AATIF INVESTOR REPORTING

Report for the quarter ending 31/03/2019

Update from the Board of Directors

The World Bank forecasts a GDP growth rate of 3.4 percent in sub-Saharan Africa for 2019. This is up from 2018 and represents a modest recovery from a downturn that began in 2015. Growth in the region will remain uneven. The larger, commodity - driven economies are expected to continue being confronted with macro-economic challenges. In most of these economies the average purchase power has not risen in line with previous predictions and hence socio-economic issues will continue to put pressure on local societies and governments.

At the same time bright spots remain with growth forecasts above 6% in smaller, non-commodity driven markets like Cote d'Ivoire, Ghana, Tanzania, Senegal or Uganda. Given the huge demand for investments in food producing sector we continue to see a huge demand for investments. This is also reflected in the significant pipeline of investment opportunities that match the mission of AATIF to combine a financial return with projects and companies that contribute to its five impact dimensions.

Developments of the Fund

On 11 March, the Fund hosted its annual Stakeholder meeting in Brussels. Next to existing shareholders and investors, the Fund welcomed interested stakeholders and market participants to an open and lively exchange on the market and AATIF's activities throughout the previous years. The Board was pleased of having had the chance to encourage an open and transparent dialogue around the needs, challenges and tangible opportunities in the African market.

On the investment side, the Fund disbursed in Q1 2019 USD 39.6m into three new investments that had already been approved in the previous quarter. With these new investments, the Fund could continue to increase its diversification, both regionally as well as by value chain. Two new investments were made with financial institutions: Banque NSIA, a West African banking group covering mainly the Francophone West African countries as well as SterlingBank, a Nigerian SME focused lender and one of the very few Nigerian banks that have put the agricultural sector into the focus of its activities. While the latter investment is expected to serve the Nigerian market exclusively, the loan to Banque NSIA is expected to finance the agricultural sector in Cote d'Ivoire, Benin, Guinea Conakry, Senegal as well as Togo.

The third investment finances the expansion of a Zambian edible oil mill which increases the diversification of the investment by value chain of investees in Zambia.

New Investment Activities

Next to the disbursed investments, the Investment Committee approved two new transactions in an amount of USD 37m within Q1 2019. The balance of transactions in due diligence stage by end of March 2019 stood at USD 69m spread over 8 opportunities. The Investment Manager expects to report a closing of the two approved transactions in Q2 subject to the completion of the legal documentation and satisfaction of conditions precedents to begin the disbursement of loans to the new partner institutions.

Investment Portfolio

During Q4, performing investments have shown a stable performance. Valuations have not changed materially aside from IFRS 9 driven and quantitatively derived provisions.

On the repayment side the Investment Manager reports expected performance also on those transactions that are in amortising mode.

Capital Raising Activities

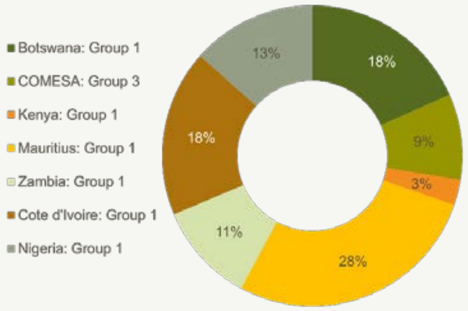
Subsequent to the capital increase by the European Commission and responding to the need for more capital from pipeline which continues to develop positively, the placement agent began raising more senior ranking capital in form of Notes. The Investment Manager currently expects to be able to offer the Fund additional capital at the end of Q2 2019.

Investment Portfolio Restrictions

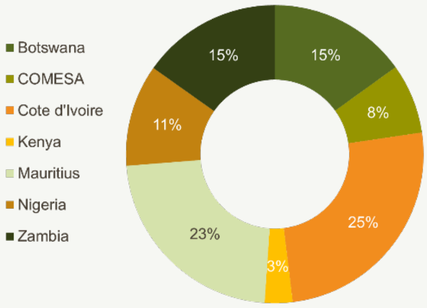
Along with the growth in the portfolio and the amortisation of existing transactions, the number of breaches of the Investment Portfolio Restrictions as documented in Issue Document section 4.2.7 could be reduced to one. Further details can be found in the section "Portfolio Risk Summary"

