

Africa Agriculture and Trade Investment Fund

Critical transitions:



Innovation: Blended finance funds

Geographic focus: Sub-Saharan Africa

\$: \$217 million (committed capital)



The Africa Agriculture and Trade Investment Fund (AATIF) is a blended finance vehicle that invests in agricultural production and businesses along the agricultural supply chain in sub-Saharan Africa. Through its investments, AATIF aims to increase food security, strengthen income among people employed in the agricultural sector, and strengthen the competitiveness of local agriculture businesses.⁵⁵

The fund, managed by DWS, provides direct financing to commercial farms, processing companies and cooperatives, and indirect investments to local financial institutions and large agricultural intermediaries on-lending to small and medium companies. The fund provides financing in the form of debt, mezzanine or equity to companies or financial institutions. A \$6 million technical assistance facility, provides technical support to beneficiaries, including for due diligence, impact assessment and accounting. Founding partners include BMZ,⁵⁶ who provides a first loss guarantee; KfW who together with the Deutsche Bank capitalizes the fund's mezzanine transactions; DWS as an equity investor; and the European Commission who invests in the fund's junior equity tranche. Its compliance advisors are ILO⁵⁷ and UNEP.⁵⁸

Since its inception in 2011, the fund has disbursed \$300 million to 19 investees and indirectly supported over 250 agri-businesses in 16 countries.⁵⁹ The portfolio includes financial institutions like a \$25 million, 5-year loan to BancABC to support the growth of its agriculture funding; to intermediaries like a \$20 million, 3-year loan to Wienco – a Ghanaian distributor of inputs and off-taker of cocoa, maize and cotton; or direct investment in the form of an \$11 million, 5-year (plus an extension for up to 10-year) loan to Agrivision Africa for its seed farm and vertical integration into wheat and maize processing.⁶⁰

Stakeholders:

Deutsche Bank; DWS; KfW; BMZ; Common Fund for Commodities; European Commission; UN Environmental Program

Status:

● Operational