

ACUMEN RESILIENT AGRICULTURE FUND (ARAF)

INVESTING IN AGRI START-UPS WITH A COMBINED FOCUS ON CLIMATE
ADAPTATION OF FARMERS AND FOOD SECURITY

GCF Regional Dialogue with MENA

Tamer El-Raghy
Managing Director

Rabat
June 2024

THE ARAFI TEAM



Tamer El-Raghy, Managing Director

Over 25 years of investment, entrepreneurial and innovation experience in Africa, Middle East, USA and Europe including 13 years of experience investing in the Agri space in Africa with ARAF, responsAbility and Cargill. He received an MBA from NYU Stern School of Business and a PhD in Materials Engineering from Drexel University.



Rebecca Mincy, Investment Director

11 years experience in agriculture, impacting investing and asset management, with 8 years experience leading and making direct investments in the agribusiness sector in East Africa. Developed regional agriculture strategy and expanded portfolio that has already reached more than 6.2M smallholder farmers and impacted 31M lives across Rwanda, Kenya, Ethiopia, Nigeria, Ghana, Tanzania, and Uganda. MBA from Columbia Business School and BA from Stanford University.



Akwugo Onuekwusi, Associate Director – WA

15 years of Private Equity, Mergers & Acquisitions, Equity & Debt capital raising experience in West Africa., across the Manufacturing, Consumer Goods and Financial Institutions sectors. Akwugo has an MBA from Columbia Business School and a B.Sc. in Economics and Computer Science from Washington and Lee University.



Dan Kimani, Associate Director - EA

Over 6 years of investment experience in Africa, and 3 years consulting experience in the US in the Telecommunications, Agri, and Energy Sectors. MBA in Finance and Entrepreneurship from the Wharton School of the University of Pennsylvania.



Esther Mwangi, Associate

Over 4 years investment experience in Africa, and 4 years transaction advisory experience at KPMG executing financial due diligence and feasibility studies across various sectors in Africa. Certified Accountant, BCom Finance from the University of Nairobi, and currently pursuing Masters in Development Finance at Strathmore University.



Alice Mugo, TA Manager

Over 7 years' experience in reporting, planning and financial analysis. Previously worked with Old Mutual supporting the group and its subsidiaries across East Africa. Master of Science in Finance and a Bachelor of Commerce in Finance from the University of Nairobi. Chartered certified accountant with the Association of Chartered Certified Accountants (ACCA)

