

The logo for FCA Investments, featuring the letters 'FCA' in white on a green brushstroke background.

FCA

Investments



IMPACT REPORT

2022



www.fcainvestments.fi

TABLE OF CONTENTS

FCA Investments in brief. 4

Foreword. 5

EXECUTIVE SUMMARY 6

DIRECT INVESTMENTS 8

1. Kande Poultry Farms. 9

2. Ensibuuko. 10

3. EPL. 11

4. Amfri Farms 12

5. Sausage King (in the exiting phase): 13

6. Laboremus: 14

PORTFOLIO COMPANIES – SOMALIA: 15

7. Molto Ice-cream. 15

8. Berbera Tannery 16

PORTFOLIO COMPANIES – KENYA: 17

9. Sakami Ranches Ltd 17

FUND INVESTMENTS 18

Capital for Development (C4D) Asia Fund 18

Yield Uganda Investment Fund 20

Joint Efforts & Advocacy in Action: 22

HIGHLIGHTS AND KEY IMPACT-RELATED NOTES. 23

FCAI’s Portfolio and Allocations: 23

MMOF: FCAI’S Service Providing Arm 25

Featured Story – Sakami Ranches: 26

Contacts 27



FCA Investments Ltd
Address: Eteläranta 8
FI-00131 Helsinki, Finland

www.fcainvestments.fi

FCA Investments (FCAI) is an impact-driven company specializing in SME development. FCAI believes in the role of responsible and growth-oriented SMEs as a driver of sustainable and inclusive economic growth in developing countries. Therefore, FCAI aims to leverage the power of “**finance**”, “**Technology**” and “**business development services**” (BDS) to turn the missing middle¹ challenge (in target countries) into an investable and impactful opportunity.

FCAI’s mission is to make capital and skills available for economically, socially and environmentally sustainable SMEs that work to improve livelihoods in target countries.

FCAI is a 100% subsidiary of Finn Church Aid (FCA), the largest Finnish non-governmental international aid organization. FCA has operated for more than 75 years in some of the world’s most challenging and fragile contexts. As a subsidiary, FCAI seeks to build on the core competencies of FCA to ensure that all the investments made are not only sustainable, but that they have a positive social and/or environmental impact in the target countries as well.

FCAI operates in least developed countries and challenging contexts (mainly in East Africa) where the need to address 1) SME’s low productive capacities, 2) poor business practices, and 3) limited access to affordable finance is key to creating decent jobs and achieving inclusive and sustainable economic growth.

FCAI is focused on serving responsible and growth-oriented SMEs, and the vulnerable communities in which they operate, by offering business development services and finance to those SMEs.

By putting “Impact” at the heart and centre of our strategy, FCAI’s interventions are heavily tilted towards creating positive social and environmental change. To achieve this, FCAI has made a conscious decision to earmark its direct investments for those countries that are at high risk of being left behind and where there is already FCA presence in order to be more efficient, utilize the institutional knowledge, and to build on FCA’s interventions and infrastructure in these countries. The current targeted countries are **Uganda, Somalia, and Kenya**.

¹ The term ‘Missing Middle’ refers to the absence of the SME-sector in many low-income countries mainly due to the lack of access to finance which is more available for large and micro businesses.

What we do

- Addressing the Missing Middle (SME’s Access to finance) challenge in developing and fragile countries “Leaving No One Behind” in line with the UN’s 2030 Agenda for Sustainable Development.
- Investing in growth-oriented and impact driven SMEs.
- Offering essential management support and BDS “e.g., CFO as a service”.
- Focusing on collaboration with other players (adopting a “synergy creation” strategy).
- Mobilizing finance toward our objectives.
- Rooting advocacy process within FCAI’s operations to increase awareness and alignment.
- Operating with Environmental & Social (E&S) Impact as a first lens.

We aim at:

- Promoting inclusive economic growth, by supporting responsible SMEs in target countries.
- Creating decent jobs especially for youth and women.
- Protecting worker’s rights and promoting safe and just working environments, especially for female workers.
- Boosting innovations, productivity, resource efficiency and more environmentally and socially responsible production and consumption.
- Helping vulnerable segments of society (especially women, youth, and minorities) to have equal rights to economic resources and gains, and access to basic services.



Foreword

In addition to their significant untapped potential, SMEs in developing (especially low-income) countries face mounting challenges such as the economic repercussions of Russian aggression against Ukraine, climate change, fluctuation in commodity, fuel prices, etc. In 2022, FCAI provided unwavering support to its portfolio companies to help them weather some of these challenges. Despite the slower than expected execution of some investments, which resulted in delays in repayments and achieving certain milestones, the performance of our investee companies has been solid and promising.

FCAI faced some challenges relating to raising capital, which limited its ability to grow faster. However, we added two new investee companies to our portfolio in 2022 and managed to further develop our service providing arm “Missing Middle Opportunity Facility - MMOF”. We believe that MMOF has the potential to be a game-changer in the field of SME development and transform the SME financing landscape in our target countries.

Jukka-Pekka Kärkkäinen
CEO, FCA Investments Ltd



51 SMEs

financed (directly and through funds) of which 30 are in the agriculture sector and food supply chains (accumulative as of Dec. 2022)



€13.7M

Invested by FCAI directly and through funds in SMEs in developing countries (as of Dec. 2022)



€1.1M

Value of all transfers to the governments made by the investee-companies in 2022.



