environmental impacts.	Ongoing
Develop and implement, together with workers and their representatives, an occupational safety and health policy, procedures and management system, that includes but is not limited to, periodic assessments and audits of occupational safety and health issues at the workplace, detailed accident reporting and investigation, training for employees on occupational safety and health issues (e.g., first aid, fire prevention, housekeeping), regular fire drills, and personal protective equipment.	Ongoing
Introduce measures to control air and greenhouse emissions, such as controlling, measuring, monitoring dust and particulate matter, proper maintenance of generators to ensure efficiency.	Ongoing

TA measures

In early 2020, the TA Facility financed a market study of maize flour product differentiation for AML. The study informed AML management on viable options to diversify its product range and provided associated marketing strategies, which would additionally enable AML to make full use of its maize mill all year round. As a result of the study, the consultant delivered a market study and branding strategy for fortified maize products. AML moved forward with the consultant's recommendations and undertook a trial launch of the new product in 2021.

In 2021, the TA Facility supported AML to design a sustainable sourcing strategy to enable the company to increase its purchase from smallholders while ensuring that the purchased maize is produced in a sustainable manner. The TA Facility Manager is in discussion with AML on how to implement parts of the sourcing strategy and how TA support could assist the company in expanding its distribution network to target bottom of the pyramid consumers.

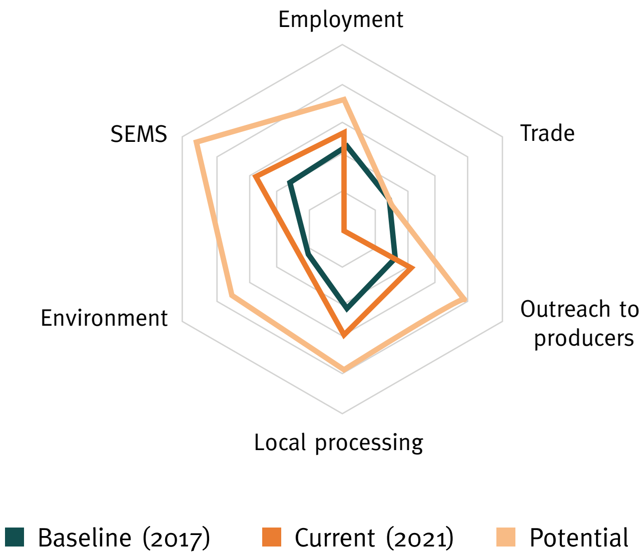
For a rapid appraisal of AATIF's impact on AML, the baseline data collection took place in September 2020 and the final baseline Report was delivered in late 2021. An Impact Brief outlining the main findings is available on the AATIF website.

Impact Review

Three years into AATIF financing, AML realises impacts across several dimensions, most notably in local processing, employment and SEMS, as illustrated in the graphic below. With the new maize mill commissioned at the end of 2019, AML tripled its maize processing capacity and reached processing volumes of 88,000 MT for maize and 30,000 MT for wheat in 2021. AML has also expanded its value addition beyond flour and the respective by-products and has set-up a baking unit. The bakery produces bread and buns for the local market and distributes them to local retailers across the country, directly to retail chains or through a network of vans to other shops.

The company increased its permanent workforce by 37 % since AATIF's investment, to 181 workers. While AML's activities have resulted in less environmental improvements so far, positive impact is now more likely as the company has engaged a consultant to support on compliance issues (as mentioned above) and has updated the S&E action plan.

Finally, AML hired a new S&E team member who is expected to contribute to implementing the updated S&E Action Plan and further improving the company's Social and Environmental Management System.



BancABC

On December 24, 2018, AATIF signed a senior loan agreement with BancABC. The facility, secured with a guarantee from BancABC's parent Atlas Mara Limited, is replacing the prior risk sharing agreement signed in December 2013. In 2019 the Board of Atlas Mara Limited ("AML") commenced a review of strategic options. This included a review of each banking operation, and potentially partnering in or exiting markets. As part of this review the Company evaluated indications of interest from several potential partners and transaction counterparties. In parallel, the Company was also engaged in a strategic fundraising initiative targeting both debt and equity.

As the year 2020 progressed, neither the strategic transaction nor the strategic fundraising and repositioning of the balance sheet moved forward under the COVID-19 circumstances. The Board made the difficult decision to under- take a formal restructuring of the Group's holding company debt.