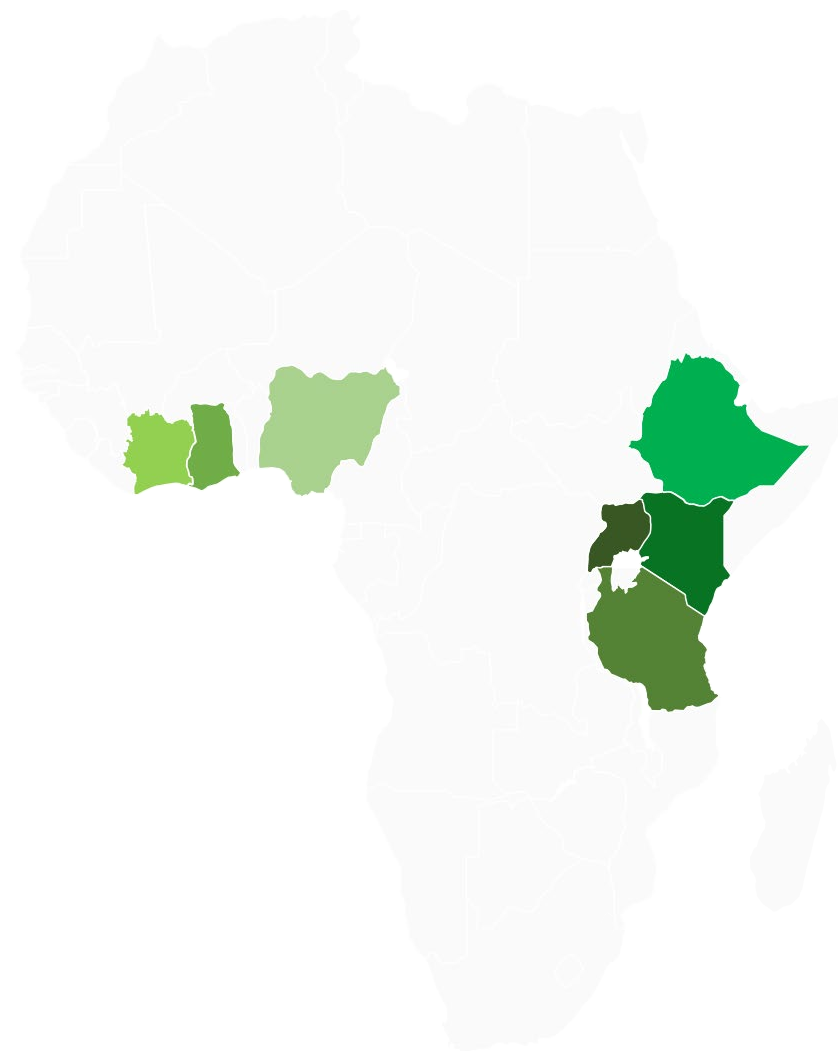


Ida Mwango, Analyst

4 years' experience in investment analysis, impact measurement and data analytics at ARAF. She has previous work experience in data science and Microinsurance. Ida has a Bachelor of Business Science in Actuarial Science and a certificate in Data Science from Strathmore University.

ARAFI SUMMARY

- With a final close in Q2 2021, ARAF is a **\$58 MM** impact fund that invests in early, and early growth, stage startups with business models that **help smallholder farmers adapt and become more resilient to climate change**.
- A **\$5MM** Technical Assistance Facility that supports impact measurements, climate and gender initiatives, and capacity building activities.
- Sponsored by **Acumen** and Anchored by **GCF** (first loss)
- Other LPs include **FMO, PROPARCO, SEDF, CIFF, GSI** as well as two family offices.
- Invests in **Kenya, Uganda, Tanzania, Nigeria** and **Ghana**.
- Targets **platform businesses** that provides farmers with access to **inputs, finance, technical support** and/or **markets**.
- Ticket size of **\$300k-\$4MM**.
- Since Q2 2020, ARAF has invested in **thirteen companies** with operations in **Kenya, Uganda, Rwanda, Tanzania, Nigeria, Ghana**, and **Côte d'Ivoire**.*
- Co-investors in our portfolio include **EDF, FMO, PROPARCO, Alitheia, Creadev, AgDevCo, GoodWell, VestedWorld, BIO, AHL Ventures, EDFI, Triple Jump** and **Sunfunder**.



ARAFI PORTFOLIO COMPANIES



Develops, finances and distributes solar-powered irrigation systems in Kenya, Uganda and IVC



Agtech platform used by leading multinationals, that digitized over 2MM farmers and connects farmers in Ghana and IVC with inputs and markets



The largest vertically integrated producer and distributor of fresh Tilapia in Kenya and Rwanda



A bean-to-bar producer of high-end chocolate bars in Madagascar and sold in the USA



Agtech company that connects buyers, growers and vendors in the agricultural value chain



Insurtech offering Parametric insurance increasing climate resilience of smallholder farmers in Africa and India



A pan-African poultry company that provides highly productive and highly resilient day-old chicks to the rural poultry market in East and West Africa



A tech-enabled company that sources fresh produce from farmers and distributes the goods through formal and informal distribution channels in Tanzania



An an end-to-end Agtech platform that includes an innovative irrigation-as-a-service offering.



