



**||| STRENGTHENING PARTNERSHIPS
FOR AFRICA'S BUSINESS GROWTH**



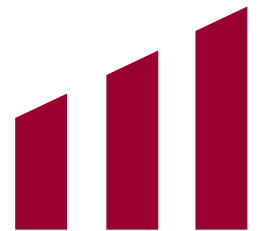
APPRECIATION

The Boards of AMSCO and the ATMS Foundation, Management and staff would like to thank the African Governments, Management of the UNDP, IFC, AfDB, Shareholders and Donor Agencies for their continued support.

Special appreciation is extended to Mr Abdoulaye Mar Dieye, Assistant Administrator and Director of UNDP's Regional Bureau for Africa as well as UNDP Resident Representatives across Africa who make it possible for the ATMS Project to operate in African countries, thus enabling AMSCO to make a difference in the development of SMEs across the continent.

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WHO WE ARE

AMSCO is a pan African organisation that provides integrated human capital development solutions to private and public businesses throughout sub-Saharan Africa.

AMSCO implements the African Training and Management Services (ATMS) Project of the United Nations Development Programme (UNDP). Its ability to develop local management skills and strategically place globally experienced talent in client companies contributes to the overall growth and health of the businesses as well as the economies within which they operate.

AMSCO delivers three human capital development services to client companies – Talent Acquisition, specialising in Expatriate Management and Recruitment Services; Training and Development; and Development & Advisory Solutions. AMSCO chooses its clients carefully, through a strict due diligence process. It seeks to partner with SMEs and large companies that have impressive and proven business track records as well as with start-ups.

The ATMS Foundation fulfils a fiduciary role under the ATMS Project and provides support on behalf of donor agencies to the SMEs most in need, those to which AMSCO can deliver the greatest developmental impact.

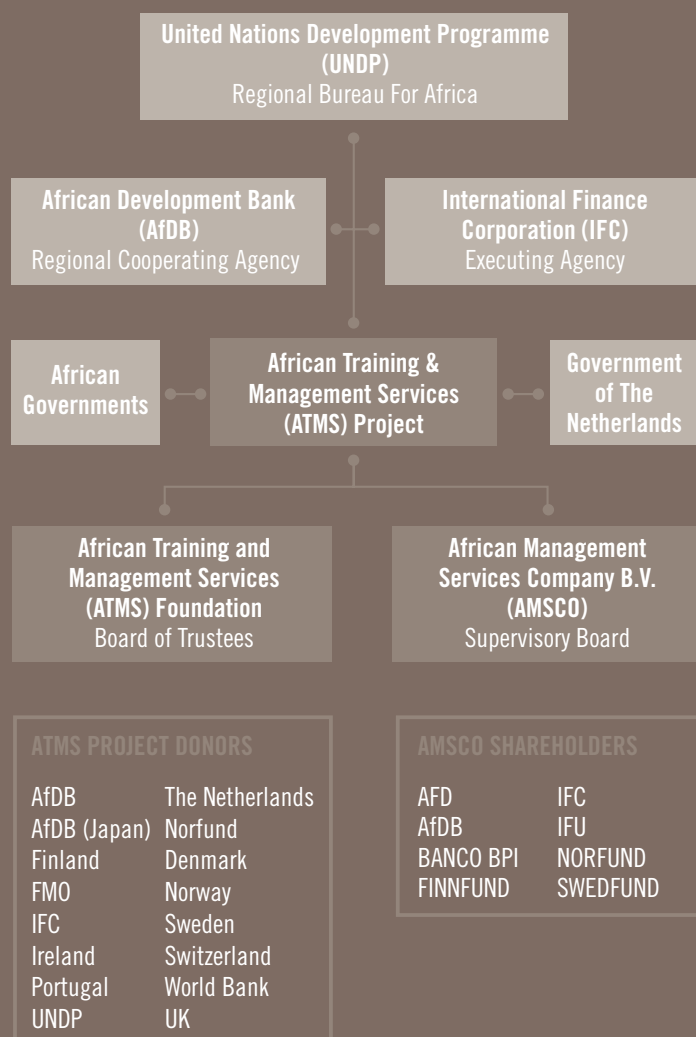
ATMS STRUCTURE

The ATMS Project is a regional project of the UNDP. The International Finance Corporation (IFC) is the executing agency of the ATMS Project. The African Development Bank (AfDB) is the regional cooperating agency. AMSCO BV and the ATMS Foundation are responsible for the implementation and funding of the project on behalf of its donors respectively.

AMSCO BV is a limited liability company incorporated on April 7, 1989 in The Kingdom of The Netherlands with its statutory seat in Amsterdam. The company is entirely equity financed, with an issued share capital of EURO 11.436 million.

The ATMS Foundation was established in 1996 by IFC in its capacity as executing agency for the ATMS Project to assist in fundraising from donors and to oversee the allocation of donor funding to suitable grantees. The ATMS Foundation is an independent legal entity, established in Amsterdam under the laws of The Kingdom of The Netherlands to support clients within the framework of the ATMS Project initiative.

