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### West & Central Africa Country Outlook

Country	Company			Grand Total
	Large	Medium	Small	
Ghana		6	9	15
Nigeria	4	8	13	25
Cameroon	1	2	7	10
Cote D'ivoire	2	1	3	6
Chad		2	1	3
Gabon	1			1
Congo	1	1		2
Senegal	2		4	6
Mali	1	1	1	3
Togo		1		1
Liberia			1	1
<b>Total</b>	<b>12</b>	<b>22</b>	<b>39</b>	<b>73</b>

### West & Central Africa Sector Outlook

The largest sector of the ATMS/AMSCO portfolio in West Africa is wholesale and retail trade with 19 projects followed by transport and warehousing with 11, pulp & Paper with 11 and professional & technical services with 6 projects. Various other sectors have also been covered as per the sector diagram.

## ATMS Newsletter - August Edition

The ATMS Project is sub-Saharan Africa's biggest and most ambitious human capital development effort in the private sector. It was created to play a key role in Africa's economic development and currently operates in twenty four countries. The Project provides human capital solutions that lead to skills development wealth creation through the private sector and commercially operated state enterprises.

**This edition shows an overview of the ATMS Project on management and capacity development followed by a focus on West and Central Africa. We also feature success stories on agriculture and agribusiness as essential antipoverty initiatives to improve livelihoods, enterprise sustainability and Africa's development.**

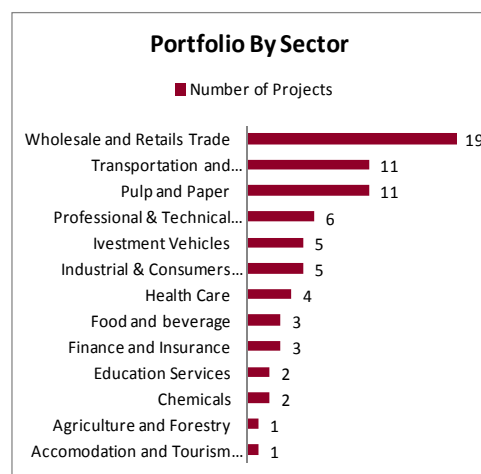
## Portfolio Outlook

The ATMS Project portfolio continues to have a healthy build up with a head count of 465 Managers and 281 clients at the end of July 2012. Major sectors such as Finance and Insurance, Agriculture and Forestry, Professional and Technical Services, and Accommodation & Tourism are the largest benefitting from the project's management services. Financial Support from the ATMS Foundation across all regions stands at USD 1,574,891 to 49 companies for both management and capacity development support.

### Focus on West & Central Africa

The ATMS Project has a footprint on 11 countries in the western and central parts of sub-Saharan Africa. The portfolio currently has 73 clients with 39 small, 22 medium and 12 large companies.

### Portfolio by Sector



### ATMS Foundation Support to West & Central Africa

Financial support to SMEs in the region remains crucial for our continent's growth. More often companies have little or no funds to support human capital development, a necessity for any company to be viable. Assistance is normally given to small and medium enterprises to enhance affordability of their management and skills

development initiatives. As at July 2012 financial support from the ATMS Foundation amounted to 468,909, representing 30% of the allocations committed in the entire portfolio for the year 2012.

Business Sector	Number of Staff	Management Finance	Training Finance	Total USD
Construction Real Estate	50		20,000	20,000
Agribusiness	6	18,889	20,000	38,889
Industrial and Consumers Products	80	20,000	20,000	40,000
Hospitality	110	18,000	30,000	48,000
Finance	33	20,000	31,200	51,200
Professional & Technical Services	37	37,820	55,200	93,020
Health Care	366	79,800	98,000	177,800

Most of the ATMS financial support to West and Central Africa went to health care followed by professional and technical services, finance and hospitality sectors respectively.

The bulk of the funds have been allocated to enterprises in Nigeria, a country that has over the years focussed its economy on oil but is now diversifying to various other sectors like manufacturing, health care, education, agriculture and tourism.

The government has maintained prudent macroeconomic policies, strengthened financial institutions and is undertaking reforms to transform the economy structurally. The reform effort, aided by revenue from high oil prices, has led to significantly improved macroeconomic outcomes, including weaker inflation and strong GDP growth. AMSCO is already establishing a strong footing on those sectors to ensure that Nigerian enterprises become globally competitive and sustainable.

## Training: A Must For Any Industry

**A**frican countries are working towards improving the quality and skills levels of their labour forces. There is no doubt that skills are crucial in enhancing competitiveness and contributing to social inclusion, decent employment, and poverty



reduction. Companies therefore need to extensively invest in building organisational capacity for regional economic growth.