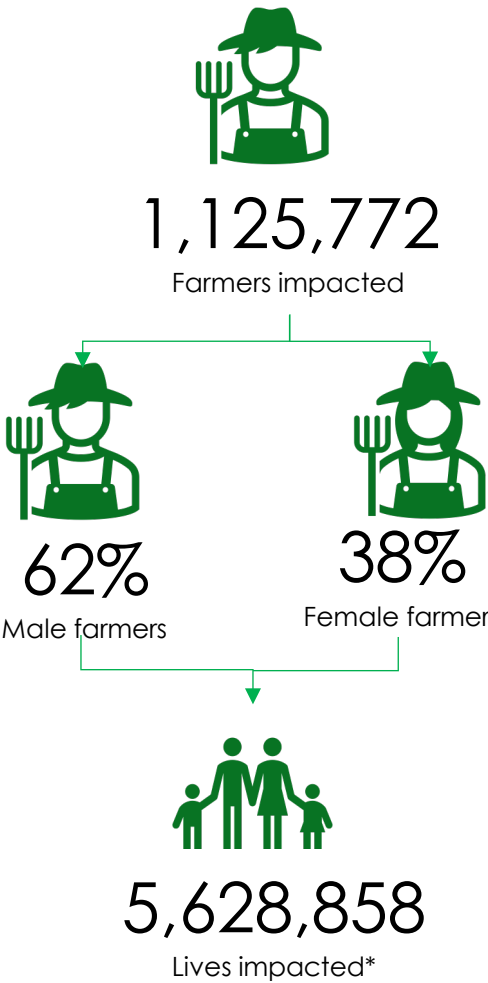
Produces branded premium tomato paste by sourcing tomatoes from local farmers in Nigeria



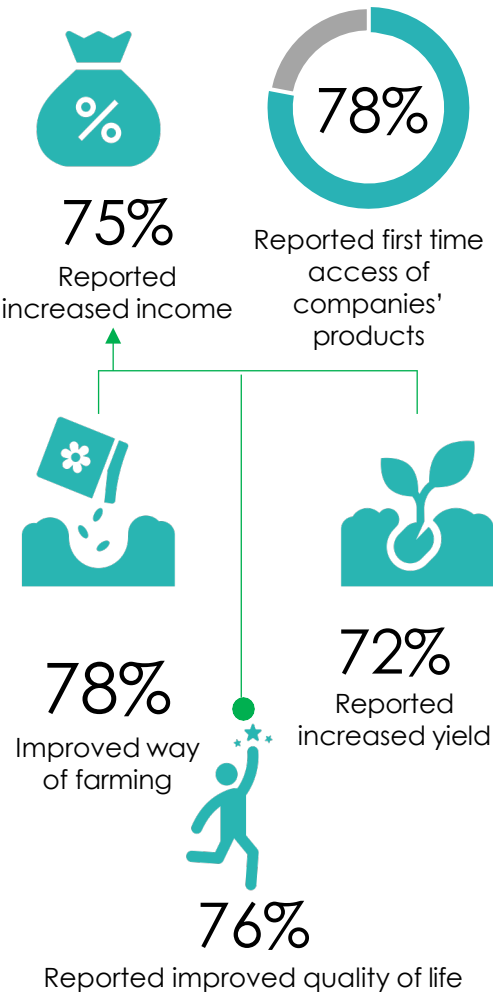
A horticulture company that promotes regenerative agri practices and connects its outgrowers in Kenya with local and export markets

