

11th ACA Annual Cashew Conference



A NEW VISION FOR PARTNERSHIPS & INVESTMENTS



Cotonou, Benin

September 18-21, 2017

Knowledge sharing. Exposition. Field trips.



Triodos Sustainable Trade Fund

Eliane Augareils & Joke van der Ven, 20-09-2017

Triodos Bank : Welcome to sustainable banking

- European independent retail bank
- Leading in sustainable banking
- Since 1980 | 5 countries | 670,000+ clients
- EUR 14 billion AuM | 1,100+ co-workers

*Triodos Bank pioneered a groundbreaking, commercially successful approach to money that values **people**, the **environment** and **culture**, as well as **profit***

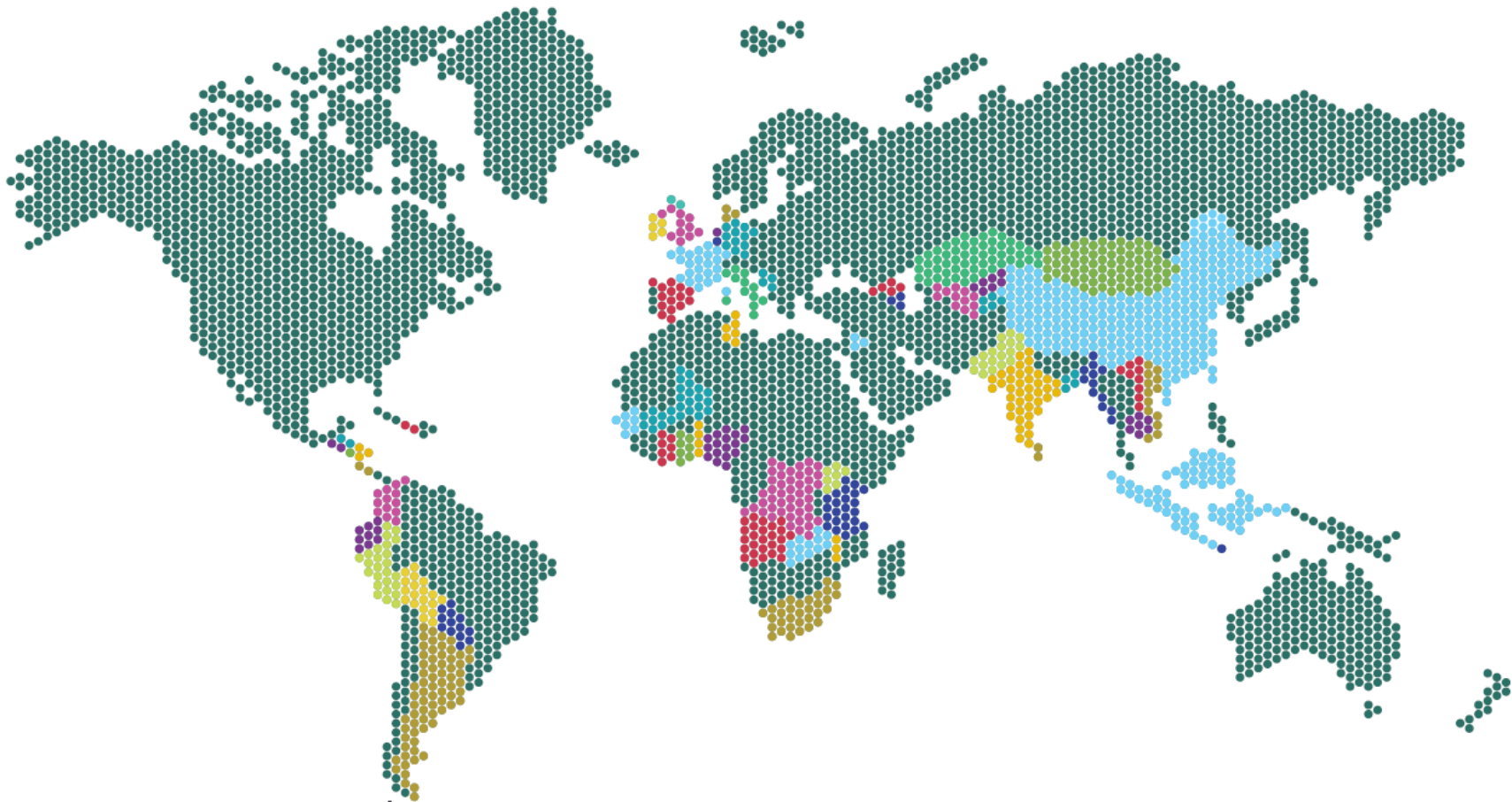


Triodos Investment Management

- 25 years track record in impact investing
- 500+ direct investments across the globe (debt & equity)
- EUR 3.3 billion AuM
- 150+ investment professionals
- 6 impact areas, among which Sustainable Food & Agriculture

