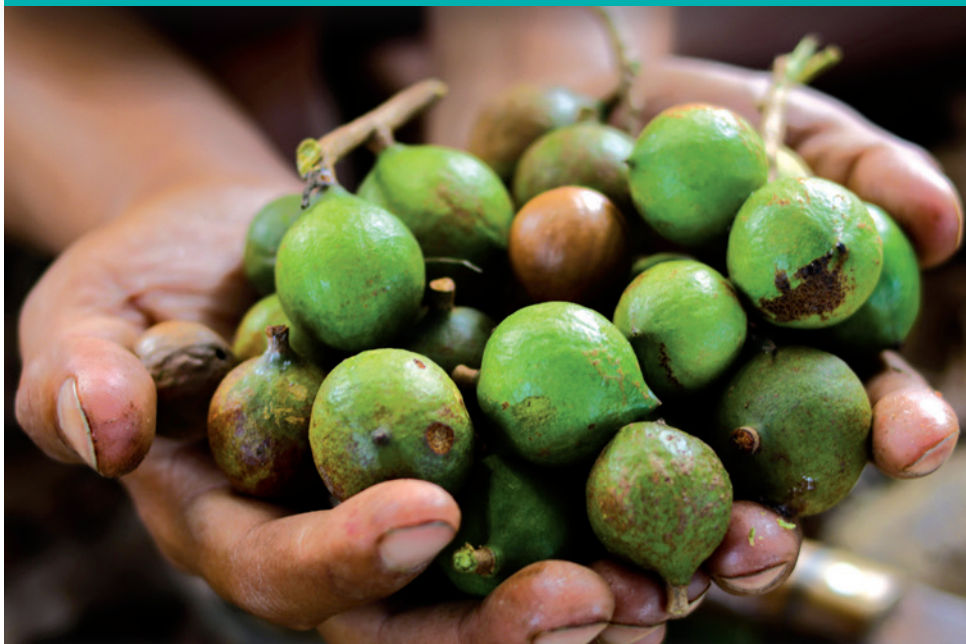


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# Putting women at the heart of a macadamia success story

**In 2016 three Kenyan entrepreneurs put their heads together to devise an agribusiness that could both tap into international markets and enhance the lives of smallholder farmers. Their answer was Exotic EPZ, a macadamia nut processor and exporter.**

From that seed of an idea, planted by Jane Maigua, Loise Maina and Charity Ndegwa, a thriving business has grown since it launched in 2017. Exotic is the only women-owned macadamia nuts exporter in Kenya, processing around 3,000 metric tonnes of macadamias annually and in 2022 paying USD 3 million to its farmer suppliers.

What sets the business apart is its focus on enabling farmers, particularly women, to enhance their incomes and develop more resilient livelihoods. That purpose drove the three founders to build their company around the humble macadamia nut. "Our priority was finding a sector with the most potential to support rural farmers. We assessed the viability of several business ideas and decided to go with macadamia nuts because of the international demand. We could also provide a market to many smallholder farmers who grow macadamia

nuts back home and add value by processing the nuts locally, because macadamias need to be dried quickly to avoid them spoiling," explains Jane.

Having previously worked for development and non-government organisations (NGOs) in roles focussing on women's empowerment, entrepreneurship and employment, the three founders could see there was a desperate need to increase economic opportunity for rural women. Kenya's position as the world's third largest macadamia nut producer marked it out as a sector which could provide a platform to reach a high number of them.

Alongside processing high quality products and expanding its client base, Exotic has stayed true to this core mission says Charity: "We've run capacity building projects for all our smallholders from the start, but with a particular focus on women. We train them in effective growing techniques and financial skills, to help them manage their business. We've also located hubs in rural areas where they can sell their produce without using middlemen. Without a local hub, women who can't afford the

time to travel will simply sell their produce to the nearest buyer, whatever the price."

In practice this means smallholders receive between 1.5 and 2 times more for their nuts by partnering with Exotic. The company is also working with a telecoms provider to pay smallholder farmers directly to their phones. Mobile coverage is high in Kenya and handsets can be bought cheaply. If smallholders don't have a bank account, they can be paid directly into a mobile wallet, which they can use in local stores and to pay school fees. This strengthens their financial independence which many, particularly women, lack.

