

The ABC Fund scales agriculture SMEs in Kenya and Uganda with \$2 million revolving credit facility for FACTS

- **FACTS provides short-term working capital loans to SMEs, agribusinesses and emerging entrepreneurs in Africa through supply chain finance**
- **The transaction provides the ABC Fund with an entry point to engage in further risk sharing programs in the future**

Luxembourg, 29 October 2020 – The Agri-Business Capital ('ABC Fund') has signed an agreement for a \$2 million revolving credit facility to FACTS Advance BV ('FACTS') to provide short-term trade finance solutions for SMEs in Kenya and Uganda primarily operating in the agriculture sector.

FACTS has established the Advance Platform as an efficient way to offer short-term supply chain financing to SMEs, agribusinesses and entrepreneurs in Africa. ABC Fund is now one of the most important debt providers to the platform in Kenya and Uganda, allowing a clear focus on the target clients of the ABC Fund.

FACTS targets an underserved segment of the market with limited access to finance. Through the FACTS Advance Platform, the ABC Fund has access to a cost efficient and transparent vehicle to provide loans to a sector that is often considered too large for traditional microfinance institutions and below the radar of commercial banks. FACTS' long experience of operating in East Africa helped to build a solid pipeline of transactions with strong considerations for risk management.

The core instruments offered through the platform are trade finance and invoice discounting, including factoring and reverse factoring. Supply chain finance is widely used in Western countries but is still in a nascent stage in Africa. Suppliers and buyers of agricultural products in the region do not have sufficient access to adequate financial products, due to the seasonality of their operations and their perceived high-risk profile.

The investment by the ABC Fund will allow FACTS to reach this underserved segment of the market and grow its offering of sophisticated loan products to SMEs along the agriculture value chain. The \$2 million revolving credit facility is provided with a long-term perspective and the potential to be increased over time. Over the next years FACTS targets to provide over 300 individual working capital loans to agriculture-focused SMEs.

The transaction provides the ABC Fund with an entry point to build and expand exposure in this sector. FACTS and ABC Fund are interested to reach out to more countries and to develop risk sharing mechanisms as a way to further support the ABC Fund's target clients.

Jean-Philippe De Schrevel, Founder and Managing Partner at Bamboo Capital Partners commented:

"Access to finance for agribusiness in Africa is a pressing issue. Supply chain finance provides a flexible and scalable solution to service demand from agribusinesses which are too large to access finance from microfinance institutions, but too small for direct lenders.

"We are delighted that the revolving credit facility provided to FACTS will finance over 300 loans to agriculture-focused SMEs in Kenya and Uganda. The transaction prepares the fund to engage in a risk sharing programme and we look forward to executing on more of this type of transaction in the near future as well as replicating the model in other regions."

Peter van der Krogt, Co-founder and CEO commented: *"FACTS offers a digital platform with access to innovative Supply Chain Financing solutions not only for SMEs but also funders. We are very pleased with the recognition and partnership with ABC Fund. Digital connectivity in the time of COVID-19 has become an important lifeline for business to ensure continuity in light of social distancing and the lockdown. FACTS wants to break open a market for Supply Chain Financing for SMEs in Africa, which has so far proven to be non-functional or even non-existent in most part of Africa, and allocate capital to value chains in the most effective way."*



The ABC Fund is a blended-finance impact fund which provides catalytic financing to underserved yet profitable segments of agribusiness value chains in developing countries. The ABC Fund deploys loans and equity investments in farmer organizations, rural SMEs and financial institutions. They have potential for high growth and job creation and can also drive social development for their own communities and countries, but they often lack the capital they need to grow their businesses.

The ABC Fund was initiated by the International Fund for Agricultural Development (IFAD) in partnership with, and is currently funded by investments from, the European Union, the Organization of African, Caribbean and Pacific States (OACPS), IFAD, the Luxembourg Government and the Alliance for a Green Revolution in Africa (AGRA). The IFAD investment was made possible thanks to financial support from the Swiss Development Cooperation.

The ABC Fund is managed by Bamboo Capital Partners in partnership with Injaro as investment advisors and with technical assistance led by Agriterra.

-ENDS-

Media Contacts

Instinctif Partners

+44 78 3767 4600

bamboo@instinctif.com

About Bamboo Capital Partners:

Bamboo Capital Partners (“Bamboo”) is an impact investing platform which provides innovative financing solutions to catalyse lasting impact. Bamboo bridges the gap between seed and growth stage funding through a full suite of finance options – from debt to equity – which it activates unilaterally or through strategic partnerships. Founded in 2007 by Jean-Philippe de Schrevel, Bamboo aims to improve the lives of the world’s most marginalized communities while delivering strong financial returns. Since its inception, Bamboo has raised over \$400m and invested in over 30 developing countries. Its investees have positively impacted over 184 million lives and supported 45,000 jobs, including 15,900 jobs for women. The firm has a team of 30 professionals active across Europe, Latin America, Africa and Asia. For more information, please visit www.bamboocp.com or follow @bamboocp.

About FACTS:

Financial Access Commerce And Trade Services (“FACTS”) provides short-term working capital to SMEs, agribusinesses and emerging entrepreneurs in East Africa through Supply Chain Financing products. Technology is at the heart of our proposition; and we use IT to reach scale and keep costs low. Headquartered in The Netherlands with its operating subsidiaries in Kenya and Uganda, FACTS, since its inception in 2015, has demonstrated successfully the proof of concept stage and is now in an expansion phase to roll-out its Supply Chain Financing products to the SMEs and create a catalytic and multiplier impact in the market. For more information, please visit www.factsafrica.com.

ABC Fund sponsors and partners:



The views in this press release are the sole responsibility of Bamboo Capital Partners and Injaro Investments. It does not reflect the views of the European Union, IFAD, SDC, the Government of Luxembourg, AGRA, nor the Organisation of African, Caribbean and Pacific States. This document is for information and illustrative purposes only. This document is not intended as an offer or a recommendation or an invitation to purchase or sell financial instruments.