Social & Environmental Report 2025



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GLOSSARY

ACP	African, Caribbean and Pacific group of states
AE	Agricultural Entity
CCC	Council Coffee Cocoa
CSAF	Council on Smallholder Agricultural Finance
EIB	European Investment Bank
FLO	Fairtrade Labelling Organisation
FSI	Fragile State Index
GDP	Gross Domestic Product
GLP	Gross Loan Portfolio
HDI	Human Development Index
MFI	Microfinance Institution
MIS	Management Information Systems
MIV	Microfinance Investment Vehicle
OSS	Operational Self-Sufficiency
PAIF	Private Asset Impact Fund
PAR 30	Portfolio At Risk 30 days
PPI	Progress out of Poverty Index
ROA	Return On Asset
S&E	Social & Environmental
SIDI	Solidarité Internationale pour le Développement et l'Investissement
SME	Small and Medium Enterprise
SPI5	Social Performance Index 4
SPM	Social Performance Management
SSA	Sub-Saharan Africa
TA	Technical Assistance
WAEMU	West African Economic and Monetary Union
WRI	World Risk Index

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Foreword



The 2025-2026 financial year marked another year of growth and consolidation for FEFISOL II. The Fund continued to expand its activities while remaining firmly focused on its core mission: providing financing and support where they are most needed, particularly in rural areas and in some of the world's most vulnerable economies.

This continued development was made possible by the renewed confidence of our investors. In July 2025, FEFISOL II completed its third closing with an additional commitment from BIO and BAS, increasing the fund's size to a total of EUR 28 million. We would like to warmly thank them, alongside all our shareholders, for their continued trust and commitment to the Fund.

Over the year, FEFISOL II's average monthly portfolio reached EUR 22.7 million, up 13%, while EUR 17.8 million was disbursed, 14% more than in the previous year. This growth translated into increased outreach, with the Fund's partners now reaching 3.8 million final beneficiaries across 18 countries, a 10% increase over the year. Since the begining of its operations mid-2022, the Fund financed 55 organizations, for a total of EUR 58.5 million invested, and launched 37 technical assistance projects.

The portfolio also continued to renew and diversify, with 8 new partners receiving financing and a total of 13 new partners supported through financing and/or technical assistance. At the same time, FEFISOL II remained true to its additionality objectives: 56% of the portfolio is directed towards rural areas and 60% is invested in Least Developed Countries, where access to appropriate financing remains particularly constrained.

This progress took place against a complex and rapidly evolving environment. Volatility in coffee and cocoa markets, geopolitical tensions affecting trade routes and freight costs, the continued repercussions of the war in Ukraine, insecurity in parts of the Sahel and the Kivu region and shifts in international trade policies all created new challenges for the Fund and its partners. Yet the Fund and the organizations it supports continued to demonstrate their ability to adapt and operate in these uncertain contexts.

FEFISOL II continued to strengthen its risk mitigation mechanisms accordingly. The Fund received the final tranche of its USAID grant to help offset foreign exchange risks and can count on a portfolio guarantee from DFC.

Beyond financing, this year saw a significant acceleration of FEFISOL II's Technical Assistance Facility. 20 new projects were launched during the year, compared with 8 in the previous year, with growing attention to social and environmental challenges. This reflects our conviction that financing alone is not always sufficient: tailor-made technical assistance can help partner organizations strengthen their practices, adapt to emerging risks and deepen their impact.

This approach was complemented by the development of a new internal Environmental and Social Risk Assessment Tool, with the support of BIO and Nitidae. Designed specifically for agricultural entities, the tool strengthens our ability to identify risks associated with countries, value chains and partners' activities, and to translate this analysis into appropriate mitigation measures and, where relevant, targeted technical assistance.

As FEFISOL II continues to grow, our ambition remains unchanged: to combine financial sustainability with strong additionality, while continuously adapting our approach to the realities faced by our partners. The challenges ahead are significant, but so too are the capacity and determination of the institutions, cooperatives and businesses we support to respond to them.

This year also marks a new chapter in the governance of FEFISOL II, with Luc Cool, Alterfin's new CEO, joining the Fund's Board. We look forward to continuing the close collaboration between SIDI and Alterfin in support of the Fund's mission

We hope you enjoy reading this report.

Anne-Sophie Bougouin
& Luc Cool

FEFISOL II's shareholders

FOUNDING SHAREHOLDERS

alterfin

Sidi Solidarité Internationale pour le Développement et l'Investissement

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BIO Investing in a Sustainable Future

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Managing Director at Inpulse

Laurence May
Risk & Compliance Director at Inpulse

Matteo Ragno
Risk & Compliance Analyst at Inpulse

FEFISOL II at a glance

The mission of FEFISOL II is to finance and strengthen African economic agents which are underserved by the mainstream banking sector, and which bring services and markets to vulnerable and rural populations, as well as SMEs, particularly those in the agricultural sector. By supporting these organizations, the fund aims to improve living standards, reduce inequalities and support sustainable development in the continent.

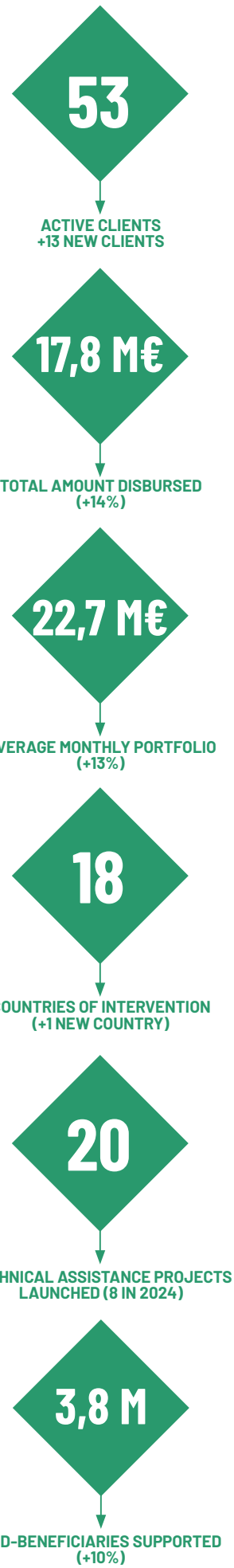
To achieve this mission, two types of structures have been identified:

- **Microfinance Institutions (MFIs)** which contribute to Africa's sustainable economic growth by providing a range of products adapted to the needs of vulnerable populations and SMEs. Through these institutions, FEFISOL II particularly targets rural populations and agricultural businesses, with the aim of reducing poverty and supporting employment creation in underserved areas.
- **Agricultural Entities (AEs)**, engaged in the production, processing, and sale of agricultural products, sourcing their raw materials from smallholder farmers, targeting premium markets, and committed to implementing sustainable agricultural practices. These entities play a key role in strengthening local value chains and increasing the resilience of rural populations.

As of the end of March 2026, FEFISOL II's average monthly portfolio over the year stood at EUR 22,7M, reflecting a 13% increase compared to the EUR 20M of the previous year. The investment team's sustained prospecting efforts delivered strong results, with 13 new partnerships formed. The portfolio is now well diversified, and the continued high level of investment activity provides a strong foundation for a promising year ahead.

Looking forward, the FEFISOL II fund will continue to promote the adoption of sustainable practices among microfinance institutions and agricultural entities through tailored support. This ambition is made possible by a combination of flexible financing mechanisms, innovative incentives, and a robust technical assistance facility designed to maximize impact on the ground.

KEY FIGURES IN 2025



OBJECTIVES AND REALIZATIONS

As of 31.12.2025, FEFISOL II's gross loan portfolio amounted to 22,1 M€.
The figures below are represented as percentages of this amount.