The USD 0.6 million loan provided by the CFC last year is designed to help grow the company's positive impact. As Charity explains: "The investment will provide us with the working capital we need to source more nuts from more farmers and expand our impact. We want to double our output and increase the number of farmers who supply us to 10,000 over the next three years." They also have plans to build a new processing factory and to diversify into roasting nuts and producing oils.

Photo: Adobe Stock



► Ernesto Daza Lacouture, who works closely with Exotic in his role as CFC Impact Investment Manager, says the business has the perfect combination of viability and impact. "It is breaking new ground in Kenya, not only is it solely women-owned it is creating much-needed opportunity for smallholders, especially hard to reach rural women. As an impact investor our purpose is to support organisations like Exotic that are making a genuine difference on the ground. But that must be based on solid business foundations and sound leadership, which Exotic has both of. There is global demand for high value macadamia products and we think Exotic is in a strong position to take advantage of that."

Of course, establishing the business in a male dominated sector wasn't easy. Without collateral at the start Jane, Charity and Loise couldn't access financing from local banks, while others in the sector told them a women-led business wouldn't be taken seriously. But through determination and entrepreneurial skill they've overcome these barriers to establish a company that is driving positive change.

For other women contemplating following in the steps of Exotic's owners, Charity has some sound advice based on this experience: "Don't doubt yourself, you are clever enough and you have the soft skills needed to build important relationships. This is a good time to be looking for impact investors because they're keen to support women-led businesses. You need to have the business fundamentals in place, but if you do, go for it!" ■

*A kernel grader in Exotic's factory.*



*Exotic's owners, from left to right: Loise, Jane and Charity.*

Photos: Exotic

## Improving smallholder livelihoods in the Philippines

Towards the end of 2022 Impact Investment Manager Peter Nielsen visited Philippine cocoa processor and exporter Kennemer Foods International, a company we supported with USD 1.4 million of financing in 2017. He took along his camera to record how the agribusiness supports smallholders to enhance their incomes and build economic resilience.



Kennemer holds regular training sessions with smallholder farmers to educate them about techniques such as intercropping. For example, banana and coconut trees provide the shade cocoa plants need to grow, which in turn generates an additional revenue stream.



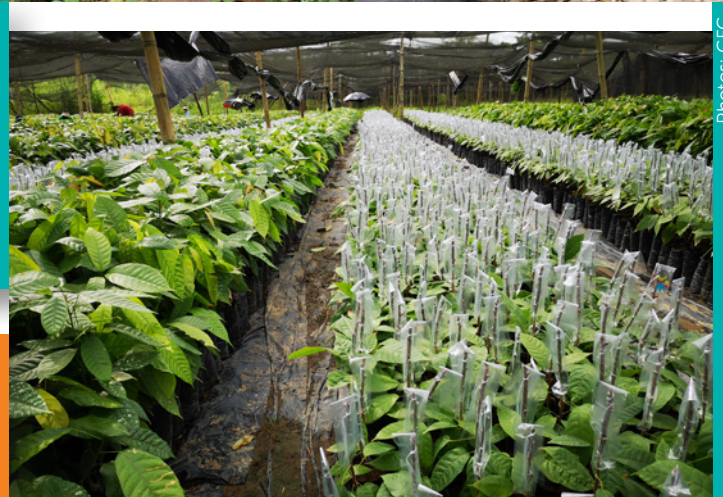
Rogelio and Rosalinda Bustamante are enjoying the advantages of growing cocoa alongside coconut trees, having previously grown corn. "We made the change because we plant cocoa once and it harvests for a lifetime. With cocoa we can also harvest and earn money every two weeks rather than once every three or four months" says Rogelio.





Theodore Paglinawa, on the right with Kenner's Genarche Ongcoy, joined the company's network of farmers in 2021 and has successfully added cocoa to his coconut and banana crops. He says: "By giving us technical support and knowledge, they show us how to grow cocoa productively by intercropping and pruning plants properly. They also have a simple price structure and, unlike other traders, buy wet beans as well as dry cocoa."

Kenner runs its own plant nursery where it grows cocoa saplings for its managed farms and to provide its network of smallholder suppliers with the resources they need to get started.



Photos: CFC



The company's managed farms are designed to demonstrate best practice growing techniques and processes.



The result of each smallholder's hard work. Cocoa beans at Kenner's collection centre ready to be processed and sold on international markets.



