

PRESS RELEASE – Under embargo until 29/10/20

Antwerp, Frankfurt, 29th October 2020

Incofin launches together with KfW and German Ministry BMZ an emergency liquidity facility to give smallholder farmers in developing countries breathing space.

German Development Minister Gerd Müller announces the launch of ALF, the new initiative of the ministry with Incofin IM and German bank KfW.

The Agri-Finance Liquidity Facility (“ALF”) is a debt facility investing in sustainable agri-enterprises in mainly Africa and Latin-America, funded by KfW/BMZ and managed by Incofin IM as the Alternative Investment Fund Manager.



With a size of EUR 40 million, the facility will support actors in the sustainable agri-food value chain in developing and emerging countries to maintain their operations during and after the Covid-19 crisis. The capacity for investments has been extended to other agri-finance lenders and their investees in order to be as broad and inclusive in its impact as possible.

To offset the pandemic’s negative impacts on the sustainable agricultural production sector, KfW approached Incofin IM to develop a proposal for an emergency liquidity facility initially targeted for investees of the Fairtrade Access Fund (FAF). After reviewing the proposal, it was jointly decided to expand the focus of the facility to other agri finance lenders, principally members of the CSAF (Council on Smallholder Agricultural Finance), and their investees to be as broad and inclusive in its impact as possible. This will allow the facility to be as much inclusive as possible and to generate further impact.

Covid-19 caused a drop of more than USD 500 of the annual income

Covid-19 disrupted global food systems, testing the resilience of farmers who already receive the least value for their contributions to agri-food value chains. Many farmers, forced to harvest with significantly reduced personnel, lost quality and volumes of their crops.

As household budgets shrank, the sustainability of a product lost its strength as a purchasing argument. Fairtrade sales suffered a blow. On average, this meant a drop of more than USD 500 in smallholder farmers’ annual incomes, representing a substantial impact on their household economies.

About Incofin IM

Incofin Investment Management (Incofin IM) is a global independent impact investment company, focused on rural and agricultural finance. Driven by a desire to promote inclusive progress, Incofin strives to provide the support entrepreneurs' needs in order to improve to lives of the less privileged people. Incofin IM is an AIFM licensed fund manager and has over EUR 1 billion in assets under management. Incofin has a team of more than 60 professionals spread over the headquarters in Belgium and local investment offices in Cambodia, Colombia, India and Kenya.

www.incofin.com

About KfW

Kreditanstalt für Wiederaufbau (KfW) is one of the world's leading promotional banks. Since 1948 KfW has been committed to improving economic, social and ecological living conditions all around the world on behalf of the Federal Republic of Germany and the federal states. To do this, it supplied funds totaling EUR 77.3 billion in 2019 alone.

www.kfw.de

About BMZ

The Federal Ministry for Economic Cooperation and Development (BMZ) of the Federal Republic of Germany aims at providing freedom and security for all and a life without poverty, fear and environmental destruction. BMZ is committed to supporting partner countries in reaching the Sustainable Development Goals (SDGs) of the United Nations. To this end, it supports its partner countries in harnessing the potential of digital technologies for sustainable development and shaping a digital future worth living for all. The Ministry's portfolio currently comprises around 800 digitally enhanced projects worldwide.

www.bmz.de

About Fairtrade Access Fund (FAF)

The Fairtrade Access Fund (FAF) is a regulated evergreen fund founded in 2012 and operates in Latin America and Africa, offering lending products for cooperatives, processors and agricultural exporters who work primarily with smallholder farms and have a strong commitment to sustainable development. The fund currently supports around 330,000 sustainable and Fairtrade certified farmers.

www.incofinfaf.com

LAUNCHING VIDEO ALF



PRESS CONTACT

Jorgen Muylaert, Communications Manager Incofin IM

jorgen.muylaert@incofin.com

+32 495 66 89 58