CATEGORY	ANNUAL TARGET	REALIZATIONS AT 31.03.2026	EVOLUTION SINCE 31.03.2025
AFRICA	**100% of GLP**	**100%**	**=**
Sub-Saharan Africa	>75% of GLP	95%	+1%
ACP countries[1]	>75% of GLP	95%	+1%
North Africa	<25% of GLP	5%	-1%
West African Economic and Monetary Union	Btw 30% and 40% of GLP	25%	-2%
COUNTRIES WITH A LOW HUMAN DEVELOPMENT INDEX AND/OR HIGH CLIMATE VULNERABILITY	**Btw 50% and 70% of GLP**	**74%**	**-6%**
GROSS LOAN PORTFOLIO BY TARGET CLIENT	**100% of portfolio**	**100%**	**=**
MICROFINANCE INSTITUTIONS	**Btw 70% and 80% of GLP**	**75%**	**-3%**
Amongst which Tier 2 and Tier 3 MFIs	At least 85% of MFI	80%	+3%
Number of MFIs financed through subordinated loan	Btw 4 and 10 MFIs	1	=
AGRICULTURAL ENTITIES	**Btw 20% and 30% of GLP**	**25%**	**+3%**
RURAL PORTFOLIO	**>55% of GLP**	**56%**	**+6%**
AES AND MFI FINANCING AGRICULTURAL PRODUCTION AND/OR THE PROCESSING AND SALE OF AGRICULTURAL PRODUCTS	**>65% of clients financed >65% of GLP**	**74% of clients 61% of GLP**	**+7% for clients +8% of GLP**
LOCAL CURRENCY PORTFOLIO	**Btw 70% and 80% of MFI GLP**	**100%**	**NA[2]**

In addition to the annually monitored objectives presented in the table above, FEFISOL II also established a set of targets to be reached by the end of the fund. The table below outlines these targets alongside the corresponding achievements as of 31.03.2025.

CATEGORY	CUMULATIVE TARGETS AT FUND CLOSURE	REALIZATIONS AT 31.03.2026	EVOLUTION SINCE 31.03.2025
GROSS LOAN PORTFOLIO (GLP)	**Between 30 and 35 million euros**	**22,082,612 €**	**+19%**
TOTAL NUMBER OF CLIENTS FINANCED	**Between 100 and 130 clients**	**55**	**+13 clients**
TOTAL NUMBER OF COUNTRIES OF INTERVENTION	**Between 26 and 30 countries**	**18**	**+1 countries**

(1) ACP countries are the African, Caribbean and Pacific states that signed cooperation agreements with the European Union, mainly under the Cotonou Agreement (2000)

(2) This value is not comparable to the one presented in last year's report as there has been a change in the way this objective is assessed. It used to only take into account the portfolio denominated in local currency, whereas it now also includes the loans in hard currency which are covered by another mechanism (more details on page XX).

FEFISOL II's Additionnality

A FOCUS ON VULNERABLE AND HIGH-RISK REGIONS

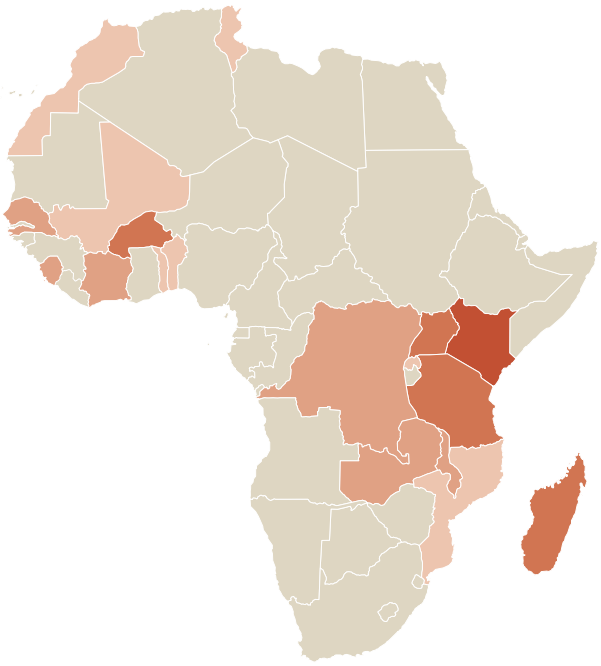
FEFISOL II is a highly additional fund when it comes to its geographic focus and to the type of organizations it seeks to support, particularly in the current financing environment.

2025 marked a significant contraction in international financing flows to Sub-Saharan Africa. Several major bilateral donors, including the United States and European countries, announced substantial reductions in development budgets, while multilateral organizations also faced increasing financing constraints. The dismantling of USAID, which had been facilitating much of the humanitarian and foreign development assistance of the US since its establishment, further accelerated this decline, creating significant disruptions for many development programs across the continent. According to OECD estimates, bilateral aid budgets to Africa declined by 16% to 28% in 2025 compared to 2024 levels, with low-income and fragile countries expected to be the most affected[3].

Beyond their direct impact on aid recipients, these reductions are also affecting the broader development finance ecosystem. Development finance institutions and multilateral organizations, which play a key role in financing impact investment funds operating in emerging and frontier markets, are themselves facing increasing pressure on available capital flows. In this context, funds targeting lower-income, rural, and less bankable market segments may face growing financing constraints due to higher perceived risks and reduced investor appetite.

This context further reinforces the importance of actors such as FEFISOL II, whose mandate is precisely to continue financing local financial institutions, cooperatives, and agricultural SMEs operating in underserved and vulnerable markets. The focus on Sub-Saharan Africa remains relevant, as it is still the region with the highest concentration of extreme poverty globally, with more than 60% of the world's extremely poor population expected to live in the region by 2030[4].

▶ In 2025-2026, FEFISOL II allocated 95% of its portfolio to Sub-Saharan Africa



GEOGRAPHICAL DISTRIBUTION OF THE PORTFOLIO

0 — 3,9M

(3) IMF, Regional Economic Outlook – Sub-Saharan Africa, 2026

(4) World Bank

(5) Private Asset Impact Fund Report, 2025

(6) The Human Development Index (HDI) measures human development based on health, education and income. The Inequality-adjusted Human Development Index (IHDI) adjusts the HDI to reflect inequalities in the distribution of these dimensions across the population.

(7) The UNDP does not define official thresholds for the Inequality-adjusted Human Development Index (IHDI). The 0.50 benchmark is used here as a reference based on the Human Development Index (HDI) classification.

(8) World Risk Index (WRI): Integrated into FEFISOL II's risk analysis to assess countries' exposure and vulnerability to climate-related shocks, as well as their capacity to respond to them. Developed by Bündnis Entwicklung Hilft and Ruhr University Bochum.



FEFISOL II also deliberately focuses on countries where access to financing remains particularly constrained despite significant development needs. A large share of the Fund's portfolio is invested in Least Developed Countries (LDCs), well above the average observed among comparable impact investment funds. These countries are characterized by persistent poverty, structural economic vulnerabilities, and limited access to basic services.

▶ In 2025-2026, 60% of FEFISOL II's portfolio was allocated towards LDCs, compared to 9.6 %[5] on average for comparable impact investment structures.

Many countries targeted by FEFISOL II also rank low on the Inequality-adjusted Human Development Index (IHDI)[6], reflecting significant inequalities in access to income, healthcare, and education.

▶ In 2025–2026, the average Inequality-adjusted Human Development Index (IHDI) of FEFISOL II's countries of intervention was 0.37, well below the 0.50 benchmark for low human development[7].

Beyond this geographic focus, FEFISOL II targets primarily organizations operating in rural areas, which still account for a disproportionate share of poverty despite representing 44% of the world's population and being essential for global food security. Limited access to infrastructure, markets, and financial services continues to constrain rural development, particularly in low-income countries.

▶ In 2025-2026, 56% of FEFISOL II's portfolio was invested in rural areas.

These challenges are further compounded by climate change. Because of the reliance of rural livelihoods on agriculture and natural resources, these communities are especially vulnerable to climate-related shocks, including droughts, changing rainfall patterns and land degradation. Many countries in FEFISOL II's portfolio rank among the most vulnerable globally according to the World Risk Index[8]. One example is Madagascar, which ranks as the 19th most at-risk country in the world, with a World Risk Index score of 23.68. The country is particularly exposed to recurrent tropical cyclones, floods and droughts, which severely affect rural communities and agricultural livelihoods. In 2025, the country was hit by successive tropical storms, including Cyclone Honde and Tropical Storm Jude, which caused significant damage to housing, infrastructure and livelihoods.

FEFISOL II's additionality therefore stems not only from its geographic focus but also from its ability to support actors operating in vulnerable economies. The Fund's sectoral and institutional additionality is discussed in greater detail in the following sections.

