



Agri-Business Capital Fund (ABC Fund)

Sector: Agri-Business

Main Action and Specific Themes

The ABC Fund proposes an innovative approach for attracting much needed capital to rural areas and to underserved segments of agribusiness value chains in developing countries. In particular, it catalyzes blended capital and provides technical assistance to investees through a dedicated facility.

- Sustainable agriculture
- Generation of sustainable jobs
- · Inclusive economic and social development
- Small-scale farmers
- Rural women and youth
- Climate change adaptation

ABC Fund (2019-2024)

The programme is co-financed by the European Union (<u>EU</u>) and the Organisation of African, Caribbean, and Pacific States (<u>OACPS</u>), implemented by International Fund for • Bamboo Capital Partners, click here Agricultural Development (IFAD) and managed by • Injaro, click here • Agriterra, click here **Core Businesses:** Generate economic opportunities for **smallholder farmers**. For SMEs and farmer • Direct funding to Small and Medium Enterprises (SMEs), cooperatives, farmer organizations in financially underserved segments of agribusiness value chains. • Indirect funding through financial intermediaries to improve access to financial services for smallholders, cooperatives and farmer organizations, agribusiness For financial intermediaries SMEs. Technical assistance Facility (TAF) advisory services to cooperatives, Farmers' Organisations (FOs), SMEs, financial intermediaries, enabling them to access new business opportunities. Technical Assistance Facility is

Discover more about the ABC Fund:

- Programme Publication, click here
- OACPS Private Sector Platform, <u>click here</u>
- Programme Factsheet, click here
- IFAD webpage, <u>click here</u>

managed by AgriTerra and it offers services in business development, extension services, operations, marketing, governance, financial management. Objective: strengthen investees' business, mitigate risks.

How to Benefit from the Action and the Knowledge Generated by ABC Fund?

The ABC Fund provides financing to farmer-based organizations, SMEs and financial intermediaries to improve the livelihoods of smallholder farmers in developing countries. The ABC Fund offers debt, guarantee and equity financing.

SMEs, Farmer-Based Organizations, Financial Intermediary supporting smallholder farmers in a developing country can register the interest for funding, apply for a loan and manage existing loans and submit the online application by clicking here.

- More information about financing solutions and investment criteria by clicking here.
- More information about the ABC Fund Investments by clicking here.

Examples of Good Practices and Activities Developed by the ABC Fund

- SOCAK KATANA Côte d'Ivoire Cocoa Cooperative (2,700 members in West Ivorian Region). The cooperative is Fairtrade certified:
 - Mission: improve income and living conditions of cocoa producers. It sources raw cocoa from its members promotes sustainable cocoa production and educates producers on gender balance, climate change and child protection.
 - ABC Fund Action: Capital loan of Euro 750,000 to Socak Katana at the end of the year 2019 to help its cocoa farmers and secure access to market and revenue, by providing the cooperative with the additional funds needed to pre-finance their seasonal production. At the end of the year 2020, the ABC Fund provided a second loan to Socak Katana, of Euro 800,000 to pre-finance the 2020/2021 cocoa season. Watch the presentation <u>by clicking here</u>.





- Impact: Cocoa season 2019/2020 financed, revenues of 2,783 farmers, generate access to market for an additional 302 farmers, volume of sales increased by 40% and the surface cultivated by 36%. The number of permanent employees increased by one-third, from 12 to 16. Four new permanent positions were created in the cooperative which employed 12 people, representing a 30% increase.
- FACTS Advance BV Kenya, Uganda Multi-financial services:
 - Mission: provides short-term supply chain financing solutions for SMEs, agribusinesses, and entrepreneurs.
 - ABC Fund Action: Provided a \$2 million revolving credit facility to FACTS. Read more here.
 - Impact: ABC Fund is now one of the most important debt providers to the platform in Kenya and Uganda, it allows FACTS to reach an underserved segment of the market and grow its offering of loan products to SMEs along the agriculture value chain. To provide over 300 individual working capital loans to agriculture-focused SMEs.
- **ABC Fund** accelerates investments in microfinance and cooperative lending in Africa:
 - December 2021: completed a latest round of investments totaling euro 6.4 million across four microfinance providers in Mali, Kenya, and Uganda. The Fund finances:
 - Savings and Credit cooperatives Nyesigiso in Mali and EBO in Uganda;
 - Kenya-based credit-only microfinance institutions Premier Credit Kenya, Yehu;
 - Read more about this activity by clicking <u>here</u>.
- ABC Fund deploys more capital to support agribusinesses in West Africa:
 - October 2021: Investing a total of EUR 1.6 million in two companies in the shea sector, in Mali and Côte d'Ivoire. This follows previous investments in West African countries, Burkina Faso, Benin, Ghana, Mali, and Côte d'Ivoire.
 - Read more about this activity by clicking <u>here</u>.

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