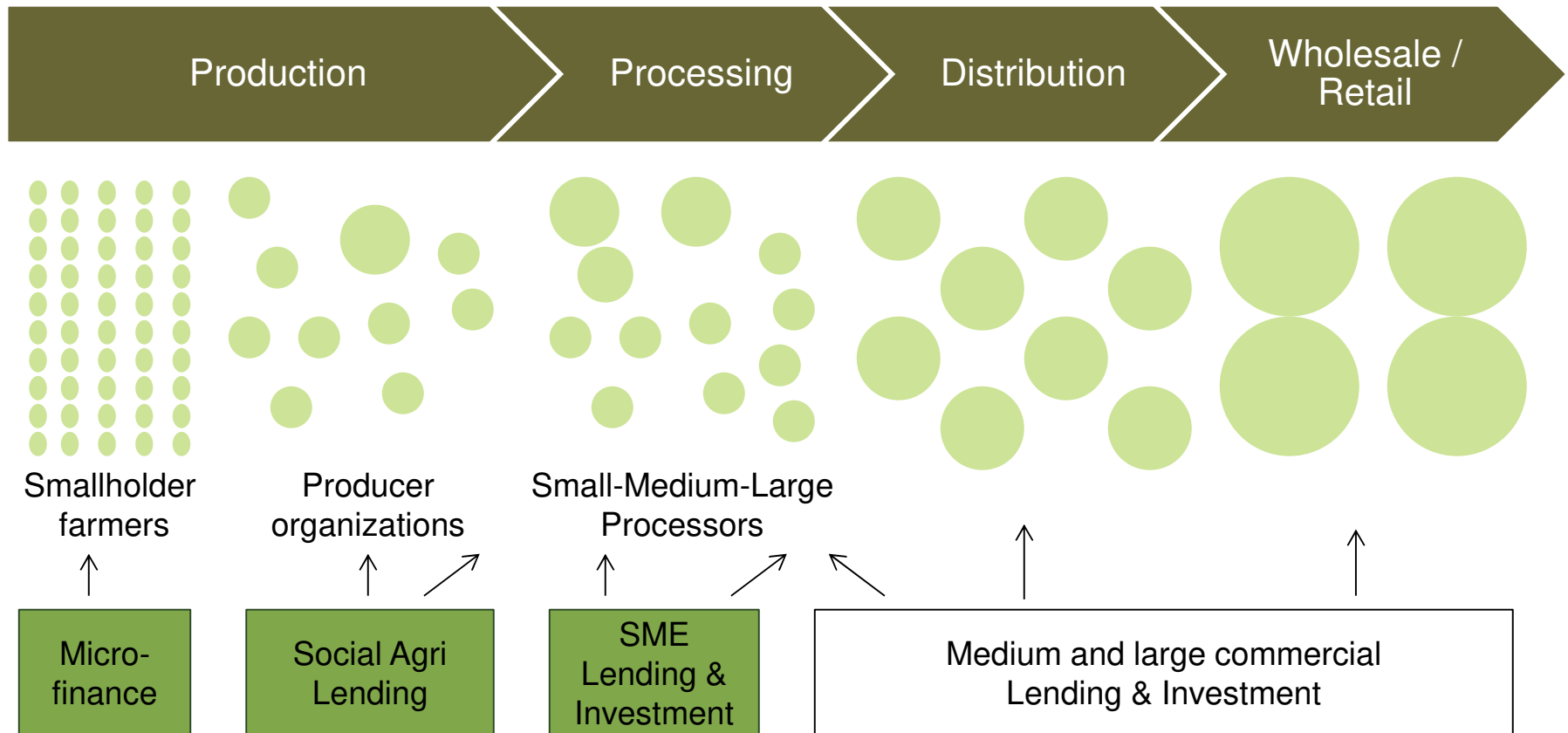
Triodos Investment Management

Direct investments in Europe & 45 emerging markets



Overview of agriculture finance

Triodos across the value chain



Triodos Sustainable Trade Fund

Working capital to prefinance trade flows

Set up in 2008, the Triodos Sustainable Trade Fund financed since then :