COUNTRY PROFILE: UGANDA

From a macroeconomic standpoint, Uganda's situation is promising, with sustained economic growth and a declining poverty rate over the past few years. However, the country's IHDI of 0.4 highlights persistent inequalities in access to health, education and income throughout the population. Uganda's Coface risk rating of C[9] also reflects the uncertainties associated with global trade policy and investment dynamics, which leads most traditional investors to remain cautious when providing financing in the country.

Based on the international poverty line of US$3.00 per day, nearly six in ten Ugandans were classified as poor in 2019/20[10]. Despite overall progress, considerable spatial disparities persist, with poverty rates substantially higher in rural areas (30.2%) than in urban centres (19.8%). In addition, poverty reduction efforts are increasingly challenged by climate vulnerability. Uganda ranks as the world's 14th most-vulnerable country to climate change[11], having experienced increasing floods, droughts, and landslides over the past three decades.

In this context, Uganda represents a strategic country of intervention for FEFISOL II. The Fund continues to support long-standing partners financed since the launch of FEFISOL I in the 2010s, or historically accompanied by its founding institutions, SIDI and Alterfin, while also developing new strategic partnerships. In 2025-2026, FEFISOL II initiated five new partnerships in Uganda, bringing its outstanding portfolio in the country to EUR 2.7 million at year-end, representing 13% of the Fund's total portfolio.

ADDRESSING FINANCIAL INCLUSION GAPS IN UGANDA

Uganda has made significant progress in financial inclusion over the past decade, with the share of adults included formally in the financial sector reaching 74% in 2024, from 20% in 2011[12]. This expansion was largely driven by the rapid growth of mobile money services and the development of rural financial access points.

However, access to adequate savings and credit products remains limited. While 56% of adults use mobile money, this mainly reflects transactional usage rather than access to financing. Commercial banks account for only 11% of financial inclusion, while banks, SACCOs, and MFIs combined represent 18% of access to financial services[13]. Rural populations, smallholder farmers, women, refugees, and informal entrepreneurs therefore continue to face important barriers in accessing appropriate financial products.

In this context, FEFISOL II partners with local institutions that play a key role in extending access to financial services in underserved regions, including refugee-hosting areas:

Hofokam is Uganda's oldest and largest non-deposit MFI serving rural communities in Western and Mid-Western Uganda. The institution provides inclusive financial services to low-income entrepreneurs, smallholder farmers and rural households through a diversified range of loan products, including agriculture, business, group, housing and consumer loans. With 96% of its beneficiaries located in rural areas, Hofokam plays a key role in expanding access to finance among underserved populations.

EBO SACCO is a Ugandan Savings and Credit Cooperative Organization (SACCO) providing financial services to rural communities, smallholder farmers and small-scale entrepreneurs through 18 branches across the country. Environmental sustainability is a key focus of the institution, reflected in a range of dedicated financial products. Through its agricultural loan portfolio, EBO SACCO supports the adoption of sustainable farming practices, including the use of organic fertilizers, mulching, improved banana production and irrigation. The institution also offers financing for biogas systems, solar energy and WASH solutions, helping households reduce their reliance on firewood and adopt more sustainable practices.

Ugafode targets low-income micro entrepreneurs and smallholder farmers, with 64% of its branches located in rural areas. It promotes financial inclusion by expanding its branch network and using digital platforms to reach rural and peri-urban populations. UGAFODE offers a diversified range of financial products, including agricultural, business and group loans, with agriculture representing more than 50% of its loan portfolio. In addition, the MFI is implementing a refugee financial inclusion programme in refugee-hosting areas, further reinforcing its inclusive growth agenda.

By opening branches, developing tailored products and services, and establishing alternative delivery channels, these local MFIs play a key role in promoting financial inclusion in underserved areas, which fully aligns with the mission of FEFISOL II.



STRENGTHENING RESILIENT AGRICULTURAL VALUE CHAINS IN UGANDA

Agriculture remains central to Uganda's economic development, accounting for 24% of Uganda's GDP and employing around 72% of its population[14]. The sector is therefore critical both for economic growth and poverty reduction. Yet public investment in agriculture remains limited, representing only 3–4% of public expenditure, well below the 10% target set by the Malabo Declaration[15]. At the same time, smallholder farmers continue to face significant barriers in accessing essential resources and markets. In addition, the Ugandan production system remains predominantly rain-fed, rendering it highly vulnerable to climate vulnerability and droughts.

In this context, FEFISOL II supports local agricultural value chains and promotes sustainable practices by partnering with organizations generating strong impact:

Latitude is a Ugandan social enterprise which trades organic cocoa. It was created in 2016, and has managed to break into a specialty market, as it is now recognized for the high quality of its production. One of its specificities is that it uses a direct-to-farmer procurement model, which ensures better prices for producers and a high level of traceability. In addition, Latitude maximizes local added value by transforming some of its cocoa into chocolate, a process which is usually carried out in the countries where it is consumed.

ACPCU is a union of coffee cooperatives created in 2006, which now gathers 33 organizations, themselves reaching over 18 000 members. It has become a strong entity in the robusta coffee sector, being the biggest cooperative in Uganda, and having a strong transformation capacity. Despite this success, it has continued to place smallholder coffee farmers at the heart of its preoccupations. ACPCU members are guaranteed better market conditions and higher revenues thanks to the organic and fairtrade certifications of the union, and they are offered a range of additional services, including the provision of seedlings and farming equipment, access to a medical clinic, and scholarships for their children's education.

Agri Evolve also produces organic coffee while contributing to local economic development. Its activities have supported the development of Kisinga's urban centre, including water and electricity access. 50% of its 14 000 farmers are women. The cooperative delivers agronomy training and financial literacy programmes to farmer groups and promotes afforestation and reforestation by providing tree seedlings for planting on mountain slopes.

Through these partnerships, FEFISOL II contributes to strengthening the resilience, economic inclusion, and livelihoods of vulnerable rural populations in Uganda, while supporting the development of more sustainable and locally anchored agricultural value chains.

(9) Coface's Country Risk Assessment measures the overall risk of doing business in a country by evaluating its economic, financial and political environment. Ratings range from A1 (lowest risk) to E (highest risk).

(10) Poverty and equity brief, 2025

(11) World Bank Group, Country climate and development report, 2025

(12) World Bank

(13) EPRC, Agricultural Finance Yearbook, 2020

(14) World Bank, 2025

(15) Malabo Declaration: A 2014 African Union commitment under the Comprehensive Africa Agriculture Development Programme (CAADP), through which African countries pledged to allocate at least 10% of public expenditure to agriculture and to promote agricultural transformation, food security and poverty reduction.

A DIVERSIFIED AND ADAPTED OFFER TO MEET CLIENTS' NEEDS

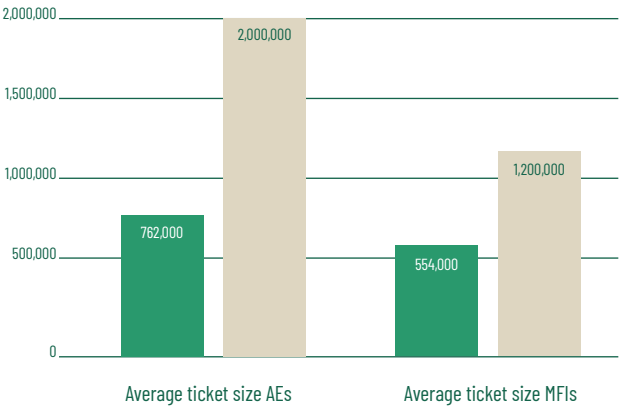
In these complex operating environments, FEFISOL II's added value also lies in its ability to offer flexible, tailored financial solutions that adapt to the seasonal, structural, and evolving needs of its partners.

Indeed, FEFISOL II offers a range of adaptable financial instruments, including seasonal credit lines and investment loans for agricultural entities, as well as senior loans and subordinated debt for the MFIs. These products are designed to respond pragmatically to the rhythms and constraints of local partners.

Another key differentiator of FEFISOL II lies in its capacity to offer relatively small loans, adapted to the size and needs of its target clients.

