

Agora Microfinance Zambia

July 2023



Project overview

Agora Microfinance Zambia is a microfinance institution dedicated to serving low-income, rural households in Zambia with appropriate financial products. Their mission is to contribute to the economic well-being of the poor through effective provision of appropriate financial services, among which small loans, insurance products, mobile money services and farming equipment leases.

Funding objective

EDFI AgriFI will invest close to USD 2.5 million equity. The financing aims at supporting the microfinance institution to grow its current portfolio and to reach out to more isolated rural people. It will also allow the company to become deposit-taking and therefore lower its cost of funds, which will in return allow to charge lower interest rates to its clients.

Investment rationale

EDFI AgriFI is willing to support Agora Microfinance Zambia, a microfinance institution which provides access to finance to remote rural populations. AgriFI plays an additional and substantial catalytic role with its equity investment, helping the microfinance institution to become deposit-taking in order to charge lower rates to its clients.

Expected impact

With the growth targets contemplated, Agora Microfinance Zambia aims at creating 360 direct jobs by 2026. The number of annual agri-related beneficiaries shall grow from 120,000 to almost 180,000 in the same period of time, and the agriculture-related portfolio from USD 9.7m to USD 14.2m.

AT A GLANCE

- **Project:** Agora Microfinance Zambia
- **Total AgriFI financing:** close to USD 2.5m
- **Financial instrument:** Equity
- **Region:** Africa
- **Country:** Zambia
- **Sector:** Microfinance
- **Allocation:** ACP Regional Window

ENVIRONMENTAL & SOCIAL ASSESSMENT

Based on Environmental and Social (E&S) risks/impacts the E&S risk category is **C**.

The E&S risks and impacts associated with this project are very limited, site-specific, and are easy to mitigate through generally accepted mitigation measures as described in this document. Key E&S risks and issues relate to Client Protection Principles, HR management, and pollution prevention with clients.

<https://www.amz.co.zm/>

EDFI [AgriFI](#), the EU Agriculture Financing Initiative, is an impact investment facility funded by the European Union, with a mandate to unlock, accelerate and leverage sustainable investments in medium, small and micro agri-enterprises (MSME) that operate in developing countries, with a specific focus on smallholder's inclusiveness. AgriFI is managed by [EDFI Management Company](#) on behalf of the 15 European Development Finance Institutions (DFI).

Disclaimer - PENDING CONTRACTING: the investment proposal has received final approval and now is entering into the contracting phase. The information as disclosed is thus indicative and provides a basis for general informational purposes only. It should not be construed as financial, legal or investment advice, nor as a commitment or an offer to arrange or provide any financing, prior to final decision. This proposed investment is online for 30 days. In case of questions, please contact us at info@edfimc.eu