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Image: Tolaro

Processing cashew nuts in Benin with Tolaro Global

Tolaro Global is Benin's leading cashew nut processor. Founded in 2010, the company processes and exports more than 3,000 metric tons (MT) of cashews to premium markets, with a value of almost USD 4 million. The company buys raw cashews from 7,000 small-holder farmers and employs more than 650 workers, creating a significant economic impact in Benin. The CFC is financing the organization's expansion plans, which will gradually increase production and create more jobs. The CFC interviewed Jace Rabe, founder and President of Tolaro, to learn more about the company and his future plans.

How did you decide to start a business in Benin?

After I graduated in the United States, I decided to join the Peace Corps in Benin. I thought going to Africa would be a great opportunity for me to use my business skills and create social impact at the same time. I was in charge of a project to develop Benin's first cashew cooperative.

When I returned to the US, I started my own business in the commodity sector. However, after 6 years there, I felt an increasing urge to go back to Benin. In 2010, I founded Tolaro with my partners.

What are the business main challenges you face?

My biggest challenge is access to finance. That's why our partnership with the CFC is so valuable. Another big challenge is finding motivated and qualified people to work with us.

How do you find qualified people?

We develop our team of professionals internally. We have different training initiatives, such as our school where employees can learn about everything from machinery maintenance to leadership skills.

What's Tolaro's main competitive advantage?

I think there's great potential for African countries to export processed cashews, but we need to focus on production costs. That's why educating our people is so important. Besides training initiatives, we focus on our company culture. We don't adhere to Beninese or American culture, but instead develop a Tolaro culture that encourages innovation, trial and error and above all respect for every worker. That's Tolaro's biggest difference and biggest advantage over its competitors.

How is Tolaro impacting Benin?

Today we work with more than 7,000 small-holders, giving them better pricing conditions and a secure market. We also employ more than 650 workers and expect to increase that to over 1,500. We provide medical care and childcare, which is part of our social responsibility, as 50% of our workers are women. ▶

► **Having 50% female workers is high for the region. Do you have any gender-related programs?**

We don't make a conscious effort to hire more women – we hire based on performance. And the women are some of the best performing workers in my organization. They not only account for 50% of the factory level workers, but 3 of the 4 top management team members are women.

What are Tolaro's long-term plans?

We aim to process 20,000 MT of raw cashews per year, which will place us among the top 5% of the world's cashew processors. We also aspire to launch a premium retail brand for international markets. Finally, we want to be the standard-bearer for our sector, proving that it's possible to process high-quality cashews, be profitable, respect the environment and be a great place to work at the same time. We're on our way to achieving these ambitious goals with the help of the CFC's investment. ■



Image: Tolaro

Sonja Timmer joins the CFC as Project Manager

To further enhance the socio-economic development of commodity producers, the CFC aims to strengthen its relationships with organizations and enterprises active in the commodity value chain. Besides reviewing applicable technical and economic issues through a range of financial instruments, the CFC continues to expand its business activities in the commodity sector, and is therefore pleased to welcome Sonja Timmer as a Project Manager.



Sonja brings a wealth of experience from her career in the financial sector. She started her career at Rabobank Group, working as a credit analyst and program manager coordinating vendor finance relationships in both Spain and the Netherlands. Subsequently, she joined the investment banking division of BNP Paribas, where she spent over 10 years in different positions in the Corporate Clients department. In her last role as Senior Business Banker, she gained experience in a wide range of financing transactions, including structuring international credit and trade finance facilities.

Her career move to the CFC aligns with her strong interest to engage in impact investments that target businesses in developing countries, as well as desire to

make a positive contribution to meet the socio-economic needs in these regions. In her free time, Sonja volunteers on the board of a microfinance foundation dedicated to economic empowerment of women in Asia. She also manages partnerships with microfinance institutions and NGOs in India.

Sonja holds a master's degree in Business Economics from the University of Amsterdam. She graduated with a thesis on the sugar and chocolate confectionery industry, following her internship at the Food and Agribusiness Research department of Rabobank International. Her international experience includes studying abroad in Canada.

Sonja is a Dutch citizen. She is married with three children and enjoys music, theater and playing tennis. ■

CFC welcomes Junior Project Manager Peter Nielsen

Peter Nielsen recently joined the CFC after studying development economics at the School of Oriental and African Studies (SOAS), University of London, and earning an MPhil in Economics at the University of Cambridge.

