



Press release

Impact-investment: Moringa completes second investment in Africa with Asante Capital EPZ

Paris, May 11, 2017 - Moringa SCA SICAR (“Moringa”), an impact investment fund specialising in agroforestry projects in sub-Saharan Africa and Latin America, announces it has finalised its second investment in Africa. Moringa took a stake in Asante Capital EPZ (Asante), a Kenyan company developing tree plantations and tropical crops (mainly ginger, moringa and eucalyptus). This first \$ 3 million investment (out of a total investment of \$ 6 million) will help create a plywood industry in the country as well as kick-start the production of essential oils and food products.

Founded in 2015, Asante is currently developing a total of 300 hectares of plantations and has 225 farmers in its sustainable agriculture program. Asante is led by a team of experienced professionals with specific knowledge in development projects in Kenya. Both financial profitability and social benefits form the core of the company’s goals and are the strongest guarantee for the long-term inclusiveness of local farmers.

“Agroforestry allows us to achieve three main objectives: agricultural, climatic and financial. We will participate in the creation and consolidation of a network of more than 500 smallholders, which will enable the reforestation of more than 2,800 hectares of plantations, with a significant carbon capture. The agricultural sector in Africa employs more than 60% of rural Africans. The project is therefore a strategic measure to start the development of the continent on an inclusive and sustainable basis. The responsible development of forests is very important for a country like Kenya, which suffers from serious deforestation”, explains Hervé Bourguignon, President of Moringa.

Asante targets two markets: sustainably produced wood and agricultural products. With the implementation of a genuine local wood processing capacity, Asante intends to supply the Middle East and Asia, both regions where the market suffers from a large deficit. It will also supply the local basin where the construction market is very promising. Regional lumber demand is expected to grow exponentially.

The agricultural market targeted by Asante is based on ginger, pepper and other food commodities. Some of these will be processed locally to produce essential oils (for food, cosmetic or therapeutic purposes) for which world demand has grown tremendously. The rise in living standards in Asia and the spread of Western lifestyles stimulate this market and demonstrate strong growth potential. It is

estimated that world market demand for essential oils is expected to grow at an average annual rate of 7.3% from 2015 to 2020 (Zion Research Analysis). Consumers are particularly sensitive to the sustainable origin of products.

“The contribution of funds from Moringa will allow Asante to scale to a whole new stage of development. Access to capital through traditional banking or other channels is very difficult in Africa, especially for long-term activities such as sustainable agriculture. We need specialised investors to provide not only capital but also good practices and connections with foreign markets. For us, it is the promise to create thousands of jobs for the greater benefit of rural communities”, adds Esther Mutuma, CEO of Asante.

“All of these components will provide Asante with excellent profitability and an internal rate of return on capital invested in line with the fund’s promise”, says Guillaume Maillard, Investment director of Moringa.

About Moringa

The Moringa Fund is an investment company that provides equity financing for sustainable agroforestry projects in sub-Saharan Africa and Latin America. Agroforestry combines tree planting with agricultural crops to create positive synergies in economic, environmental and social terms. The fund was initiated by the Edmond de Rothschild Group and ONF International, an international subsidiary of the French Office national des forêts (ONF).

www.moringapartnership.com

About Asante Capital EPZ

Asante Capital EPZ develops and operates sustainable agroforestry farms in partnership with Kenyan farmers. This system makes it possible to increase both the forest cover of the country and to provide short- and long-term income to the farmers while developing a highly profitable sustainable agriculture for the benefit of the local populations. Asante strives for a triple impact: environmental, economic and social. Asante produces mainly tropical hardwood trees and agricultural plantations grown for their essential oils.

www.asante-foundation.org

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