



AATIF Investment Updates

Chobe Agrivision Company



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

Project Description

In October 2011, AATIF made an investment of USD 10mn into the Zambian maize, wheat and soya bean farming operation Chobe Agrivision. AATIF's investment will support the operations of Chobe Agrivision by increasing its operational capacities and thus enable it to contribute to regional food security. On October 26 2015, Chobe Agrivision repaid a first Tranche of the AATIF loan of 3 m USD reducing the AATIF exposure to 7 m USD.

Recent Developments

Project: Based on the successful cooperation over the past five years and the alignment of Agrivision's business model and AATIF's mission, AATIF seeks to continue financing Agrivision going forward. In Q4 the AATIF IC therefore granted an extension of the remaining USD 7 m loan to Agrivision for further five years.

S&E: The Compliance Advisor continued monitoring land-related community matters near the Chobe farm in Mkushi.

TA: To mitigate increasingly observed alcohol abuse amongst farm workers, the TA Facility Manager and Compliance Advisor developed a project to capacitate Chobe farm management to implement and manage long term corrective measures that will create awareness and trigger social actions through the farm worker community. For that purpose, the TA Facility contracted a team of local expert consultants who developed and introduced an action plan and measures against alcohol abuse, in a joint effort with the farm management and the community. This assignment was terminated in September 2016.

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



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

Project Description

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

Recent Developments

Project: GADCO finalised by the end of October the first full season. The nucleus farm has been approved as supplier of KFC and from January onwards, GADCO will supply the restaurants.

S&E: GADCO increased the number of smallholder farmers participating in its outreach programme from 512 in 2015 to 628 in 2016. Furthermore, the programme has acquired a management tool to collect data on the farmers and provide real-time information to the programme in order to improve its operations.

TA: No ongoing activities.

Balmed Holdings Ltd. ("Balmed")



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

Project Description

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

Recent Developments

Project: Due to the Ebola outbreak and Balmed's subsequent operational challenges, AATIF decided to waive the payments due under the facility agreement until there is more clarity around Balmed's future. Balmed seeks donor funding in order to recapitalize itself and fully restart operations. Based on this, the loan to Balmed continued to show up as investment under the AATIF portfolio though it has been fully written off.

S&E: No ongoing activities.

TA: No ongoing activities.



Wienco (Ghana) Ltd.



Country:	Ghana
Type of investment:	intermediary input supplier
Outstanding AATIF investment:	EUR 11mn and USD 6mn
Financial close:	October 2013
Maturity:	3 years + extension until 2017

Project Description

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

Recent Developments

Project: The initial AATIF loan to Wienco had been given for a three year term with the option of extension thereafter. The request from Wienco to extend the loan had been negotiated and approved by the IC in Q4, therewith extending the loan until 2017. AATIF funding will continue to finance the smallholder activities of Wienco in the cocoa, maize and cotton sector.

S&E: No ongoing activities.

TA: The Wienco investment has been selected to undergo a comprehensive impact evaluation. After the data collection for the Wienco cocoa outgrower scheme took place in September 2016, the same exercise is due to take place in late Q/1 2017 for Wienco’s maize outgrower scheme. A consolidated baseline report is expected to be available in April 2017.

In December 2016, a new TA Measure was approved that will assess the feasibility of the introduction of “climate smart” credit tools to be used by Wienco to encourage outgrower farmers to apply sustainable agronomic practices with adapted incentive systems linked to the provision of input credit.

Cape Concentrate Ltd.



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

Project Description

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

Recent Developments

Project: Following the company’s failure to source a level of tomato supply which would have allowed the company to reasonably operate during the upcoming season the company was put in provisional liquidation in January and then in final liquidation in March 2016. During the third quarter of this year the plant for the production of tomato paste was sold to Famous Brands. Famous Brands is a JSE listed South African company and Africa’s largest branded food service franchisor. It intends continuing the tomato paste production and sourcing tomato supply from local farmers, thereby creating employment in an economically distressed area. The liquidators are currently setting up a liquidation and distribution account to be able to effect payments to creditors.

S&E: No ongoing activities.

TA: No ongoing activities.

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



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

Project Description

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

Recent Developments

Project: PTA Bank has changed its brand name to “Trade & Development Bank”.

S&E: The Compliance Advisor continued backstopping the rapid appraisal of a PTA sub loan (See below).