4,513

employees in the financed SMEs (Directly and through funds)



1,172

Jobs created and maintained in the Agri- and food processing sector.



€4.8M

invested directly in SMEs in Uganda, Somalia, and Kenya of which 51% invested in Agri-SMEs.



100%

of the direct investments took place in sub-Saharan Africa.



38%

“Female ownership percentage of the direct investment portfolio (on average)” as of Dec. 2022



€3.4M

Total revenue generated by FCAI's portfolio companies in 2022

Updates: In 2022, FCAI approved one divestment and four direct investments in FCAI's countries of operation. The approved investments targeted different sectors (i.e., renewable energy, Fintech, and agri/food production) and amounted to ca. €1.63m. The three investments listed below (out of the four approved) have been successfully executed:

- **Laboremus - Uganda:** a credit infrastructure provider, enabling banks and other financial institutions to digitize most customer-facing tasks, consequently reducing customer interaction and cost. FCAI approved and fully executed a €300K investment in Laboremus in a form of convertible note (while the co-investor, DOB Equity, provided €500K, pro-rata conditions).

- **Kande Poultry Farms (KPF) - Uganda:** FCAI provided a €152K additional loan (combined with management services) to KPF on top of the initial investment made in 2020. The additional loan and management support aim to help KPF execute its business turnaround plan and overcome short-term financial challenges resulting mainly from Covid-19 and the conflict in Ukraine.
- **Sakami Ranches Ltd - Kenya:** a family-owned farming company engaged in sustainable farming (i.e., coffee, macadamia, avocado, dairy, and vegetable production). FCAI approved and partially executed an €880K investment in Sakami Coffee in a form of convertible debt.

FCAI's journey bears witness to the role of small and medium-sized enterprises (SMEs) as a driver of job creation and inclusive economic growth.

The widening financing gap in the least developed countries and fragile states exacerbates the lack of access to finance that many companies, especially SMEs, face. To help address the access-to-finance challenge for SMEs in the target countries, FCAI adopts an ecosystem approach and offers innovative services and financing solutions to impact-driven and growth-oriented SMEs (which are the engine of economic growth and job creation). The aim is to help these SMEs grow sustainably, move to higher value-added activities, and achieve much-needed structural transformation. FCAI's services are contextually designed and closely managed to ensure responsiveness to the needs on the ground.

Hani Almeghari - CBDO,
FCA Investments.



Credit: Laboremus Uganda



Across the spectrum of private sector development and given the contexts of the countries in which it operates, FCAI considers building resilient and responsible SMEs an essential step towards creating inclusive and sustainable economic growth.

Portfolio Companies - Uganda:

1. Kande Poultry Farms

Kande Poultry Farm (KPF) is a family-owned business set up in 2008 as a 2,000-chicken layer farm employing the deep litter farming system. The business has since expanded to 30,000 layers using a battery cage system with a daily average egg production of 23,000 eggs. With the investment received from FCAI, the farm has started a second expansion round to increase its capacity to 50,000 layers and ultimately hit 100,000 layers (70,000 eggs per day) by the end of 2024..

Impact Themes:

- Increasing access to locally produced quality eggs (food safety).
- Increasing the farm profitability and productivity.

- Creating decent jobs and improving smallholder farmers' livelihoods.
- Improving layer poultry farming practices, pollution prevention, and waste management.

As per the 5-year ESG action plan, KPF is working on improving:

- The governance structure and management procedures of the company
- The chicken welfare to reach the ISA/FAO standards related to poultry and egg production.
- The manure collection mechanism to prevent contact with soil (drying or bio-digesting system) and to produce bio-fertiliser.
- Working conditions and the environment by putting in place proper safety measures, equipment, and systems.

Key Impact Indicators

Key Impact Metric - Kande	Baseline 2019	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€648,706		As of Dec. 2022
Full-time Employees: Total	21	18		As of Dec. 2022
Full-time Employees: Female	1	3		As of Dec. 2022
Full-time Employees: Youth (18-35y)	12	13		As of Dec. 2022
Percent Female Ownership	100%	100%		As of Dec. 2022
Value of all transfers to the governments made by the investee-companies during reporting period	€ -	€ -		Jan 2022 - Dec 2022
Payments to Supplier Individuals: Smallholder (EUR)	€344,982	€415,271		Jan 2022 - Dec 2022

Progress: In 2022, KPF faced a number of challenges e.g., massive increase in feed prices, delays in implementing the planned expansion, fluctuation in egg prices, etc. These challenges put the company under serious financial stress. To help overcome this challenging situation, FCAI worked closely with the company and provided working capital and management support. As a result, the business is now performing well and growing remarkably.

2. Ensibuuko

Ensibuuko was founded in 2014 out of the desire to address a real problem that affects millions of people across Africa: the problem of poor banking infrastructure. Most banks are concentrated in urban centres and struggle to reach remote, rural communities¹. The funding size of this investment is \$1M (40% equity and 60% convertible loan). The aim is to allow Ensibuuko to scale and digitize 10,000 village banks and ensure better access to savings, cheaper and faster credit for an additional 100,000 unique clients. Digitization of Village Banks and SACCOs increases their profitability, efficiency, productivity, and sustainability in addition to reducing misconduct in these institutions through increased visibility of transactions.

