

 Early Warning System

AFDB-P-Z1-AAG-057

MULTINATIONAL - Subscription to ETG Sustainability Linked Loan



Quick Facts

Countries	Benin, Burkina Faso, Ethiopia, Ghana, Ivory Coast, Kenya, Malawi, Mozambique, Nigeria, Senegal, Tanzania, Uganda, Zambia, Zimbabwe
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-10-30
Borrower	ETC Group Limited
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 65.00 million
Loan Amount (USD)	\$ 65.00 million
Project Cost (USD)	\$ 550.00 million



Project Description

According to the AfDB, the project consists of an up to USD 65 million participation in the Sustainability Linked Loan ("SLL") Facility of the ETC Group Limited ("ETG" or the "Group"), Mauritius for its core value chain financing: to support its integrated value chain and strengthen the small holder farmers ecosystem in Africa. ETG is raising up to USD 550 million to finance its core value chain under the two tranches -Development Finance Institutions ("DFI") term tranche and commercial revolving credit facility. ETG is currently reaching 4 million smallholder farmers active in 48 countries worldwide, trading in excess of 80 commodities. The Group is purchasing crops from farmers as close to farmgate as feasible, aggregating and transporting to port warehouses and selling cargo to end-buyer across the world, after processing and value addition. At the same time, ETG purchases and imports fertilizers and agro-inputs from across the world for distribution to dealers and farmers in Africa. The Group's value chain backed up by its own hub-and-spoke logistics network requires funding to be renewed every season, permanent in nature. The Bank's financing will be deployed to ETG's core value chains in Africa (including Benin, Ghana, Ivory Coast, Senegal, Nigeria, Burkina

The main development outcomes stem from: (i) contribution to food security by increasing agricultural production and enhancing logistical capacity to strengthen distribution mechanisms; (ii) contribution to food import substitution by processing and packaging agricultural products locally while increasing value addition of export-oriented products, which decrease the current account deficit in African countries (iii) job creation for men, youth and women throughout various agriculture commodity value-chains;(iv) fiscal contribution to RMCs through import/export duties, corporate tax, value-added tax; and (v) explicit support for women enterprises to enhance their business management skills and promote inclusive growth in the agriculture and food sectors where a large number of women can be employed.

Based on the sustainability KPIs and annual targets, it is expected that 600,000 supply chain farmers (1 million by 2032) would receive extension services by 2027, 25% will be women farmers by 2027 (50% by 2030). Additional gender-oriented support services will be provided to 9,000 women farmers (by 2027) and 25,000 by 2030. The ETG project has demonstrated significant growth in job creation, with full-time positions expected to increase from 2,949 in 2024 to 5,474 by 2031, reflecting a substantial impact on employment in target countries. Notably, the proportion of full-time jobs held by women is projected to rise from 17.5% in 2024 to 30% by 2031, highlighting a positive trend towards gender inclusivity in the workforce. Simultaneously, the total number of farmers participating in the supply chain is projected to grow from 186,681 in 2024 to 188,224 in 2031, with the majority being smallholder farmers.



Investment Description

- African Development Bank (AFDB)



Private Actors Description

ETC Group is an agricultural commodities trader which is partly owned by Mitsui & Co..



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Mitsui & Co., Ltd.	Undisclosed	Finance	invests in	ETC Group	Client	Agriculture and Forestry



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents>. Under the AfDB's Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at <https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process>

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The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: <https://www.afdb.org/en/independent-review-mechanism/>



Bank Documents

- [Appraisal Report](#)
- [Environmental Study](#)