ARAF IMPACT SCORECARD

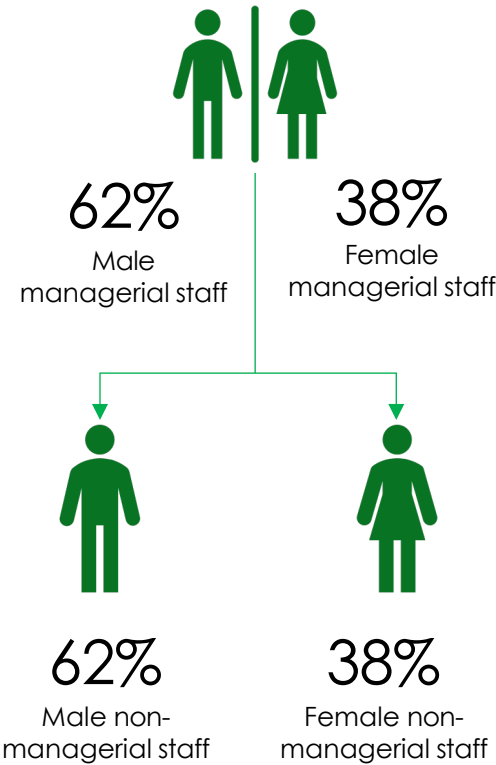
LIVES IMPACTED



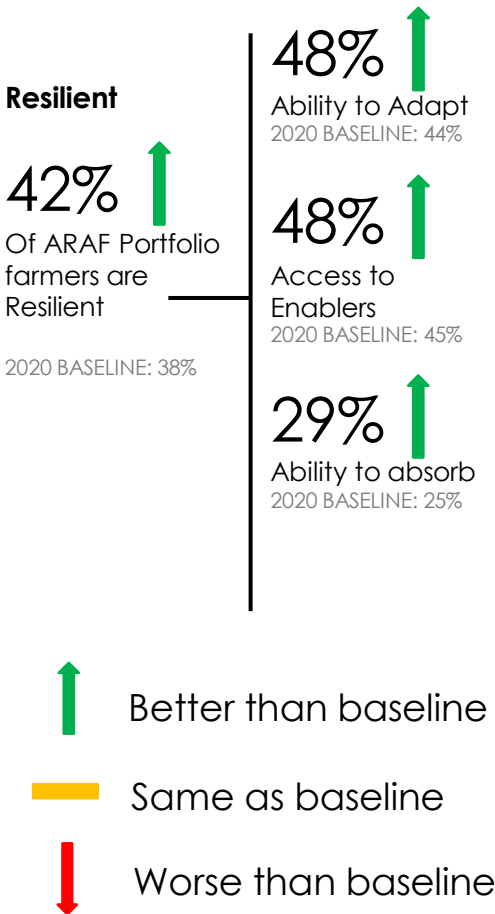
FARMER WELL-BEING



GENDER AND MANAGEMENT



CLIMATE RESILIENCE



*In arriving at the number of lives impacted, we have assumed a household size of 5 in East and West Africa.

**The portfolio impact results are based on baseline surveys of Flow Equity Africa Ventures (a member of the Hatch Africa Group of companies - Kenya and Ghana) and East Africa Foods' farmer wellbeing and climate resilience surveys. Data was collected in Q4 2023 of these ARAF's portfolio companies.

Lessons Learned

Farmer well-being insights

NPS and challenges: Net promoter score is linked to a company's operations, having a strong/customer focused operational team is critical to the success and scalability of the business. The challenges highlighted underscored the importance of operations, good product and communication with the farmers.

Better communication: Companies must ensure that customer expectations are met promptly. Clear communication regarding pickup timelines for offtakers and contact information for addressing any issues should be provided. Payment transactions should occur as scheduled, and originally promised.

Training: Farmers note that they get most of their information from friends and family compared to formal sources. ARAF is pushing its companies share agricultural information to farmers during each interaction.

Competitive landscape: Competitive landscape varies significantly across the regions where we invest. For instance, while the poultry industry in Kenya faces its own challenges, Ghana's industry contends with being a dumping ground for frozen meat, posing additional obstacles for local farmers and to Hatch Ghana's value proposition.



Climate resilience insights

Water: Water management solutions are important for the farmers. The farmers surveyed highlighted having few water management solutions. ARAF will encourage companies to leverage TA and external partnerships.