¹ <https://ensibuuko.com/>

Impact Themes:

- Improving access to financial services (e.g., credit line) in under/served areas.
- Improving smallholder farmers' income security through crop insurance services.
- Helping stabilize livelihoods due to the availability of essential financial services.



Credit: Hugh Rutherford

Key Impact Indicators

Key Impact Metric - Ensibuuko	Baseline 2020	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€594,829		As of Dec. 2022
Full-time Employees: Total	30	52		As of Dec. 2022
Full-time Employees: Female	8	16		As of Dec. 2022
Full-time Employees: Youth (18-35y)	27	30		As of Dec. 2022
Percent Female Ownership	0%	0%		As of Dec. 2022
Value of all transfers to the governments made by the investee-companies during reporting period	€ -	€ -		Jan 2022 - Dec. 2022
Client Companies (e.g. SACCOs): Provided New Access (to products or services)	85	139		As of Dec. 2022
Users: Provided Access (to products or services e.g. online banking)	235,000	339,500		As of Dec. 2022

3. EPL

Egg Production Uganda Ltd (EPL) is an FCA owned poultry farm incorporated in 2019 and located in Min-yama District in Central Uganda. EPL represents a new and ambitious attempt by the Women's Bank (part of the FCA Group) to advance the livelihood portfolio through direct 'impact' investments with an ultimate objective of incubating an impactful business that demonstrates a sustainable model of poultry (egg) farming in Uganda. The investment was made jointly by FCA and FCAI in which FCAI provided a €100,000 loan and technical assistance (to achieve commercial viability and responsible business conduct) and FCA provided an equivalent amount in a form of grant.

Impact Themes:

- Job creation
- Improving the livelihoods of the supplying farmers
- Promoting women's entrepreneurship
- Food security and sustainable egg production



Credit: FCA Investments

Key Impact Indicators

Key Impact Metric - EPL	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€100,000		As of Dec. 2022
Full-time Employees: Total	14	23		As of Dec. 2022
Full-time Employees: Female	3	4		As of Dec. 2022
Full-time Employees: Youth (18-35y)	14	23		As of Dec. 2022
Percent Female Ownership	N/A	N/A		As of Dec. 2022
Value of all transfers to the governments made by the investee-companies	€ -	€ -		Jan 2022 - Dec 2022
Payment to Supplier Individuals: Smallholder (EUR)	€104,589	€241,502		Jan 2022 - Dec 2022

Progress: EPL demonstrated a remarkable progress not only in terms of growth and profitability, but also in its sustainable business practices by improving workforce health and safety, animal welfare and waste management.

4. Amfri Farms

Incorporated in 1998, **AMFRI Farms Ltd** (trading as **African Organic**) is a company specializing in the production, processing and export of fresh, dry and frozen organic fruits, vegetables, herbs, spices, cereals, seeds and nuts. The company's main export markets are the EU (all products), USA (vanilla and dried fruits) and UAE (all products).

The investment in Amfri Farms is jointly made by FCAI and Yield Fund Uganda (the lead investors) with a total funding size of €1,320,000 (FCAI's contribution is €495,000). It is a turn-around investment with financing and associated technical assistance aimed at ensuring that the business can harness its potential and break out of its current peak and trough performance onto a sustainable growth trajectory.




















Impact Themes:

- Export of high quality, certified and traceable Agri-products
- Job creation in the farms and production facilities
- Improving and ensuring sustainable farming practicing
- Carbon sink and forest preservation.



Credit: Hugh Rutherford

Key Impact Indicators

Key Impact Metric - AMFRI Farms	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€495,000	 	As of Dec. 2022
Full-time Employees: Total	190	191	 	As of Dec. 2022
Full-time Employees: Female	71	93	  	As of Dec. 2022
Full-time Employees: Youth (18-35y)	136	146	  	As of Dec. 2022
Percent Female Ownership	40%	40%	 	As of Dec. 2022
Value of all transfers to the governments made by the investee-companies	€115,060	€94,845	  	Jan 2022 - Dec 2022
Number Local Suppliers: Smallholders	-	162	  	Jan 2022 - Dec 2022
Value of total export	0	92,503		As of Dec. 2022

5. Sausage King (in the exiting phase):

Incorporated in February 2019, Sausage King 3000 (U) Ltd (trading as Sausage King) specializes in the production of sausages and ancillary products from beef, chicken, and pork mixed with plant-based ingredients. Sausage King is an early-stage high growth business in the FMCG sector with a lot of potential.

The investment was made jointly by FCAI (the lead investor contributing \$650K) and Yield Fund Uganda (the co-investor contributing \$500K).

Impact Themes:

- Job creation (employees and distributors)
- Improving the livelihoods of the suppliers (due to the company's growth and enhanced quality of the supply).
- Increase productivity and competitiveness.

Update: Due to unforeseen misalignments with the promoter and obstacles to proper implementation of the investment, both FCAI and PCP (co-investor) agreed with the promotor to exit the investment with a 9% premium (over the initial price). The agreement has been signed in March 2022; however, some challenges emerged and slowed the exit process. The investors will be addressing these challenges using proper channels to ensure smooth exiting. The company is still performing well and has a strong growth potential.