Portfolio Overview as at 31/03/2019

Country & Rating Category: Net Balance



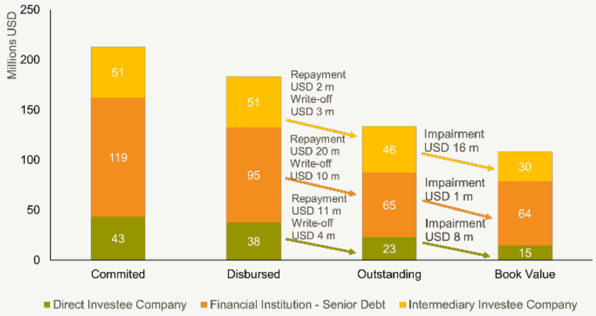
Country: Net Balance + Open Commitments



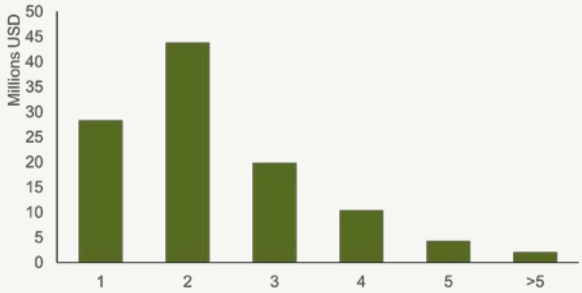
Group 1 and 2 allocation is performed based on a review of the country risks across the continent on a regular basis.
Group 3 applies to Supranationals.

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

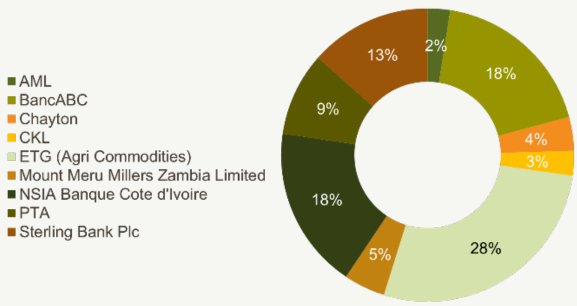
Type of Partner Institution*



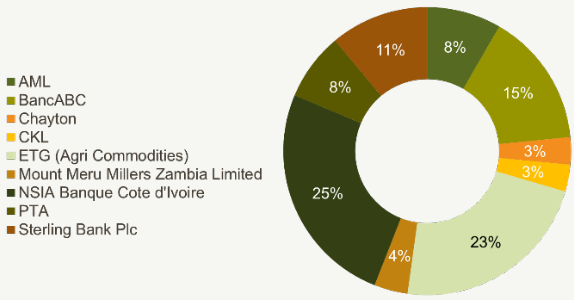
Maturities of the Portfolio (in years)