Company's management has been in active dialogue with the creditors to agree to a standstill on their claims against BancABC Holdings Ltd. as well as Atlas Mara, the guarantor of AATIF's claims against BancABC Holdings Ltd. The standstill had been extended several times by the creditors that initially agreed to the standstill, along with the progress creditors made in their negotiations for a restructuring of the financial obligations of the group of companies. In July 2021, the company announced it had agreed with certain creditors, representing 88% of claims against the group of companies, to have a standstill based upon a Support and Override Agreement ("SOA") and the company is trying to convince the remaining hold-out creditors to either sign the SOA or to agree to a settlement agreement in order to avoid court litigation.

AATIF as a holdout creditor (together with Norsad) is expecting a favorable outcome from these discussions and good recoveries over a 2–3 years-time window.

Social and Environmental Review

No material update due to the challenging situation resulting from the group restructuring. However, the bank continues to implement its existing SEMS, which benefited from continued support from AATIF throughout the years.

Area of improvement as per loan agreement	Status
BancABC to commit to sustainable development of its activities on a higher organizational level, i.e. in its vision or mission statement and clearly outline its commitment in strategic planning documents.	✓
BancABC to develop an action plan that clearly outlines the milestones and timeline for the implementation of a group-wide SEMS.	✓
BancABC to develop a group-wide Environmental and Social Policy. Such Policy needs to: • contain objectives of why the bank is engaging in environmental and social management, • outline the standards with which projects have to comply, • clarify responsibilities for policy implementation, and • propose an environmental and social training strategy for staff.	✓
BancABC to elaborate the project classification that it uses to: • cover social along environmental impacts, • review the eligibility criteria and SEMS requirements in its project classification, and • adjust the tool based on staff feedback in order to make it respond to staff needs.	✓
BancABC to develop an S&E capacity building strategy and have trained all relevant staff.	✓ Ongoing
BancABC to closely communicate with the AATIF Compliance Advisor in overseeing the first three investments involving AATIF financing.	✓
BancABC not to extend AATIF funds to projects that are not assessed through BancABC's SEMS. Before on-lending AATIF funds to SMEs or within the microfinance sector, consult with the AATIF Compliance Advisor to extend the bank's SEMS to cover these business segments.	Ongoing
By no later than 31 March 2019, develop an impact reporting template and successfully test the effectiveness of such reporting template;	✓ (partially)
Develop Social and Environmental employee performance indicators and integrate into the bank's performance appraisal system which will facilitate measuring the social and environmental performance of relevant employees	In progress
Maintain at all times, an effective and reliable procedure for receiving, recording and addressing and providing feedback on project-related grievances from external stakeholders	In progress

Impact Review
While restructuring, BancABC has been able to offer much needed financial services across its remaining country operations. The AATIF engaged with the Zimbabwe country operations and initiated a rapid appraisal process to document impact achieved.

TA measures
The TA Facility has supported BancABC with several TA projects in recent years. In 2019, the TA Facility launched a project to assist BancABC to establish an agri-finance "centre of excellence", specifically to elaborate an implementation plan (including, for example, value chain analyses, capacity development measures etc.) for future implementation by BancABC.

Wienco

Wienco (Ghana) Ltd ("Wienco") was established in 1979. It is an importer and distributer of agro-chemicals in Ghana, mainly for use in cocoa, cotton and maize production.

In October 2013, AATIF disbursed USD 6 m and EUR 9 m senior loans to Wienco. AATIF's financial support has enabled Wienco to expand the scope of its smallholder operations.

Wienco Social and Environmental Review

Wienco (now RMG Commodities Ltd), prepared and submitted its Annual Social and Environmental Report 2021 and continues to implement and update the company's Social and Environmental Action Plan.

The company continues to support its outgrower scheme through its subsidiary Agricultural Labour Services Agency Limited (ALSA). Farmers enrolled in 2021 benefited from access to agricultural inputs on credit. Support provided included crop protection products, fertilizers, seeds, irrigation solutions and support for extension. The farmers were also provided with a market for maize.

