

## ACDI/VOCA and AV Ventures | Bridge to Investibility in West Africa

### ACCELERATING THE WEST AFRICAN AGRICULTURAL MARKET

West Africa's economic growth, driven by small- and medium-sized enterprises (SMEs), is accelerating. These SMEs are growth catalysts, as they promote innovation, have inclusive operations and supply chains, and generate significant income opportunities in rural, agricultural communities. However, all but the most profitable SMEs face severe challenges in accessing financing. Across the region, steep collateral requirements of up to 200 percent of loan value hinder SMEs' development. SMEs also face a lack of technical assistance and mentorship in navigating this environment.

**AV Ventures LLC**, an impact investment subsidiary of ACDI/VOCA, is well-equipped to identify, nurture, and invest in SMEs in the West African food and agriculture market that are otherwise bypassed by both traditional lenders and investors. To help them thrive, AV Ventures provides risk-sharing financing and technical assistance, which returns value to investors and puts its portfolio companies on a path of sustainable growth.

**AV Ventures is raising a US\$20 million evergreen fund**, anchored with a US\$2 million investment from ACDI/VOCA and its affiliates. ACDI/VOCA will provide targeted, pre- and post-investment technical assistance to investees, building off of its networks, more than 40 years of experience in West Africa, and its global leadership as a catalyst for inclusive market systems growth.

#### WEST AFRICAN MARKET AT A GLANCE

- Regional GDP growth of approximately 4.5% p.a. from 2008 to 2018
- SMEs contribute 70% of GDP and 50% of employment in Ghana

### ABOUT THE ACDI/VOCA GROUP

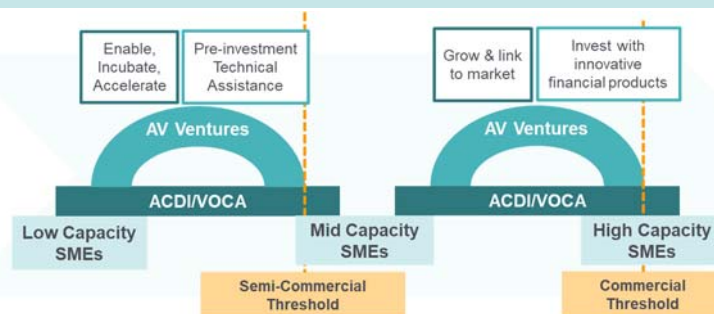
**ACDI/VOCA** is a non-profit 501(c)3 organization based in Washington, D.C., that works in 30 countries globally. Since 1963, ACDI/VOCA has been at the forefront of expanding access to financing to strengthen value chains in which the poor participate. ACDI/VOCA's work has led to multi-generational impact stories and a strong track record of sustainable financiers and enterprises. Learn more at [www.acdivoca.org](http://www.acdivoca.org).

**AV Ventures** is ACDI/VOCA's investment management subsidiary dedicated to expanding innovative, catalytic financing to agribusiness SMEs within its existing networks. AV Ventures manages a US\$4 million SME mezzanine investment fund that includes a long-term loan from the Overseas Private Investment Corporation (OPIC).

### THE BRIDGE TO INVESTIBILITY

**ACDI/VOCA and AV Ventures together go beyond traditional impact investing** to create returns and impact where traditional impact investors fear to tread — at earlier, experimental stages in poor countries and underfunded sectors.

Our **integrated approach** supports appropriate business models to build bridges to help SMEs cross the investibility threshold. Our **innovative financial products** — long-term, revenue-based debt, and other mezzanine products — share risk with investees and ensure that investment capital is used for long-term growth.



### INVESTMENT TEAM

- **Zubeiru Salifu, Senior Investment Manager (Accra, Ghana)**. Ghanaian national with 15+ years of local and regional experience in impact investing, including 9 years at Mustard Capital, a private equity fund investing in SMEs in Ghana, Liberia, and Sierra Leone.
- **Wyanie Bright, Senior Director (Washington, DC)**. Liberian & American citizenship with 20+ years of international experience investing in West Africa with the Pan African Capital Group, strategy and management consulting with Accenture and PAE, and securities markets intelligence with Nasdaq.
- **Winfred Kumi, Senior Investment Associate (Accra, Ghana)**. Ghanaian national with 5+ years' experience as a financial analyst and in regional securities market research and valuation.

## OUR JOINT TRACK RECORD IN WEST AFRICA

The ACDI/VOCA Group has been working across the agribusiness sector in **Ghana, Burkina Faso, Mali, and Liberia for over 20 years**, partnering with the United States Agency for International Development (USAID), the United States Department of Agriculture (USDA), and the Bill & Melinda Gates Foundation.