6. Laboremus:

Laboremus is a Fintech company providing Reg-tech and KYC tools to banks, Microfinance institutions and SACCOs. It also provides access to the data and tools that help financial service providers process loans and credit faster and cheaper. Laboremus aims to improve access to finance among underserved and rural communities. FCAI invested €300K in Laboremus in the form of a convertible note (while the co-investor, DOB Equity, provided €500K, pro-rata conditions) to help the company further develop its technological solutions and digitize customers’ onboarding and credit worthiness assessment processes

Impact Themes:

- Financial inclusion
- Access to banking services in rural areas
- More cost-effective lending.



Credit: Laboremus Uganda

Key Impact Indicators

Key Impact Metric - Laboremus	Baseline 2022	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€284,603		As of Dec. 2022
Full-time Employees: Total	17	20		As of Dec. 2022
Full-time Employees: Female	7	10		As of Dec. 2022
Full-time Employees: Youth (18-35y)	15	17		As of Dec. 2022
Percent Female Ownership	0%	0%		As of Dec. 2022
Value of all transfers to the governments made by the investee-companies during reporting period	€1,225	€ -		Jan 2022-- Dec 2022
Client Companies (e.g. SACCOs): Provided New Access (to products or services)	22	6		As of Dec. 2022
Users: Provided Access (to products or services e.g. online banking)	N/A	7,000		As of Dec. 2022

Portfolio Companies – Somalia:

7. Molto Ice-cream

Molto Ice-cream is a small-scale ice-cream manufacture and distributor based in Hargeisa, Somaliland. The company is currently the only ice-cream manufacture utilizing locally sourced ingredients (camel milk, fruits) in its production processes. FCAI invested \$418,019 in Molto through Murabaha (an Islamic Finance Instrument) to help upgrade the business and create new production lines. The company’s products are marketed and distributed through its shops and outlets. As part of its growth plans, the company

started to produce and sell juice, fast food, and snacks in different places across Hargeisa.

Impact Themes:

- Improving productivity and efficiency
- Scaling business operations
- Job creation and livelihoods of small-scale suppliers
- Promoting solar power



Credit: FCA Investments

Key Impact Indicators

Key Impact Metric - Molto Ice-cream	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€368,444		As of Dec. 2022
Full-time Employees: Total	46	33		As of Dec. 2022
Full-time Employees: Female	9	10		As of Dec. 2022
Full-time Employees: Youth (18-35y)	46	32		As of Dec. 2022
Female Ownership Percentage	75%	75%		As of Dec. 2022
Value of all transfers to the governments made by the investee-companies during reporting period	€4,917	€ -		Jan 2022 - Dec 2022
Payments to Supplier Individuals: Smallholder	-	-		Jan 2022 - Dec 2022

Progress: The company went under a heavy upgrade in 2022 and the relaunch of the business took place in January 2023. As the company was not operational in 2022, the related financial and impact figures were exceptionally modest.

8. Berbera Tannery

BT is the only functional Tannery in Somaliland today with an installed capacity of over 840,000 skins per annum (projected to double to 1.7 million because of FCAI's investment). The investment (\$914K through Murabaha financing) ensures that BT can continue to play a crucial role in processing hides and skins that would otherwise become pollutants, as they would be dumped in open areas.

The investment is structured to allow BT to add value and move from using chromium as a key tanning agent in its production process to more sustainable vegetable tanning agents thus improving the overall environmental impact of the tannery.

In addition, the investment in BT allows FCAI to leverage BT to improve waste management and other ESG practices across the livestock value chain, which is the backbone of the Somali Economy.

Impact Themes:

- Promoting responsible production and tanning processes
- Value addition (by upgrading the production facility)
- Job creation
- Exporting quality products with higher value added.



Credit: FCA Investments

Key Impact Indicators

Key Impact Metric - Berbera Tannery	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€835,616		As of Dec. 2022
Full-time Employees: Total	40	28		As of Dec. 2022
Full-time Employees: Female	0	0		As of Dec. 2022
Full-time Employees: Youth (18-35y)	40	28		As of Dec. 2022
Female Ownership Percentage	0%	0%		As of Dec. 2022
Value of all transfers to the governments made by the investee-companies	€13,300	€8,843		As of Dec. 2022
Payments to local suppliers: Outgrowers (EUR)	N/A	€120,656		As of Dec. 2022

Portfolio Companies - Kenya:

9. Sakami Ranches Ltd

Sakami Ranches is a family-owned farming company engaged in coffee, macadamia, avocado, dairy, and vegetable production. FCAI approved and partially executed an €880K investment in Sakami Coffee in the form of convertible debt. Sakami has the potential to positively impact the Trans-Nzioa region of Kenya by helping ease the change from maize to coffee production and providing better returns to the farmers when the new processing facilities are up and running. This will also have an environmental impact as Sakami is at the forefront of replanting indigenous varieties and using macadamia trees to inter-crop the coffee plants and other crops such as avocado.

Impact Themes:

- Sustainable farming
- Smallholder farmers' livelihoods
- Job creation
- Improving product value, quantity, and export.