▶ In 2025-2026, the average loan size was EUR 762k for MFIs and EUR 554k for AEs, figures significantly lower than those of most impact funds, as demonstrated in the graphs below[16].

This positioning makes the fund particularly relevant for smaller or less mature institutions, for whom access to finance remains a major obstacle, and which have relatively small financing needs.



COMPARISON OF THE AVERAGE TICKET SIZE DISBURSED BY FEFISOL II, WITH THAT OF CSAF MEMBERS AND MIVS

FEFISOL II Benchmark

When larger needs arise, the fund can also co-finance operations with its founders Alterfin and SIDI which allows it to increase the loan amount and support bigger entities.

To further align with its partners' needs and protect them from foreign exchange risk, FEFISOL II ensures that all its client MFIs are protected against currency fluctuations. This is achieved through two complementary mechanisms:

Loans denominated in local currencies are hedged by the fund through MFX[17] : this concerns 66% of the microfinance portfolio as of the 31/03/2026

Loans denominated in hard currencies (USD or EUR) are covered through back-to-back agreements with local banks.

▶ Therefore, in practice, in 2025-2026, all of FEFISOL II's client MFIs were protected against foreign exchange risk, reflecting the fund's continued efforts to adapt its financing approach to partners' local contexts and strengthen the resilience of their financial structures.

To support this ambition, FEFISOL II continues to explore and implement innovative and blended hedging mechanisms aimed at expanding its local currency portfolio:

Following the fund's third closing, FEFISOL II secured in total USD 517,821 in grants from USAID. These resources are specifically allocated to hedging currency risk associated with African currencies.

FEFISOL II also benefits from subsidized hedging costs through the EU EFSD+ Pricing Facility[18].

THE TECHNICAL ASSISTANCE FACILITY

Another key pillar of FEFISOL II's additionality is its Technical Assistance Facility, which complements financing by helping partners strengthen their operational, institutional, social and environmental practices.

Launched in November 2022, the Technical Assistance Facility (TAF) of the FEFISOL II fund is managed by SIDI and co-financed by FISEA/PROPARCO, BIO, and DFC.

FEFISOL's TA Facility has the following strategic objectives:

Strengthening African underserved economic agents & agricultural value chains

Supporting the implementation of social and environmental practices

Supporting the offer of inclusive, client tailored and responsible products

Implementing sustainable agricultural practices

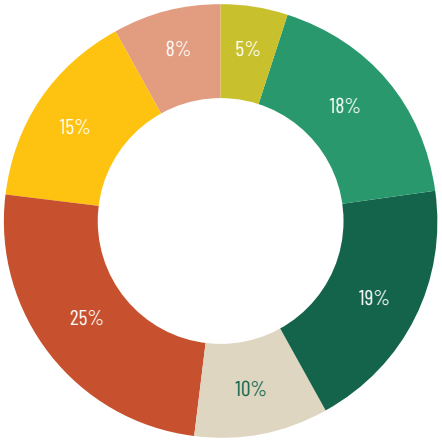
Reducing vulnerability to climate change.

Support may include consultancy, training, audits, studies, exchange visits, or equipment co-financed by the clients.

▶ In 2025, a total of EUR 769k was committed across 20 projects serving 16 clients, and EUR 515k was disbursed. Despite the significant increase in volume, the average project cost remained stable at EUR 38k, which is similar to the figure for 2024. This demonstrates that the facility was able to maintain its efficiency and focus on targeted support while expanding its reach.

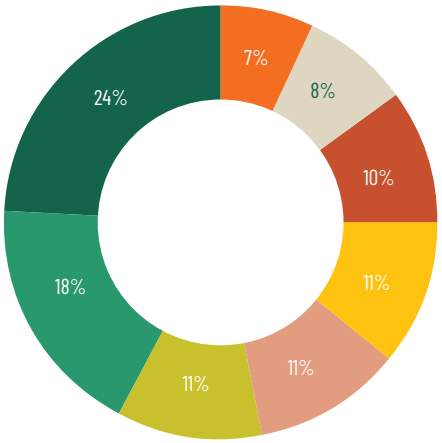
Substantial financial drawdowns secured the facility's long-term capacity and made the operational expansion in 2025 possible. Key milestones included receiving the second instalment of the DFC grant, totalling EUR 436k, and the final instalment of BIO, totalling EUR 105k. These funds were instrumental in doubling engagement capacity compared to the previous year, enabling the TAF to support larger and more diverse organisations while maintaining the agility of smaller interventions.

In parallel, SIDI's and Alterfin's investment teams placed greater emphasis on promoting the TAF among partner organizations, resulting in increased awareness and stronger demand for technical assistance.



COMMITMENTS PER TA TOPIC SINCE THE INCEPTION OF THE TAF:

MIS · Risk management · S&E performance · AE pratices, products & certifications · Market &products · Finance & management · Governance & strategy



COMMITMENT PER COUNTRY SINCE THE INCEPTION OF THE TAF:

Togo · Madagascar · Uganda · Sénégal · Burkina Faso · Tanzania · Kenya · Sierra Leone

While 2024 was characterized by a strong focus on MFIs, with a TAF dominated by business strategy and institutional planning projects, 2025 marked a deliberate strategic rebalancing. The primary objective this year was to diversify the clients base by actively integrating AEs, which now represent 32% of total clients. Simultaneously, the facility significantly scaled up projects dedicated to ESG (environmental and social Governance), certification and product diversification.

In 2025, the TAF managed a significantly expanded portfolio of 20 new projects, split between 13 MFIs and 7 AEs. While the majority of interventions focused on risk management and digitalization, several high-impact projects delivered transformative results in social performance and agricultural value chains. Among them, the two projects presented in the following pages.

(16) For the comparison with the MFIs, the values for the benchmark come from the Private Asset Impact Fund Report (PAIF Report) published in May 2026. When it comes to the AEs, the benchmark value is extracted from the 2025 CSAF annual report. The CSAF is a network of investors lending specifically to AEs. As a member of this network, SIDI is required to report on a certain number of indicators each year and has access to key benchmarks for the sector.

(17) MFX is a financial intermediary providing foreign exchange hedging solutions for development finance institutions.

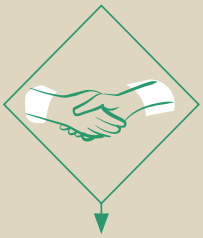
(18) The EFSD+ Pricing Facility is a guarantee programme established by the European Commission and TCX to reduce the cost of currency hedging.

FOCUS: COCOLOMEX

Cocolomex is an agricultural raw materials export company that has played a key role in structuring two cooperative unions. The first, IBA, brings together 1,856 coffee and cocoa producers, as well as more than 430 organic soya producers. The second, ADIAVU, includes 785 producers organized into 33 coffee cooperatives. Through its diversification strategy, Cocolomex operates across several sectors, including cocoa, cashew, and soya, and has expanded into coffee production since 2024.

Cocolomex sought out assistance from FEFISOL II to develop a coherent and operational **Corporate Social Responsibility (CSR) policy**, grounded in local realities, particularly within the IBA and ADIAVU unions. **The objective was to improve producers' livelihoods, diversify income sources and promote the sustainable management of coffee and cocoa plantations,** while ensuring that producer communities actively contributed to identifying priorities and shaping the resulting action plan.

By the end of 2025, thanks to the project implemented by the TAF, a comprehensive social and environmental assessment had been completed across both unions. Conducted through focus group discussions with coffee and cocoa producers in the Wawa production area, the assessment highlighted the strong trust placed in Cocolomex. Producers particularly valued the cooperative's transparent relationships and purchasing policy, which provides stable and, at times, more remunerative prices than competitors, especially when market prices fall below production costs.



The process also made it possible to clearly identify the concrete challenges affecting both communities and plantations, to clarify producers' priority expectations, and to highlight structural constraints within the coffee and cocoa sectors. In the Wawa prefecture, the cocoa value chain faces high maintenance costs, limited access to inputs and financing, and growing pressures linked to deforestation and sustainability requirements. Producers from both unions are not spared as they face significant challenges such as ageing plantations, declining soil fertility, the spread of pests and invasive species, climate variability, as well as persistent labour shortages, all of which threaten productivity over the long term.

