



**ACCUMULATED IMPACT REPORT 2016**  
**IMPROVING LIVELIHOODS THROUGH SME FINANCING**



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## Introduction

Since 2013 we provide capital to growing and inclusive Small and Medium Enterprises (SMEs) through our Capital 4 Development (C4D) Fund to contribute to fair economic development in the countries where we work. We partner with SMEs that have a solid and sustainable business model combined with strong leadership, and a clear agenda for social and environmental impact. We believe in SMEs where social and financial sustainability are no trade-offs but balanced in the business case, optimizing the impact as well as the financial performance.

Through our financial investment instruments we support our investees to grow and mature which eventually will improve their access to the regular financial systems. As a result these companies are no longer dependent on social or impact investors.

Next to investing capital we support our investees by providing access to both the ICCO Cooperative extensive infrastructure and our local and international networks. We share the experience which we have accumulated over the years with our investees and our investment managers are motivated sparring partners for the SMEs.



The investments in our investees create inclusive impact by:

- Creating quality employment;
- Improving the market position of non-commercialized (agri) suppliers;
- Marketing and distributing basic products and services benefitting low-income and vulnerable population and;
- Investing in activities that do not adversely affect the environment.

## Impact achieved in 2016

By end of 2016, Capital 4 Development (C4D) Fund has - since establishment in 2013 – achieved the following impact:

**EUR 9.2 million** invested in **17** growing and inclusive SMEs  
 Resulting in the creation of **1,396** jobs  
**59,000** smallholder farmers supplying high-quality agri products  
**265,000** people from low income groups are provided with access to affordable basic services and products  
**30%** of the SMEs are led by women or have a female owner  
 and **24%** have specifically impacted women through job creation and sourcing from women agri-groups

Impact management is embedded throughout C4D’s investing cycle. It tracks, measures and reports not only improvements on aspects relevant to an SME’s strategy and operations but also social and environmental results. Each investee builds a visual roadmap of an investment, including the expected outputs of C4D’s investment, and the effects and impacts created on key stakeholders, especially poor and vulnerable communities.

## Alignment with the Sustainable Development Goals (SDGs)

By measuring the social, environmental and financial performance of an investment, C4D subscribes to the [Impact Reporting and Investment Standards](#) (IRIS) for its impact metrics. Together with our investee, we select and define the corresponding metrics, specify the sources of information and perform the calculations in a consistent manner. Our investees are required to gather and report data periodically, we aggregate the results across companies and sector.

Our Impact Report is aligned with the Sustainable Development Goals (SDGs) reporting system. Below is a summary of C4D Impact metrics related to the SDGs:

	<p>Goal 1. End poverty in all its forms everywhere</p>		<p>Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>
	<p>Goal 3. Ensure healthy lives and promote well-being for all at all ages</p>		<p>Goal 5. Achieve gender equality and empower all women and girls</p>
	<p>Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all</p>		<p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>

In the next chapter, the impact results of our investees are presented individually. The table below shows to which SDGs each investee has contributed.

Portfolio Company						
Durabilis	✓	✓				✓
MRS	✓	✓		✓		✓
Arohan Foods	✓	✓				✓
Alpine Coffee	✓	✓				✓
Ananya Finance	✓	✓		✓		✓
Ditiken	✓					✓
Agronat	✓	✓		✓		✓
Natural Garden	✓	✓				✓
Fresh Start Organics	✓	✓		✓		✓
Payoga Kapatagan	✓	✓		✓		✓
Soil & More	✓	✓				✓
Nileda	✓	✓				✓
Miliki Afya	✓		✓			✓
Zena Fruits	✓	✓		✓		✓
Arjuni	✓			✓		✓
LES	✓				✓	✓
Mera Gao Power	✓				✓	✓

## Impact per investee

**Goal 1 is mutual among C4D investees is their commitment to build a sustainable business with their suppliers, especially smallholders. Durabilis, Multi-Rempah Sulawesi (MRS) and Arohan Foods increased income of suppliers through fair trade practices: higher buying price for good quality products, accurate weighting method and transparent pricing.**

### DURABILIS (Latin America, West- and East Africa)



Number of jobs created: 333

Durabilis is composed of three business units engaged in production, processing and distribution of fresh fruits and vegetables, as well as production and wholesale of (aromatized) drinking water and trading of commodities such as rice, mangoes and avocados. The investee follows a client-focused approach combined with strong focus on product quality, food safety, sustainable agriculture and social compliance. Through C4D's investment, it has set up a company in Ethiopia for the production, packaging and shipping of fresh vegetables (mainly peas and beans). It also aims to engage in a crop rotation scheme to produce for local markets in Ethiopia.