Credit: Sakami Coffee Farms

Key Impact Indicators

Key Impact Metric - Sakami	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€666,400		As of Dec. 2022
Full-time Employees: Total	13	15		As of Dec. 2022
Full-time Employees: Female	4	4		As of Dec. 2022
Full-time Employees: Youth (18-35y)	9	9		As of Dec. 2022
Female Ownership Percentage	50%	50%		As of Dec. 2022
Value of all transfers to the governments made by the investee-companies during reporting period	€370	€370		Jan 2022 - Dec 2022
Payments to local suppliers: Smallholder (EUR)	N/A	€121,009		Jan 2022 - Dec 2022
Volume of total export	25.1 ton	17.5 ton		Jan 2022 - Dec 2022

Capital for Development (C4D) Asia Fund

FCAI committed in late 2018 to invest \$8.5 million (approx. €7.5 million) in the \$30 million **C4D Asia Fund**. The fund finances growing and inclusive Small and Medium-sized Enterprises (SMEs) that demonstrate strong social-economic impact for the underserved communities in Asian emerging economies, primarily in India, Indonesia, and the Philippines.

The investment strategy of the Capital 4 Development Asia Fund is geared to bridge the finance gap. The fund views the combination of economic growth, and the solutions SMEs have to offer as an opportunity to contribute to inclusive economies and achieving the Sustainable Development Goals.

Though the fund is sector agnostic, it invests typically in SMEs in the following sectors because of the impact potential:

 **Agriculture-related activities**

 **Food processing**

 **Renewable energy**

 **Education and skill development**

 **Financial inclusion**

 **Healthcare**

 **Sustainable consumer goods**



Impact Objectives¹

- Creating decent and sustainable jobs, providing employees with (new) skills and stable incomes to improve their living conditions and opportunities.
- Improving the market position of small, underserved suppliers and entrepreneurs to grow their business and positively impact (local) economies.
- Offering affordable and quality products and services to low-income and vulnerable populations by providing them access to better, innovative, more efficient and more sustainable solutions, which have the potential to improve their living conditions.
- Boosting the development of efficient and sustainable supply chains by supporting supply chain integration and solutions to market inefficiencies, which can improve linkages, lower costs, improve sustainability outcomes, strengthen the position of vulnerable players, and increase outreach.
- Supporting gender equality by encouraging gender balanced business strategies, including women in supply chains and staffing, and by investing at least 30% of the committed capital in women-led SMEs.

¹ <https://www.c4dpartners.com/funds-under-management>

Key Impact Indicators¹

Indicators	Values	Related SDGs	Time Frame
No. of SMEs Supported/financed	28		As of Dec 2022
No. of employees in the supported SMEs	3809	 	As of Dec 2022
No. of employees in the supported SMEs (female)	885	  	As of Dec 2022
No. of employees in the supported SMEs: (Youth 18-35Y)	3099	  	As of Dec 2022
Female Ownership Percentage	35%	 	As of Dec 2022
Value of all transfers to the governments made by the investee-companies (India)	€177,640	  	Jan 2022-Dec 2022
Value of all transfers to the governments made by the investee-companies (Indonesia)	€242,635	  	Jan 2022-Dec 2022
Total amount of capital invested in the portfolio companies to date (EUR).	€20,687,804		Accumulative as of Dec 2022
No. of SMEs Supported/financed in the Agri-Sector to date	9	 	As of Dec 2022
Total amount of capital invested in the Agri-companies to date (EUR).	€6,028,105	 	As of Dec 2022

¹ Some figures were converted (from local currencies to USD) as per the average annual FX rage

Yield Uganda Investment Fund

The Yield Uganda Investment Fund is a partnership between public and private investors that offers innovative and tailored financial solutions, using equity, semi-equity and debt to Small and Medium-sized Enterprises (SMEs). These businesses have the potential to generate both strong financial returns and significant social impact. Deloitte Uganda and Pearl Capital Partners Uganda (PCP) established the fund, currently managed by PCP Uganda, with the mandate to make investments in the range of €250,000 to €2 million (approx. UGX 1 billion to UGX 8.5 billion).


Yield Fund was launched by The European Union (EU), the International Fund for Agricultural Development (IFAD) and the National Social Security Fund (NSSF) in January 2017, and it is also backed by The Soros Economic Development Forum (SEDF) and FCA Investments that committed to invest €4m in this €20m Fund.



Impact Objectives:

- Yield Fund seeks to support businesses with a clear competitive advantage and ambitious local management.
- The fund aims to benefit the Ugandan economy by improving an estimated 100,000 rural household livelihoods and increasing access to markets for an estimated 26,000 farmers.
- It also creates jobs and employment opportunities and ensures food security while generating income, foreign exchange, and new export opportunities – all fundamentally contributing to Uganda's economic growth and the Sustainable Development Goals (SDG) objectives.