# Technical Assistance Facility team continuing to drive impact

The CFC also acts as a service provider managing technical assistance (TA) facilities for impact-oriented investment funds. Since 2012 we've offered support through the provision of TA projects to partner companies across agricultural value chains in Africa and Latin America, ensuring genuine positive change is delivered to smallholder farmers.

With more than 10 years of experience managing TA facilities and a diverse array of knowledge within the wider CFC to call on, our team is a leading provider of TA services in the sector.

The team of five is led by Eva M. Johansson who discusses its work in greater detail on page 7. Together their expertise stretches across agriculture, agroforestry, project management, impact assessment and social and environmental risk management.

## Key figures

Currently, the team is managing two large impact investment funds worth more than USD 400 million.

## TA project highlights

Our TA team aims to accelerate development in communities where it is needed most. Here is a look at some of the ways it is achieving that with each investment fund.

### AATIF TA Facility

One key area of TA support is its focus on improving and developing social and environmental management systems, often for financial institutions in AATIF's investment portfolio. For example, in 2018 AATIF approved a loan to a West African bank specifically to provide on-lending directly to agribusinesses in Côte d'Ivoire as well as to customers in Benin, Guinea Conakry, Senegal, and Togo through its subsidiaries.

Alongside the loan, the TA Facility Manager instigated training for the bank's Social and Environmental Coordinator to improve their ability to evaluate risks associated with different banking transactions. The bank then asked the TA team to provide further training across the organisation at all levels, focused on how to assess social and environmental risks in the agricultural, real estate and construction sectors.

In early 2023, the Benin government introduced regulations designed to encourage the development of local processing, by restricting the export of raw soybeans in the 2023/24 growing season. As a result, the agribusiness is considering establishing its own local processing facilities but doesn't have the expertise to properly assess the opportunity. That's why it has asked the TA team to source an expert consultant to write a feasibility study and develop an action plan.

### ATAF

Developing bespoke solutions is also central to the team's work with ATAF. Its collaboration with ComaFruits, a Malian company that processes organic and conventional mango into purée, frozen cubes and dried mangoes, demonstrates this. ComaFruits has a supplier network of around 3,000 farmers and plays an important role in reducing post-harvest losses by processing large quantities of fresh mangos that would otherwise go to waste.

Since ComaFruits launched in 2019, ATAF has worked closely with the company on a project helping farmers diversify production through a network of multi-crop farms. The team carried out a socio-economic assessment and designed diversified agroforestry models that meet ComaFruits' specific demands. As a result, ComaFruits now has access to a sustainable agroforestry system which incentivises smallholders to adapt to agroforestry farming methods.

ATAF is also launching a new TA project with ComaFruits to identify and support local recycling, funded by the African Development Bank (AfDB). The project will help ComaFruits and its sister company Sobema, which sells juice and bottled water, to find sustainable alternatives to plastics. The TA team has selected a consortium of climate change and circular economy experts, as well as specialists in the recycling and upcycling of plastic bottles in Mali, to drive the process. The project aligns with ComaFruits' commitment to improving its environmental, social, and governance (ESG) credentials, which also includes certifications such as Fairtrade, HACCP, Organic, Rainforest Alliance, and Fair for Life.

### AATIF TA Facility (2012-present):



### ATAF (2017-present):

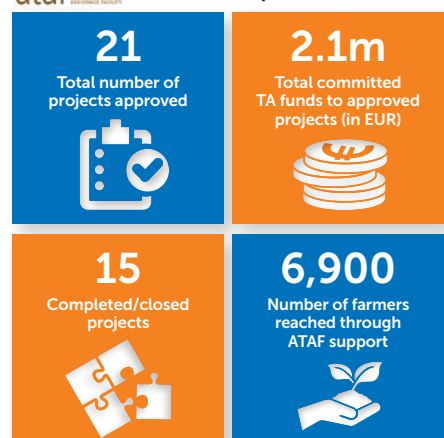


Photo: AATIF

The TA team tailors solutions to the specific needs of each agribusiness it works with, enabling them to embrace market opportunities and thrive. This is reflected in much of its work including how it is supporting a soybean trader in Benin that sources beans from around 5,000 of the country's smallholder farmers.



## ► Where they operate

### Map (of AATIF and ATAF countries)

**Orange:** ATAF (Belize, Brazil, France, Germany, Mali, Nicaragua, Togo)

**Green:** AATIF (Botswana, Côte d'Ivoire, Malawi, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe)

**Blue:** AATIF and ATAF (Benin, Ghana, Kenya)

# Meet our new colleagues



### Fatima-Zohra Yaagoub Impact Strategy Officer

We're pleased to introduce our new Impact Strategy Officer, Fatima-Zohra Yaagoub.