- ✓ Over **80 producers and exporters** directly
- ✓ Spread over **20 commodities** and **25 countries**,
- ✓ Disbursing over **USD 200 million**, and reaching close to **700,000 farmers**
- ✓ To date **in Africa**: 10 countries & products: coffee, cacao, cashew, dried fruits, honey, wax, cloves, cotton, sesame, artemisinin

Geographical specification

(as % of total EUR disbursed and outstanding in 2016)



LATIN AMERICA 60%
AFRICA 28%
MIDDLE EAST 6%
ASIA 6%

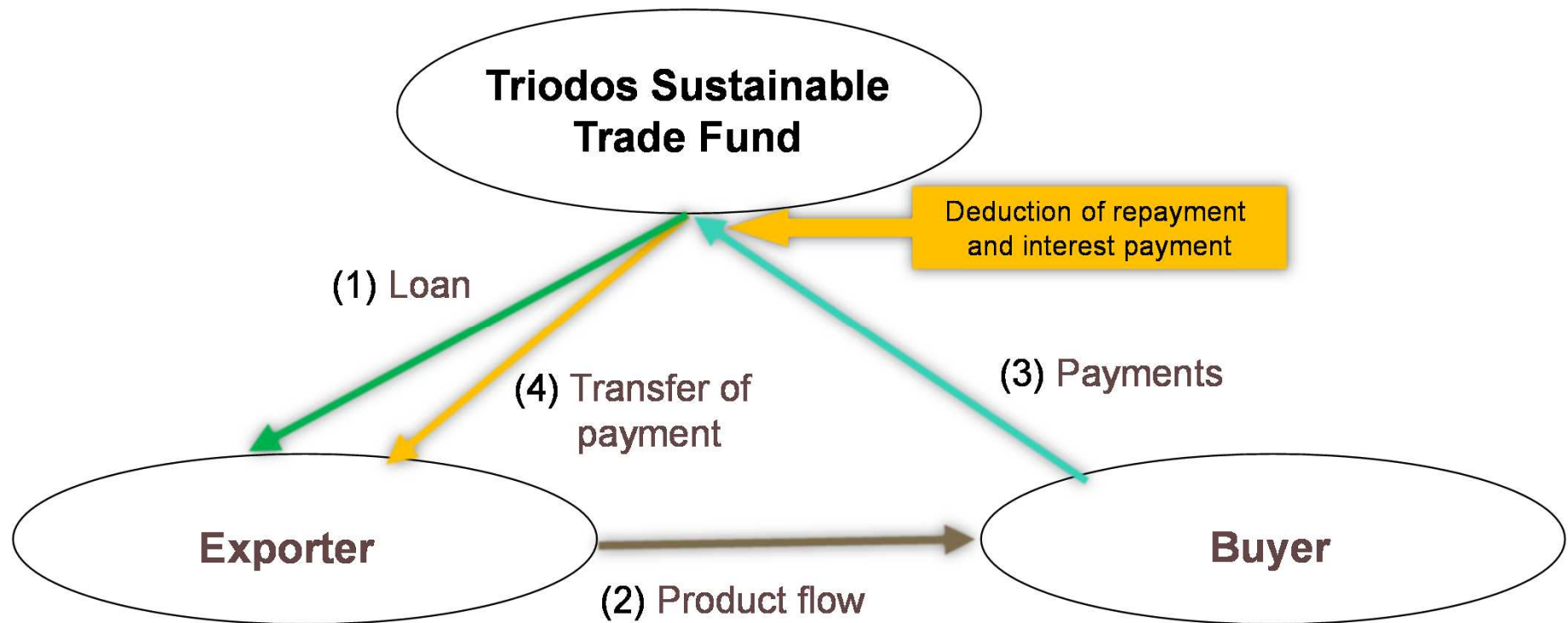
Product specification

(as % of total EUR disbursed and outstanding in 2016)



