Early Warning System

FMO-51738

BABBAN GONA FARMER SERVICES NIGERIA LIMITED

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Quick Facts

Countries	Nigeria
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-06-27
Borrower	Babban Gona Farmer Services Nigeria Limited
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 4.00 million
Loan Amount (USD)	$ 4.00 million

Project Description

As stated on the project disclosure page, the FMO has extended a US$ 4 million loan to Babban Gona via its Farmer Finance program. The investment comes from MASSIF, the financial inclusion fund that FMO manages on behalf of the Dutch government. Babban Gona will use the financing to support and expand its innovative farmer service model that has proven to increase smallholders' yield up to 2 times, and income up to 3.5 times, the national average.

Through its model, Babban Gona creates much-needed jobs in northern Nigeria and a path to rise out of poverty and subsistence farming for smallholder farmers. Besides increasing farmer's yield and income, the Babban Gona franchise is demonstrating that the smallholder segment is a viable model for investment. Over the past 6 years, Babban Gona has provided its services to over 21,000 smallholder farmers while maintaining a 99.9% loan repayment rate. Babban Gona is currently the premier maize producer in Nigeria with a goal to scale and impact one million smallholder farmers by 2025.

Investment Description

- Netherlands Development Finance Company (FMO)

Private Actor Relationship

MASSIF

Private Actors Description

As stated by the FMO, established in 2012, Babban Gona (“Great Farm” in Hausa) is a financially sustainable and scalable agricultural enterprise co-owned by its farmers. The company provides cost effective end-to-end services to a network of franchise farmer groups on credit that is repayable at the end of the season. These services include training in sustainable farming, soil analysis, crop insurance, access to storage facilities, including a warehouse receipt program, marketing and distribution of products and access to credit, fertilizer and seeds. Babban Gona proactively supports its farmers to become more resilient to the effects of climate change. In addition to drought tolerant seed varieties and insurance to protect farmers against future environmental uncertainty, it offers trainings on topics like soil structure improvements, water retention and the effects of deforestation. Furthermore, Babban Gona has developed a ‘Last Mile’ business line. This initiative provides Babban Gona members with products (e.g. fertilizer, FMCG goods) to sell to non-Babban Gona members, thus further increasing their net incomes.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Babban Gona Farmer Services Nigeria Limited.	Client	Agriculture and Forestry

Contact Information

No project contacts provided at the time of disclosure.

Client - Babban Gona Farmer Services Nigeria Limited:

Email: info@babbangona.com
Website: https://babbangona.com/

FMO South Africa:

Phone: +27 11 507 2500
Email: joburg-office@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism.

Bank Documents

- Project Information

Other Related Projects

- FMO-60242 BABBAN GONA FARMER SERVICES NIGERIA