Area of improvement as per loan agreement	Status
Wienco to consolidate the existing Action Plans into one plan, add items reasonably requested by the Lender, update the status quo and propose a new timeline towards achieving milestones.	✓ Ongoing (Integrated into annual S&E reporting)
Wienco to ensure that any contract with staff contracted by the Cotton Outgrower Scheme Wienco Cotton from third parties or employed directly by the Cotton Out-Grower Scheme Wienco Cotton complies with Ghanaian laws and provide evidence that such staff is employed lawfully.	✓
Wienco shall, no later than after 18 months, develop and implement a social and environmental management system (including sufficient staffing and staff training) that allows the company to access and manage the social and environmental risks related to its operations.	✓ Company-wide guidelines on farmer contracts pending approval
Among others, action items (for WIENCO and/or affiliates) shall address transformation of staff handbook into a human resources policy, ensuring anonymity of grievance mechanism, "no child labour" commitment and measures, occupational safety and health policy, waste handling policy, biodiversity policy. In addition, set up company-wide guidelines on elements that farmer contracts need to cover and ensure that these guidelines are implemented and support affiliates to engage in innovative risk sharing arrangements that go beyond group liability. All affiliates shall require farmers to provide information about their birthday/age in the group contracts and provide proof thereof by copy of ID card etc.	✓ All the Group subsidiaries and the linked associations received the Group OSH Guidelines (and translated into French, for the francophone subsidiaries).

Impact Review
During the period of AATIF financing, Wienco has undergone several deep organizational changes with also reflected on the company's impact achievements.

As of Dec 2021, the different Wienco/RMG entities employed 104 people, of whom 16 are women.

Through its subsidiary Agricultural Labour Services Agency Limited (ALSA), the company engaged a total of 844 maize farmers (777 men and 67 women) in 2021 who planted a total of 2,400 hectares. The number decreased from the previous 7,506 farmers due to challenges in climatic patterns, poor farming practices, difficulties in procurement of fertilizer due to global shortage and price increments rendering the input package too costly for farmers. To enhance capacity on health and safety, extension officers who in turn train and guide farmers, were trained on the safe use of agrochemicals. Further, eight (8) employees participated in a fire drill training provided by external trainers. In the period, Wienco traded 8,425 MT of yellow and white maize and 69.6 MT of soyabean. In addition to maize, RMG Cotton Ghana registered more than 2,600 cotton farmers (2,436 men and 182 women) who planted close to 2,000 hectares and procured 891 MT of seed cotton to the company.

TA measures
Through the TA Facility, AATIF has conducted an in-depth impact evaluation on its investment in Wienco. The summary of the results of the baseline studies are available on the AATIF website.

Cape Concentrate

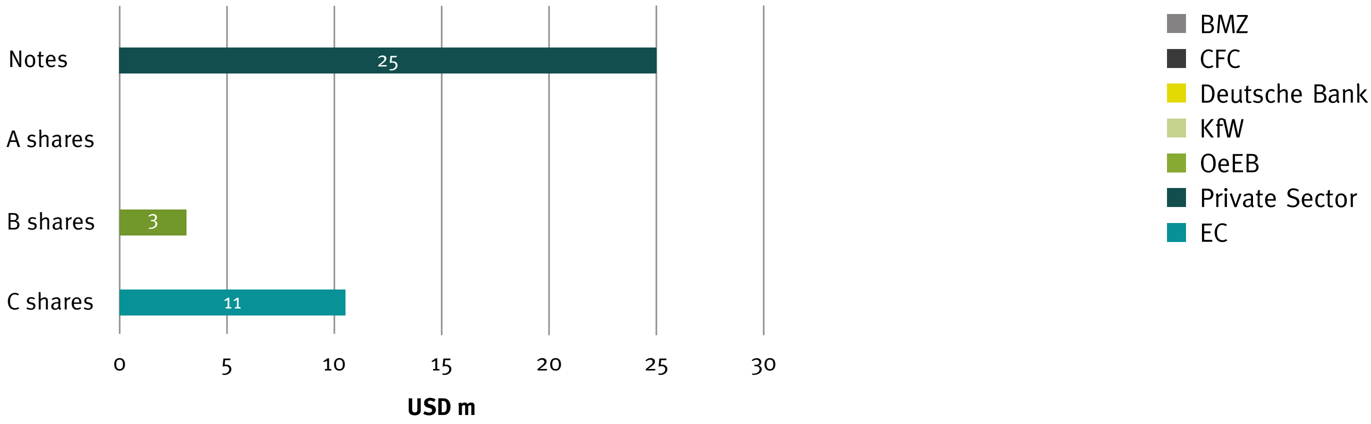
In the annual report 2016/2017, we reported on the stop of operations at the tomato plant, as no sufficient tomato supply could be secured. As no reasonable perspective for a restart of operations in the company could be identified, the company was put into liquidation on 12 January 2016. Subsequently, the tomato plant was sold to Famous Brands and AATIF has received USD 1.5 m from the liquidation proceeds. The plant had been used to produce tomato paste on a limited scale by Famous Brands, but the latest press releases indicate that Famous Brands has stopped their operations at the plant due to ongoing losses. AATIF still works on recovering parts of the outstanding amount.