Partner Institution: Net Balance Exposure

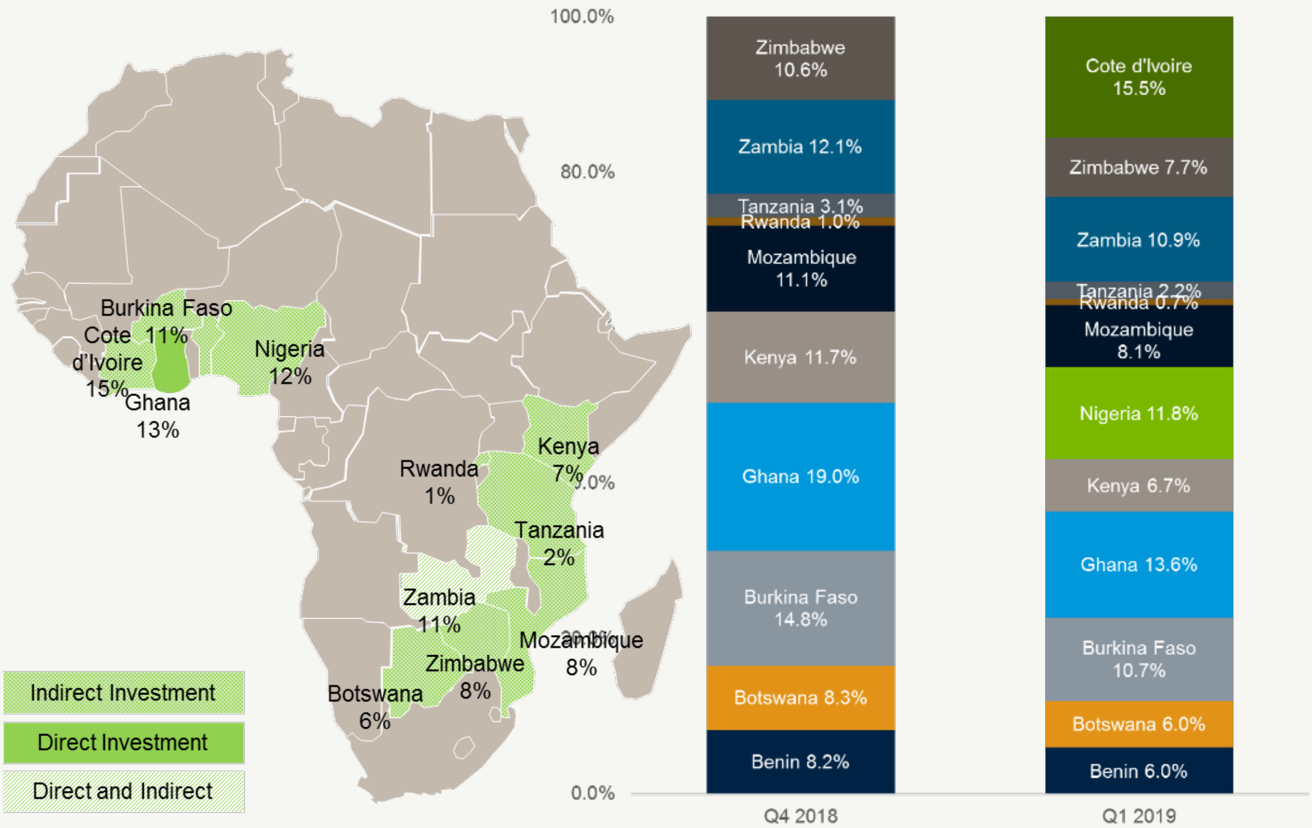


Partner Institution: Net Balance + Unused Commitment



Regional Use of Funding (Data as of different dates)

Funding from AATIF is generally used by investees across the region of their activities. ETG as a trading company, for example, reports the use of funding from AATIF in accordance with its trading activities which constantly change. While loan documentation limits the regional use of funds to the African continent, the single country allocation changes over time. The methodology used by the IM to allocate the funding into the respective countries is explained below.



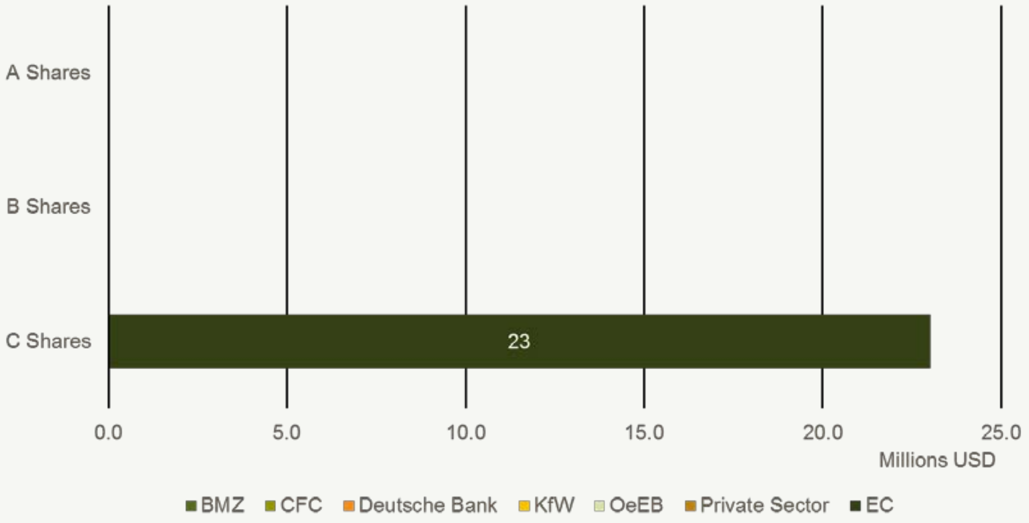
Data as of 31 March 2019

The "Use of Funding Allocation" applies the following methodology:

1. The net loan balance (after redemptions, provisions or write downs) is being used;
2. For direct investment companies (DICs), the country allocation is determined by the purpose of the loan;
3. For intermediary investment companies (IICs) and financial institutions (FIs), the country allocation is determined applying the distribution of the reported reference portfolio of loans to borrowers that are part of an agricultural value chain to the net value of AATIF's investment.

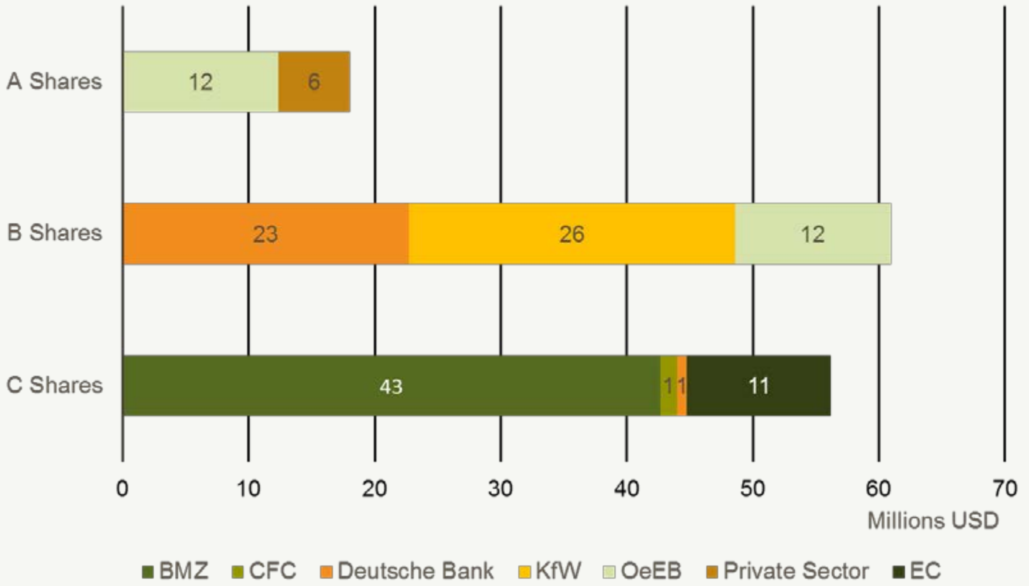
Investor Capital Structure as at 31/03/2019