The results that ICCO Investments and Durabilis anticipate are increased production of high value crops that are certified Rainforest Alliance, market linkage for smallholders located in areas surrounding nucleus farms, creation of jobs as farm workers, involvement of large number of smallholders in the long term, production support, and fair pricing of produce. Currently, Durabilis (Kogaveg) only sources from its main farm. In the second phase, small farmers will be included as well in the sourcing model of the company.



### MULTI-REMPAH SULAWESI (MRS) (Indonesia)



Number of smallholder farmers suppliers: 14,000

Numbers of jobs created: 89

Value of payments made to smallholder farmers: EUR 5,000,000

MRS is a consolidator, semi processor, and exporter of nutmeg and mace and other spices such as pepper, cloves, cacao, copra and dried ginger. It exports 70% of nutmeg and mace, which are classified as conventional, aflatoxin-free and organic to countries such as Netherlands, Germany, and Japan.

MRS is known for its practice of fair price, wherein it gives farmers a price premium for their produce. MRS has set up 12 supply networks which are strategically located and equipped with post-harvest facilities such as storage, drying, sorting, and trucking. Via these networks, various products are collected, processed, and picked-up for final processing in the main factory. With C4D's investment the processing plant was expanded. As a result MRS can source and process more volume of spices, linking even more smallholders to international spice markets.

### AROHAN FOODS Pvt Ltd (India)



Number of smallholder farmers suppliers: 1,600

Number of jobs created: 93

Value of payments made to smallholder farmers: EUR 392,000

In India, Arohan Foods produces a multi-brand portfolio of premium pork products that is fully compliant with national and international food and safety standards. It presents a highly effective model for increasing the income of its target beneficiaries. Pig rearing, as both a source of food and additional income, is an integral activity of some of the tribes in the North Eastern region. The company developed a business model based on sourcing pigs directly from smallholder pig raisers/suppliers. Arohan pays a higher farm gate price- 35% more than the local trader- for healthy mature pigs thus resulting to higher income for pig-raisers. Suppliers are also supported in terms of breeding (training and feeds) and veterinary services which are lacking in the region.

Through our investment, the company now sources pigs from 8 districts of Assam and 2 districts of Meghalaya, through a vibrant network of 1,600 suppliers.

#### ALPINE COFFEE ESTATE Ltd (Nepal)



Number of smallholder farmers suppliers: 452  
 Volume purchased from smallholder farmers: 13,545 kgs  
 Value of payments made to smallholder farmers: EUR 66,112

Traditionally, coffee is a cash crop for farmers and provides them higher income. However, in Nepal, coffee is not a primary crop and yields per farmer are very low. Based on studies, 80% of the coffee farmers have less than 100 trees, producing 1,500 to 2,500 kg cherries per year. The constantly changing coffee market and a long incubation period have had their own bearing on the coffee production of smallholder farmers.



Alpine Coffee Estate Ltd seeks to address this situation and make coffee a primary and profitable farming venture. Supported by C4D, Alpine Coffee works on the production and supply side of the coffee value chain. The investment was used to upgrade process techniques from harvesting cherries to roasted beans, increase procurement of green beans from other farms, market development and investment implementation.

#### ANANYA FINANCE for INCLUSIVE GROWTH Pvt (India)



Number of smallholder farmers reached: 35,000  
 Value of payments made to smallholder farmers: EUR 5,300,000

In support of inclusive finance, C4D has partnered with Ananya Finance, a local financial institution in India. The company is in the business of lending and strengthening the Microfinance industry, and has diversified into agriculture-financing. Ananya facilitates access to formal credit to small and marginal farmers as well as those who have grouped together to form registered Farmer Producer Organizations/Companies or Farmer Cooperatives (FPCs). With C4D's investment Ananya was able to improve the access to credit to smallholder farmers and increased its number of clients substantially. As of end 2016, 35 FPCs, have received financing for their agriculture-related livelihood activities. Through working capital loan, FPCs procure and supplies other agri-inputs like seeds, pesticides and other chemicals to their farmer members at prices lower than market prices.

### DITIKENI Group (South Africa)



Number of enterprise clients reached: 17

Ditikeni is an investment fund that was established to generate an alternative source of income for its shareholders, which are primarily NGOs. Ditikeni has a thirteen-year track record of investing and distributing the profits to the shareholders. It invests with capital from its founders (nineteen NGOs) and other investors in Black Economic Empowerment (BEE) companies in South Africa. Ditikeni now has a portfolio with a wide variety of companies, from large to small and in several sectors. Examples are: Avis, CareCross, MTN. These are all regular companies for profit who have earned BEE-ratings from the South African government.