AMSCO continues to support the enhancement of industry specific skills. By end of July 2012 AMSCO had trained a total of 3,246 employees from 136 companies on various areas that include strategic leadership and development, executive leadership and industry specific technical training. 1,031 females benefited from the training.

In West Africa the Capacity Development department coordinated and implemented 3 Heights and Safety programmes which were held in Accra, one of which was an in-house programme (uniquely developed programme) for MTN-Scancom. Participants were awarded certificates enabling them to work at heights. MTN-Scancom advised that "Feedback from our delegates was very good and they found the delivery very good." The Heights and Safety programmes were delivered in partnership with Latchways Fall Arrest Systems - South Africa, and the Ghana Red Cross Society. A total of 75 individuals representing 10 companies were reached through these programmes.

A microfinance programme titled, "Credit Management for Operations" was run in Accra, Ghana. This was the first of a number of programmes lined up for the countries in West Africa with active participation by the Micro Finance sector. Micro Finance Institutions are in need of customised training programmes specific for the sector. A total of 20 delegates including 4 females from 4 companies were in attendance. The programme was found to be quite relevant for the Micro Finance Insurance sector with the delegates requesting AMSCO to run more programmes which they felt would help to address their unique needs. Training on Corporate Governance was also held, attracting 10 participants. Six of them are female.

Developing job-related competencies among the youth, the vulnerable and the poor is crucial to progress in reducing poverty and meeting the Millennium Development Goals. AMSCO is committed to making a difference.

## ATMS Project Interventions On Agriculture And Agribusiness

### Agriculture - A Cornerstone to Poverty Eradication

**I**n March this year Kanayo F. Nwanze, President of the International Fund for Agricultural Development (IFAD) highlighted the need for increased investment in agriculture in order to meet the targets set out in the Millennium Development Goals (MDGs).

The first target of the MDGs outlines the need to eradi-



cate extreme poverty and hunger by 2015. This comes as no surprise following the world food crisis experienced from 2006-2008, in which the poorest in the world (including Africa) were the most affected.

For many African countries, agricultural growth remains one of the key elements in the fight against poverty and increased investment in agriculture is one of the few actions that directly impact on how quickly people are lifted out of poverty.

There are many reasons why agriculture remains a significant sector for Africa. In 2009, the International Food Policy Research Institute (IFPRI) released a report stating that an estimated 65% of Africans relied on agriculture as a primary source of income.

The report also credited the region's small-scale farmers with being responsible for more than 90% of the region's agricultural produce. This is a super and inspiring achievement from a group of people who too often fade into the background and carry little weight in our capitalist economies.

Agriculture has always been responsible for approximately fifty percent of Africa's total gross domestic product (GDP). As we will later see with AMSCO projects such as Kilombero Plantations Ltd and others, there are a number of key elements to consider in order for Africa to build successful and sustainable businesses in this

sector.

Complete optimisation of natural resources, openness to technological advances, capacity building together with strategic managerial placements as well as skills transfer are without a doubt mandatory in this quest.

Out of a total of 22 sectors, Agriculture and Forestry is AMSCO's third largest consisting of 8% of the total ATMS/AMSCO portfolio, a direct showmanship of our commitment to sustainable development amongst Africa's most poor.

### The Rise and Rice of Kilombero Plantations Limited



**K**ilombero Plantations Ltd (KPL) is a subsidiary company to Agrica Ltd, a company established in 2005 to develop sustainable agribusinesses in East Africa. Today KPL is the leading rice producer in the region, an achievement that has granted it the national strategic investor status for its contribution to food security in sub-Saharan Africa.

The success of the project should also be greatly credited to Norfund who invested US \$10million in Agrica Ltd in August 2010, in order to scale up the company and continue the work together with the founding shareholders and the Capricorn Investment Group. Norfund's investment strategy has during the last few years become increasingly focused on investments in agribusiness, and Agrica was at that point Norfund's third large-scale agri investment.

At the centre of the KPL story is Tanzania's Mngeta Farm. The farm was established through cooperation between the Tanzanian and North Korean Governments who subsequently formed the Korean Tanzania Agricultural Company (KOTACO).

It was KOTACO's vision to develop the Mngeta Division of the Kilombero Valley through the growth of 5,000 ha of irrigated rice and 10,000 ha of palm oil. By 1992, KOTACO had cleared 5,818 ha, built a mini hydro power station, constructed roads and drained ditches on 2,500

ha.

Although this made the area the largest that was ever farmed, by 1993 KOTACO got liquidated following the collapse of the Soviet Union. The Rufiji Basin Development Authority took over management of the company on behalf of the Tanzanian Government.