The ATMS Foundation is funded by a number of committed bilateral and multilateral donors. These funds have gone to AMSCO's client companies and public private partnership driven development & advisory solutions programmes to help co-fund the costs of management and training services provided by AMSCO.





OUR VISION

To assist African enterprises in becoming globally competitive, profitable and sustainable.

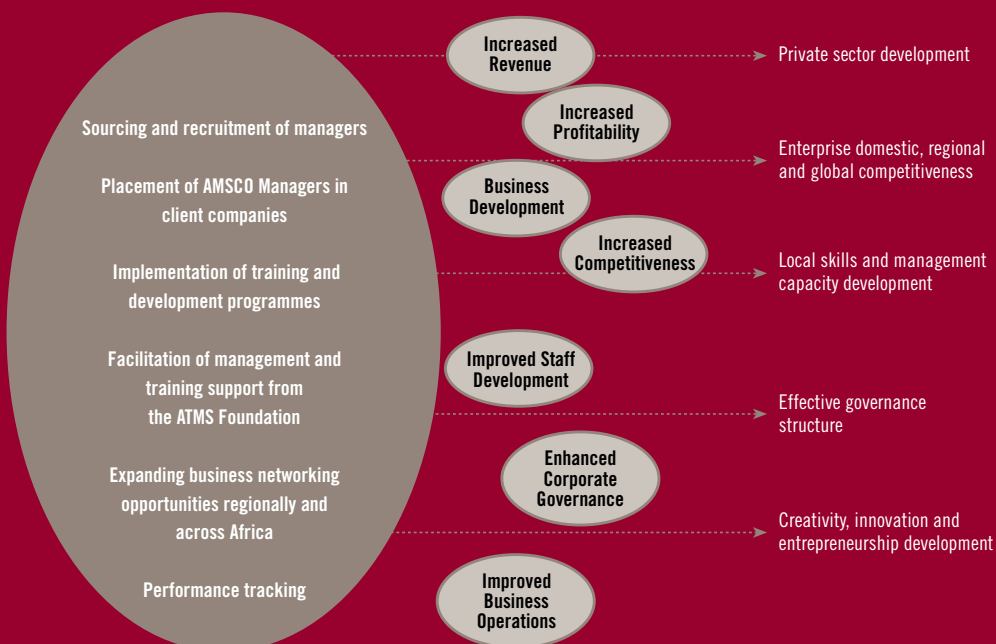
OUR MISSION

To build management capacity within African enterprises by providing management and training support, primarily to African SMEs.

OUR VALUES

Passion, People, Team Work, Excellence and Customer Satisfaction.

AMSCO VALUE PROPOSITION





CHAIRMAN'S MESSAGE

Africa has moved out of the side-lines to become a continent with robust growth. As the continent continues to experience a rise in foreign investment, there however remains to be a crucial need to focus on equitable growth. Whilst the middle class is growing in many African countries, poverty has hardly reduced and the income gap between the rich and the poor has only been widening. Africa still suffers a major infrastructure deficit. Most of the countries have relatively weak institutions and regional integration has been slow. Much remains to be done therefore, and as long as public institutions remain relatively weak it will also be difficult to create the right supportive environment where public services will be delivered equitably and of good standards and private services delivered competitively. On the positive side, Africa is fortunately home to many dynamic and entrepreneurially driven economies. Many inclusive growth initiatives also support the poor to access finance and basic services to be able to undertake new business activities. Many governments are increasingly providing better infrastructure that allows the private sector to thrive. Eastern Africa has thus become a power house of economic growth in the region, and whilst there still is a lot of poverty, there is also a lot of inclusive growth.

AMSCO is well placed to play a key intervention role in Africa to support its growth. Putting human capital at the centre of its interventions, it supports private sector in the broadest sense, with a focus on key sectors where the benefits of growth can be shared down the value chains towards rural and urban dwellers. This includes a focus on health and education sectors, inclusive finance, sustainable energy, agriculture and agribusiness, but also extractive value chains and infrastructure. AMSCO is well placed as an institution to also broker investments where government support and involvement is required. It can thus support bringing private and public sector together to ensure economic growth opportunities are maximised and benefit the society as a whole. AMSCO's intervention means remain to provide three main service solutions, being Talent Acquisition, Training & Development and Development & Advisory Solutions. These may increasingly also be linked to investment funds seeking to invest and build local capacities.

AMSCO continues to work on cementing bilateral agreements with selected African Governments. Several partnerships were confirmed in 2014, further strengthening relations for existing and prospective interventions that speak directly to AMSCO's new direction. As part of AMSCO's transition from a 'project' to a commercially thriving development enterprise, various internal process and restructuring changes were carried out.