Activities Report: Funding

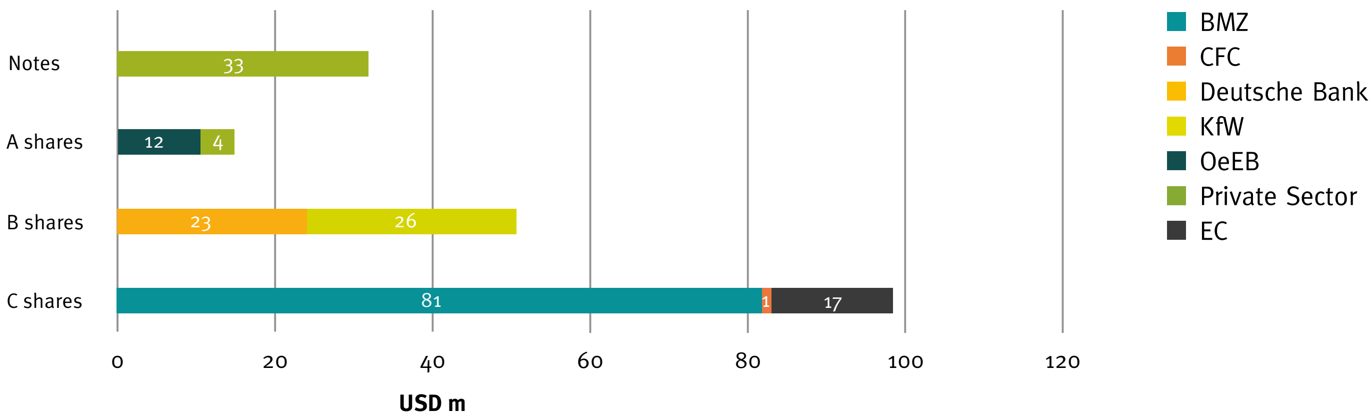
AATIF Funding Sources

Funding overview: During the financial year 2021/22 AATIF received a C-Shares commitment of USD equivalent of EUR 9.5 m EUR from the German Ministry for Economic Cooperation and Development (BMZ) to increase its footprint in Cameroon. AATIF repaid on schedule the B-Shares from OeeB and extended the B-Shares of both, KfW and DWS for another 5 years.

Undrawn Commitments



NAV as of 31/03/2022



Financial Statements

Financial Statements

Statement of financial position

USD	Notes	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Gross loans to Partner Institutions at amortised cost	3, 15	80.663.673	100.152.718
Loan loss allowance	3, 15	(23.686.476)	(29.603.465)
Loans to Partner Institutions at amortised cost	3, 15	56.977.197	70.549.253
Financial assets at fair value through profit or loss	4	160.217	9.820
Other receivables and prepayments	11,1	690.161	–
Current assets			
Gross loans to Partner Institutions at amortised cost	3, 15	42.110.498	36.000.000
Loan loss allowance	3, 15	(22.185.741)	(10.028.287)
Loans to Partner Institutions at amortised cost	3, 15	19.924.757	25.971.713
Loans to Partner Institutions at fair value through profit and loss	3, 15	–	–
Interest accruals on loans	3, 15	612.770	521.317
Other receivables and prepayments	11,1	666.446	2.241.142
Other assets	8	12.275.226	–
Cash at bank	7	107.905.409	126.295.172
Total assets		**199.212.183**	**225.588.417**
LIABILITIES			
Current liabilities			
Accrued expenses	11,2	1.507.672	3.190.255
Other payable	11,3	413.246	108.683
Distribution to holders of redeemable ordinary shares payable	13, 14	–	1.362.738
Notes	5	27.861.218	–
Class A Shares – Tranche 1	12	2.868.960	–
Class A Shares – Tranche 3	12	–	2.000.000
Class B Shares – Tranche 3	12	–	25.858.000
Class B Shares – Tranche 2	12	–	22.718.366
Class B Shares – Tranche 3	12	–	12.376.238
Total liabilities excluding net assets attributable to shareholders		**32.651.096**	**67.614.280**
Non-current liabilities			
Accrued expenses	11,2	515.357	–

