

16th ACA Annual Conference



ACA
AFRICAN
CASHEW
ALLIANCE

STRENGTHENING SUSTAINABLE KERNEL & BY-PRODUCTS MARKETING IN THE AFRICAN CASHEW INDUSTRY

Sheraton Abuja Hotel, Abuja, Nigeria
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About Injaro Investments

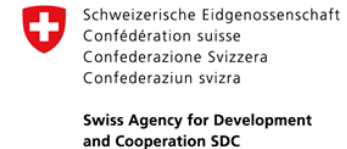
- Injaro Investments Limited is a pan-African fund manager with 12+ years of operations, with over US\$70M assets under management
- Injaro manages 2 equity funds and is the Adviser of the Agri-Business Capital Fund (ABC Fund) for Direct Investments (investments in SMEs and farmer organizations) in Africa.
- Through its various funds, Injaro has made/facilitated equity and debt investments in more than 20 SMEs in various agricultural value chains, including cashew.
- Injaro is domiciled in Mauritius and has a local presence in Abidjan (Côte d'Ivoire), Accra (Ghana) and Nairobi (Kenya). Injaro also has an extensive network of partners in most of the countries in Africa.



About the Agri-Business Capital Fund (ABC Fund)

Introduction to the ABC Fund

The ABC Fund intends to catalyse and fuel private capital into largely underserved segment of smallholder farmers in developing countries with focus on **Africa, Caribbean and Pacific**. With a focus on impact, the fund will invest small-scale “missing middle” financing and provide **small investments (from EUR 200k to 800k)** to small and medium-sized enterprises (SMEs), young rural agro-entrepreneurs and **financial intermediaries (up to EUR\$4 million)** to fill the missing middle financing gap. The Fund will offer one-stop-shop impact investing solutions, by **combining direct debt financing to farmers, with technical assistance**, financial intermediation and potential equity investments.



About the Agri-Business Capital Fund (ABC Fund)

Key Info about the Fund

Target Fund Size: EUR 200M

Geography: Africa, Caribbean and Pacific

Investors

Public and Philantropic

- EU-ACP (European Union-African Caribbean Pacific Commission)
- AGRA
- IFAD

Private Investors

- *Bank of America*

Technical Assistance Facility (TAF) – funded by IFAD

Investment Strategy and Criteria

Target

- **Direct Investments** - SMEs and farmers organizations
- **Indirect Investments** - Financial intermediaries (MFIs and small banks)

Instrument instruments / Ticket size / Maturity

Direct Investments

- Debt – Working Capital / €200k – 800k / 6 – 12 months
- Debt – Term loan / €400k – €800k / 3 - 5 years
- Quasi-equity / Equity / €400k - €800k / 5-7 years

Indirect Investments

- Debt / €1M-€4M / 3 – 5 years

Basic criteria for Direct Investments

- At least 2 years of operations
- Revenue > €200k
- Positive EBITDA
- Strong impact thesis
 - *Developing rural employment and supporting sustainable income-generating activities;*
 - *Increasing the commercial performance of economic actors along the food value chain*



Our Exposure and Interests in the Cashew Sector

- To date, the ABC Fund has invested in **two (2) cashew processing companies**
 - ANATRANS – Cashew processor in Burkina Faso
 - ANI – Cashew processor in Bénin
- The Fund will continue to consider investments in the cashew sector across Africa. Opportunities of interests include processing companies and cooperatives
- The cashew industry has a significant social impact potential, in terms of **improving the livelihood of cashew farms, jobs creation, especially for women and youth**



Main challenges with the Fund's Investors

- The main challenge is related to the **alignment of interests among investors**, in terms of return expectations and impact profiles of the companies to be considered
- Public / philanthropic investors tend to be more impact focus, while private investors are looking for financial return.



Key risks identified in financing cashew processors

- Early-stage operations and short track- record
- Inadequate processing equipment
- Huge competition with foreign traders
- Insufficient collateral
- Lack of knowledge on international market