From 1993-2007, it was under this new authority that the farm was leased to a succession of tenants who all failed to develop it. With elephant grass and trees growing back on the land and thousands of squatters having settled on the area over the 14-year period, only 400 ha of Mngeta Farm was being commercially farmed at the time of Kilombero Plantations' inception.

AMSCO has been involved with both Agrica and KPL through a number of management contracts. In January 2008, Carter Coleman was appointed Managing Director of Agrica. Graham Andersen who initially joined Agrica as Business Development Manager is now the General Manager at the company. AMSCO also has a Management & Training Agreement with KPL. Similarly, through this agreement, AMSCO has placed two managers at the company - Murray Conrad Dempse as Crop Production Manager and Mr. Stanley Njuguna Ngugi as Rice Factory Manager.

The time it has taken for the Mngeta Farm to finally suc-

## AFGRI Corporation: Zambia's Most Ambitious Agricultural Project

At the fall of the Zambia Government's centralised economy, AFGRI Corporation began seeing gaps that could see it become Zambia's leading agriculture services provider.

During the 90's Zambia's economy suffered due to high interest rates and lengthy periods of stagnation. With



banks focusing on Government Treasury-bills and foreign exchange trading, AFGRI Corporation Ltd found an opportunity.

76% of the company is owned by AFGRI, a listed company on the Johannesburg Stock Exchange (JSE) and 24% of the company is owned by Empowerment Group Investments (EGIL) - a Zambian company made up of a number of shareholders.

There are numerous crucial divisions to the daily running of AFGRI Corporation. Initially the Capital Division was responsible for raising finance from local and offshore commercial banks, after which AFGRI would sell the funds to the agriculture business sector.

Retail products would in turn be resold to the financing organisations as pooled books. These include seasonal crop input finance and asset financing for implements and equipment like centre pivot irrigation systems as well as bulk grain handling facilities.

Since AMSCO's involvement in AFGRI Corporation, the company has expanded and opened up a new subsidiary company called AFGRI Leasing. This venture has taken over the functions of the Capital Division and become a client of AMSCO in its own right.

The AFGRI's Mechanisation Division holds the dealership for John Deere tractors, one of the leading agriculture machinery brands in the world. The brand offers combine harvesters, tractors, planters, sprayers and other equipment essential for commercial farming.

The Handling and Storage Division provides a grain handling and storage service for farmers, millers and traders while the Trading Division works closely with the Handling and Storage Division as well as the Capital Divisions to find markets for client farmers and their own produce whilst meeting the demands of the millers.

AMSCO began work with AFGRI Corporation in 2005. The then start-up company provided AMSCO with many challenges, including providing strategic leadership; direction and operational support in order for AFGRI to achieve its business objectives.

ceed is perhaps one of the best examples of how lack of capacity and skills training can cripple any business. At the time of AMSCO's inception on KPL, the deliverables of the company were clearly decked out.

These included 5,000 ha of rice farming, and the required facilities and resources to handle processing such as cleaning, drying, milling and storage to handle the high production volumes. Once fully operational, the aim was for the company to generate more than 30,000 tons of rice and employ over 400 people.

In addition to the development of a smallholder rice farming scheme with the introduction of the System for Rice Intensification (SRI), there was also a need to improve seeds and planting techniques for smallholders.

AMSCO supported Agricac's vision for a technology transfer. It was the company's intention that the developments and business model at KPL would eventually be replicated in other similar projects across Tanzania.

To date, cleaning and drying facilities with the capacity of handling 3,000 tons of rice are in place and over 4,000 ha of rice was cultivated in 2011. 2,750 ha under dry season crops were cultivated, including soy beans, red beans, mung beans and pigeon peas. A 120 ton per day rice mill has been installed and is now operational.

Kilombero Plantations in collaboration with the International Crop Research Centre for Semi-Arid Tropics have established demonstration plots for SRI. The technology is used to increase the smallholder yields from 2-8 tons. The uptake is a major boost for the small holder contract farmers in the area.

Norfund has made a significant contribution to the introduction and scaling up of the SRI-scheme, and is very

optimistic about the success of the programme and the extent to which it can bring benefits to both the individual smallholder farmers and the opportunities this provides to Agricac as a company.

Once the scheme is fully operational, the aim is that it includes over 4,000 farmer families, of which it is already supporting 250. One turbine of the Hydro-electric power plant is now operational and providing enough power for office and residential use.

6,200m factory facility for cleaning, drying, storing and milling of rice has been completed. This includes six 500ton rice silos, using husk furnaces and 15kw fans to dry paddy and aerated storage for 8,000 tons of rice. Soil conservation is ensured with the use of leguminous crops as well as crop rotation.