These findings highlighted the need for integrated agro-environmental and socio-economic support, combining plantation renewal, improved soil fertility, and greater investment in healthcare for producers and their communities. An action plan was therefore developed to address these priorities and better align Cocolomex's sustainable development initiatives with the most pressing challenges on the ground. FEFISOL II will continue to monitor the implementation of the action plan and its concrete impact on producers and local value chains in the coming years.

Jointly led by Cocolomex, its partner cooperatives, and stakeholders across the value chain, the project illustrates the integrated and horizontal approach promoted by FEFISOL II in its technical support.





FOCUS: KAFO JIGINEW

Kafo Jiginew is one of Mali's leading mutual financial institution networks, serving around 48,000 members in 2025, of whom 25% are women. Deeply rooted in rural areas, the institution has maintained a strong agricultural focus, with agricultural loans representing more than 52% of its portfolio over the past two years. Guided by the values of solidarity, trust and commitment, Kafo Jiginew provides accessible savings, credit and insurance services to rural communities across the country.

Since 2012, Mali has faced a prolonged multidimensional crisis characterised by insecurity, political instability and economic disruption, further exacerbated by the COVID-19 pandemic, regional sanctions and the global repercussions of the war in Ukraine. Despite this difficult operating environment, Kafo Jiginew has continued to expand its outreach through sustained portfolio growth, the opening of new branches and the development of digital financial services, particularly mobile banking. This growth has enabled the institution to extend financial services to increasingly remote communities while adapting to rapidly evolving risks.

To support this expansion, Kafo strengthened its risk management framework in 2016. However, the recent evolution of its activities, particularly the development of digital services, combined with the increasingly complex operating environment, made it necessary to update the framework once again, and reinforce internal capacities. **Through FEFISOL II's Technical Assistance Facility, the institution undertook a comprehensive review of its risk management system.**

The project resulted in the development of an updated risk management framework, a practical risk management manual and a dedicated risk assessment tool. It also included extensive capacity building, with 270 staff members trained, including 167 young employees. Together, these activities strengthened internal expertise, improved regulatory compliance and enhanced the institution's ability to identify, assess and manage operational risks.

This project illustrates FEFISOL II's approach to technical assistance: going beyond the delivery of tools by strengthening local capacities and ensuring that new systems are fully embedded within partner institutions. By equipping staff with the skills to manage evolving operational and technological risks, the project contributes to the long-term resilience and sustainability of Kafo Jiginew.

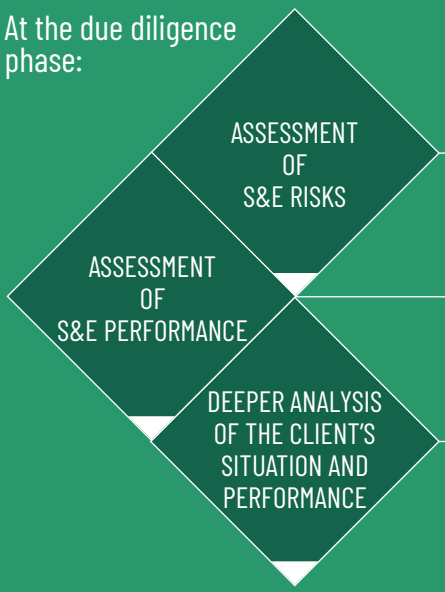
FEFISOL II's S&E framework

At the pre-selection phase:



- Eligibility criteria, including S&E criteria
- Exclusion list
- Analysis of the key risks in the pre-selection file
- **NEW:** For AEs, analysis of the inherent risk
- SWOT
- S&E key indicators and coherence with FEFISOL II's mission
- Financial KPIs
- Key information about governance, HR, operational aspects

At the due diligence phase:



- Analysis of the main S&E risks in the due diligence
- **NEW:** for AEs, analysis of the residual risk
- OSB (tool created internally which centralizes the majority of a client's financial and extra financial indicators)
- Detailed analysis of S&E policies, practices and procedures in place and coherence with FEFISOL II's mission
- Detailed SWOT
- Financial KPIs and analysis of financial performance
- Detailed analysis of governance, HR, operations

2025-2026 HIGHLIGHT: LAUNCH OF A NEW E&S RISK ASSESSMENT TOOL

As part of its commitment to responsible investing, and in line with the environmental and social requirements of its shareholder BIO following its new capital contribution for the 3rd closing of the fund, FEFISOL II's S&E team developed a new Environmental and Social (E&S) Risk Assessment Tool in 2025 for agricultural organizations. The tool, created with the help of Nitidae[19], seeks to strengthen the identification, assessment and monitoring of E&S risks throughout the investment process, while supporting partners in continuously improving their practices.

The assessment is meant to function in the following way:

It begins with the identification of an inherent E&S risk profile, based on the characteristics of the country, the agricultural value chain, and key information about the organization. This first screening enables investment officers to identify the main environmental and social issues likely to arise before conducting due diligence.

During field due diligence, investment officers assess the partner's existing practices across key environmental and social issues, such as labour conditions, gender, biodiversity, water management and relationships with producers and local communities.
This analysis makes it possible to determine the residual risks that remain after existing mitigation measures have been taken into account.

Based on this assessment, the two or three most material residual risks are incorporated into the due diligence report. These priorities form the basis of the environmental and social dialogue with the partner throughout the investment period and, where appropriate, guide the provision of technical assistance to progressively remedy S&E risks.

Beyond supporting investment decisions through a dedicated summary dashboard, the tool introduces a common reference framework defining minimum expected practices, good practices and target practices across key environmental and social issues. Its deployment reflects FEFISOL II's commitment to embedding environmental and social considerations throughout the investment cycle and supporting agricultural partners in their transition towards more sustainable and resilient business models.

(19) Nitidae is a French non-profit organization specializing in sustainable agriculture, environmental conservation and climate resilience. It supports public and private actors in assessing environmental and social risks and developing sustainable value chains.


LAKERS
FASHION

FEFISOL II's Clients

In fiscal year 2025–2026, FEFISOL II had 53 active clients. This includes clients with an outstanding loan at year-end, those who received disbursements during the year, and those who benefited from technical assistance projects during the year.

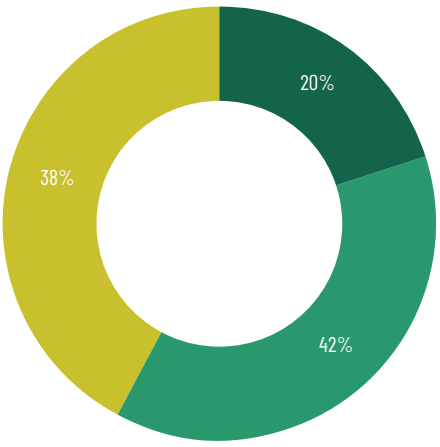
MICROFINANCE INSTITUTIONS

As of the end of March 2026, MFIs represented 75% of FEFISOL II's portfolio, accounting for 30 out of 53 clients.

While microfinance has become an established asset class within impact investing, access to long-term financing remains uneven across the sector. Larger and more mature institutions generally attract most investor interest, whereas smaller, locally anchored MFIs continue to face greater constraints due to their limited size, higher perceived risk, and lower scalability. Yet these institutions are often best positioned to serve rural communities, women, smallholder farmers, and microentrepreneurs that remain excluded from traditional financial services.

Consistent with this identified gap, FEFISOL II aims to allocate at least 85% of its microfinance portfolio to Tier 2 and Tier 3 MFIs, defined as institutions with total assets below EUR 50 million.

▶ In 2025-2026, 80% of financed MFIs fell within this category, illustrating the Fund's continued ability to channel capital towards institutions where access to long-term financing remains the most constrained.



OUTSTANDING PORTFOLIO BREAKDOWN BY TYPE OF ORGANIZATION

MFI Tier 1 MFI Tier 2 MFI Tier 3

During the year, FEFISOL II further expanded its outreach by establishing partnerships with seven new institutions through both financing and/or technical assistance: Ebo Sacco, Hofokam, Ugafode, Vision Fund Malawi, Banco Futuro and Mecpip.