Undrawn Commitments



Total amount of undrawn capital: USD 23m

Net Asset Value (NAV) of Outstanding Shares



NAV of the Fund includes cash and other value elements

Detailed Investment Overview

Chobe Agrivision Company

Country (use of funds):	Zambia
Type of investment:	Wheat, maize and soy farm
Use of Proceeds:	Irrigation equipment, land and ancillary equipment
Financial close:	October 2011
Tenor:	5 years + extended by additional 5 years
Type of Investment:	CAPEX Financing
S&E Category	B

Project Description

In October 2011, AATIF made an investment of USD 10m into the Zambian maize, wheat and soya bean farming operation - Chobe Agrivision. AATIF's investment supports the operations of Chobe Agrivision Mkushi farms by increasing its capacity thus enabling it to contribute to regional food security. Key indicators that are being worked towards are:

- Increase in agricultural production and productivity levels
- Generation of additional employment opportunities
- Improvement in living and working conditions

Also note the impact brief.

Recent Developments

Project Update: As of February 2019 Mkushi planted 13.5ha of seed maize, 155ha of commercial maize, 100ha of sorghum and 2,308ha of soya beans. 18 ha sugar beans was planted as a trial, with 15ha of paprika. Mkushi received good rains with some heavy rains in the beginning of the rainy season that caused some soil erosion. The rains filled the dam well and the expectation is a full wheat crop of 1,700ha of wheat. Somawhe planted 3,936ha of soya beans and 218ha of commercial maize. Good rains was received as well and the dam has filled to capacity. The summer crop harvesting will start during the middle of March 2019.

Social & Environmental Oversight: Following an information request from AATIF shareholders on working conditions at the Agrivision farms, the Compliance Advisor reviewed payroll information and confirmed that it is in line with the wage scale agreed through the collective agreement between employers and workers of the farming sector.

Technical Assistance: A Rapid Appraisal Report for the first loan term is available (2018). The TA Facility Manager has contracted the Kenyan consultancy company Research Support Services (RSS) to cover the extended Agrivision loan tenure for which a (new) end line data collection is expected to commence in 2021.

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

Country:	Ghana
Type of investment:	Rice farm and mill
Use of Proceeds	Land, rice mill, tractors and equipment
Financial close:	June 2012
Tenor:	6 years
Type of Investment:	CAPEX Financing
S&E Category	B

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. Together with other co-lenders, AATIF accepted debt restructuring reducing the indebtedness of the company and allowing it a new start with a new management team. The farm consists of a nucleus which is surrounded by land used by smallholders to grow rice. Traditionally, rice production within Ghana suffered from the stigma of being considered low quality. Hence rice for retail use is imported. Since the take-over by the new management, GADCO developed its several brands under which rice from the nucleus farm and the community farmers is being sold in the local market. The benefit of the local mill being equipped with up-to-date equipment allowed the company to achieve off-take agreements subject to international quality standards. The local smallholder farmers have taken advantage of such agreements, to the benefit of all.

Rice Mill

Copa Connect Farmers

Recent Developments

Project Update: GADCO has cleared and developed over 1,100 hectares to dedicate to the cultivation of rice. The operations are currently employing 67 staff of which, 10 are senior staff, 38 are local farmers permanently contracted, 10 are on casual basis according to seasonal targets and 9 support staff for the rice mill and farm operations. In 2019, GADCO is planning to dedicate 800 hectares of land for the cultivation of White Rice and Rice Seed split in two seasonal targets to better allocate the risk factors on production and meet targets. GADCO continues to support smallholder farmers through programmes such as Copa Connect program, which provide input packages that enable them to improve their average domestic income and provide motivation to continue farming.

Social & Environmental Oversight: In Q1, the company prepared and submitted its Annual Environmental Report, including an Environmental Management Plan for the following years (2019-2021), to the Environmental Protection Agency in Ghana.