Zohra has nearly ten years of experience in driving impact through mobilising resources, strategy development and brokering shared-value partnerships in smallholder agriculture. Throughout her career at IFAD, GIZ and the OECD, reporting has also been part and parcel of her activities.

She joined the CFC to identify opportunities to increase the Fund's impact by strengthening its impact strategy, developing fruitful alliances, and carefully assessing sustainability risks within the portfolio. Together with the CFC, she aims to future proof the organisation and put it in a strong position to scale up the impact of its investments over the next decade.

Zohra's professional experience is backed by impressive educational achievements. She holds a Master's in public policy (MPP) from Sciences Po Paris and Hertie School of Governance Berlin. She also graduated from Leiden University with a BSc and an

MSc in Psychology, and has certifications from Institut Européen d'Administration des Affaires (INSEAD) and Cambridge University.

Before returning to the Netherlands Zohra, who is a Dutch and Moroccan national, spent 13 years abroad, living in Rome, Paris, Malawi and Berlin. In her free time, she contributes to the development of mid-to-senior level professionals as an assessor of Sustainable Finance and Business Sustainability Management courses at Cambridge University's Institute for Sustainability Leadership (CISL). You'll also find her practicing yoga, going to concerts and travelling.



### Michaël van den Berg Impact Investment Manager

We've also recently welcomed Michaël van den Berg as our new Impact Investment Manager.

During 20 years of impacting investing across Asia, Africa and Latin America, Michaël has developed a comprehensive skillset. In the past 10 years he has focused on mobilising,

managing and making capital work harder, to drive positive impact for smallholder farmers in those regions.

Working on both the investor and investee side has given Michaël a deep understanding of what it takes to blend different types of capital to achieve impact on the ground. He has experience in inclusive finance fund management from his time at Triple Jump and in capacity development of SME business associations from SNV Vietnam, he was also fund manager of the Triodos Emerging Markets Sustainable Agriculture Fund. On top of this, he has worked as a freelance consultant in impact fund development and governance, and holds Board and Investment Committee positions at several impact funds.

Throughout his career, Michaël has worked and lived in various countries in Asia, including India, Laos, and Vietnam. Until 2020 he was in Myanmar, where he was the CFO of a Myanmar-American social enterprise, focusing on the pivotal role of smallholder farmers in rural development and food security.

Michaël's interest in development issues can be traced back to his university days. He holds a Master's degree in International Relations and Development Economics from the University of Twente, where he graduated with a thesis on public-private partnerships in the apparel sector in Gujarat, India. He also has qualifications from Harvard, the School of Oriental and African Studies (SOAS) London, and the Indian Institute of Management (IIMA).

Michaël is a Dutch national and is married with two children. When he's not working, he enjoys cooking for family and friends, and cycling both on and off road. He also has a weak spot for playing trivial pursuit. ■

# Boosting support to **smallholder farmers** with **ACT Fund**, introduced at LDC5

In March we participated in the [5<sup>th</sup> UN Conference on the Least Developed Countries \(LDC5\)](#) in Doha, Qatar – a once-in-a-decade opportunity to accelerate sustainable development where it's most needed. Together with our partners we hosted two side events, focusing on how to create economic opportunities for least developed countries (LDCs).

## ACT Fund – Putting SMEs at the heart of agricultural transformation

This side event, moderated by CNBC Africa journalist Terryanne Chebet, highlighted how our new [Agricultural Commodity Transformation \(ACT\) Fund](#) will support smallholder farmers by financing small and medium sized enterprises (SMEs) in the agricultural sector.

ACT is a USD 100 million impact fund giving private sector institutions the opportunity to invest in agribusiness that can drive prosperity in developing countries. It is part of our mission to transform the agricultural sector in LDCs, landlocked developing countries (LLDCs) and small island developing states (SIDS) by strengthening their food, climate and income resilience.

The fund will benefit from the CFC's three decades of experience working with agribusinesses across the globe and its extensive established deal flow. From an investor's perspective it is expected to deliver consistent returns and is backed by USD 20 million in first-loss capital from the CFC.

