



COMESA Competition Commission

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Common Market for Eastern
and Southern Africa

6th April 2022

CCC Merger Inquiry Notice No. 18 of 2022

Notice of Inquiry into the Proposed Merger involving CDC Group Plc, Norfund and AgDevCo 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 proposed acquisition of joint control by CDC Group Plc (“**CDC**”) and Norfund (collectively the “**Acquiring Undertakings**”) of AgDevCo Limited (“**AgDevCo**” or the “**Target Undertaking**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

CDC is a public limited company, wholly owned by the Foreign, Commonwealth and Development Office of the government of the United Kingdom. As the United Kingdom’s development finance institution, CDC’s mandate is to support sustainable, long-term growth amongst businesses in Africa and South Asia via impact investment, in alignment with the United Nation’s Sustainable Development Goals. CDC invests in business across the economic spectrum, including manufacturing, agribusiness, infrastructure, financial institutions, construction, health and education. Within the Common Market, CDC operates in the following Member States: Egypt, Kenya, Malawi, Mauritius and Zambia.

Norfund is an entity established and owned by the Norwegian Government through the Ministry of Foreign Affairs of Norway pursuant to the Norfund Act (1997) (the Norfund Act). It is an investment vehicle which prioritizes investments in four areas aligned with the United Nation’s Sustainable Development Goals namely clean energy, financial institutions, green infrastructure and scalable enterprises. Within the Common Market, Norfund operates in the following Member States; Djibouti, Egypt, Ethiopia, Kenya, Madagascar, Rwanda, Uganda, Zambia and Zimbabwe.

AgDevCo is a private limited company incorporated in terms of the company laws of the United Kingdom, with its business address at Peer House, 8-14 Verulam Street, WC1X 8LZ, London, United Kingdom. It is a wholly-owned subsidiary of AgDevCo Holdings Limited (AgDevCo Holdings) a company limited by guarantee that exists to preserve AgDevCo’s mission to invest in African agriculture for impact. The government of the United Kingdom is involved in AgDevCo Holdings through a membership interest held by the Foreign, Commonwealth and Development Office which is also the sole

shareholder of CDC. AgDevCo works with funders across the world to achieve its investments objectives, viz, the development of sustainable commercial agriculture in sub-Saharan Africa, through providing both long-term and seasonal capital to support emerging agribusinesses. It also provides operational and strategic support to its investees and has investments and activities in several countries across the Common Market including Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe.

The parties submitted that the proposed transaction consists of an investment by CDC and Norfund in exchange for redeemable preference shares in AgDevCo. The proposed transaction will take place pursuant to a subscription agreement. In exchange for their investment, the Acquiring Undertakings will acquire redeemable Preferred Shares and certain rights attached to those shares which will confer on them joint control of AgDevCo.

It was submitted that the investment in AgDevCo is in line with CDC and Norfund's strategy of promoting sustainable development in developing countries, as their investment will be used to fund emerging, sustainable, commercial farmers in sub-Saharan Africa. This will in turn create employment and promote food security and sustainable farming practices which do not harm the environment. AgDevCo will benefit from the proposed transaction through receiving medium-term finance to assist in achieving its goal of developing sustainable agriculture in low and lower-middle income African countries, whilst simultaneously promoting the long-term success of this objective through introducing AgDevCo to potential future investors.

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 or it 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: akamanga@comesa.int. All written representations should be sent to the Commission not later than **26th April 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 **Mr. Ali Kamanga, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or akamanga@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.