



COMESA Competition Commission

Kang'ombe House - 5th Floor

P.O. Box 30742

Lilongwe 3, Malawi

Tel: +265 (0)1 772 466/529

+265 (0) 999 970 269

Email: compcom@comesa.int



Common Market for Eastern
and Southern Africa

24th January 2022

CCC Merger Inquiry Notice No. 3 of 2022

Notice of Inquiry into the Proposed Merger involving the Investment Fund for Developing Countries, aBi Finance Holdings Limited, and aBi 2020 Limited

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the acquisition by aBi Finance Holdings Limited (the “**Primary Acquiring Firm**”) of the entire business of aBi 2020 Limited (the “**Primary Target Firm**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

Pursuant to the implementation of the proposed transaction, the Primary Target will be owned by aBi Finance Holdings Limited, which in turn will be jointly controlled by aBi 2020 Limited (72.04%) and Investment Fund for Developing Countries (“**IFU**”) (27.96%). IFU will, during the course of 2022, acquire aBi 2020 Limited’s shareholding (72.04%) in the Primary Acquiring Firm and will thus ultimately acquire sole, unfettered control over the Primary Acquiring Firm and the Primary Target Firm.

The parties submitted that the Primary Acquiring Firm is a special purpose vehicle and did not conduct any activities as at the date of submission of this merger notification to the Commission.

The parties also submitted that IFU was established by the Danish State in 1967 and is governed by the Danish Act on International Development Cooperation. IFU is Denmark’s development finance institution acting as a Danish impact investor contributing to green, just and inclusive societies as well as supporting the sustainable development goals in developing countries. IFU provides risk capital in the form of equity, loans and guarantees to companies operating in developing countries across Africa, Asia, Latin America and parts of Europe. In the Common Market, IFU either directly or indirectly has investments and certain reserved matters in Egypt, Kenya, Mauritius, and Uganda. These entities operate in the following sectors: hospitality, automotive, energy, construction, aerospace, energy and coffee.

The parties submitted that the Agricultural Business Initiative (“**aBi**”) is a multi-donor entity devoted to private sector agribusiness development. aBi was jointly founded by

the Governments of Denmark and Uganda. The Primary Target Firm provides the following product offerings –

- Lines of Credit which are offered to Financial Institutions including banks and Micro- Financial Institutions in order to facilitate lending to businesses across agriculture value chains;
- Agriculture Loan Guarantees which are offered for Financial Institutions to share losses incurred through defaulting loans; and
- Financial Service Development programme under which aBi 2020 Limited provides matching grants to Financial Institutions to build institutional capacity for enhancing the provision of financial services and increase outreach in rural areas.

The Commission will, in accordance with Article 26 of the provisions of the Regulations, determine, among other things, whether or not the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether the proposed transaction is or would be contrary to the public interest.

In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **14th February 2022**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sandya Booluck, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbooluck@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.