- AV Ventures has made **4 investments valued at US\$2.1M**, with **one successful exit** in agribusiness
- AV Ventures' investments have led to 30 new jobs and have linked 900 smallholder farmers and 100 female microentrepreneurs with markets and capital
- ACDI/VOCA has increased economic opportunities for 485,000 people in West Africa since 2010
- In Ghana, ACDI/VOCA has doubled farmers' incomes from 2014 to 2018
- Thanks to ACDI/VOCA's work, 54,000 hectares of biologically significant land are under improved management

## CATALYZING IMPACT AND GROWTH

Portfolio companies must show an ability to make significant contributions to AV Ventures' social impact mission, which aligns with the **Sustainable Development Goals (SDGs)**:



**Inclusion:** Business models that spur lasting change for lower-income or marginalized groups (SDG 8)



**Employment:** Creating jobs at a rate above the national average (SDG 8)



**Gender:** Promoting women's leadership and equality (SDG 5)



**Climate:** Business models that positively impact the environment or mitigate climate change (SDG 12)

## WEST AFRICA SME INVESTMENT PLATFORM AT A GLANCE

**Sector:** Food and agriculture

**Structure:** Blended finance mezzanine fund coupled with pre- and post-investment technical assistance and market development

**Countries:** Ghana, Burkina Faso, Mali, Liberia

### Target Platform Size

- US\$20 million for investment capital
- US\$4 million for technical assistance and market linkages

**Investment Range:** US\$200,000 to US\$1 million

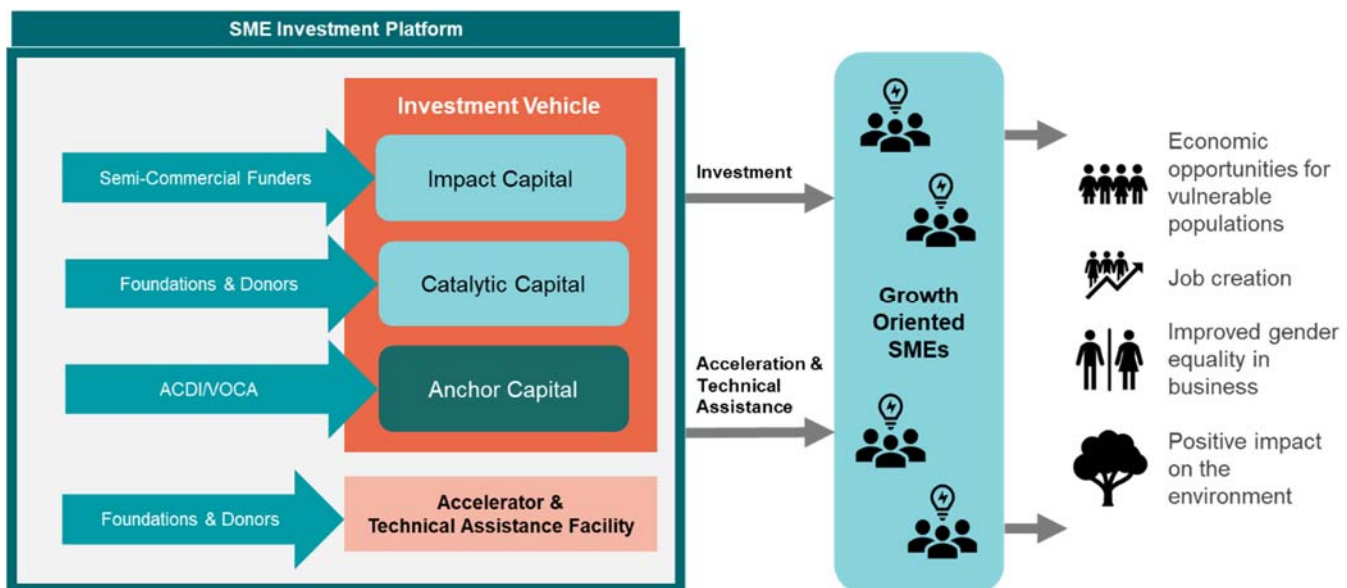
### Financial Products:

Structured exits (revenue-share debt or similar)

### General Investment Terms:

- Three- to six-year tenor
- 4 to 8% of revenues with a base interest rate

The ACDI/VOCA Group seeks partners interested in joining its West Africa SME Investment Platform:



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