



Pearl Capital Partners



YIELD  
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## PRESS RELEASE

### **Yield Uganda Investment Fund makes yet another investment, this time in an accredited analytical laboratory.**

**Date: Tuesday, 11<sup>th</sup> June 2019**

Having been set up with financing from the European Union (EU) through the International Fund for Agricultural Development (IFAD) and National Social Security Fund Uganda (NSSF) and managed by Pearl Capital Partners (PCP), the Yield Uganda Investment Fund has committed UGX 1.3Bn to Chemiphar (U) Ltd alongside Agricultural Business Initiative's (aBi) grant injection of UGX 2.45Bn.

Chemiphar is an internationally accredited analytical laboratory located on the outskirts of Kampala, in Kansanga, whose core business is to provide testing and inspection services to SME businesses operating in food and beverages, agro-products, environment, pharmaceutical and cosmetics as well as agricultural seeds. Chemiphar therefore essentially acts as an enabler to agri-businesses which are required to meet international standards for both export and local certification of their processed and value added products.

In view of Yield Fund's partnership with aBi, the objective of the investment is majorly to enhance the company's capacity to meet the growing local demand of quality and efficient laboratory testing services and also to have the ability to fulfill specific requirements of local and foreign markets, especially with the increasing growth of Uganda's exports and standards. As part of the Yield Fund package, Chemiphar will also benefit from a matching grant from the Fund's Business Development Support (BDS) facility managed by IFAD.

*Annick Uytterhaegen, founder and CEO of Chemiphar (U) Ltd, with delight, said that; "At Chemiphar we are so happy and grateful that the Yield Fund and aBi have considered our request for support. Thanks to these grants and financing, we will be able to bring the company to another level and develop areas of the company that we wanted to improve since a long time but for which we were meeting financial constraints. Chemiphar has always committed resources and time to address areas of utmost importance, especially where Uganda or the region can have a competitive advantage. For more than 20 years now, Chemiphar, thanks to its international accreditations has helped industries to export their products to the world whether fish, honey, vanilla, cocoa or any others. But we sometimes had to navigate by winds and tides, because quality comes at a cost. It is great to know that our efforts have been recognized and that we will receive support to be able to better perform our work, to create awareness about the importance of quality standards in the country and to continue focusing on our mission."*

European Union Ambassador to Uganda, H.E. Attilio Pacifici expressed his delight with the new investment. "This investment by the Yield Uganda Investment Fund is a practical example of progressive partnerships between Europe and Africa reflecting the new Europe-Africa Alliance for Sustainable Investments and Jobs which aims to promote inclusive growth, job creation and sustainable development in Africa," he said.

"IFAD is delighted to have Chemiphar (U) Ltd join the Yield Uganda Investment Fund portfolio", said Lakshmi Moola, the IFAD Country Programme Manager for Uganda. "Through this



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*partnership, Chemiphar will play an important role in supporting Uganda's Agriculture SMEs, by providing modern testing facilities, helping them unlock important markets for the producers and smallholder farmers. We are looking forward to a successful partnership."*

Mr. Richard Byarugaba, Managing Director NSSF said that *"a total of Euros 3.3 million dollars has been committed with Euros 1.7 million so far disbursed through the Yield Fund to entities that are focused on value addition within the Ugandan agricultural sector"*. He added that the investment in Chemiphar was timely because Chemiphar is the only international accredited laboratory in Uganda and as such plays a critical role in clearing agricultural products for exports from Uganda, both to the region and beyond.

Dr. Edward Isingoma Matsiko, PCP Partner responsible for the investment transaction said: *"As a country, Uganda has had a number of challenges with exports including bans like the renowned fish ban which, thanks to Chemiphar, was lifted in 2001. Since then, Chemiphar as a business has been an enabler in ensuring that the quality and standards of what the country trades locally and exports are done thoroughly. There's no doubt that the resilience, passion and expertise of Chemiphar's team will continue growing to this effect. We are excited at being a part of the company's expansion and growth efforts."*

Francis Chesang, COO, aBi reiterated that aBi's commitment to support Chemiphar is realizing its objective of enhancing its analytical capacity to facilitate food safety, quality and compliance with internationally accepted standards to spur exports while guaranteeing the safety of the consumer. *"We are confident that this outcome will be fostered through: increasing the range of export and safety compliance; increasing Chemiphar's profitability and sustainability; strengthening Chemiphar's controls and technical competence and promoting compliance of standards among exporters and stakeholders,"* said Chesang.