Before completing his post-graduate degree, Peter interned at the CFC in 2017. During this period, he assessed the Fund's current impact reporting practices. Together with Risk Manager Mr. H. Besong, he also developed a tool for comparing interest rates charged and the possible rates of default which can be applied to projects approved by the CFC.

Alongside his studies, Peter has worked as an econometrics research assistant at SOAS, University of London, and as a consultant on commodity-based economic development in Greenland for the University of Copenhagen. He also led a short-term project for a London-based soft commodity analyst to develop a model for predicting fertilizer use in tropical agriculture.

When he's not at the CFC, Peter is managing a project to develop educational materials for Danish high school students with a former classmate. They are currently finalizing a short documentary and a peer-reviewed textbook on development studies.



Peter looks forward to utilizing his skills to increase value addition and retention in the producer-end of agricultural value chains.

Peter is a Danish national. In his free time, he enjoys climbing, hiking and playing the banjo. ■

Empowering female entrepreneurs in Tanzania

Walking among the fields in Tanzania, it's not hard to spot groups of women farming the land. In a country where almost 70 percent of the employment and 30 percent of the gross domestic product comes from agriculture, much of the hard work falls on women.

While women do the same amount of agricultural work as men, in Sub-Saharan Africa, there's a huge imbalance when it comes to land ownership and access to resources. In Tanzania, three-quarters of all landholders are men, and the women who do have land tend to have smaller plots. They also own less livestock than men, and have limited access to new technology, training and financial services.

Fortunately, some investors are trying to address this situation, including the SME Impact Fund (SIF), supported by the CFC. Created in 2013, the SIF is a small fund with an initial value of EUR 4 million, targeting investments in small and medium enterprises (SMEs) operating in commodity value chains in East Africa, mainly in Tanzania. Rather than financing smallholders directly, the SIF uses the relationship between SMEs and smallholder farmers to channel funding needs.

With this model, the fund believes it can overcome one of the main challenges that female entrepreneurs face: limited access to capital.

SIF's team finds and finances entrepreneurs with great potential who are not supported by the local banking system.

One such example is Mrs. Oliver Schwiyo, founder and director of Kipipa: *"The limited availability of capital is the main challenge", she says. "The SIF's working capital loan allows me to buy raw materials when prices are favorable. It really boosted my business to the next level".*

Targeting women not only helps reduce gender inequality in the region – it's also good business for SIF. Among the more than 40 entrepreneurs currently in the fund's portfolio, the female-led enterprises are some of the best performing. According to Mr. Allert Mentink, SIF's CEO, *"Not is only the repayment rate higher among women, but they also tend to pay on time."* Given the numerous constraints to female entrepreneurship in the region, the proportion of women in the overall portfolio is still small. However, the fund intends to finance more female entrepreneurs, addressing gender issues and lowering the portfolio credit risk at the same time.

Taking the SIF's experience into consideration, by emphasizing women's empowerment in its project portfolio, the CFC expects to achieve a clear contribution to gender equality, in line with the United Nation's Sustainable Development Goal 5. ■

Meet 3 of SIF's Female Entrepreneurs

Mrs. Oliver Schwiyo, Founder and Director of Kipipa



After quitting her job as a teacher, Mrs. Oliver Schwiyo decided to become a farmer. To add value to her products, Mrs. Schwiyo bought a small processing machine and began selling the maize at a higher price. She eventually started buying maize from other farmers, increasing her production. She now processes more than 200 bags a day, securing a market for several smallholders and offering a high-quality food product to her clients. Her entrepreneurship skills earned her the "Best mid-sized company" prize in Tanzania.

Mrs. Joyce Mmari, Founder and Director of MedFood



When she couldn't find a job, Mrs. Joyce Mmari decided to create something by herself. After attending a course about how to commercialize spices, she started to sell small bags of the product. As demand increased, she got a loan to buy a processing machine and rented a workspace. This allowed her to sell spices and flour to more retailers, expanding the business to 6 regions in Tanzania and exporting to Kenya. In 10 years, her company grew from 2 employees to 14.