Key Impact Indicators

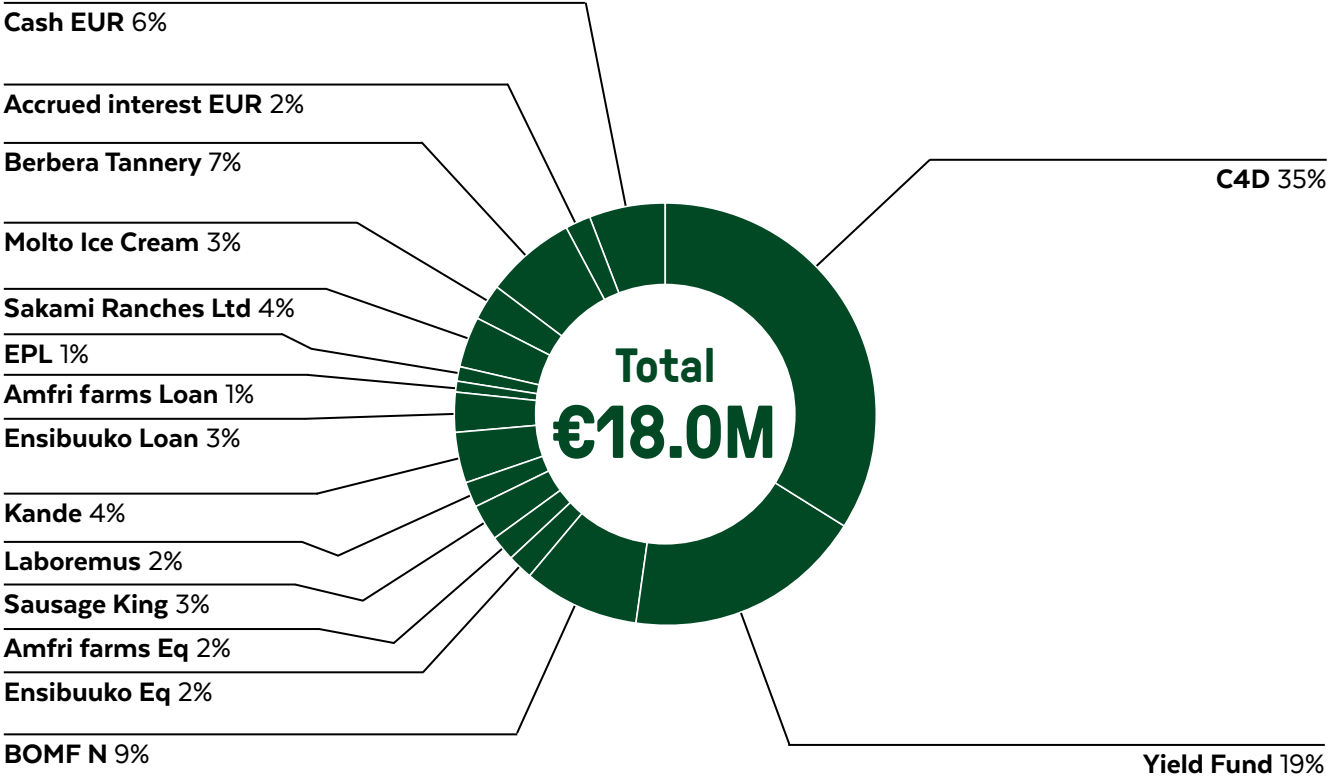
Indicators	Values	Related SDGs	Time Frame
Number of Agri-SMEs supported/financed to date	15	 	Accumulative as of Dec 2022
No. of permanent employees in the supported SMEs	515	 	As of Dec 2022
No. of permanent employees in the supported SMEs (female).	182	  	As of Dec 2022
No. of permanent employees in the supported SMEs: (Youth 18-35 y)	338	  	As of Dec 2022
Female Ownership Percentage (on average)	19%	 	As of Dec 2022
Total value of investment contracts between the fund and investee-Agri-SMEs to date (EUR)	€15,844,111	 	Accumulative as of Dec 2022
No. of farmers supplying investee company (female)	1,791	  	Jan 2022 - Dec 2022
No. of farmers supplying investee company (male)	4,076	 	Jan 2022 - Dec 2022
Total payment to small-scale farmers (EUR)	€4,158,309	  	Jan 2022 - Dec 2022
Value of all transfers to the governments made by the investee-companies (Uganda)	€669,298	  	Jan 2022 - Dec 2022
Value of exports of the supported SMEs.	€4,633,412		Jan 2022 - Dec 2022

HIGHLIGHTS AND KEY IMPACT-RELATED NOTES

FCAI’s Portfolio and Allocations:

Name	Country	Class	Commitment (EUR)	Outstanding Invested Amount (EUR)	Valuation (EUR)	% Allocation
C4D	Asia	PE Fund	7,969,248		6,257,560	35%
Yield Fund	Uganda	PE Fund	3,613,013		3,366,971	19%
BOMF N	Global	Listed Fund			1,541,251	9%
Ensibuuko Eq	Uganda	Equity	329,951	329,951.33	375,023	2%
Amfri farms Eq	Uganda	Equity	309,375	309,375.00	309,375	2%
Sausage King	Uganda	Loan	547,198	547,197.50	563,563	3%
Laboremus	Uganda	Loan	284,603	284,602.98	281,268	2%
Kande	Uganda	Loan	648,706	648,706.00	648,706	4%
Ensibuuko Loan	Uganda	Loan	528,329	528,329.20	562,535	3%
Amfri farms Loan	Uganda	Loan	185,625	185,625.00	185,625	1%
EPL	Uganda	Loan	100,000	100,000.00	100,000	1%
Sakami Ranches Ltd	Kenya	Loan	880,000	666,400.00	666,400	4%
Molto Ice Cream	Somalia	Murabaha	368,444	544,166.30	531,737	3%
Berbera Tannery	Somalia	Murabaha	835,616	1,258,478.22	1,279,367	7%
Accrued interest EUR				295,569.40	295,569	2%
Cash USD				3,646	3,646	0%
Cash EUR				1,010,278	1,010,278	6%
Receivables				66,761	66,761	0%
Total			16,600,108	17,153,068	18,045,636	100%