USD	Notes	31 March 2022	31 March 2021
Financial liabilities at fair value through profit or loss	4	–	1.129.227
Notes	5	5.523.634	35.031.990
Class A Shares – Tranche 1	12	–	2.868.960
Class A Shares – Tranche 4	12	12.376.240	12.376.240
Class A Shares – Tranche 6	12	797.232	797.232
Class B Shares – Tranche 1	12	25.858.000	–
Class B Shares – Tranche 2	12	22.718.366	–
Net assets attributable to holders of redeemable shareholders		**67.788.829**	**52.203.649**
Total liabilities		**100.439.925**	**119.817.929**
EQUITY			
Class C Shares – Tranche 1			
Share capital	12	75.021.434	75.021.434
Profit/(loss) for the year	12	(359.247)	(1.085.560)
Retained earnings	12	(47.239.059)	(46.153.499)
Class C Shares – Tranche 2			
Share capital	12	1.980.198	1.980.198
Profit/(loss) for the year	12	(10.173)	(31.061)
Retained earnings	12	(1.160.844)	(1.129.783)
Class C Shares – Tranche 3			
Share capital	12	999.999	999.999
Profit/(loss) for the year	12	(7.252)	(19.034)
Retained earnings	12	(513.464)	(494.430)
Class C Shares – Tranche 4			
Share capital	12	23.529.000	23.529.000
Profit/(loss) for the year	12	(1.134.713)	(767.579)
Retained earnings	12	-5.534.149	(4.766.570)
Class C Shares – Tranche 5			
Share capital	12	60.959.135	60.959.135
Profit/(loss) for the year	12	(5.486.845)	(2.271.762)
Retained earnings	12	(2.271.762)	–
Total equity		**98.772.258**	**105.770.488**
Total liabilities and equity		**199.212.183**	**225.588.417**

Statement of profit or loss an other comprehensive income

USD	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
INCOME			
Interest income on loans	10,1	4.355.255	6.035.421
Upfront management fees and success fees on loans	10,3	154.370	136.772
Unrealised gain on foreign exchange	2.3.5.2	2.049.840	4.232.223
Unrealised gain on financial assets/liabilities at fair value through profit or loss	4	1.279.625	–
Realised gain on foreign exchange		–	1.203.972
Other income	10,2	896.717	1.181.800
Total income		**8.735.807**	**12.790.188**
EXPENSE			
Direct operating expenses	9,1	(1.972.180)	(1.858.841)
Investment advisory fees	9,2	(1.293.068)	(1.635.520)
Unrealised loss on foreign exchange	2.3.5.2	(2.966.019)	(2.526.165)
Unrealised loss on financial asset/liabilities at fair value through profit or loss	4	–	(1.531.237)
Unrealised loss on other assets	8	(3.314)	–
Realised loss on foreign exchange		(942.687)	–
Realised loss on financial asset/liabilities at fair value through profit or loss		(227.277)	(267.750)
Net change in loan loss allowance	3, 15	(5.685.388)	(5.286.040)
Other expenses	9.8	(1.698.346)	(1.553.620)
Total expense		**(14.788.279)**	**(14.659.173)**
Operating gain / (loss)		**(6.052.472)**	**(1.868.985)**
Finance costs (excluding change in net assets attributable to shareholders)			
Interest expense on Notes*	9.6, 9.9	(945.758)	(943.273)
Distribution to holders of redeemable ordinary shares	14	–	(1.362.738)
Gain / (Loss) for the year		**(6.998.230)**	**(4.174.996)**
Other comprehensive income		–	–
Total comprehensive income for the year		**(6.998.230)**	**(4.174.996)**

* Interest expense on Notes have been reclassified from the expense section to the finance cost section in the statement of comprehensive income with no impact on the Fund's financial position or performance.