Technical Assistance: The TA Facility continues to subsidise the salary of an experienced Farm Workshop Manager. RMG reports that the Farm Workshop Manager has a positive impact on reducing downtime and repair costs on farm machinery. In addition, other workshop staff is being trained on work safety and specific technical issues. Two trainees with vocational engineering training have been hired and are now being trained as potential successors. An ex-post Rapid Appraisal impact assessment of GADCO is currently being finalised by the consultant (RSS) and is expected to be available in Q2 2019.

Wienco (Ghana) Ltd.

Country:	Ghana
Type of investment:	Intermediary input supplier
Financial close:	October 2013
Tenor:	3 years + extensions until 2019
Type of Investment:	Balance Sheet
S&E Category	B

Project Description

In October 2013, AATIF disbursed a senior, secured 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 Update: COCOBOD has initiated moves to drastically reduce the exportation of Ghana's cocoa beans to the international market in its raw state. The agency wants a minimum of 50% of the cocoa beans to be processed locally by 2022. Currently, cocoa is the leading agricultural export for Ghana, generating approximately USD 2 billion in foreign exchange but there is a potential to generate even more foreign exchange if cocoa could be processed locally. Ghana is presently processing only 20% of its cocoa beans and exporting 80% of the raw beans to the international markets. COCOBOD's moves, if successful, would boast local value addition, employment creation and secure market for local small holder farmers.

Social & Environmental Oversight: Wienco submitted its Annual Social and Environmental Report to AATIF in March 2019. According to the report, there have been positive developments, such as increased interest in cotton farming, new partnerships to provide land preparation services to farmers and training on good agricultural practices and climate change adaptation for cocoa farmers.

Technical Assistance: As part of an extended in-depth Impact Evaluation of this AATIF investment, data collection for the cocoa out-grower scheme mid-term evaluation was completed by end 2018, and is currently ongoing for maize. Final Baseline Studies for maize and cacao are available.

Trade & Development Bank (“TDB”, formerly known as PTA Bank)

Country:	Supranational
Type of investment:	financial institution
Financial close:	September 2012
Tenor:	7 years
Type of Investment:	Balance Sheet
S&E Category	FI

Project Description

In September 2012, AATIF and TDB Bank signed a USD 30m facility agreement. TDB 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 Update: The focus of the bank is underlined by its Q1 2019 initiatives. On March 14 2019, TDB together with the International Development Finance Club (IDFC) convened leading Development Finance Institutions (DFIs), and private banks to lead discussions on aligning financial flows to the Paris Agreement and mobilizing long-term sustainable financing in Africa at the One Planet Summit in Nairobi. The bank also reaffirmed the need to support the “Made in Africa” field to fashion initiative, by creating an African value chain to boost intra-African trade. One of its most recent engagements has been partnering with the Pan-African Fashion Initiative, a project launched by the African Union in collaboration with the AfroChampions Initiative. The launch event took place in Addis Ababa in February, alongside the Department of Trade and Industry, the African Development Bank, Africa50, Afreximbank, Organisation Internationale de la Francophonie, OCP and Ceramica Cleopatra Group.

Social & Environmental Oversight: No material news.

Technical Assistance: The Rapid Appraisal Baseline Study for the TD Bank sub-loan to the Tanganda Tea Company is available (2016). The ex-post rapid appraisal is currently under preparation. The consultants (KIT Royal Tropical Institute) are currently preparing for the mission to take place in Q2 2019.

BancABC Holdings Ltd.

Country:	East Africa (Mozambique, Tanzania, Zambia, Zimbabwe & Botswana)
Type of investment:	Financial Institution
Financial close:	December 2018
Tenor:	4 years
Type of Investment:	Balance Sheet
S&E Category	FI

Project Description

In December 2018, AATIF executed a USD 20m senior loan agreement with ABCH Holdings ("BancABC"), a financial institution holding company based in Botswana with subsidiaries operating out of Zimbabwe, Zambia, Mozambique, Botswana and Tanzania. In 2014 BancABC was acquired by Atlas Mara, a company listed on the London stock exchange with banking subsidiaries in seven countries including the BancABC banks. The AATIF facility will enable BancABC increase its exposure to transactions along the entire agricultural value chain.

Recent Developments

Project Update: The new loan facility, secured by a guarantee from BancABC' s parent Atlas Mara Limited, is replacing the prior risk sharing agreement signed in December 2013. AATIF continues its partnership with BancABC based on BancABC's strengthened agricultural activities and constructive collaboration on upgrading the Banks SEMS under the new ownership of Atlas Mara. Increasing agricultural finance is one of Atlas Mara's strategic pillars and the company has increased its efforts in Zimbabwe as the country offers significant potential in terms of agri-lending demand. BancABC has built a solid agri-team in Zimbabwe, which acts as source of expertise and support for the entire BancABC group. The head of the agricultural lending activity, with more than 27 years of experience in agri-lending across Southern and Eastern Africa, has led the agricultural efforts since Dec 2017. To further grow its agricultural footprint BancABC intends to leverage on existing relationships but also enter into new partnerships to increase its exposure to the agricultural sector.

