



Agricultural Commodity Transformation (ACT) fund

Investing in global sustainable commodity value chains



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The Common Fund for Commodities at a glance

- **Intergovernmental Financial Institution**
- Headquartered in Amsterdam, the Netherlands
- Established in 1989
- 101 member countries
- Institutional Members: EU, AU, COMESA, SADC, ECOWAS, UEMOA, CARICOM, EAC, Andean Community
- 33 years of experience in the global commodity sector:
 - > 500 value chain projects, with a total project cost USD 798 million
 - Since 2014 pivot to impact investing
 - US\$ 52m invested in 50 loans / US\$ 38m currently committed
 - Activities in 99 countries





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To contribute to poverty alleviation by strengthening the income-generating capacity of commodity producers and mitigating vulnerability to their economic well being.”

CFC Mission Statement

Opportunity

Agri-SMEs are the **backbone of rural economies**, contributing **30% of GDP** in Least Developed Countries and providing **60% of formal employment**.

Agri-SMEs form the **critical bridge** between smallholder farmers and global commodity markets.

Challenge

SMEs lack **investment and expertise** required to access high value global markets backed by sustainable sourcing from smallholders.

75% of agri-SMEs lack access to capital: a **multi-billion US\$ financing gap**.

Rural SMEs are often stuck in the 'missing middle':
too big for microfinance and too risky for commercial banks



Agricultural Commodity Transformation Fund



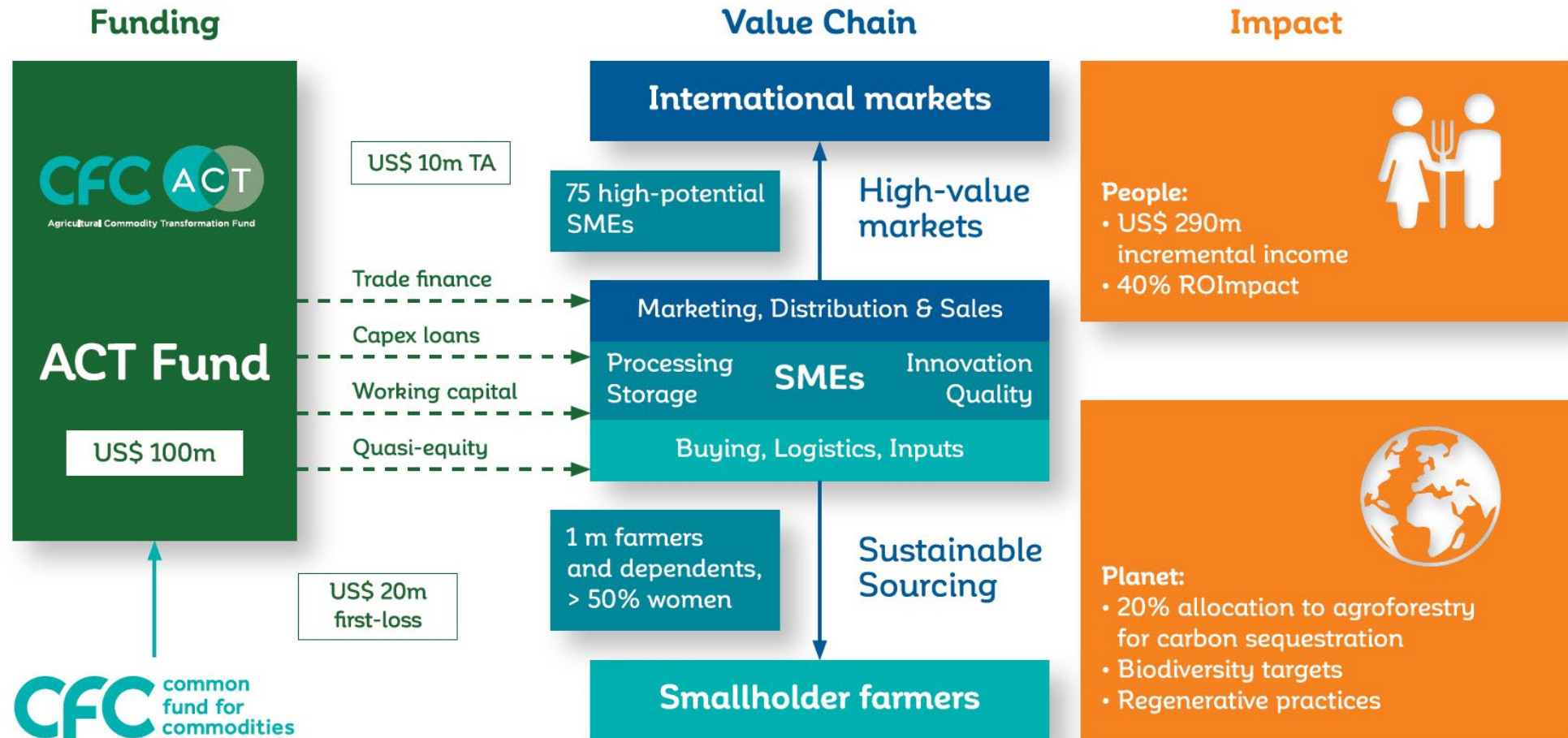
Mobilize **US\$ 100m** of **impact-first capital** and
US\$ 10m in **Technical Assistance** grant funding.