Now a case study for Tanzania, KPL is an excellent exhibition of effective commercial farming and integration of this type of farms with small scale holders. By being awarded the national strategic investment accolade, this project has proved its role and ability to contribute immensely to food security.

AMSCO Managers have taken up the leadership challenge and not only resurrected an important project for the region, but rebuilt company operations from the ground up.

## The Sheer Will of StarShea Limited

Targeting women based in the Northern, rural and poorest parts of Ghana, on 1 June 2012 StarShea Limited became AMSCO's latest and newest agricultural project.

A social business company set up by PlaNet Finance and SAP, the company intends to reduce poverty in Northern Ghana by creating economically viable opportunities for



women living in rural areas and their families. Coupled with this, the company hopes to become a financial foundation for other social solutions, including health and education to name a few.

A means of living and source of hope for the estimated 600,000 women engaged in the activity, StarShea's core business functions lie in processing and selling Shea products, acts as a representative of the women's groups, offering various services to members of the StarShea Network (SSN) that allows the women to sell their products at a premium price.

There are two main consumers of StarShea products. One is the confectionery industry with a growing demand for Shea butter and the other is the cosmetics industry which uses the Shea nut as a cocoa butter equivalent.

There is a gap in the market to provide both these indus-

tries with high quality Shea nuts or butter in large volumes. This creates the optimum market for StarShea as the company can connect major global buyers directly to the women's network while large scale exporters are the main targets in Ghana.

Africa exports an estimated 150,000 tonnes of dry Shea Kernels per annum worth an estimated value of US\$ 30million to international markets. Of these, 60,000 tonnes are from Ghana, making the region Africa's largest exporter. Due to their high stearin and fat content, Shea nuts are also considered to be the best on the continent.



AMSCO aims to help StarShea successfully launch into the market and take advantage of the opportunities that clearly exist in the field. AMSCO has recently appointed a former AMSCO Manager, Anna Perinic as Chief Executive Officer.

Having recently completed an assignment in Senegal, AMSCO is confident that her proven track record and abilities will help develop a strategic plan that will advance the social business mission and objective as well as generate revenue, profitability and growth.

AMSCO is excited about its partnership with StarShea and the contribution it hopes to make in the empower-

To begin tackling some of these issues, AMSCO provided the AFGRI with three managers in the positions of CEO, Chief Financial Officer and Workshop and Spares Manager. The Managers were tasked with providing strategic direction, implementing financial controls and ensuring financial discipline.

Managers needed to monitor operational activities, ensure sound corporate governance practices and manage business relations, risk and investments.

Today AMSCO counts amongst its project milestones the establishment of AFGRI-Leasing Company – with a non-banking institution license from Bank of Zambia, this company has acquired the loan book from AFGRI Corporation Ltd. AMSCO has since seconded a Product Specialist to the company.

In 2008 AFGRI Corporation's turnover grew by 104%. During the recession revenue fell by 38% in 2009 and Managers were able record a 16% recovery in 2010. While the world went through an economic slump, AFGRI still managed to push forward and launch new programmes.

AFGRI Small Holders Mechanisation Programme was launched in 2010, thanks to an AFGRI partnership with John Deere, USAID Profit and the Conservation Farming Unit. The programme hopes to



reach 450 lead farmers over three years, enabling service provision to a larger number of small holder farmers in Zambia.

AMSCO has seen improved company performance during the last four years of working on this large scale project. For one, the sales infrastructure overseen by the AMSCO Spares Managers for the John Deere tractors led to a market share growth of 60% in 2011.

Previously grain was stored in 50kg bags in a large yard in Lusaka. Over the last three years, storage costs have been reduced with the adoption of decentralised bulk storage bunkers with a total capacity of 45,000 MT. Today AFGRI is the leading exporter of surplus maize in Southern Africa, exporting over 47,000 tonnes per annum.

On the other hand, successful monitoring and building assistance of 17 commercial farmers in Mkushi led them to the formation of AGRI-Options, a new independent company built with the support of AFGRI. AGRI-Options are responsible for building a 28,000 ton silo complex in the region. The company is also now an AMSCO client.

ment of women - business sustainability and improving their standards of living. The international market this project will expose them to can only create economic growth for Ghana as well.

further and reach areas in the Northern region previously unreached, therefore, touching the lives of women in the most rural and remote of areas.

This is an opportunity for AMSCO to stretch its mandate

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## Our Footprint



## Our Stakeholders

ATMS And AMSCO wish to thank all the stakeholders for their continued support.