VisionFund Malawi received a EUR 426k loan from FEFISOL II to support the growth of its portfolio. The MFI is among the four leading microfinance institutions in Malawi. VisionFund Malawi provides financial services to vulnerable populations, with a particular focus on rural communities, women micro-entrepreneurs and smallholder farmers. The institution supports income-generating activities through group lending, individual loans, agricultural financing, savings and insurance products. Operating in a challenging economic context marked by high inflation, currency depreciation and climate-related vulnerabilities, VisionFund Malawi contributes to expanding access to finance among underserved communities.

Banco Futuro is a Mozambican microbank providing inclusive financial services to low-income households, women entrepreneurs and SMEs through group lending, individual loans, savings products and micro-insurance services. Initially created to support financial inclusion in northern Mozambique, the institution has progressively expanded its offer from group lending to individual entrepreneurs and SMEs while maintaining a strong focus on underserved populations. Banco Futuro is FEFISOL II's first partner in Mozambique and has only benefited from technical assistance so far.

Another partner supported through technical assistance was **MECPIP**, a Togolese microfinance institution providing savings, credit and money transfer services to low-income entrepreneurs with limited access to formal banking services. The institution mainly focuses on financing small businesses, trade and handicrafts, representing the majority of its portfolio, while also offering very small loans to vulnerable clients with financing needs under EUR 45. Through its savings products, particularly tontines, MECPIP promotes financial inclusion among underserved populations.

OUTREACH

In 2025-2026, the MFIs financed by FEFISOL II continued to expand their outreach, providing financial services to over 3,8 million underserved clients.

YEAR	2024	2025	PROGRESS
Number of end-beneficiaries	3,3M	3,7M	+10%
Number of female beneficiaries	1,9M	2,2M	+15%
Number of rural beneficiaries	1,2M	1,3M	+10%
Average % of portfolio dedicated to income-generating activities (IGAs)	91%	92%	+1%
Average % of portfolio dedicated to agriculture	24%	24%	=
Average loan size	474	484	+2,1%
Number of permanent employees	12 153	12 965	+6,7%

The number of end-beneficiaries of the MFIs in FEFISOL II's portfolio increased by 10% on average during the year, driven in particular by the strong performance of the MFIs in the VisionFund network. Created by World Vision International in 2003, VisionFund International (VFI) manages a global network of 28 microfinance institutions which share a common strategy focused on expanding financial inclusion among the most vulnerable populations. The four VisionFund institutions financed by FEFISOL II collectively reached more than 100,000 additional borrowers over the year, largely through the continued expansion of the FAST (Financial Accelerated Savings Transformation) programme. Since 2022, VisionFund has progressively scaled up this group lending model to strengthen its presence in rural and peri-urban communities. By combining access to credit with savings groups, FAST has helped members expand their businesses, increase their savings, and strengthen their resilience to financial shocks, according to an impact assessment conducted across eight countries.

▶ The share of women borrowers continued to increase, rising from 56% in 2024 to 59% in 2025.

The share of women borrowers continued to increase, rising from 56% in 2024 to 59% in 2025. Women in rural areas continue to face significant barriers to financial inclusion, including limited ownership of productive assets, lack of collateral and lower incomes, all of which restrict their ability to save, borrow and invest in income-generating activities. EBO SACCO in Uganda provides a good example of how these barriers can be addressed. Recognising these constraints, the institution launched a dedicated financial product for women and youth in partnership with two NGOs. As a result, the share of women borrowers increased from 26% in 2024 to 37% in 2025, and the programme continues to expand. This illustrates FEFISOL II's commitment to supporting financial institutions that develop targeted solutions to improve women's access to financial services and foster more inclusive economic opportunities.

▶ Rural borrowers continued to represent 36% of the portfolio, a stable proportion compared with the previous year.

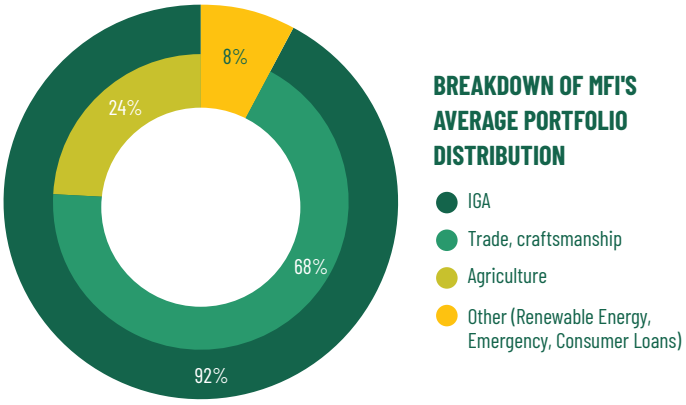
Maintaining this level of rural outreach remains significant given the higher operational costs and logistical challenges associated with serving remote communities.

▶ Finally, the average loan size across FEFISOL II's microfinance portfolio stood at EUR 423 in 2025, significantly below the USD 3,9k average reported for the global microfinance investment fund industry[20].

This reflects the Fund's continued focus on partner institutions serving low-income clients, who typically require smaller loan amounts but often face the greatest barriers to accessing formal financial services.

(20) PAIF Report 2025

(21) The Portfolio at Risk over 30 days (PAR30) is the percentage of the gross loan portfolio with instalments overdue by more than 30 days.



Partner MFIs remain primarily focused on financing productive activities which contribute to the economic empowerment of their clients, including agriculture. The category "other" includes loans for:

Daily living needs
Essential household expenses such as healthcare, education, housing
The acquisition of renewable energy equipment
And emergency loans

FINANCIAL PERFORMANCE

YEAR	2024	2025
Consolidated gross loan portfolio	684,1M€	754,6M€
Average portofolio growth	15%	10%
Average PAR30	8%	7%
Average OSS	111%	112%

▶ The gross loan portfolio of partner MFIs grew by an average of 10% during the year, broadly in line with the increase in borrower outreach.

Southern Africa recorded the strongest portfolio growth, driven by the sustained expansion of several partner institutions, continued demand for financial services, and high inflation rates across the region. By contrast, portfolio growth was more modest in West Africa, although average growth was significantly affected by the sharp contraction of one institution in Sierra Leone facing major operational challenges.

▶ Portfolio quality remained sound throughout the year, with the weighted average PAR30[21] **improving from 8% in 2024 to 7% in 2025.**

This overall improvement was achieved despite a significant deterioration in a limited number of markets, particularly in the Kivu region in DRC, where the escalation of the armed conflict created a very challenging environment for institutions and the communities they serve.

Finally, operational self-sufficiency remained stable at 112% throughout the year. This indicator measures an institution's ability to cover its operating and financial expenses through its own revenues. Maintaining an OSS above 100% demonstrates that FEFISOL II's partner MFIs continue to pursue their social mission on a financially sustainable basis.

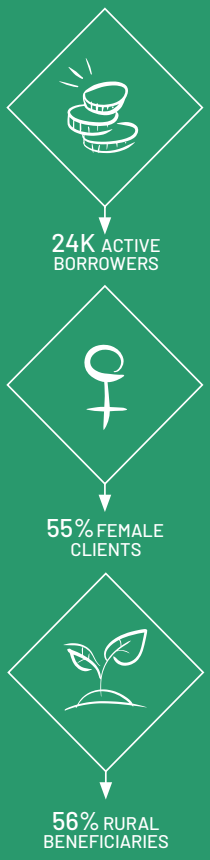
CLIENT PROFILE: FORTUNE CREDIT

Founded in 2014, Fortune Credit (FC) is a Kenyan microfinance institution committed to promoting the economic empowerment of underserved rural populations through inclusive financial services. The institution provides credit and insurance solutions adapted to low-income clients, with a strong focus on rural lending, agriculture and green finance.

Fortune Credit distinguishes itself through a "tech-touch" model, combining digital technologies with close customer relationships. By leveraging technology while maintaining a strong field presence, the institution has developed innovative financial solutions that improve both outreach and client experience.

This approach earned FC international recognition as a finalist for the 2023 European Microfinance Award on Inclusive Finance for Food Security and Nutrition.