Porfolio Allocations Dec. 2022



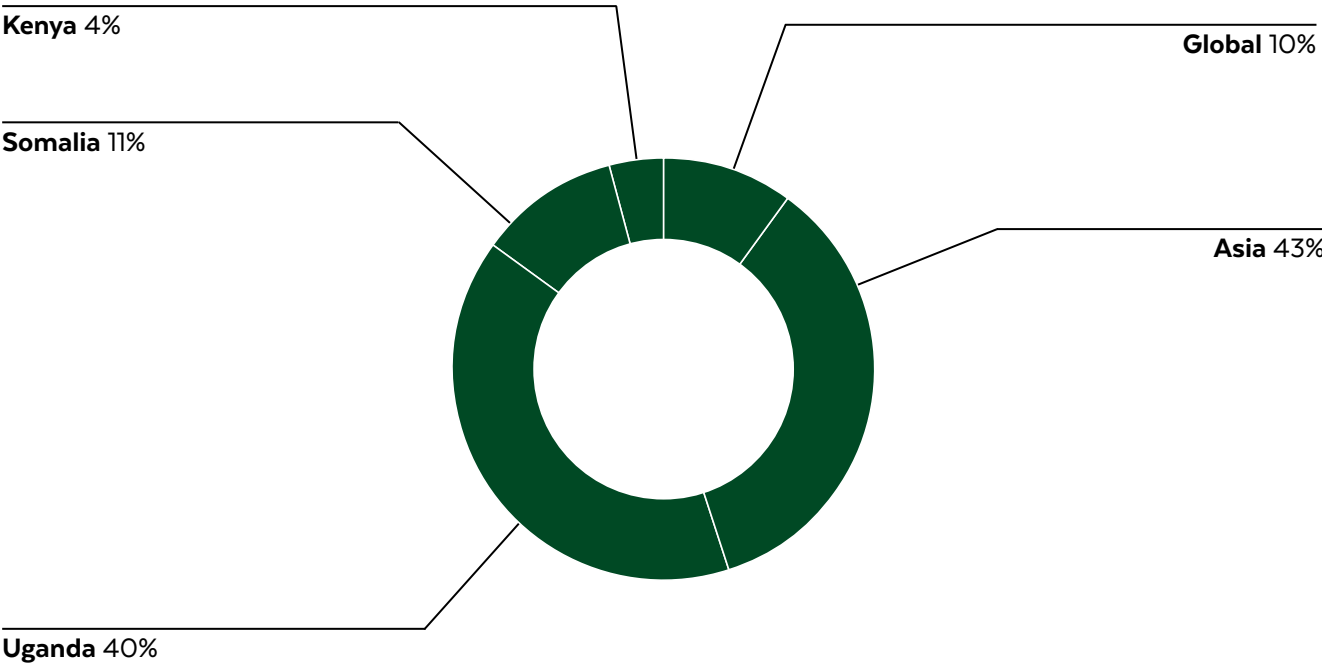
Joint Efforts & Advocacy in Action:



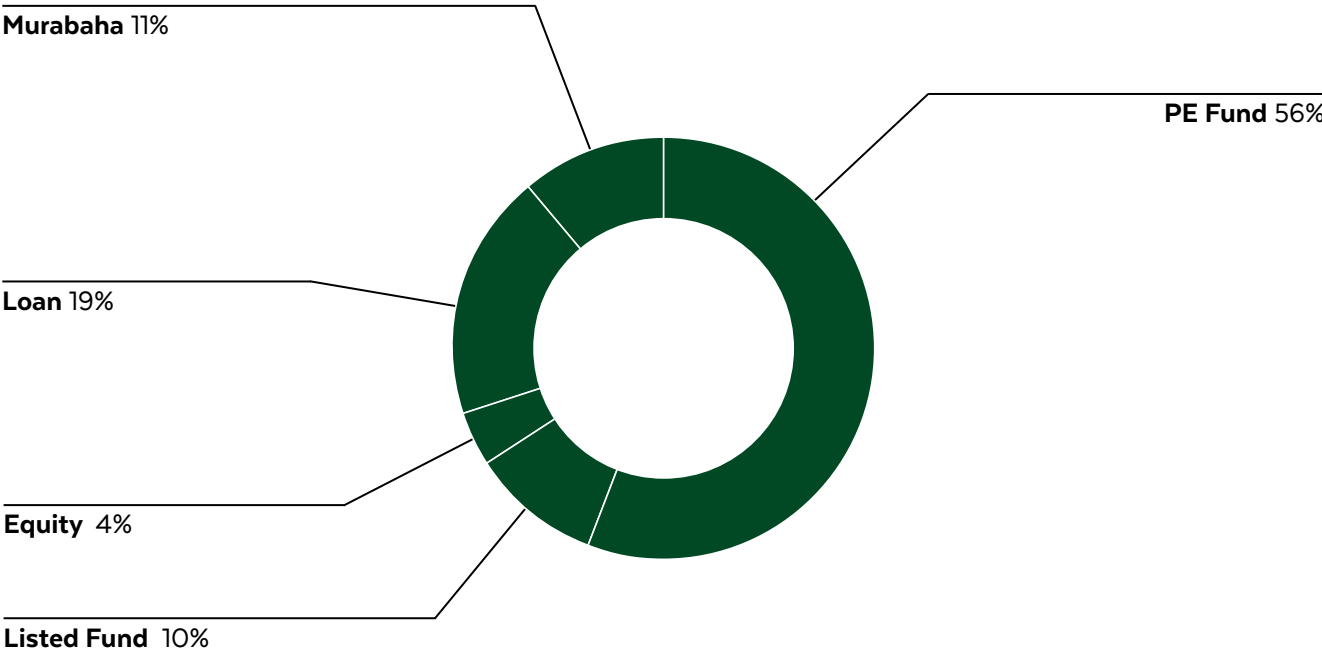
Achieving sustainable development impact and structural change calls for contributing to both national and international policies and processes. This is why FCAI engages in advocacy-related activities within its areas of expertise. In 2022, FCAI was invited and contributed to the inaugural meeting of the African Union SME Development Partners Platform. It led the organizing of a side event “Scaling services and unlocking finance” to the EU-Africa Business Forum with speakers from its female-led investee companies in Uganda and Kenya, the EU, AU, African and European Governments as well as from Accenture, and Microsoft. FCAI has engaged with development partners – such as the Ugandan Private Sector Development –group – in its target countries with an aim to coordinate and introduce its responses for thriving SME ecosystems. We continued to participate in the OECD Community of Practice on Blended Finance, in International Trade Centre’s She Trades – initiative, and contributed to the EU’s Team Europe Initiative “Invest in Young Businesses in Africa”.