TA: Out of the PTA sub loan portfolio, financed through AATIF, the Tanganda Tea Company in Zimbabwe has been selected for a rapid impact appraisal to contribute to the AATIF impact indicator measurement. Respective baseline data was collected by an external consultant in Zimbabwe in April 2016. Key findings of the resulting baseline study are that the investment has the potential to secure outgrower income and jobs in an extremely challenging macroeconomic environment. Production and productivity have the potential to increase. End line data to assess impact against collected baseline data and assumptions will be collected after full repayment of the loan in 2018.

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



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

Project Description

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

Recent Developments

Project: Following a bank run by depositors of Chase Bank, on 07 April 2016, the Central Bank of Kenya (CBK) placed Chase Bank under receivership. The Kenya Deposit Insurance Corporation (KDIC) currently acts as receiver for Chase Bank. KDIC appointed KCB Bank Kenya Ltd (KCB) as manager to ensure operational continuity of Chase Bank. After Chase Bank has stabilized its operations KCB is no longer involved in its day-to-day management. AATIF is collaborating closely with other senior lenders to Chase Bank and local authorities in Kenya to protect the interests of AATIF’s stakeholders.

S&E: Due to the bank’s current situation, planned S&E improvement activities are on hold. Nevertheless, Chase Bank confirmed the continued use of the SEMS to assess loan applications when the bank resumed lending.

TA: Due to the bank’s current situation, all scheduled TA Facility activities have been put on hold.

BancABC



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

Project Description

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

Recent Developments

Project: No news in Q4 2016.

S&E: In Q4 2016, BancABC, with support from a consultant, conducted a training of trainers as well as 5 in-country trainings across all country operations on the updated social and environmental management system and related tools. A total of 73 BancABC staff completed the different training sessions.

TA: A TA Facility financed consultant successfully assisted BancABC to upgrade its social and environmental monitoring structure into a fully fledged social and environmental management system and to develop a S&E training strategy.

In December 2016 a follow-up TA Measure was approved that will provide formal training and on the job coaching to Banc ABC's newly appointed S+E Manager.

Export Trading Group ("ETG")



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

Project Description

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

Recent Developments

Project: No material news.

S&E: ETG has continued working in its social and environmental capacity building strategy.

TA: The TA Facility Manager is in a dialogue with ETG on possible TA Measures.

Guaranty Trust Bank ("GTB")



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

Project Description

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

Nigeria's primary agricultural sector is heavily supported through state interventions in form of guarantee and subsidy schemes – historically all targeting to deliver towards the Agricultural Transformation Agenda (ATA 2011–2016). Starting in 2010/2011 Nigerian government, after years of neglect, began to reform the agricultural sector – with somewhat limited effect as Nigeria still imports around USD 3 to 5bn worth of food annually. Wastage levels remain high in production areas, reducing supply of feedstock to processing factories and requiring to keep importing supplies. The net effect is limited job growth across the whole agricultural value chain from input production to market systems, and continued use of limited foreign currency earning to import vast quantities of food. Agriculture is viewed as a business that can provide a reasonable basis for further wealth and job growth in Nigeria. With that in mind, the policy and strategic focus is now on how to build on the initial progress made, and transition Nigeria to a new plane in terms of agribusiness performance. That will be the focus of the proposed new policy regime, the Agriculture Transformation Agenda 2016–2020. That new policy's primary focus will be on closing the demand – supply gaps between crop and livestock production. Gap closing will also include tackling related input, financing, storage, transport and market access issues present in key value chains. One of the foremost goals is to make Nigeria self-sufficient in a number of priority crops/agricultural sub-sectors as livestock, dairy, rice and sugar production to significantly reduce the current import volume of more than USD 3–5bn annually.

Following the spirit of public policy that sustainable food production is a national priority which will not happen without profit oriented investments, GT Bank set itself the strategy to serve those sectors that are downstream from primary farming, i.e. inter alia food processing, logistics and distribution or packaging. With a malfunctioning infrastructure across the country, opportunities to lend to ventures with a proven business case are limited while the processing sector is growing and requires coverage by banks to provide loans and generally banking services in order to continue its development.

