

The ABC Fund invests in INSOTEC to finance smallholder farmers in Ecuador post-COVID-19

- **INSOTEC provides micro-credits to agriculture business in Ecuador, in particular smallholder farmers**
- **The investment will enable the company to support its clients and help them recover from the COVID-19 crisis**

Luxembourg, 27 August 2020 – The Agri-Business Capital Fund ('ABC Fund') has invested USD \$3 million in INSOTEC, a finance provider for Ecuador's agricultural sector. INSOTEC provides micro-credits to companies in the agricultural sector, in particular smallholder farmers, to improve financial inclusion among low-income or vulnerable households.

The ABC Fund's investment will help INSOTEC navigate the COVID-19 pandemic, support its clients and help them recover from the crisis. The financing will provide INSOTEC with further liquidity in the near-term to overcome potential cash shortages and provide loans to existing customers to help them recover.

At present, INSOTEC serves 18,000 clients and has a loan portfolio of USD \$58 million. The company has 21 branches located across eight different provinces in Ecuador. The business has plans to expand further into the province of El Carchi, where agricultural activity dominates with corn, oats, barley, wheat, coffee, sugar cane and fruit plantations.

The investment fulfils the ABC Fund's purpose of improving the livelihoods of smallholder farmers, especially in a country which has been hit hard by the COVID-19 pandemic and is anticipating an additional two million people falling back into poverty in the next two years.

Jean-Philippe De Schrevel, Managing Partner, at Bamboo Capital Partners, commented: "The agricultural sector in emerging markets has struggled in the wake of COVID-19. Few companies are able to provide the support which smallholder farmers require in these difficult times, which is the ABC Fund is delighted to invest in INSOTEC. Our investment will provide the business with liquidity for the short term and enable it to continue lending to new and existing clients to support the Ecuadorian agricultural sector and prevent smallholder farmers from sliding into poverty."

Jerry Parkes, CEO of Injaro Investments, commented:

We are excited to announce the ABC Fund's first loan outside of Africa and during this global pandemic. Executing this important and timely transaction given the current operational challenges is a testament to the team's commitment to deliver funding to smallholder farmers when it is most needed. This financing will complement the resilience of Ecuador's smallholder farmers as they work to emerge successfully from this pandemic.

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), the Luxembourg Government and the Alliance for a Green Revolution in Africa (AGRA). The EU/OACPS resources are exclusively used for action in the African, Caribbean and Pacific (ACP) region, and the AGRA resources only for Sub-Saharan Africa.

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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 Injaro Investments:

Established in 2009 by Dadié Tayoraud and Jerry Parkes, Injaro Investments is an Africa-based private capital investment firm that focuses on SME investments in Africa. Our vision is to build sustainable African businesses that create social and economic value. As an impact investor, Injaro makes investments in debt, quasi-equity, and equity in small-and medium-sized enterprises along the agricultural value chain in designated countries of West Africa. Injaro-advised funds have benefitted 3 million people in Africa, comprising mainly smallholder farmers and people on low incomes. For more information, please visit www.injaroinvestments.com or follow @injaro on Twitter and Injaro Investments Limited on LinkedIn.

About INSOTEC:

INSOTEC is a micro-finance NGO founded in 1980 and headquartered in Quito, Ecuador. INSOTEC primarily focuses on financial inclusion for micro entrepreneurs, particularly in the agricultural sector. INSOTEC provides its services to underserved clients, they operate in rural areas (>70% of portfolio and number of clients) and 43% of their clients are women. In addition to providing microcredits, INSOTEC offers access to other non-financial services, such as agricultural education workshops and health services, that are either fully subsidized (from the proceeds of its lending business) or offered to clients and non-clients at preferential costs.

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