In 2025, FEFISOL II renewed its partnership with Fortune Credit through a second investment, recognizing the institution's commitment to inclusive finance and its progress in integrating ESG practices. Indeed, following recommendations from Alterfin and FEFISOL II, FC formalized its ESG Policy, strengthened responsible finance practices and enhanced its client protection approach.



INNOVATIVE PARTNERSHIPS TO EXPAND ACCESS TO FINANCE

A key feature of Fortune Credit's model is the use of strategic partnerships to deliver tailored financial services directly within agricultural, commercial and green value chains. Indeed, the institution collaborates with non-financial companies to integrate financial services directly into value chains, making credit more accessible and adapted to clients' needs.

In the agricultural sector, FC partners with Sunculture, a provider of solar-powered irrigation solutions, to finance farmers adopting sustainable farming technologies. Through a pay-as-you-grow model, farmers can access solar drip irrigation pumps while benefiting from flexible financing solutions.

To support small businesses, FC works with Twiga Foods, a leading distributor of fresh produce and fast-moving consumer goods in Africa. Through Twiga's digital platform, more than 100,000 merchants can access inventory credit to purchase goods and manage their businesses.

Beyond expanding access to finance, FC leverages the expertise and data generated by both SunCulture and Twiga Foods to strengthen its credit assessment process and improve portfolio risk management.

FC has also entered the growing electric mobility sector through partnerships with eWaka and other electric mobility providers. These allow riders to finance electric motorcycles through affordable repayment models, enabling them to access income-generating assets while contributing to cleaner transportation. The partnership also includes insurance coverage and monitoring tools to protect both riders and lenders.

Finally, together with 2 firms specialized in climate risk insurance, FC has developed ResilientGrowth, a parametric crop insurance product to protect smallholder farmers against drought and excessive rainfall. Using satellite data, the product automatically triggers payouts when climate risks occur, providing faster financial support and strengthening farmers' resilience to climate shocks. The pilot program led by FC in Bungoma County has already covered more than 1,000 farmers.

CONCLUSION: USING PARTNERSHIPS TO BUILD CLIENT RESILIENCE

These collaborations illustrate Fortune Credit's broader strategy: moving beyond traditional lending to provide clients with integrated financial solutions addressing their economic, environmental and social challenges. By combining technology, partnerships and responsible finance principles, FC contributes to expanding access to finance while supporting more resilient livelihoods in Kenya.



AGRICULTURAL ENTITIES

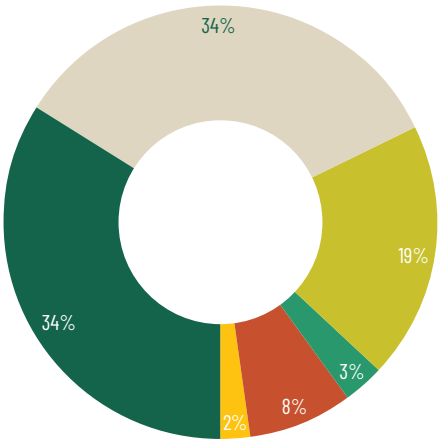
▶ As of the end of March 2026, AEs represented 25% of FEFISOL II's portfolio, accounting for 23 out of 53 clients.

Despite its central role in employment, food security, and local livelihoods across Sub-Saharan Africa, agriculture continues to face major financing gaps, particularly among smallholder farmers. More than 70% of smallholder financing needs remain unmet in 2025, representing an estimated annual financing gap of USD 230 billion[22]. At the same time, agribusinesses and cooperatives account for nearly half of the financing currently available to smallholders through input credit, pre-financing and contract farming. By financing these actors, FEFISOL II therefore contributes to improving smallholders' access to finance, markets and agricultural services.

While the share of the portfolio allocated to AEs may appear modest, it does not fully reflect the fund's commitment to the sector due to the seasonal nature of agricultural lending. Many AEs borrow and repay loans within the same year, which reduces their end-of-period outstanding portfolio figures.

▶ However, if we look at disbursements rather than the outstanding portfolio, agricultural entities represented a significant 53% of total disbursements in 2025-2026. This more accurately reflects the fund's strategic focus and the considerable operational effort dedicated to supporting agricultural entities across the continent.

The main value chains financed are presented in the graph below:



BREAKDOWN OF DISBURSEMENTS BY AGRICULTURAL SECTOR

Cocoa · Fruits and Veg · Coffee
Honey · Grains and cereales · Nuts

During the year, FEFISOL II established partnerships with six new organizations through financing and/or technical assistance: Cocolomex, Latitude, Agrievolve, Ecam, Afokantan and Gebana Togo :

Founded in 2006, **AFOKANTAN** is one of the first cashew processing companies in Benin, contributing to the development of local cashew value chains through the processing and commercialization of cashew nuts. The company supports more than 1,300 producers organized into cooperatives and reaches nearly 700 rural households each year, providing market access and supporting rural livelihoods. Through its EUR 500k financing, fully repaid within the fiscal year, FEFISOL II supported AFOKANTAN's development and strengthened its role as a key local player in the cashew sector.

Gebana Togo is a Togolese company specialized in the sourcing, processing and export of certified organic agricultural products, mainly soybeans and cocoa. Based in Lomé, the company sources its products from 5,000 producers in the Plateaux and Central regions, strengthening sustainable value chains through technical training and awareness-raising on organic farming, field monitoring and advice, and assistance with setting up and training groups. Currently supported by FEFISOL II through technical assistance, Gebana Togo contributes to improving market access for smallholder farmers and promoting more sustainable agricultural practices in Togo.

OUTREACH

YEAR	2024	2025	PROGRESS
Number of end beneficiaries	151K	167K	+10,6%
Number of female end beneficiaries	31K	2,2M	+6,5%
Average cultivated area (in ha)	2,2	2,1	-4,5%
Number of permanent employees	1226	1233	+0,6%
Number of seasonal employees	4657	4561	-2,1%

▶ Partner agricultural organizations reached approximately 167,000 smallholder farmers in 2025, compared to 150,000 the previous year.

The producers supported cultivate an average of 2 hectares, illustrating the Fund's continued focus on small-scale family farming. On average, partner organizations increased their outreach by 11%, reflecting their ability to strengthen relationships with producer communities and expand access to markets, agricultural services, and technical support despite a challenging operating environment.

One illustration of this trend is provided by Biotan, a Tanzanian processor and exporter of organic cashew nuts working with cooperatives. In 2025, Biotan managed to expand its producer network by 40% following the extension of its sourcing activities into a new production region, Tanga.



Women represented 20% of the smallholder farmers reached by FEFISOL II's agricultural partners, a proportion broadly unchanged from the previous year. Increasing women's participation remains a key objective for the Fund, as female farmers continue to face greater barriers than men in accessing land, finance, and agricultural services. However, progress remains challenging. In many value chains, women actively contribute to agricultural production without being formally registered as producers or cooperative members, resulting in an underrepresentation in reported outreach data. Recent field research in cocoa cooperatives in West Africa found that women account for around 68% of the agricultural labour force while receiving only 21% of sector income, highlighting the structural inequalities that continue to limit their economic participation[23].

Beyond supporting smallholder farmers, FEFISOL II's agricultural partners act as key economic anchors in rural territories. Together, they employed 1,233 permanent staff and created more than 4,500 seasonal jobs in 2025, notably during harvesting and processing campaigns. In many of the regions where they operate, these employment opportunities provide an important source of income and contribute to strengthening rural economies.

FINANCIAL PERFORMANCE

YEAR	2024	2025
Consolidated total revenues	298M€	402M€
Average revenue growth	+57%	+35%
Consolidated purchases from producers	200M€	321M€

▶ Partner organizations recorded an average turnover growth of +35% in 2025.

This performance reflects both favourable market conditions in several commodity value chains and partner-specific developments, such as the expansion of sourcing networks, increased processing capacity, or stronger commercial relationships with producers.



AVERAGE REVENUE GROWTH BY VALUE CHAIN

Coffee Cocoa Nuts Grains and cereales Fruits and Veg Honey

Coffee partners recorded the strongest turnover growth during the year, benefiting from the exceptionally high price environment that prevailed throughout most of 2025. Tight global supplies, particularly in Vietnam and Brazil, together with strong international demand and persistent supply chain disruptions, kept coffee prices at historically elevated levels. While market expectations point to a gradual price correction as global production recovers, prices remained well above historical averages during the reporting period. Beyond these favourable market conditions, several partner organizations strengthened their commercial strategies by securing contracts earlier, improving price risk management and focusing on higher-value markets, enabling them to fully benefit from the high-price environment.