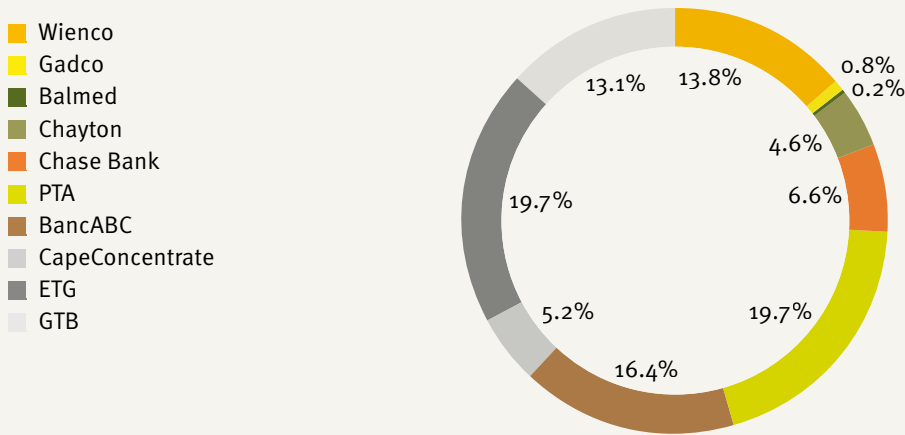
Recent Developments

Project: In December 2016, AATIF disbursed the USD 20 m loan as part of a USD 55 m syndicated loan arranged for by DEG.

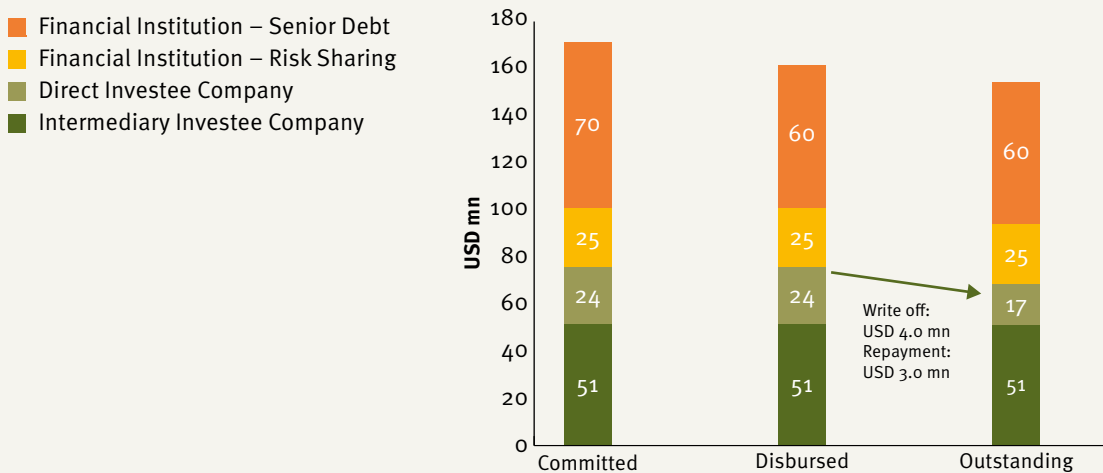
S&E: Part of the loan documentation is the requirement of the bank to adhere to an action plan which had been developed with the support of the IFC. GT Bank already has a set of policies deemed to be of high standard while the S&E management system has only been put into operations recently.

TA: Currently no TA projects in discussion.

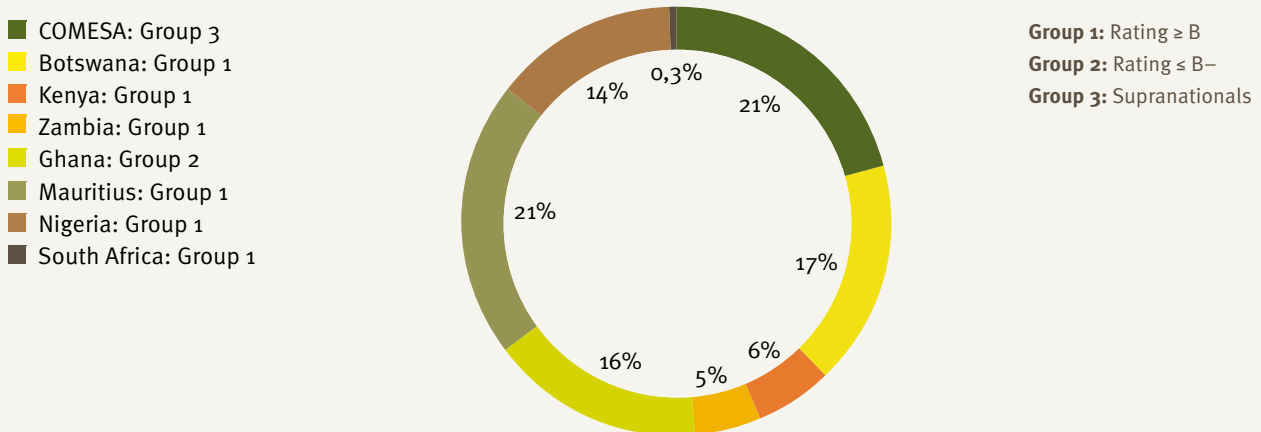
Portfolio Composition by Partner Institution (Outstanding)