**About Yield Uganda Investment Fund** ([http://pearlcapital.net/documents/yield\\_teaser.pdf](http://pearlcapital.net/documents/yield_teaser.pdf))

The Fund was launched in January 2017 with commitments of €12 million, anchored by €10 million from the European Union (EU) through the International Fund for Agricultural Development (IFAD), and € 2million committed by National Social Security Fund Uganda (NSSF). The Fund offers innovative financial products such as equity, semi-equity and debt funding. Additionally, an integral and complementary part of the Fund's investment process will be used to support the operations of its investee companies through matching grants for Business Development Support (BDS) funded by the EU.

**About Agricultural Business Initiative (aBi)** ([www.abi.co.ug](http://www.abi.co.ug))

aBi is a social enterprise that channels development cooperation funding to agribusinesses and agricultural service providers in Uganda with the aim of building a strong and competitive agriculture sector. aBi consists of two companies, ABI Development Ltd and aBi Finance Ltd. aBi Development (formerly aBi Trust) channels development funding as matching grants and Business Development Services to agricultural producers and agribusinesses to enhance their management, production, productivity, value addition, income, profitability and employment. In the period 2014 – 2017 the aBi Trust financed around 110 matching grant projects to six value chains with a total value of around US\$275Bn.

aBi Finance provides Lines of Credit (LoCs) to Financial Institutions for on-lending to agribusinesses across the entire value chain. As at December 2017 about US\$ 17 Bn grants was disbursed to 44 Financial Institutions. By the end of 2018, aBi had a capital base of US\$ 170 Bn.

**About the European Union** (<https://eeas.europa.eu/uganda>)

The European Union (EU) is a political and economic union of 28 Member States. They decided to link together their know-how, resources and destinies. Together, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The EU is committed to sharing its achievements and values with countries and peoples beyond its borders. And in fact, over half of all development aid comes from the EU and its Member States, making them collectively the world's largest aid donor. Most aid goes to low-income and least developed countries.



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### **About National Social Security Fund (NSSF), Uganda ([www.nssfug.org](http://www.nssfug.org))**

The National Social Security Fund (NSSF) Uganda is a multi-trillion Fund mandated by Government through the NSSF Act, Cap 222 (Laws of Uganda) to provide social security services to employees in the private sector. NSSF is the most profitable, trustworthy, efficient, secure, innovative and dynamic social security provider that guarantees safety, security and a competitive return on members' savings, delivering an annual return of investment of over 2% above the 10-year inflation average.

The Fund manages assets worth over UGX 10.64 trillion invested in Fixed Income, Equities and Real Estate assets within the East Africa region. As the largest Fund in East Africa by value, we have the ambitious goal of growing our Assets Under Management to 20 trillion by 2025. Since 2012, the Fund is regulated by the Uganda Retirement Benefits Regulatory Authority while Minister of Finance, Planning and Economic Development is responsible for policy oversight. For more information, please visit our website at [www.nssfug.org](http://www.nssfug.org), [www.facebook.com/nssfug](https://www.facebook.com/nssfug), [www.twitter.com/nssfug](https://www.twitter.com/nssfug).

### **About IFAD (<https://www.ifad.org>)**

The International Fund for Agricultural Development (IFAD) invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, IFAD has provided about US\$20.4 billion in grants and low-interest loans to projects that have reached some 480 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

### **About Pearl Capital Partners ([www.pearlcapital.net](http://www.pearlcapital.net))**

Pearl Capital Partners group is an independent investment management company with offices across Uganda, Kenya and Mauritius. Since its formation in 2005, PCP has invested in 40 agribusinesses in 7 Sub-Saharan countries including Uganda in ranges of USD 100,000 to USD 2.5 million. Over the past dozen years, the PCP team has moved from being a pioneer impact investment firm to commanding considerable knowledge and experience in the agricultural impact and investment space in the East African region.

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### **Chemiphar (U) Limited – Tests being carried out in the Chemistry, Microbiology and Seed Labs and Inspections.**



*Peter on HPTLC*



*Brian preparing samples*



*Microbiology, plate count.*



*Seed testing*



*Seed Field Inspection*



*Cocoa Sampling*