Statement of changes in net assets attributable to holders of redeemable ordinary shares

USD	Net assets
As at 31 March 2020	**78.995.036**
Issue of redeemable shares (Class A)	–
Redemption of redeemable shares (Class A)	–
Issue of redeemable shares (Class B)	–
Redemption of redeemable shares (Class B)	–
Increase in net assets attributable to shareholders from transactions in shares	**–**
Change in net assets attributable to shareholders from operations	–
As at 31 March 2021	**78.995.036**
Issue of redeemable shares (Class A)	–
Redemption of redeemable shares (Class A)	(2.000.000)
Issue of redeemable shares (Class B)	–
Redemption of redeemable shares (Class B)	(12.376.238)
Decrease in net assets attributable to shareholders from transactions in shares	**(14.376.238)**
Change in net assets attributable to shareholders from operations	–
As at 31 March 2022	**64.618.798**

Statement of changes in equity

USD	Total net assets	Share capital	Retained earnings	Comprehensive income for the year
As at 31 March 2020	**37.284.349**	**89.828.631**	**(33.630.365)**	**(18.913.917)**
Increase/(Decrease) in equity attributable to share capital	72.661.135	72.661.135	–	–
Increase/(Decrease) in equity attributable to retained earnings	–	–	(18.913.917)	18.913.917
Increase/(Decrease) in equity attributable to comprehensive income	(4.174.996)	–	–	(4.174.996)
As at 31 March 2021	**105.770.488**	**162.489.766**	**(52.544.282)**	**(4.174.996)**
Increase/(Decrease) in equity attributable to share capital	–	–	–	–
Increase/(Decrease) in equity attributable to retained earnings	–	–	(4.174.996)	4.174.996
Increase/(Decrease) in equity attributable to comprehensive income	(6.998.230)	–	–	(6.998.230)
As at 31 March 2022	**98.772.258**	**162.489.766**	**(56.719.278)**	**(6.998.230)**

Supplementary information

USD	31 March 2021	31 Mach 2020	31 March 2019
Net asset value per share (USD)*			
Class A Shares – Tranche 1 (redeemable shares)	40,000.00	40,000.00	40,000.00
Class A Shares – Tranche 3 (redeemable shares)	40.000,00	40.000,00	40.000,00
Class A Shares – Tranche 4 (redeemable shares)	40.000,00	40.000,00	40.000,00
Class A Shares – Tranche 6 (redeemable shares)	40.000,00	40.000,00	40.000,00
Class B Shares – Tranche 1 (redeemable shares)	20.000,00	20.000,00	20.000,00
Class B Shares – Tranche 2 (redeemable shares)	20.000,00	20.000,00	20.000,00
Class B Shares – Tranche 3 (redeemable shares)	20.000,00	20.000,00	20.000,00
Class C Shares – Tranche 1 (non-redeemable shares)	3.580,26	3.720,15	5.501,48
Class C Shares – Tranche 2 (non-redeemable shares)	4.137,74	4.294,60	6.504,70
Class C Shares – Tranche 3 (non-redeemable shares)	4.661,69	4.844,07	7.530,81
Class C Shares – Tranche 4 (non-redeemable shares)[19]	5.710,63	5.969,76	9.667,22
Class C Shares – Tranche 5 (non-redeemable shares)	9.627,33	–	–
Number of shares			
Class A Shares – Tranche 1 (redeemable shares)	71,7240	71,7240	71,7240
Class A Shares – Tranche 3 (redeemable shares)	50,0000	50,0000	309,4060
Class A Shares – Tranche 4 (redeemable shares)	309,4060	309,4060	247,5000
Class A Shares – Tranche 6 (redeemable shares)	19,9308	19,9308	19,9308
Class B Shares – Tranche 1 (redeemable shares)	1.292,9000	1.292,9000	1.292,9000
Class B Shares – Tranche 2 (redeemable shares)	1.135,9183	1.135,9183	1.135,9183
Class B Shares – Tranche 3 (redeemable shares)	618,8119	618,8119	618,8119
Class C Shares – Tranche 1 (non-redeemable shares)	7.759,8804	7.759,8804	7.759,8804
Class C Shares – Tranche 2 (non-redeemable shares)	198,0198	198,0198	198,0198
Class C Shares – Tranche 3 (non-redeemable shares)	104,3687	104,3687	104,3687
Class C Shares – Tranche 4 (non-redeemable shares)[19]	3.151,1165	1.182,7000	1.182,7000
Class C Shares – Tranche 5 (non-redeemable shares)	6.095,9135	–	–