Invest in **high-potential agricultural SMEs**.

Deliver **consistent returns to investors** through
US\$20m in **first-loss capital** from CFC as sponsor.

Target a balance between **capital preservation** and
high levels of **tangible impact**.

ACT puts agri-SMEs at the heart of transforming global agriculture



ACT Fund offers tailored finance to high-potential SMEs



ACT will invest in established SMEs with revenues of over US\$1m **through a range of instruments** for **short and long-term growth**.

Trade Finance

bridges the SME finance gap between paying farmers at harvest time and receiving payments from buyers

Working Capital Loans

provides flexibility in the timing and use of funds, vital for boosting cashflows of SMEs

Capex loans

capital investments for expansion and enhanced value addition (e.g. for improved processing or warehousing)

Quasi-equity

medium term growth capital, offering upside to investors

SDG-aligned Impact is at the centre of ACT

Investment Impact Assessment

Impact measurement at the start and end of each investment. In addition, investees report on their impact on an annual basis.



Sustainability Risks Management

ACT will use CFC's Social and Environmental Risk Management System (SEMS) co-developed with ILO

Impact Targets

Return on impact	USD292m incr. beneficiary income (40% ROImpact p.a.)
Net Carbon Footprint	20% of portfolio allocation to agroforestry for carbon sequestration by 2030
Total people reached	>1m employees, suppliers & dependents > 50% women
Incremental Net Income	US\$ 263 per direct beneficiary
Biodiversity	Will be incorporated in standardized risk approach as part of investment decisions; including concrete targets

CFC: a unique sponsor and advisor

Decades of Experience

recognized and credible entity, strong public and private sector network, focused and deep expertise in investments and technical assistance

Global Track Record

established processes, hands-on monitoring and support for investees, effective risk management

Established Deal-Flow

strong track record in generating deal-flow and an existing pipeline of investment opportunities

CFC combines the **stability** of an intergovernmental institution with a strong **track record** of financing SMEs and an excellent private sector reputation over **three decades**.



We need to **ACT** together

The CFC is looking for **co-investors** joining us in transforming global commodity value chains.

Fund size:	US\$ 100 million + US\$ 10 million for TA
Target portfolio:	Agri-SMEs in developing countries
Products:	trade & working capital, capex, quasi-equity
Ticket size:	Avg. ~US\$ 2 million
Structure:	10 years + option for evergreen (the Netherlands domicile, AIF)
Fund Manager:	CFC Fund Services B.V.
Anchor investment:	US\$ 20 million (first loss, CFC as advisor)
Minimum investment:	US\$ 2 million in A, B or C-shareclass
Investment term:	min. 5 years, recommended 10 years
Target return:	capital preservation + fixed dividend



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Interested in becoming a partner?

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