Cocoa partners also benefited from an exceptionally high price environment that continued throughout 2025. International prices remained well above historical averages as global cocoa supply was constrained by successive poor harvests in Côte d'Ivoire and Ghana, which together account for around 60% of global production. These production shortfalls, driven by adverse weather conditions and the spread of cocoa diseases, continued to support prices despite a partial recovery in the 2025/26 season. Against this backdrop, partner organizations continued to secure market access for producers despite an increasingly competitive sourcing environment.

▶ This commercial growth was accompanied by a 60% average increase in purchases from smallholder farmers.

This demonstrates that the stronger financial performance of partner organizations translated into greater market opportunities for producers.

This dynamic was particularly pronounced in FEFISOL II's cashew partners, where purchases increased by an average of 130%.

Across the Fund's cashew partners, producer remuneration is supported through a combination of public policies and partner-specific initiatives. In Côte d'Ivoire, the government increased the official farmgate price by 54% in 2025 while maintaining measures to promote domestic processing. Although market prices fell sharply later in the season following an abundant harvest, Ecocajou was one of the only organizations which continued to purchase cashew nuts at the official farmgate price. In Tanzania, where prices are determined through the Weekly Cooperative Auction System, BIOTAN complements market prices with a 5% premium for its certified organic producers.

These examples illustrate how FEFISOL II's agricultural partners seek to combine commercial performance with improved producer remuneration.

(22) ISF Advisors, 2025

(23) Marston, A. (2016), *Women's Rights in the Cocoa Sector: Examples of Emerging Good Practice*, Oxfam Discussion Paper, cited in *Gender and Social Inclusion Diagnosis of Cocoa and Fruit Value Chains in Fair Trade*, Empow'Her, Équité III Programme

CLIENT PROFILE: ECAM

3,1K SMALLHOLDER PRODUCERS

18% WOMEN

7,8M€ TOTAL SALES

100% CERTIFIED

A LEADING COOPERATIVE SUPPORTING SMALLHOLDER FARMERS

ECAM is an agricultural cooperative founded in 2004 by 87 cocoa farmers in the Méagui region of south-western Ivory Coast. Fully aligned with FEFISOL II's mission, it aims to strengthen the financial independence of its members and their households. Beyond collecting and marketing cocoa, Ecam provides its members a range of services, including technical support, certification facilitation, and income diversification activities, with the objective of improving livelihoods while promoting more sustainable agricultural practices.

Today, ECAM brings together 3,110 cocoa producers and is recognized as one of the leading cooperatives in the Méagui region. This dynamic is driven by its open and voluntary membership model, as well as by the benefits it offers, which have helped build a loyal producer base despite a highly competitive environment. Its cocoa is certified under Cocoa Life, Fairtrade International and Rainforest Alliance), enabling access to more lucrative markets, and generating certification premiums for producers.

FEFISOL II'S ADDITIONALITY AND ALIGNMENT WITH ECAM

Historically, ECAM relied heavily on short-term advances from its buyers to finance its cash-flow needs. These advances were highly volatile, varying from a few days during peak season to one month during the low season, and could be withdrawn at any time, creating significant financial dependency. Building on an eight-year partnership, first with FEFISOL I and later with SIDI, the support provided by FEFISOL II helps reduce this dependency by providing stable financing, improving the cooperative's operational efficiency, in the end enabling faster payments to producers.

ECAM is also strongly aligned with FEFISOL II's mission through its commitment to sustainable agricultural practices, biodiversity protection, and women's economic inclusion. This alignment is particularly relevant as cocoa production in the Méagui region is facing growing environmental and agronomic pressures, threatening both productivity and household livelihoods.

ADDRESSING KEY ENVIRONMENTAL AND SOCIAL CHALLENGES IN THE MEAGUI REGION

The latest seasons illustrated these challenges. The spread of swollen shoot disease, combined with prolonged drought, has led to declining cocoa productivity and, in many cases, the removal of infected trees. In response, ECAM promotes more resilient farming systems by supporting the adoption of agroforestry practices, geolocating farms, excluding production from protected forest areas, and encouraging crop diversification through market gardening activities.

Founded and led by a woman, ECAM also places strong emphasis on women's economic inclusion, particularly as women remain largely excluded from cocoa production despite their central role in rural households. In response to the growing pressure on household incomes caused by swollen shoot disease, the cooperative has strengthened its support through the creation of 114 Village Savings and Loan Associations (VSLAs), enabling women to finance income-generating activities through rotating savings schemes. It also supports literacy programmes, a crop diversification centre and, through the Cocoa Life programme, the appointment of women leaders to raise awareness of social and community issues.

Through its combined financial and technical support, FEFISOL II is helping ECAM consolidate its financial sustainability, expand the services offered to its members and accelerate its transition towards more resilient and sustainable cocoa value chains.




ECAM

ECOOKIM – LISTENING TO FARMERS TO MEASURE IMPACT

In 2025, Alterfin, co-founder of the FEFISOL II fund, conducted an in-depth impact study with its long-standing partner in Côte d'Ivoire, Union des Sociétés Coopératives Kimbê (Ecookim). Founded in 2004, Ecookim brings together 32 member cooperatives and more than 43,800 smallholder farmers, making it one of the country's largest producer networks.

Beyond acting as an export platform connecting farmers to international markets, Ecookim provides a broad range of services including cocoa collection, certification, access to agricultural inputs and equipment, technical training, and crop pre-financing. These services aim to strengthen farm productivity while reducing producers' dependence on informal intermediaries.

Using the FarmVoices methodology, the study assessed how these services translate into tangible economic and social outcomes for producers and their households. The findings highlight Ecookim's transformative role within Côte d'Ivoire's cocoa sector.



FARMVOICES METHODOLOGY – COMBINING STORIES AND STATISTICS

Developed by Voices That Count, the FarmVoices methodology combines qualitative and quantitative approaches to capture both farmers' lived experiences and measurable changes in their livelihoods.

The study followed two complementary steps:

▶ **Impact Stories:** producers shared their most significant experiences with Ecookim through open-ended interviews;

▶ **Impact Trends:** these narratives were complemented by structured questions to translate individual experiences into measurable indicators.

To ensure local relevance, three Ivorian researchers were trained in the methodology and interviewed 239 cocoa producers in the Haut-Sassandra region. The survey was designed jointly with Ecookim to ensure that the cooperative's priorities were adequately reflected.

MAIN FINDINGS

The results reveal a particularly strong level of trust in the cooperative. More than 70% of producers consider membership highly worthwhile, while 95% choose to sell their cocoa to Ecookim by preference rather than necessity.

Although cocoa prices are regulated nationally, Ecookim differentiates itself through the additional value it creates for producers. 95% of respondents reported receiving a better overall remuneration - including certification premiums - than through other buyers. Members also highly value the cooperative's technical assistance, access to agricultural inputs and training services, while 75% feel that their concerns are genuinely heard.

These benefits translate into tangible improvements in household livelihoods. 94% of producers reported an improvement in their economic situation, with children's education emerging as the area where the greatest positive change has been observed (42%). This finding is particularly significant in a context where child labour remains a major challenge in Côte d'Ivoire's cocoa sector.

The study also highlights stronger financial resilience. Around 67% of producers reported having sufficient savings to cope with unexpected shocks, while 25% rely on financial support from the cooperative during difficult periods.

Beyond documenting positive outcomes, the study also identified areas requiring further attention. The main challenge concerns the timeliness of payments, with nearly half of respondents reporting that payments are not always received on schedule. Ecookim has since identified this issue as a strategic priority, recognising that predictable cash flows are essential to strengthening producers' financial security and maintaining long-term trust.

Overall, the study illustrates how a well-governed cooperative can generate meaningful social impact while continuously adapting to the evolving needs of its members.
Ecookim exemplifies the type of institution FEFISOL II seeks to support: a resilient, member-driven organization committed to improving the livelihoods of smallholder cocoa farmers over the long term.