COFFEE 36%
COCOA 22%
OILS 13%
NUTS 6%
RICE 5%
QUINOA 5%
CHIA 4%
SESAME 4%
HONEY 2%
FRUITS 2%
COCONUT 1%

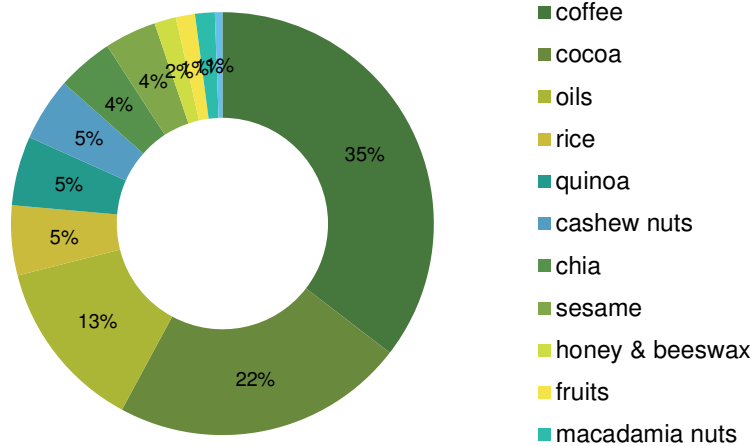
Value chain Finance : financing concept (or pre-export Finance, International factoring)



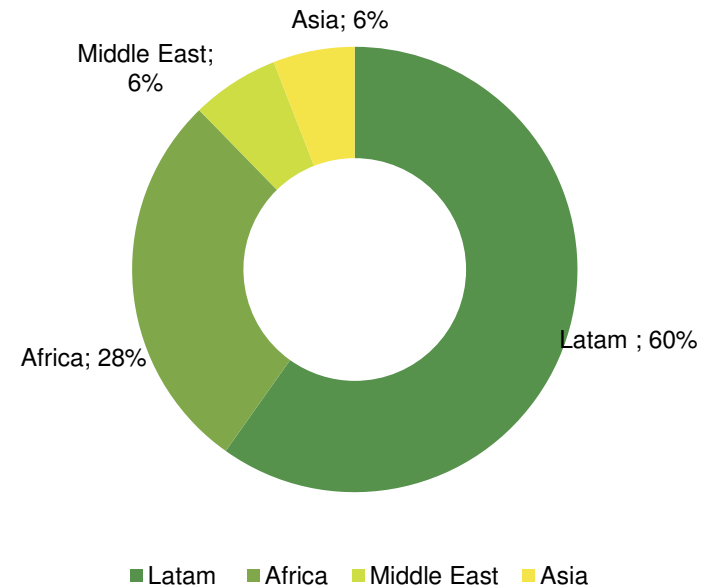
Diversified over products and regions

Around EUR 30 million disbursed and repaid every year

Product allocation loans disbursed and/or outstanding in 2016



Regional allocation loans disbursed and/or outstanding in 2016



100,000 farmers sell their products to our clients – thereby connecting them to international premium markets

126,000 MT of products are exported by these farmers – of which 24,000 MT is coffee (equivalent to consumption in NL)

These farmers cultivate on 96,000 Ha of sustainable farmland (122,000 football fields)

Conditions and requirements for working capital loans

Indicative terms:

- Principal loan amount between EUR 250,000 – EUR 2,5 million or equivalent in USD
- Loan period: duration of the season or maximum 15 months
- Pricing: 8-10% interest rate p.a. and from 1% upfront commission
- Guarantee: sales contract(s)
- Max. 60-70% finance of contract value

Basic requirements:

- 3 years track record in export, with available financial statements
- Minimum total sales of USD 700,000-800,000
- Export contracts with reputable buyers in EU, USA, Canada, Australia, Japan
- Profit making organization with a social & environmental vision / certification

Possibility of long term loans:

- Only for existing Trade Finance clients with good track record
- For fixed assets and renovation of plantations (coffee, cocoa)
- From USD 300,000, duration up to 5-7 years, possible grace period, 7-9% minimum interest rate
- Preferable mix of registered colaterals (buildings, equipment, land, pledge on sales contracts)
- Collaboration with Alphamundi in Africa

Loan Process (5-6 weeks)

Preliminary assesement (2-3 days)

- Analysis of the (audited) financial statements of the past 3 years
- Preliminary call/meeting with prospect

Due diligence (3-4 weeks)

- Loan application format to fill in
- Cash flow projection for the season
- Sustainability assesement (Certification or “organic by default” or TSTF tool)
- Onsite visit

Credit Committee, Loan formalization and Disbursements (4-5 days)

- Credit Committee to approve the loan
- Formalization of the loan (Loan agreement, Sales Contracts & Payment Instructions signed by exporter & importer)
- Disbursements according to liquidity planning and needs

Loan monitoring (monthly)

- Reporting on sourcing, shipments and payments from buyers
- Quarterly financial statements
- In some cases, joint monitoring with other international lenders (CSAF members)

Triodos Sustainable Trade Fund



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Thank you for you attention!