Social & Environmental Oversight: The Compliance Advisor reviewed the results of the social and environmental coaching and capacity-building activities for BancABC' s Sustainability Specialist financed by the AATIF TA Facility (see below). BancABC continued implementing its S&E Action Plan, which, among others, foresees developing a grievance mechanism in 2019.

Technical Assistance: The expert consultant, who supported BancABC to build the social and environmental capacity of the Sustainability Specialist, presented the final report in Q1 2019. Within the scope of this TA measure, the Sustainability Specialist reviewed credit applications, conducted social and environmental audits and engaged with clients to explain S&E risk management, in collaboration with the consultant. In addition, three S&E workshops were conducted in Zimbabwe, Zambia and Rwanda (with 58 participants in total).

The TA Facility Manager is currently preparing a project to finance a consultant for the elaboration of a TA program to support BancABC in its effort to establish a "Centre of Excellence" for their agri-lending in their Zimbabwe country branch, which will serve as learning hub for all BancABC country branches. This project will be submitted to the TA Facility Committee for approval in Q2 2019.

Export Trading Group ("ETG")

Country:	Pan Africa
Type of investment:	Intermediary
Financial close:	November 2015
Tenor:	5 years
Type of Investment:	Balance Sheet
S&E Category	B

Project Description

In November 2015, AATIF entered into a USD 30m facility agreement with Export Trading Group ("ETG"), a Pan-African integrated trading and processing company specializing 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 Update: ETG started in February to provide fertiliser to farmers in Kenya. ETG shall subsequently act as a maize off-taker to them.

Social & Environmental Oversight: ETG has drafted and submitted to AATIF a Sustainability Capacity Building Strategy in order to develop the required competencies in-house to manage social and environmental risks, including those in the supply chain. The first training activity will happen in May 2019.

Technical Assistance: The baseline data collection for the Rapid Appraisal of the AATIF investment took place in Q4 2018 in Malawi. The consultant (RSS) has submitted a first draft of the Baseline Report in early February 2019, which has been reviewed by the CA and the TA Facility Manager. The final Baseline Report is expected to be available in Q2 2019.

Coopers-K Brands Kenya Ltd. "CKL")

Country:	Kenya
Type of investment:	Direct Investment Company
Purpose:	CAPEX financing for local production
Financial close:	January 2018
Tenor:	7 years
Type of Investment:	CAPEX Financing
S&E Category	B

Project Description

In January 2018, AATIF concluded a USD 4m facility to enable Coopers-K Brands Kenya Ltd ("CKL") finance a new plant for minerals and nutritional supplements for livestock, thereby increasing local value addition.

CKL is a leading animal health and agricultural inputs company in Eastern Africa, and is the franchise distributor of the 'Coopers' range of products. CKL has delivered high quality products and solutions for livestock farming in Kenya since 1906 and recently ventured into crop protection products to expand its product offering to farmers as well as capture more value from the markets it already serves. The goal of the company is to contribute to the transformation of the agricultural sector in Africa by developing and delivering innovative and affordable animal health and crop protection products within easy reach of every farmer in the markets where it has operations.

The key markets for CKL are Kenya, Uganda, Rwanda, Burundi and Tanzania with the company exploring to expand into other markets such as Ethiopia. Within Kenya, CKL has developed a sub-distributor model that ensures its products get to the end users i.e. farmers. This is done through a network of 13 Strategic Business Partners (regional distributors) who then wholesale the products to over 6,000 stockists that deliver products to farmers on a daily basis. The investment is AATIF's first investment into animal health and veterinary products hence diversifying the existing portfolio and expanding the fund's profile with a company active in importation, production and distribution of the said products into the East African region. AATIF considers the investment in CKL a strategic partnership in enabling the objective of the fund in fostering local value addition, increasing farmers' productivity and incomes which further contributes to reduction in poverty.

Recent Developments

Project Update: CKL's new plant was expected to be commissioned during the first quarter of 2019 but there has been delays leading to new timelines with the commissioning now expected by June 2019 (end of Q2 2019). This was mainly due to extended period of rainfall during commencement of construction, excessive ground water, and poor co-ordination between the main contractor and the structuring engineering firm as well as delays in steel supply. The IM visited the new factory site on 18 March 2019 to assess progress and was able to verify that the structuring work was complete, with installation of production equipment from Buhler almost completed hence rendering the new target date for commissioning feasible. CKL in the meantime estimates a faster ramp up on the utilization of the new plant than expected going by the growth rate in sales of the nutritional product category, which shall be produced in the new factory once commissioned.

