



AgDevCo Funding Press Notice

Embargoed until 9am (UK) Thursday 24th February 2022

AgDevCo secures \$90m of DFI funding to further invest in African agribusinesses to deliver jobs, incomes, and food

- ▶ \$50m of equity from the UK's development finance institution, CDC Group, soon to be renamed British International Investment
- ▶ \$20m of equity from the Norwegian investment fund for developing countries, Norfund; and
- ▶ \$20m of senior debt from U.S. International Development Finance Corporation (DFC), the United States Government's DFI

London, 24th February 2022 – AgDevCo, the specialist investor in early-stage African agribusinesses, today announced a \$90m package of new funding from the CDC Group, Norfund and DFC which will allow AgDevCo to continue to grow its investment activities in agriculture across Sub-Saharan Africa¹. This is in addition to the announcement of supplementary funding of up to \$5.4m from CDC, Norfund and the UK's Foreign, Commonwealth and Development Office (FCDO) for AgDevCo's integrated technical assistance facility.

Established in 2009, AgDevCo's vision is a thriving commercial African agriculture sector that benefits people, economies and the environment. The organisation contributes to this goal by providing investment capital and technical assistance to grow sustainable and impactful businesses across the agricultural value chain. In doing so, it aims to promote resilience, gender equality and the production of better-quality, more nutritious food.

This new funding builds on the original endowment funding provided by the UK government² which helped establish AgDevCo over the past decade. This endowment has provided capital to agribusinesses that have directly created or sustained more than 15,000 jobs and to work with 750,000 smallholder farmers to help increase their income and improve their resilience to climate change. It has also allowed AgDevCo to build a capability and track record to the point where it can secure external investment capital.

In welcoming the investment, **Keith Palmer, AgDevCo's founder and Chairman**, said: "Securing investment from CDC, Norfund and DFC is a major milestone in AgDevCo's history. It is a strong endorsement of AgDevCo's team and our strategy. We are excited that our vision is shared by our new funders, who recognise the important contribution that AgDevCo investments can make to productivity, sustainability and inclusivity in Africa. Their funding marks the beginning of a partnership in which AgDevCo will use its sector specialism, drawing on our new funders' networks and resources, to increase the number of impactful investments in African agriculture."

UK Minister for Africa, Vicky Ford, said: "I am proud to see how AgDevCo's investing has boosted sustainable agriculture across Sub-Saharan Africa over the past 10 years, including deepening impact on smallholder farmers and SMEs. This new investment will bring continued growth, by enabling agribusiness SMEs to expand, improve farmer incomes, create new jobs and strengthen climate resilience across Africa."

¹ Equity funding subject to competition approvals and debt funding subject to contract

² UKAID through DFID initially and then FCDO

Tenbite Ermias, CDC's Managing Director for Africa, said: "This investment reinforces our long-term commitment to investing in key sectors in Africa including agriculture, which is critical for creating jobs, promoting gender equality and supporting people to build a better life for themselves and their families. Furthermore, it reflects our continued focus on climate finance which is central to our new strategy over the next five-year period, to support emerging economies that are most vulnerable to the impacts of the climate emergency."

Ellen Cathrine Rasmussen, Executive Vice President of Scalable Enterprises in Norfund, said: "Norfund is very pleased to partner with AgDevCo to deliver on our joint mission: to create jobs and improve lives by investing in businesses that drive sustainable development. A thriving commercial African agriculture sector is vital for economic growth and job creation. More than half of Sub-Saharan Africa's population work in agriculture, yet Africa does not produce enough food to feed the continent. The investment in AgDevCo will create jobs, increase food production, improve climate change resilience and promote gender equality. The AgDevCo team's skills, networks and achievements are impressive – and we look forward to working with them."

Algene Sajery, DFC's Vice President of External Affairs and Head of Global Gender Equity Initiatives, said: "DFC is thrilled to support AgDevCo with a \$20 million loan to bring additional capital to smallholder farmers and agricultural businesses in Africa, promoting food security for lower-income communities across the continent. DFC's loan, alongside financing from our partner DFIs, will enable AgDevCo to link more farmers to markets and create jobs for underserved populations, with a focus on women farmers."