Statement of cash flow

USD	Notes	For the year ended 31 March 21	For the year ended 31 March 20
Loss for the year		(6.998.230)	(4.174.996)
Adjustments for non cash items			
Non cash items related to unrealised foreign exchange*		808.302	(499.324)
Loan loss allowance		5.685.388	5.286.040
Interest income		(4.130.393)	(5.937.542)
Upfront management fees on loans to be amortised		152.153	(99.717)
Operating profit after adjustements for non cash items		**(4.482.780)**	**(5.425.539)**
Net changes in operating assets and liabilities			
Net decrease / (increase) in other receivables and prepayments		1.062.375	(967.432)
Net (decrease) / increase in accrued expenses and accounts payable	11.2, 11.3	(862.663)	1.386.099
Cash paid on loans to Partner Institutions granted	3, 15	(27.943.848)	(6.589.846)
Cash received on loans to Partner Institutions matured/restructured	3, 15	38.759.300	36.080.556
Net cash flow used in operating activities		**11.015.164**	**29.909.377**
Cash flow from investing activities			
Cash paid on other assets investment		(12.275.226)	–
Interests received	3	4.263.802	7.275.488
Net cash flow from investing activities		**(8.011.424)**	**7.275.488**
Cash flow from financing activities			
Notes issued	5	–	–
Payments from redemption of Class A Shares	12	(2.000.000)	–
Payments from redemption of Class B Shares	12	(12.376.238)	–
Proceeds from issue of Class C Shares	12	–	72.661.135
Payments for distributions	13, 14	(1.362.738)	(937.623)
Net cash flow provided by financing activities		**(15.738.976)**	**71.723.512**
Net (decrease) / increase in cash and cash equivalents		(17.218.016)	103.482.838
Cash and cash equivalents at beginning of the year	7	**126.295.172**	**22.487.833**
Foreign exchange (gains)/losses		(1.171.747)	324.501
Cash and cash equivalents at end of year	7	**107.905.409**	**126.295.172**

* includes the unrealised variation on swaps.

Contact Information

www.aatif.lu
info@aatif.lu

Imprint

Publisher:
Africa Agriculture and Trade Investment Fund
31 Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg

Partners and Key Investors

Funded by:

Sustainability Advisor:

TA Facility Manager:

Disclaimer

The Fund is a public limited liability company (société anonyme) qualifying as an investment company with variable capital – specialised investment fund (société d'investissement à capital variable – fonds d'investissement specialise) established under the laws of the Grand Duchy of Luxembourg and in particular the law of 13 February 2007 relating to specialised investment funds (as amended), having its registered office at 31 Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Trade and Companies (Registre de Commerce et des Sociétés) under number B 162.831. The Fund is reserved to certain Eligible Investors as defined in the issue document dated January 2022 (the "Issue Document").

The information given in this report constitutes neither an offer nor a product recommendation; it is provided for individual information purposes only. This report is neither an issue document as specified by law nor the management report. The Issue Document is obtainable at the registered office of the Fund. Please request the Issue Document and read it carefully and seek advice from your legal and/or tax advisor before investing.

The distribution of the Issue Document and the offering of the Fund's shares may be restricted in certain jurisdictions. Neither the Issue Document nor this report constitutes an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Issue Document or this report and of any person wishing to apply for the Fund's shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions. Distribution of the Issue Document or this report by an unauthorised person is forbidden and shall be solely at its own risk. Investors should inform themselves and should take appropriate advice as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, domicile or other eligible laws and which might be relevant to the subscription, purchase, holding, redemption or disposal of the Shares of the Fund.

The Shares of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended from time to time (the "1933 Act") or the securities laws of any of the states of the United States, for offer or sale, directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act as part of their distribution and the Fund has not been and will not be registered under the United States Investment Company Act of 1940.