**Goal 2 of the Sustainable Development Goals (SDGs) aims to end hunger, achieve food security and improved nutrition and promote sustainable agriculture. Many of C4D portfolio companies produce and provide healthier, high quality and locally sourced food.**

### AGRONAT (Bolivia)



Number of smallholder farmers suppliers: 381  
 Number of jobs created: 98 (50% women)  
 Number of enterprise clients: 458

Agronat is a Bolivian company that produces high value-added biodynamic products such as Aloe Vera juices, dietary supplements, shampoos and healthcare products, mainly based on organic aloe vera, quinoa and amaranth. The company offers natural and organic nutritional alternatives for diabetes and celiac disease, also for children, athletes and the elderly.

It has 22 years of experience of long term strategic partnership with farming communities. The company facilitates farmers' access to seedlings, technical assistance, organic certifications and buys at predefined fair price while farmers produce and supply high quality raw materials such as aloe vera. This system offers rural farmers a profitable livelihood option as compared to coca leaves production, which is the main activity in the area. With the C4D investment the company is expanding its production facility and adding several other products to their portfolio.

### NATURAL GARDEN (Cambodia)



Number of smallholder farmers suppliers: 400  
 Number of jobs created: 72  
 Number of local enterprises suppliers: 30



Natural Garden produces and retails healthier, high quality and locally sourced food. Natural Garden has a chain of stores that sell organic and good agricultural practice (GAP) standard food products. It targets local and foreign health conscious consumers and advocates for safe Khmer food. NG presently works with its own farm and store workers, agricultural cooperatives and associations, small farmers and producers to source its products. It will also support more than 500 farmers in the process of converting from conventional farming to chemical-free organic farming, realizing value addition to their produce. With the C4D investment, NG has increased from 1 store to 4 stores and improved its farming facilities.



### FRESH START ORGANICS Inc (Philippines)



Number of smallholder farmers suppliers: 1900  
 Number of jobs created: 44  
 Number of local enterprises suppliers: 53

Fresh Start Organics Inc (FSOI) is a privately owned company engaged in organic production, processing, and marketing of agricultural produce. FSOI strongly believes that by offering stable and sustainable market for organic products, more small farmers and producers will get interested to shift and venture in organic production. It is with this intent that FSOI started its operations and within a short period of time it succeeded in establishing itself as an integrated organic business, playing the multiple roles of producer, consolidator, processor, and distributor of fresh and processed organic products. Through our investment, FSOI has established two organic and natural stores which showcases organic crops and processed product from its farms, processing facilities, and various small farmers and producers.

### PAYOGA KAPATAGAN COOPERATIVE (Philippines)



Number of smallholder farmers suppliers: 98  
 Number of jobs created: 124  
 Number of smallholder farmer clients: 16,800

Payoga Kapatagan Cooperative is a farmers-cooperative organized in 1992 to uplift the economic condition of its members. It is composed of more than 5,000 members, 60% of which are women. Organized as a credit and savings cooperative, it has expanded to production of organic fertilizer called Green Friend and supply of seedlings. Through its organic fertilizer operations, Kapatagan also offers solutions to manage production wastes of various chicken farms and other processing companies, such as the largest ethanol company in Isabela province. Its seedlings production and marketing also helps various reforestation and agroforestry initiatives of various government agencies, NGOs and private companies.



### SOIL and MORE ETHIOPIA (SME) (Ethiopia)



Number of smallholder farmers clients: 102  
 Number of jobs created: 40  
 Volume purchased from smallholder farmers: 2,250 tons

In the province of Oromia regional state, rose farmers had a huge problem in disposing their (green) waste. As a solution, SME introduced controlled microbial composting systems for (smallholder) farmers as a preventive measure or in response to plant health problems associated with soil borne issue. The company contracted rose farmers to bring their waste to its composting facility to be properly processed for a small fee.

For rose farming, soil health is vital to ensure sustainable farming- with low or no artificial fertilizers, pesticides, or herbicides. In order to increase and retain soil fertility, it is important that smallholder farmers apply good compost along with sound rotations. SME's composting project is expected to bring dual benefit to the flower farms in terms of receiving their waste and to introduce and supply high quality compost to (smallholder) farmers and even to the flower farmers themselves. With the C4D Investment, the company has improved and expanded its

facilities.

### NILEDA (SME) (Cambodia)



Number of smallholder farmers clients: 4,500  
 Number of jobs created: 22  
 Volume purchased from smallholder farmers: 2,250 tons

Nileda aims to improve farmers' lives by sourcing and providing high quality agriculture inputs and techniques to small farmers. Its products include seeds and various fertilizers and conditioners for 'Good Agricultural Practice' (GAP) and organic production. Nileda also provides pesticides, herbicides and fungicides which are suitable for crops planted at lowlands and highlands. From its income, Nileda employs a group of agronomists and allocates budget for technical advice to farmers for them to cost-effectively use their products and consequently improve farmer's yields and income.