Climate resilience: Based on current surveys, livestock companies show higher climate resilience scores with prolonged farmer engagement, particularly notable with Hatch companies where farmers exhibit increased resilience, especially as they receive more birds and training.

Bundled solutions help farmers become more climate resilient in line with ARAF's investment thesis. The broader the service offering, the higher the farmer resilience score.

Crop insurance: There is low innovation in insurance and most models are still very early days in the market. ARAF has recently invested in an Insurtech company to address this underserved market opportunity.

INTRODUCTION OF **ARAF II**

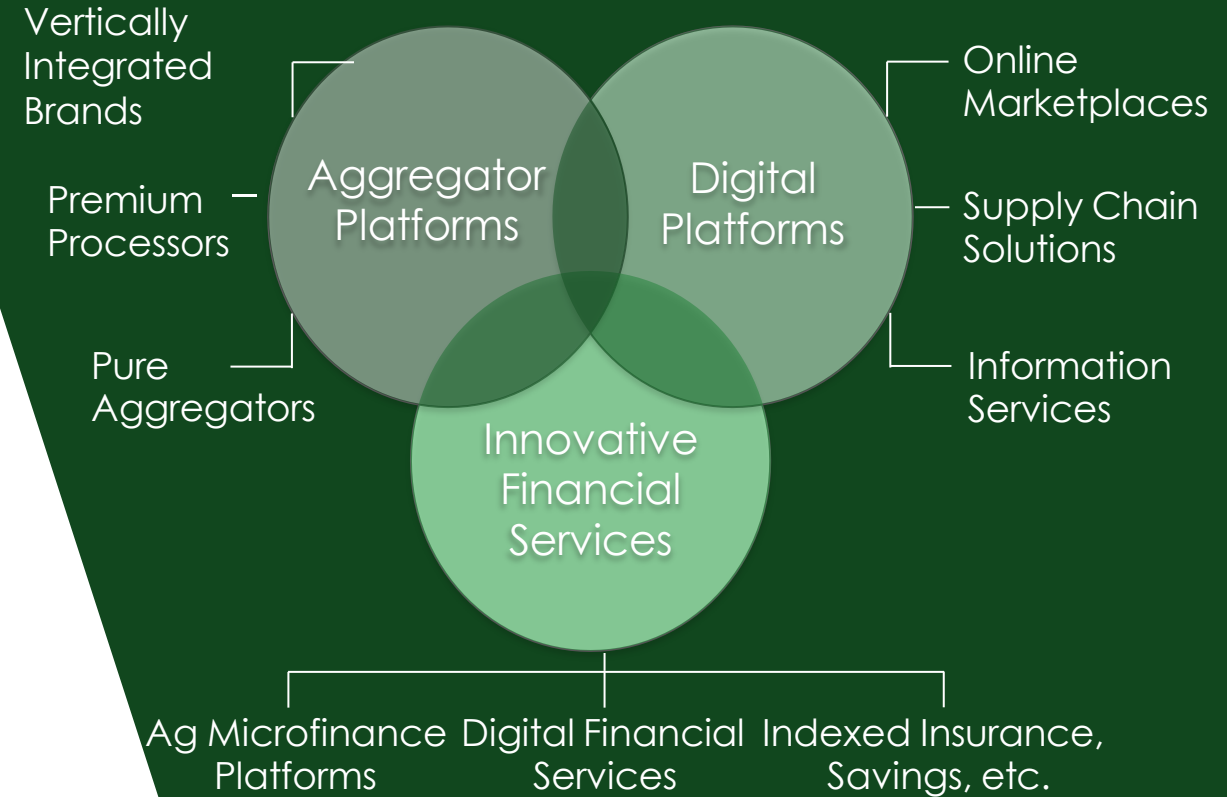
Intro to ARAF II

\$120MM
Fund Size

\$12MM
TAF

4MM
Impacted
Farmers

10
Target Countries



THANK YOU

For further information, please
contact:

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