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For additional information, please contact:

CDC Group and AgDevCo: Paschorina Mortty | E: press@cdcgroupp.com

Norfund: Per Kristian Sbertoli | E: per.kristian@norfund.no

FCDO: News Desk | E: newsdesk@fcdo.gov.uk

DFC: Pooja Jhunjunwala | E: press@dfc.gov

About AgDevCo

1. AgDevCo is a specialist investor in early-stage African agribusinesses, structured as a permanent capital vehicle. We are owned by a not-for-profit company limited by guarantee that exists to protect and promote our mission.
2. AgDevCo's investments typically range between US\$ 2 million and US\$ 10 million. We invest across the agricultural value chain, from inputs to logistics, and in all sub-Saharan African countries except those with upper middle-income status.
3. AgDevCo works in a variety of sectors and crops, including high-value export crops like avocados and macadamias; nutritious food industries for domestic markets and affordable meat protein like poultry and fisheries. Portfolio companies are involved throughout the food sector from primary production, through processing to retail.
4. In addition to provision of capital, AgDevCo helps its investees grow into profitable businesses by providing specialist technical support and access to technical assistance funds ([link to TAF brochure](#))
5. Since starting in 2010, AgDevCo has invested in 80 agribusiness across sub-Saharan Africa. Our current investment portfolio is comprised of over 40 companies (including a number of small, legacy investments) with a total value of c\$150m. These companies are spread across nine different countries on the continent (Ghana, Cote D'Ivoire, Kenya, Tanzania, Uganda, Rwanda, Zambia, Malawi and Mozambique).

6. AgDevCo has been selected by the 2X Flagship Funds Committee as a 2X pioneer flagship fund. The 2X Challenge is a leading initiative launched by the DFIs of the G7 countries that promote deploying and mobilizing capital to empower women and enhance their economic participation in emerging markets.
7. More information including on our investment policy and responsible investment policy can be accessed on our website: <https://www.agdevco.com>.

About CDC

1. CDC will formally become British International Investment plc on 4 April 2022.
2. British International Investment is a reliable and trusted investment partner to businesses in Africa, parts of Asia and the Caribbean. It will commit between £1.5 and £2 billion per annum between 2022 and 2026 to support the UK government's Clean Green Initiative and to create productive, sustainable and inclusive economies in Africa, parts of Asia and the Caribbean.
3. British International Investment plays a key role in the UK government's wider plans to mobilise up to £8 billion a year of public and private sector investment in international projects by 2025.
4. Over the next five years, at least 30 per cent of BII's total new commitments by value will be in climate finance. This will make us one of the world's largest climate investors in Africa.
5. BII is also a founding member of the [2X challenge](#) which has raised \$10bn to empower women's economic development.
6. The company has investments in over 1,000 businesses in emerging economies and total assets of £6.8 billion. Find out more at www.cdcgroup.com

About Norfund

1. Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development.
2. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening the private sector in developing countries, and for reducing poverty.
3. Norfund's committed portfolio totals 3.3 billion USD in Sub-Saharan Africa, South-East Asia, and Central America.
4. Norfund has four investment areas: Clean Energy, Financial Institutions, Scalable Enterprises and Green Infrastructure. Investments in Clean Energy account for about 50% of the portfolio and 50% of the portfolio is in Sub-Saharan Africa.
5. For more information, please visit: www.norfund.no

About DFC

1. U.S. International Development Finance Corporation (DFC) is America's development bank.
2. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. We invest across sectors including energy, healthcare, critical infrastructure and technology.
3. DFC also provides financing for small businesses and women entrepreneurs in order to create jobs in emerging markets. DFC investments adhere to high standards and respect the environment, human rights and worker rights.
4. For more information, please visit: www.dfc.gov

About FCDO

1. The FCDO pursues the UK national interests and projects the UK as a force for good in the world. It promotes the interests of British citizens, safeguards the UK's security, defends its values, reduces poverty and tackles global challenges with its international partners.
2. Find out more [here](#).