Early Warning System

IFC-42280

Westfalia Moz II

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Quick Facts

Countries	Mozambique
Specific Location	Catandica area, Manica Province
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-05-20
Borrower	WESTFALIA FRUTO MOZAMBIQUE LIMITADA
Sectors	Agriculture and Forestry
Investment Type(s)	Equity, Loan
Investment Amount (USD)	$ 7.50 million
Project Cost (USD)	$ 7.50 million

Project Description

Westfalia Fruto Mozambique (WFM) is considering acquisition of land and development of an avocado and litchi farm in the Catandica area of Manica Province in Mozambique. The Project will involve acquisition of 958 ha Pegache Farm for the development of 100 ha of avocado orchards. The Project will also support local small farmers and emerging commercial growers through provision of training and technical assistance.

Pegache Farm is located on the outskirts of Catandica, in the Barue District of Manica Province in Mozambique. The farm is located on the northern side of Catandica Town, at the eastern base of the Cerro Choa Mountain.

Investment Description

- International Finance Corporation (IFC)

The Project will be supported by the IDA18 IFC-MIGA Private Sector Window (IDA PSW), created by the World Bank Group to catalyse private sector investment in IDA countries, with a focus on fragile and conflict affected states.

The proposed Project is estimated to cost USD 7.5m and will be financed with 50% debt and 50% equity.

IFC and IDA PSW are jointly considering financing part of the debt package with a loan of USD 2.8 million to finance the Project consisting of: i) IFC A Loan of up to USD 1.4 million; and ii) IDA PSW Loan of up to USD 1.4 million from IFC acting as Implementing Entity of IDA PSW.

AgDevCo will provide balance of the debt package in the form of a loan of USD 0.9 million. The remaining 50% will be financed through equity from Westfalia Fruit and AgDevCo in the proportion of 75% and 25%, respectively.

Private Actors Description

Westfalia Fruto Mozambique (WFM) is a commercial scale-avocado farm that was established in 2014 with the development of a 250-ha avocado orchard and packing house near the vicinity of Chimoio, a city in central Mozambique.

WFM is indirectly 75% owned by Westfalia Fruits and 25% by AgDevCo (together the Sponsors). Westfalia Fruits is a wholly owned subsidiary of Hans Merensky Holdings Proprietary Limited (HMH) and is a leading multinational supplier of fresh subtropical fruit.

HMH is a South African-based vertically-integrated, natural resource-based Company which was created in 1949 and owns two main businesses: (i) the fruit business (Westfalia) and (ii) the timber business (Merensky or Merensky Timbers). HMH's operations are spread across Sub-Saharan Africa, South America and Europe.

HMH Group shareholding is as follows: The Hans Merensky Foundation - 40%, the Industrial Development Corporation (IDC) - 30%, IFC - 20%, and, three Broad-Based Black Economic Empowerment (BBBEE) organizations: Vuka Forestry Holdings (4%), Women Investment Portfolio Holdings (WIPHOLD) (3%), and, HMH Employee Share Ownership Plan (3.0%) owning the outstanding 10%.

AgDevCo is a social impact investor and project developer working in the African agriculture sector.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	AgDevCo	Investor	-
-	-	-	-	Hans Merensky Holdings (Pty) Ltd	Parent Company	-
-	-	-	-	Westfalia Fruit Products	Investor	-
-	-	-	-	Westfalia Fruto Mocambique Ltd.	Client	-

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Environmental & Social Review Summary