Ms. Zamda Shaban Mwebea, Founder and Director of Tausi Coffee



After facing several difficulties as a fruit vendor, Ms. Zamda Mwebea decided to focus on coffee. Starting small, roasting 5kg of raw coffee at home. Realizing the demand for the product, she later increased production until she could buy a roasting machine. Besides receiving an SIF loan, Ms. Mwebea was assisted by the fund's capacity support program, which prepared her to manage her company more professionally. Today, Tausi coffee provides a secure market for several smallholders and allows producers to add more value to their product.

62th Meeting of the **Consultative Committee**

The 62nd Meeting of the Consultative Committee (CC) was held at the CFC Headquarters in Amsterdam from 2 to 5 July 2018. The Committee reviewed and recommended six regular projects for consideration and approval by the Executive Board (EB), taking into consideration each project's expectations, feasibility and practical potential for achieving lasting development impact. Particular attention was given to the preparedness of the proponents to commence implementation following the Executive Board's approval.

West End Farms – Cameroon

This project was submitted by West End Farms (WEF), an integrated mixed farming enterprise in Cameroon. WEF is the country's largest commercial pork producer and aims to expand its operations through a new joint venture with a major animal feed producer. The project is expected to create up to 60 jobs and provide an opportunity to share best practices with small-scale producers and increase production and sale of piglets from 8,000 to 12,500 per year.

The high demand for quality protein in Cameroon supports the need for such an intervention. This model could also be expanded to other countries in the region. The CC recommended financing the project with a loan of up to USD 1,000,000, with a maximum tenor of 5 years.

Yellow Pallet – Costa Rica

Yellow Pallet B.V. is a Dutch company that's aiming to establish Costa Rica's first factory for producing pallets made of banana fiber. To overcome the region's shortage of wood for traditional pallets, the project's objective is to create a replacement made from banana fibers. Smallholders will receive additional income from the sale of a grand total of 3.7 million banana stems per year at an average of 4,600 stems per smallholder.

Yellow Pallet has started a joint venture with Corporación Wofar Tara, a local pallet company that's already supplying pallets to Chiquita and Fyffes. The goal is to sell the pallets for exporting bananas, melons and pineapples. These pallets are expected to reduce carbon emissions by at least 22%, reduce the import of trees and lower production costs. In addition, the project expects to generate 75 jobs and increase incomes by 10% for up to 800 smallholder farmers. The CC recommended financing the project with a loan of up to USD 2,000,000.

East African Nuts & Oilseeds – Kenya

This project was submitted by Ten Senses Africa Ltd. (TSA), a macadamia nut processor and trader in Kenya. TSA collects macadamia nuts from local farmers which are then processed and sold to customers in Europe and the United States. TSA aims to improve its quality and quantity of its nuts from East Africa.

The CC recommended financing the project with a loan of up to USD 1,500,000 with a maximum tenor of 7 years.

Sea Cucumber Farming – Madagascar

Indian Ocean Trepang ("IOT"), a fully integrated sea cucumber aquaculture company operating in the south west of Madagascar, has submitted a project to improve sea cucumber farming. Due to the high demand for farmed sea cucumbers, IOT aims to create an additional 250 jobs: 50 will be directly employed by IOT and an additional 200 fishermen will be added to the out-grower scheme.

The CC recommended financing the project with a loan of up to USD 500,000.

Chicoa Fish Farm – Mozambique

Located on the shores of Lake Cahora Bassa in Mozambique, Chicoa Fish Farm Lda produces unprocessed tilapia for the regional fresh market. After a three-year preparatory phase, Chicoa Fish Farm became operational in 2015 and currently has a production capacity of 600 MTs of tilapia per annum. Their ultimate goal is to have a fully integrated fish farm with a production capacity of 5,000 MT p.a. and a fully integrated fish fry and feed production facility on site.

The CC recommended financing the project with a loan of up to USD 1,500,000.

Expanding the Vanilla Value Chain – Tanzania

Natural Extracts Industries (NEI) is a unique scheme that could serve as the foundation for developing a meaningful vanilla sector in Tanzania. NEI collects vanilla pods from established out-growers and processes them into various liquid and solid food products.

NEI's vanilla product exports are expected to gradually increase over the coming years. The full cycle from purchase to sale to the off-taker takes approximately 12 months. The CC recommended financing the project with a loan of up to USD 500,000.

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