



PROJECT DESCRIPTION: Development investment proposal

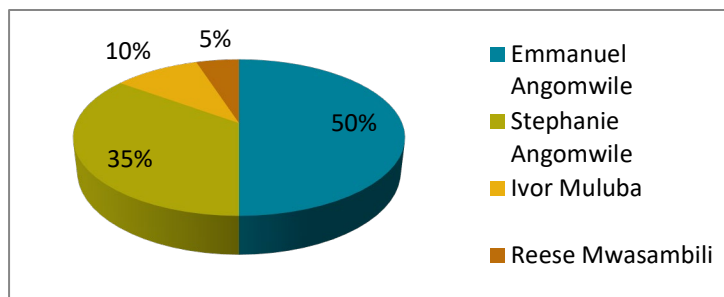
NAME OF CLIENT	STEWARDS GLOBE LIMITED ("SGL")
WEBSITE CLIENT	https://www.stewardsglobe.com/
REGION	AFRICA
COUNTRY	ZAMBIA
SECTOR	AGRICULTURE
SIGNING DATE	30 DAYS FROM PUBLICATION AT WEBSITE
TOTAL FINANCING	€ 291,000
FUND	GRANT FUNDING (ORIGINATION FACILITY "OF")

- **Who is our (prospective) client?**

) operating under the brand name AFRISEED, is a diversified agricultural seed company that has been operating since 2011 in Zambia; the company has been producing and marketing climate resilient improved seed varieties of cereals (maize, rice and sorghum), legumes (groundnut, soy bean, cowpea, beans and pigeon pea), oil (sunflower) and forage crops using contract farming under an out-grower scheme of 1,300 small-scale farmers as part of the supply chain sourcing strategy. 36% of these small-scale farmers are females and about 20% of these farmers are youth.

SGL has over ten years' experience in seed production, distribution and marketing; with demonstrated ability to provide capacity building initiatives for vulnerable community-based producer groups (25-50 members) who are contracted and pre-financed with input packs. As an institutional buyer, SGL aggregates the raw seed produced in rural bulking centers; where the raw seed is processed and packaged in Afriseed branded bags before selling them to various government subsidy programs, NGOs, International Development Organizations and Agro Dealers countrywide reaching over 150,000 small-scale farmers in Zambia. Through this business model, SGL supports smallholder farmers in accessing and effectively using **climate resilient improved seed varieties (tolerant to drought and pests)** resulting in increased farm productivity and household incomes.

The company is owned by indigenous Zambians in the proportions shown in the graphic below;



50% of the share capital is owned Emmanuel Angomwile who holds a Master of Arts (Economic Policy Management) and a Bachelor of Arts Degree (Economics) and has more than ten (10) years growing and selling high-value crops and field crops.

Stephanie Angomwile, Spouse to Emmanuel, has 35% of the equity. She graduated with a Master of Arts degree in International and Development economics from University of Namur, (India?), a Bachelor of Arts Degree (Demography with Economics), University of Zambia and Certificate in Seed Business Management, University of Nairobi. Stephanie spent ten (10) years in the public sector.

10% of the company's shares are held by Ivor Muluba, a chartered accountant (CIMA) who has over 20 years' experience in accounting and finance.

Reese Mwasambili is an International Portfolio Development Manager owns 5% of SGL. Rees has international experience in planning and leading pioneering approaches to environmental policy development. He holds a Master of Science in Environmental Sanitation from the university of Gent, Belgium.

- **What is the intended funding objective (type of activity)?**

The application sought approval of grant funding amounting to **EUR 291,000** and technical assistance from the DFCD to assist in financing several Origination Facility activities (OF). SGL sponsors will contribute Eur 143,000 towards the OF.

There is a funding need of Eur 15m for the expansion of seed production, aggregation, processing and packaging for re-sale. When OF activities are fully implemented SGL will apply for a Land Use Facility of Eur 10 million while the Sponsors will participate with an equity contribution of Eur 5 million.

- **The grant will be used for undertaking:**

The grant facility will be used to finance the following activities;

- i) Comprehensive Market research & Development of a strategic growth plan, Bankable business plan and export strategy and establish input and retail pricing of seed in the market.
- ii) Environmental & Social Safeguarding Assessment
- iii) Gender Equality & Social Inclusion (GESI) Assessment
- iv) Capacity building trainings for the staff to provide sustainable extension services to Smallholder seed growers. this will include climate smart agriculture t green energy training for staff and stakeholders, financial literacy trainings and formation of saving groups (village banks) for SHFs.
- v) Development of an out-grower scheme to recruit an additional 700 smallholder growers in the production of climate resilient seed supply for the cereal, legume and oilseed value chains
- vi) Digitization of company operations (E-extension, digital marketing)
- vii) Assess impact of reducing input subsidy on the income for small farmers, due to the expected increased price of seeds

- **Why do we fund this project?**

The DFCD grant funding is designed to develop and de-risk SGL's business model in order to make its expansion project more attractive to potential financiers.

Without the DFCD support it would take SGL a long time to undertake the OF-type activities resulting in delayed, riskier and/or underfunded investment program thus yielding less-than-ideal benefits to the company, its out-growers and community at large.

- **Environmental and social rationale**

The SGL expansion project is desirable because when in full production it is expected to be fully compliant with a Rio Marker 2 score for Climate Adaptation, in particular,

- i) Sequester GHG emissions amounting to 480,000 tCo2eq per annum

The hectareage (Ha) under legume crop production. Legume crops could reduce carbon dioxide (CO2) emission through nitrogen fixation by approximately 200 kg/ ha.

- ii) Contribute to increased adaptive capacity of ecosystems and livelihoods against climate change for the 2,400ha of land under sustainable management or other climate smart practices,
- iii) Create jobs for 555 people of which 185 will be direct, full time and 370 will be direct, part time
✓ Total Indirect employment will be 2,400 people

- ✓ In direct employment, women will constitute about 50% of staff while for indirect job creation, women will make up about 75% of staff.
- ✓ At a conservative estimate of 4 members per household, it is anticipated that the total number of beneficiaries from expansion of the at project maturation will be close to 12,000 people

Environmental and Social Co-benefits:

The project will contribute to the following SDGs:

- ✓ SDG 1 No Poverty: The out-grower schemes will provide livelihood/income earning opportunities for over 2,000 households in Zambia.
- ✓ SDG 5 Gender Equality: From the out growers and agro dealers at least 60% of women will be targeted
- ✓ SDG 13 Climate Action: The project will contribute to both climate adaptation and mitigation goals.

The company also applies the IFC's E & S Performance Standards on community, indigenous groups, and principles for responsible investment.

There will be no displacement of people in the expansion as the company will utilize the smallholder farmers' existing land parcels.