Social & Environmental Oversight: CKL conducted a social and environmental audit of their operations at the end of 2018 to comply with legal requirements and submitted the audit report to AATIF in Q1 2019. In general, CKL is adequately managing social and environmental aspects in its operations. Nevertheless, the report also identifies some opportunities for improvement with regard to waste and effluent management as well as tracking resource use (e.g. water, electricity). In order to better coordinate sustainability and S&E efforts, the company decided to establish a new position of Group Sustainability Coordination and Communication Officer.

Technical Assistance: The baseline data collection for the Rapid Appraisal of the AATIF investment took place in Q4 2018 in Kenya. The consultant (RSS) submitted a first draft of the Baseline Report in early February 2019, which was reviewed by the CA and the TA Facility Manager. The final Baseline Report is expected to be available early Q2 2019.

For the April 2019 meeting of the TA Facility Committee, the TA Facility Manager will submit a proposal to co-finance the salary of the newly created position of Group Sustainability Coordination and Communication Officer for the first three years.

In March 2019, the TA Facility Manager met with the CKL management to further discuss a number of potential TA interventions. These ideas include an application platform for (i) product distribution and credit sales, and (ii) the provision of artificial insemination expertise for cow on-demand. CKL additionally highlighted the need for a soil analysis study.

African Milling Company

Country:	Zambia
Type of investment:	Direct Investment Company
Purpose:	Working capital financing for local production
Financial close:	August 2018
Tenor:	1,5 years
Type of Investment:	Collateral Based Financing Working Capital
S&E Category	B

Project Description

In August 2018, AATIF concluded an USD 11m debt facility for African Milling Limited ("AML") in Zambia to enable the company to purchase maize and wheat for its milling operations in Lusaka. The senior debt facility includes a Working Capital ("WC") Facility of USD 1m and a Collateral Management Agreement ("CMA") Facility of USD 10m.

This innovative financing structure enabled AML to meet its working capital needs and free some of its capital to finance completion of its CAPEX programme, which was stopped as the company had to divert its earnings to finance working capital in the past financial period. The investment will have notable developmental impact as AML purchases maize largely from smallholder farmers in Zambia. The transaction provides liquidity when needed by the mill to buy maize from farmers. It further reduces dependency on trading companies that are buying maize and wheat when prices are low and target to sell the inputs to the mills when prices go up. As both, maize and wheat are important inputs for local food supply, large parts of population are relying on the produce of mills to remain available at affordable prices and in sufficient quantity. The AATIF liquidity addresses these issues.

Recent Developments

Project Update: The purchasing season for maize and wheat in Zambia is coming to an end and AML is actively buying back wheat and maize from the AATIF facility and processing both into the final good for local and regional markets. At the same time, AML is progressing well on its expansion plans – having completed the groundwork for a new maize mill. In the next quarter, AML together with Buehler will install the new machinery with a target to complete the mill by end of the year. To cater for the excess products from the new mill, AML accomplished a first important step in its new retail marketing strategy by launching its first products in Shoprite – Africa's largest retailer. Shoprite currently has around 40 outlets in Zambia and over 2,600 across 15 African countries.

Social & Environmental Oversight: AML prepared a first draft of a Social and Environmental Action Plan in February 2019. The plan builds on the results of an audit conducted last year as well as the recommendations as per Social and Environmental Assessment Report from the AATIF Compliance Advisor and outlines the next steps concerning S&E improvements in AML's operations.

Technical Assistance: The TA Facility Manager has commenced dialogue with AML management about current issues and potential TA Measures. These include the identification of Critical Success Factors (CSF), company workflow and process analysis for AML, a wheat/maize supply market analysis on production and potential supply sources for AML, and a market analysis and development of a strategy for product differentiation and market presence of AML products.

Sterling Bank

Country:	Nigeria
Type of investment:	Financial Institution
Purpose:	Financing of agricultural businesses
Financial close:	February 2019
Tenor:	4,5 years
Type of Investment:	Balance sheet financing
S&E Category	FI

Project Description

On 18 February 2019, AATIF concluded a USD 15m senior debt facility with Sterling Bank plc. The loan shall be applied towards its agricultural loan portfolio, especially for clients that are active in segments not yet served or those seeking to finance hard assets such as irrigation equipment or cold storage.

Agriculture is at the heart of the bank's strategic intent to diversify beyond oil and gas financing - a traditional mainstay for Nigerian banks. Sterling Bank entered the financing of agricultural value chains in 2010/2011 and was the first commercial bank to participate in major financing initiatives sponsored by the Central Bank of Nigeria to promote lending to the agricultural sector and smallholder farmers in various Nigerian states.

Recent Developments

Project Update: see above

Social & Environmental Oversight: no material update

Technical Assistance: The TA Facility Manager has recently started dialogue with Sterling Bank on possible TA interventions.