Jussi Ojala
Quarterback, FCA Investments Ltd.

Allocation per Geography



Allocation per Instrument








MMOF: FCAI’S Service Providing Arm

To address the root causes of the SME’s access to finance challenge, FCAI launched its service-providing arm “MMOF”.

MMOF is an acronym for ‘Missing Middle Opportunity Facility’ where ‘facility’ is defined broadly to mean both ‘Services and Finance’. MMOF is focusing mainly on key cross-cutting areas (mentioned below) to help build SMEs’ capacities and responsible business-management practices. It aims to create a pathway for SMEs to become investment-ready, grow responsibly, and access the capital the business needs.

MMOF’s services include:

-  Accounting and Financial Management
-  Business Scalability
-  ESG management
-  Sales, Marketing and Quality Management
-  Digitalization & connectivity

For more information visit mmof.com.

Featured Story – Sakami Ranches:

Sakami Ranches Ltd, established in 2004, is a family-owned farming company located close to Kitale town in Kenya. The farm has mainly been engaged in coffee production, but due to the volatile nature of coffee markets and yields from year to year, macadamia is also grown in the bushes giving shade to the coffee trees and improving the quality. In addition, avocado is today part of the farm's products answering to the booming avocado market in Europe. Sakami has a grower's export license and is aiming for increased direct sales to the EU focusing on longer term seller-buyer relationships.

The family has a long tradition in the area and is familiar with the locals and their ways of working. The farm creates social impact by offering jobs to the dedicated locals, the number of women being over 100 during the picking seasons. The farm focuses on responsible farming and the whole estate is equipped with drip irrigation, using solar pumps and spring water for irrigation and washing.

With the help of the capital and business development services provided by FCAI, Sakami has been able to expand the coffee, macadamia, and avocado

plantation by over 100 acres. They have also built two reservoirs that collect the excess surface runoff after rains, the water being used for irrigation of the crops. Also, a solar pump is now distributing water across the farm and enhancing water savings. The purchase of modern farm equipment has enabled the farm to increase operational efficiency and reduce operational costs. Further, financial and operational business development services provided to Sakami has enabled them to better analyze their data to develop useful insights and more accurately plan for the future. These activities have assisted them in their go-to market planning and resulted in their current plan to increase the higher-quality end-products.

Sakami is re-establishing an indigenous forest along the riparian reserve adjacent to its farm. This is expected to protect the freshwater springs located within the riparian reserve and provide a habitat for the small antelopes that live in and around the farm. Sakami is cooperating with neighboring farms and, as a larger group sharing knowledge and skills, they can offer more volume to the customers who again benefit from getting larger amounts from one place.



Credit: Sakami Coffee Farms

Contacts

Jukka-Pekka Kärkkäinen

CEO

tel: +358 44 251 1100

skype: junnukarkkainen

email: jukka-pekka.karkkainen@fcainvestments.fi

Hani Almeghari

Chief Business Development Officer

tel: +358 40 168 2004

skype: Hani-rajab

email: hani.almeghari@fcainvestments.fi

**MAKING FUNDING AND SKILLS AVAILABLE
FOR ECONOMICALLY VIABLE, SOCIALLY AND
ENVIRONMENTALLY SUSTAINABLE SMEs
THAT ARE KEY TO CHANGING LIVELIHOODS
IN LOW INCOME COUNTRIES.**

FCA Investments Ltd

P.O. Box 210 (Street name: Eteläranta 8)

FI-00131 Helsinki, Finland

www.fcainvestments.fi