Portfolio Composition by type of Partner Institution

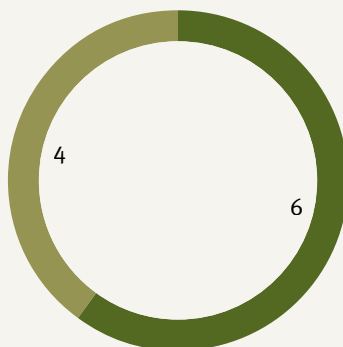


Portfolio Composition by Country Groups (Outstanding)



Portfolio Composition by LDC and Sub-Saharan Countries

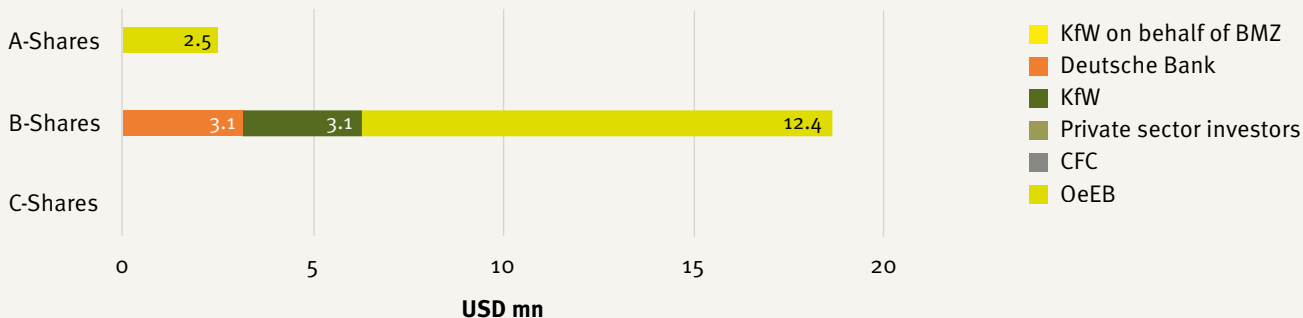
- Sub-Sahara
- Sub-Sahara/LDC*



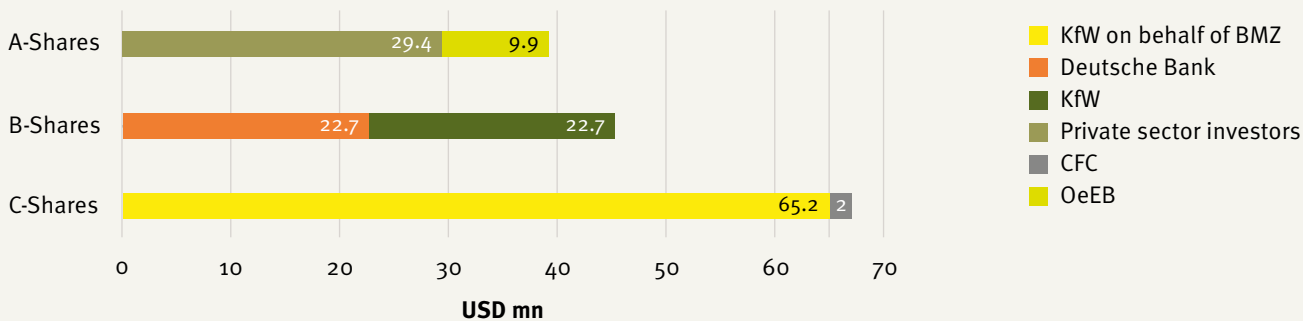
* 2 direct investments (Zambia, Sierra Leone), 2 investments onlending in LDC (PTA & BancABC)

LDC: Least Developed Countries

Undrawn commitments



NAV as at 31/12/2016



Partners and Key Investors



Implemented by:



Disclaimer

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

Imprint

Africa Agriculture and Trade Investment Fund

31 Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg
www.aatif.lu
info@aatif.lu