NSIA Banque

Country:	Ivory Coast
Type of investment:	Financial Institution
Purpose:	Financing of agricultural businesses
Financial close:	February 2019
Tenor:	5 years
Type of Investment:	Balance sheet financing
S&E Category	FI

Project Description

On 18 February 2019, AATIF has concluded a EUR 30m senior debt facility with NSIA Banque Côte d'Ivoire ("NSIA"), one of the leading commercial banks in Ivory Coast. The loan shall be applied towards its agricultural loan portfolio. NSIA is a public limited liability company listed on the Bourse Régionale des Valeurs Mobilières in Abidjan since 10/2017.

The agricultural sector is as a core sector to grow for the bank in Ivory Coast due to its importance in terms of share of local GDP. AATIF would leverage the already existing established agriculture footprint in a country with significant demand for agricultural development.

Lending to NSIA allows AATIF to enter various francophone countries with an experienced partner offering co-lending opportunities to corporates active in agriculture.

Recent Developments

Project Update: see above

Social & Environmental Oversight: Following an investment from Proparco, NSIA started to implement a Social and Environmental Management System (SEMS) with support from an external consultant. In Q1 2019, the bank recruited a Social and Environmental Coordinator to lead the SEMS implementation process.

Technical Assistance: For the April 2019 meeting of the TA Facility Committee, the TA Facility Manager will submit a proposal to be implemented with NSIA Banque Côte d'Ivoire (CdI). Developed in close collaboration with the CA, this TA plan aims to provide NSIA CdI with complementary support measures for the establishment of a full-fledged Social and Environmental Management System (SEMS). The TA Measure will finance the introductory training for the Social and Environmental Coordinator recently employed by NSIA CdI. Such training will facilitate the subsequent implementation of NSIA CdI's SEMS Action Plan.

Mount Meru Millers

Country:	Zambia
Type of investment:	Direct Investment Company
Purpose:	Loan for expansion of existing facilities
Financial close:	February 2019
Tenor:	7 years
Type of Investment:	Capex senior debt loan
S&E Category	B

Project Description

On 28 February 2019, AATIF finalised a USD 5m facility agreement with 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 nine 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. Mt. Meru buys 95% of the inputs from local commercial farmers and aggregators/traders while 5% is sourced from smallholder farmers. Through these activities, the company is contributing to the development of the agro processing sector in Zambia as well as import substitution by increasing access in the market of locally produced edible oil. Zambia imports at least 60% of its edible oil (both crude and refined). Mount Meru Millers currently accounts for about 20% of the market for edible oils. AATIF's loan of USD 5m with a tenor of seven years will be used to fund the expansion of the refinery capacity, (silo) storage capacity, processing capacity and packaging units in Zambia. Furthermore, AATIF seeks to work with the company on its local sourcing strategy, increasing its engagement with smallholder farmers producing sunflower and cotton seeds for further processing at Mount Meru Millers.

Recent Developments

Project Update: In the previous quarter, AATIF disbursed funds to Mount Meru to facilitate the expansion of the refinery, storage, processing and packaging activities and all expansion plans are within schedule. Similar to past seasons where Mount Meru worked with smallholder farmers in the soya sector, Mount Meru this season focused on setting up an out-grower scheme in the cotton sector. To date Mount Meru has signed off-take agreements and distributed inputs to several thousand cotton farmers. Their mission is to increase cotton production in Zambia, with a focus on youth and female farmers. Through its technical assistance facility, AATIF is exploring various ways to enhance the out-grower scheme by developing a training scheme on good agricultural practices for the farmers. Lastly, Mount Meru achieved ISO 9001 and HACCP certification for its operations in Zambia as well as sister entities in four other countries.

Social & Environmental Oversight: Mount Meru has started implementing a supplemental resettlement action plan aiming to restore the livelihoods of households who were affected by their operations, in line with the requirements set by the AATIF Social and Environmental Policy. As part of this process, the company, with support from an external expert, organized consultations in Q1 2019 with affected households, local, traditional and national authorities, to present and get feedback on the proposed measures.

Technical Assistance: After a Resettlement and Livelihood Restoration Audit (in line with National and IFC Performance Standards) was conducted with assistance of the CA and TA Facility in early 2018, a consultant is currently assisting Mount Meru Millers to implement recommended activities for addressing the gaps identified during the Audit. The consultant will also assist "Project Affected People" (PAP) to meet formal obligations for claiming their rights. The consultant commenced their work in October 2018 with a field visit to the two resettled communities. Identification of suitable land parcels for house construction of some PAP is ongoing. The TA Facility Manager is in dialogue with the AATIF Investment Manager to identify other potential issues or areas for TA interventions. The TA Facility Manager plans to commence its dialogue with Mount Meru for other TA Measures in early Q2 2019.

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Federal Ministry for Economic Cooperation and Development

Implementation Partners:

KFW DWS ILO UN environment CFC common fund for commodities

Investors:

KFW OeEB European Commission CFC common fund for commodities

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