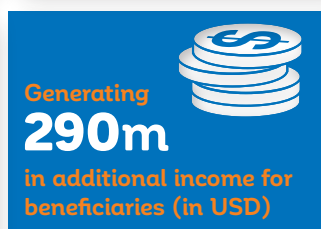
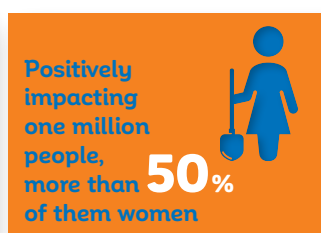
ACT will invest in established SMEs with revenues of more than USD 1 million, primarily in the form of working capital, trade finance and capex loans, as well as smaller amounts of quasi-equity. Our aim is to balance impact and return for investors, by leaning on our world class in-house impact investment and Technical Assistance teams, and by supporting the fund financially.

Speaking at the event Amb. Belal commented: "ACT Fund is our response to the overwhelming demand the CFC is experiencing from SMEs in the developing world. We want to support them to continue sourcing from smallholders by providing the financing they often struggle to access. ACT Fund enables us to do this."



Side event exploring the potential of nutraceuticals for LLDCs. From left to right: Terryanne Chebet, Andrew Hunt, Paul Akiwumi, Amb. Mohammed Belal, Nicolaus Cromme.

Photo: CFC



Our expert panel at LDC5 featured CFC Managing Director Amb. Mohammed Belal and COO Nicolaus Cromme. They were joined by Amadeu Nunes, Secretary of Trade in the Ministry of Trade, Angola; Paul Akiwumi, Director of the Division for Africa and LDCs at UNCTAD; and Sunny George Verghese, the Co-founder and Group CEO of [Olam International Limited](#).

## Embracing the nutraceutical opportunity in landlocked developing countries

We also hosted a side event with UNCTAD, highlighting the export potential of nutraceuticals (health foods and supplements) to diversify and strengthen the economies of LLDCs.

The event presented [a joint CFC and UNCTAD publication](#) that explored how LLDCs can benefit from the growing nutraceuticals market. The panel featured Amb. Mohammed Belal and Nicolaus Cromme of the CFC, UNCTAD Director Paul Akiwumi, and Andrew Hunt CEO of superfood business [Aduna](#).

Paul Akiwumi said: "The case of nutraceuticals is a case of micro-interventions with macroeconomic results". Amb. Belal also highlighted how tapping into international demand for nutraceuticals could create vital economic opportunity for young people in LLDCs.

Ultimately, supporting smallholder farmers and agribusinesses in LLDCs to specialise in higher value products will enable them to turn potential into prosperity. Given the private sector's growing interest in purpose-driven investments, the case for investing in nutraceuticals is increasingly strong. ■





## Helping impact investment funds make a bigger difference: Eva M. Johansson interview

Eva M. Johansson leads the Technical Assistance (TA) Facility team at the CFC, she has more than a decade of experience working with governments, donors, NGOs and public-private partnerships in the development sector. We sat down for a chat to find out how her team works with impact investment funds to boost economic opportunity where it is most needed.

### For those not familiar with the TA team, can you describe what it does and its relationship with the CFC?

We're part of the CFC, but we are a service provider to other impact investment funds that invest in agricultural-related businesses across the world and we work 100% with those funds. We manage the TA facilities they run, using our expertise and wide network of topical and sectoral experts to make sure they are delivering as much impact on the ground as possible.

In practice that means we provide tailored technical assistance to the agribusinesses they invest in to enable them to grow sustainably. The end goal is to maximise the positive social, environmental and economic impact each business has on the wider community it operates in.

### Who do you work with at the moment?

Currently, we manage TA facilities for two funds: the [Africa Agriculture and Trade Investment Fund \(AATIF\)](#) and the [Moringa Investment Fund Agroforestry Technical Assistance Facility \(ATAF\)](#).

The Moringa Fund focusses on investing in companies that use agroforestry systems to grow crops and develop new revenue streams for farmers in an ecologically sound way across Africa and Latin America. While AATIF invests in a broad range of agricultural commodities to enhance economic and environmental resilience in Africa.

### Could you tell us about the expertise and services you provide?

The technical assistance we offer really depends on the challenges and opportunities each agribusiness has. Rather than implementing a set TA support programme from the top down, we've designed our service so that we can address the specific needs of businesses and their local communities.



