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Financing of Inclusive Business Models in Emerging and Frontier Economies
by

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Africa Enterprise Challenge Fund
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A growing and successful off-taker will lift many smallholders out of poverty. Successful smallholder farmers will make the off-taker grow.
KEY TO SUCCESS – CONSISTENCY OF: QUALITY, QUANTITY AND ON TIME DELIVERY

The off-taker assumes multiple functions - in the context of an emerging economy financing needs are unique
A CHALLENGE FUND FINANCES ALL KEY ELEMENTS OF SUCCESS, ESPECIALLY THE ONES FOR WHICH ACCESS TO FINANCE IS PROHIBITIVE

A number of financial instruments are available

• Grants – for high risk investments such as technical assistance, capacity building
• Loans, convertibles, equity – e.g. for expansion of processing facilities

Biolands – a case in point – a success story

• Outgrower scheme – direct cooperation with 20 000 smallholder farmers
• Biolands – an offtaker who provides improved seeds and training
• AECF financed the company’s business model
• Biolands was acquired by Barry Callebaut – the inclusive business model to be replicated
ACCOMPLISHMENTS OF THE AECF AS A CHALLENGE FUND MECHANISM

740,634 households

or the equivalent of

3,703,270 people benefiting

US$89 Average Net Benefit per Household

Total Net Benefit $66,113,334