**Goal 3: According to World Health Organization, better health is central to human happiness and well-being. It also makes an important contribution to economic progress, as healthy populations live longer, are more productive, and save more. For C4D, healthcare is an important sector that has to be provided with investments.**

### MILIKI AFYA Ltd (Kenya)



Number of healthcare units under the organization's management: 3  
 Number of individuals provided access to affordable healthcare: 71,176  
 Number of jobs created: 40

An estimated eighteen million Kenyans are in need of primary health care across urban and rural areas. The health care sector is of poor quality and plagued by long wait times, extensive travel for treatment, and prohibitively high prices, which create barriers to access, particularly for the people with a low income. There is a significant need for comprehensive care clinics that provide affordable care. With the support of C4Ds co-investment with Acumen, Miliki Afya Ltd created a chain of clinics that offer high quality, low cost, outpatient care and diagnostics in densely populated low income areas.

Miliki Afya Ltd fills the health care delivery gap by creating a local, efficient, end-to-end solution. The formula is: location in populous areas with a large number of potential patients, qualified personnel, efficient internal processes, and procedures that allow a patient to move efficiently through the various departments of the clinic.

**Goal 5: C4D is committed to bringing about more equitable social transformation by way of encouraging portfolio companies to be conscientious of gender equity and women empowerment. This agenda is highly demonstrated by Zena Exotic Fruits (ZEF) and Arjuni. The increase of income of women suppliers contributes to a wide range of improvements in their lives: increased family savings, nutrition from ability to afford healthier food, improved access and increased use of formal healthcare services and more children attending school**

### ZENA EXOTIC FRUITS (Senegal)



Number of women suppliers: 550  
 Volume purchased from female individuals : 310 tons  
 Number of jobs created: 45

Zena Exotic Fruits is a company from Senegal with twenty nine (29) years of expertise in fruits and vegetables processing and production of an assortment of juices, jams, and cereals. Women are present in business operation of ZEF- as suppliers, product quality controllers, and employees. ZEF sources most of its raw materials locally from four (4) women farmer cooperatives. Ninety percent (90%) of the workers at ZEF are women. Moreover, the

company employs part-time workers, allowing women to combine their job with the family chores. ZEF currently employs twenty-two (22) fixed staff, including management team and a minimum of 23 seasonal production workers. The company has also employed 11 people with hearing impediment and trained them to function as effectively as the others. On the working environment, ZEF offers a non-discriminatory and healthy environment, while providing fair wages and full health benefits to its employees.



Zena Exotic Fruits (Senegal)



Arjuni (Cambodia)

#### ARJUNI (Cambodia)



Number of women suppliers: 5,723  
 Value of payments made to individual suppliers: euro 259,395  
 Number of jobs created: 29 (100% female)

In Cambodia, ICCO Investments partnered with Arjuni, a hair extension company that capitalizes on the growing demand for vanity products from highly-developed countries. The C4D investment contributed to the increasement of Arjuni’s customer base, creating the possibility to start providing decent employment to abused women, aside from skills training and psychosocial therapy.

**Goal 7: In Cambodia and India, many poor households still have no or unreliable access to electricity for lighting and other energy-related needs. They use kerosene lamps and other energy sources that are more costly and inadequate for their requirements. Connecting remote villages to the grid is not a practical solution since there may be insufficient power supply. In the past, various energy generation technologies have been made available however most of them are unaffordable, low quality and oftentimes lacking on post-sale support. For the case of MGP (India) and LES (Cambodia), the two companies supply alternative energy sources to remote rural communities that do not have or has limited access to power. It is observed that the household are experiencing improved health due to reduction of exposure to noxious kerosene fumes. It is also expected that there will be an increase of livelihood opportunities for the poor as a result of access to energy.**

#### LES (Cambodia)



Number of low income clients: 4,036  
 Number of jobs created: 254  
 Number of provinces with access to electricity: 10

As one of the recognized players on solar energy for low income families in Cambodia, LES’ core innovation introduces and bundles various solar energy solutions to poor households, irrigation units and industries. Through its intervention in the first two years of its operation, LES has provided and installed appropriate solar energy

products to more than 4,000 rural households in 10 provinces in Cambodia. These households are offered with installation services and free maintenance for 24 months. As a result of this improvement, people can now extend their daily activities, children are now able to study at night, and families get to watch television during their leisure time in the evenings. C4D invested in LES to increase its marketing activities and expand across the country.

### MERA GAO POWER (India)



Number of low income clients: 167,500  
 Number of jobs created: 110  
 Number of villages with access to electricity: 1,675

In Uttar Pradesh state of India, Mera Gao Power (MGP), a portfolio company in India, seeks to address this problem by providing affordable and appropriate solar solution. Mera Gao Power (MGP) build, own, and operate solar powered micro grids. MGP offers its customers 20% lower cost and higher quality lighting than kerosene—the primary source of nighttime lighting for India’s off-grid households. As of end 2016, MGP is able to install 1,610 micro-grids with each micro-grid catering an average of 20 families.