

 Early Warning System

FMO-63135

Komaza Forestry Ltd



Quick Facts

Countries	Kenya
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Voting Date	2023-11-27
Borrower	Komaza Forestry Limited
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 0.50 million



Project Description

According to the Bank's website, Komaza Forestry Limited ("KFL") is currently under administration as the company is in a bankruptcy scenario. Together with some shareholders of Komaza, FMO has structured a short-term bridge funding for KFL of USD 1.5m (USD 500k for FMO) to facilitate an orderly wind-down.

FMO facilitates the orderly wind-down of the company by providing the Administrator with bridge funding to liquidate the company. This bridge funding will have priority in repayment from the sale of the assets.

Back in 2020, FMO invested USD 7.5m in Komaza, which is a vertically integrated micro-forestry company working with smallholder farmers in Coastal and Central Kenya to address a large and fast-growing wood market in Africa. The funding objective at that time was to support the growth of Komaza within Kenya and potentially across Sub-Saharan Africa.



Early Warning System Project Analysis

This particular transaction has an E&S risk of category C. The investment has no significant negative environmental and social impacts; the funding will be used to facilitate an orderly wind-down and no forestry-related activities will be implemented in this phase of KFL.



Investment Description

- Netherlands Development Finance Company (FMO)

Together with some shareholders of Komaza, FMO has structured a short-term bridge funding for KFL of USD 1.5m (USD 500k for FMO).

Funding: LUF



Private Actors Description

Our customer is Komaza Forestry Limited ("KFL"), which is a company in Kenya that is 100% owned by Komaza Group Inc ("Komaza"). Komaza is a vertically integrated micro-forestry company working with smallholder farmers in Coastal and Central Kenya to address a large and fast-growing wood market in Africa.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Komaza Forestry Limited	Client	-



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@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>