We really try to get to know them, so that we can identify solutions that will build stronger businesses, while, crucially, improving the lives of smallholder farmers. These could include helping to design or expand out-grower schemes, training farmers to use sustainable growing methods, supporting smallholders to diversify their crops, and providing supply chain transparency that enables products to tap into the conscious consumer market.

### What is your success as a TA team founded on?

We have a small but well-oiled team that has more than a decade of experience supporting agribusinesses and managing initiatives that drive their growth. We don't have all the skills for every project in house and that's one of our strengths, because we can reach into our huge network of consultants and experts to create the best team for each job, with the right knowledge of the sector and local area. This gives us the agility to shape our service to each business's needs.

### Can you talk us through an example?

We recently launched a three-year TA project to support a newly established vegetable processing plant in West Africa. The processing lines are not yet up and running but the plant is expected to be commissioned this year.

The support we are providing is multifaceted. We're helping the company to upskill internally so that it can manage the supply of raw material more effectively. We are also providing an external team of agronomists to propose a design for an outgrower scheme with local farmers that will ensure a steady supply of local raw material. Later, farmer training will also be provided as part of this TA support package.

### Why is the TA team's work so crucial right now?

The volatility caused by the pandemic, the war in Ukraine and the climate crisis have heightened the need to develop secure local supply chains.

In terms of tackling climate related challenges, we're helping smallholder farmers take advantage of climate smart agriculture. One trend is the use of carbon sequestration techniques – for example the application of biochar on nutrient-poor soil – which creates a positive environmental impact while introducing a potential new revenue stream for farmers.

### Looking ahead what do you hope to achieve in the next year?

We're going to continue helping agribusinesses grasp opportunities which they wouldn't be able to without our skills and resources. Adding value and creating genuine positive change where it can have a transformative impact on lives, is what I find most satisfying about our TA work.

We would also love to broaden our impact by working with more investment funds, whether they're government organisations, public-private partnerships or philanthropic foundations. If you'd like to discuss what we offer, please get in touch! ■

# 71<sup>st</sup> Meeting of the Consultative Committee

## More than 71,000 smallholder farmers to benefit from new CFC investments

Ten investments designed to support agri-businesses to thrive and enhance the livelihoods of farmers, were recommended by the CFC Consultative Committee (CC) at its 71<sup>st</sup> meeting.

The CC reviewed the viability of the investments, which were submitted through our 21<sup>st</sup> Call for Proposals. Together they have a total value of USD 251.3 million, including a contribution of USD 6.8 million in financing from the CFC.

This round of funding is expected to benefit more than 71,000 smallholder farmers by supporting agri-SMEs that work in developing countries, including Colombia, Madagascar, Peru, Tanzania, Togo, Uganda and Yemen. They will cover commodities such as coffee, honey, soybeans, spices, and vanilla, which will diversify our portfolio and expand our reach.

The proposals will now undergo social, environmental, business and financial due diligence, before going to our Executive Board (EB) for approval.

As an impact investment fund, we're committed to contributing to the UN's Sustainable Development

Goals (SDGs). These investments target our core SDGs – SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 10 (Reduced inequalities), SDG 13 (Climate action) – while also addressing SDG 9 (Industry, innovation and infrastructure), SDG 14 (Life below water), and SDG 15 (Life on land).

This meeting was the first to feature new CC members, including: Chairperson Philph Ramle Bin Kasin, Director General of the Malaysian Cocoa Board; Hocine Irekti, Director of the Soil Research and Management of Agricultural Areas, National Institute for Agronomic Research, Algeria; Ulrich Sabel-Koschella, Head of Agricultural Value Chains at GIZ, Germany; Haiying Su, Professor at the Research Institute of Forestry Policy and Information, Chinese Academy of Forestry.

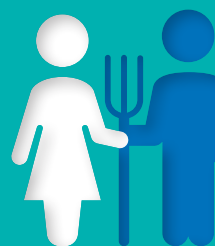
They act as our advisors, using their expertise to guide which investment proposals should be recommended to the EB. The CC is composed of five women and four men, all of whom are commodity specialists, bringing together nearly 240 years of experience in building a fairer and more sustainable commodities sector. ■



**10**  
projects  
recommended



**251.3m**  
in total value of which  
**6.8m**  
financed by the CFC (in USD)



More than  
**71,000**  
farmers expected  
to benefit

### Common Fund for Commodities

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