These changes and readiness efforts are essential as AMSCO will also see its ownership structure change. The IFC and most likely some other bilateral shareholders will exit by the end of 2015, allowing AMSCO's ownership to also graduate from the founding owners. AMSCO will in due course replace these shareholders with other African entities or entities with a strong African development focus. In a notable vote of confidence to AMSCO, UNDP appointed it as the Implementing Partner (IP) upon the exit of IFC for the remainder of the ATMS Project, ending December 2017. New legal and operational structures will then be in place for AMSCO to be a truly African private sector development organisation.

Gratitude is extended to the AMSCO Board of Directors and the Foundation Trustees for their support and dedication to AMSCO, and to AMSCO management and staff for their hard work to increase AMSCO's positive footprint in Africa whilst undertaking important internal restructurings. I have no doubt that a good foundation has been laid - the best is yet to come.

Robert PJ Zegers Chairman, AMSCO Board of Directors





CEO'S MESSAGE

Open any business report and the terms “Africa rising” or “Afro-optimism” feature more regularly than one would have thought – along with “SMEs as the engine of growth”, “Private sector development through entrepreneurs in small enterprises” and “Impact investing into private sector to catalyse growth” these headlines herald the era of three major economic drivers: SMEs, financial capital and human capital. With Africa’s growth being more robust than any other region globally and AMSCO’s history of catalysing opportunities for enterprise development, the new prospects for bringing together private sector, human capital development and financial capital investment, plays seamlessly into the strategy that was crafted for AMSCO from 2012. At that stage it was envisaged to transform AMSCO from solely implementing of the ATMS Project to a commercially thriving human capital development enterprise; although still implementing the ATMS Project (either in current or altered format) the future of AMSCO is being built around its unique value proposition in leveraging development partners for the economic advancement of African enterprises. This strategy indeed sets about stabilising AMSCO away from tumultuous cycles of project implementation towards a stable and thriving business model, built on the core capability of AMSCO of growing private sector initiatives into prosperity.

The most significant aspect of 2014 was that AMSCO successfully accelerated the transition to a new business model, while at the same time ensuring that existing operations remain client focused and continue to generate AMSCO’s main revenues and profitability. Not only was a completely new business model launched during the year, but also operations teams restructured, client service offerings redesigned, processes re-mapped and organisation change initiatives implemented. This signalled the start of a new era for AMSCO. This new era is being built on strengthening partnerships and cooperation with African Governments, donor agencies and development finance institutions towards the growth of enterprises in Africa. During the year, the Embassy of Sweden in Zambia, through the Swedish International Development Cooperation Agency (SIDA) partnered with ATMS AMSCO by funding US\$1.5M towards a development programme called Zambia Business in Development Facility (ZBiDF). This is a partnership hub designed to promote cross sector partnerships in business. This programme is but one example of the new strategic direction whereby the design and implementation of development programmes will become a core offering of AMSCO in the coming years.

These operations and strategic changes will start becoming visible in AMSCO’s portfolio over the coming years, but during this period its mainstay of business remains the placement of international experts at client companies. The AMSCO client portfolio had 321 professional experts (against 315 in 2013) placed with 213 companies in 17 sub-Saharan Africa countries at the end of 2014. These consisted of 80% SMEs and 20% large enterprises including multinational organisations.

For the 10th successive year, AMSCO posted an operating profit. Revenue grew by 2.5% to US\$46.3M (2013: US\$45.2M) – the re-start of the placement service late in 2013 and also higher client bonuses to AMSCO Managers contributed to levelling revenues after the turbulent 2013. The pressurised operating conditions resulted in a decline in placement income by 6.1% to US\$36.6M. Bonus income grew by 63.9% year-on-year which contributed to 14.3% of the revenue; a reflection of the performance of our managers.

The operating profit has grown by 264% to US\$703K (2013: US\$195K) through exceptional expense management, which led to operating costs declining by 6.6% compared to prior year. Weaker local currencies also buoyed the operating profit. This however, led to exchange revaluation losses of US\$357K. As in the past, AMSCO does not use any foreign currency derivative instruments as a policy to hedge against this risk but continues to utilise prudent currency allocations to mitigate this risk. Despite higher level of receivables, provision for bad debts has declined by 46% owing to post balance sheet collection of outstanding debt.

Cash and cash equivalents have increased 11.4% to US\$9.3M (2013: US\$8.4M) at the back of improved operational performance and streamlined operations. This led to declining cash paid to suppliers and employees by 17.9%.

A review of AMSCO’s 2014 would be incomplete without noting changes pending at the ATMS Foundation. Over the past 2 years there had been no significant efforts to attract donor funding to the Foundation to support training and management services for AMSCO clients – fundraising was held in abeyance until the revised AMSCO strategy took effect and as a result the available funding in the Foundation also reduced during the year. Commitments of US\$513,242 were made to AMSCO supported clients, which was 32% less than the previous year. This meant a notable reduction in both management and training allocations at US\$295,802 (-57%) and US\$180,648 (-80%) respectively. The AMSCO Training & Development department trained a total of 3,447 people including 1,175 women in 2014.

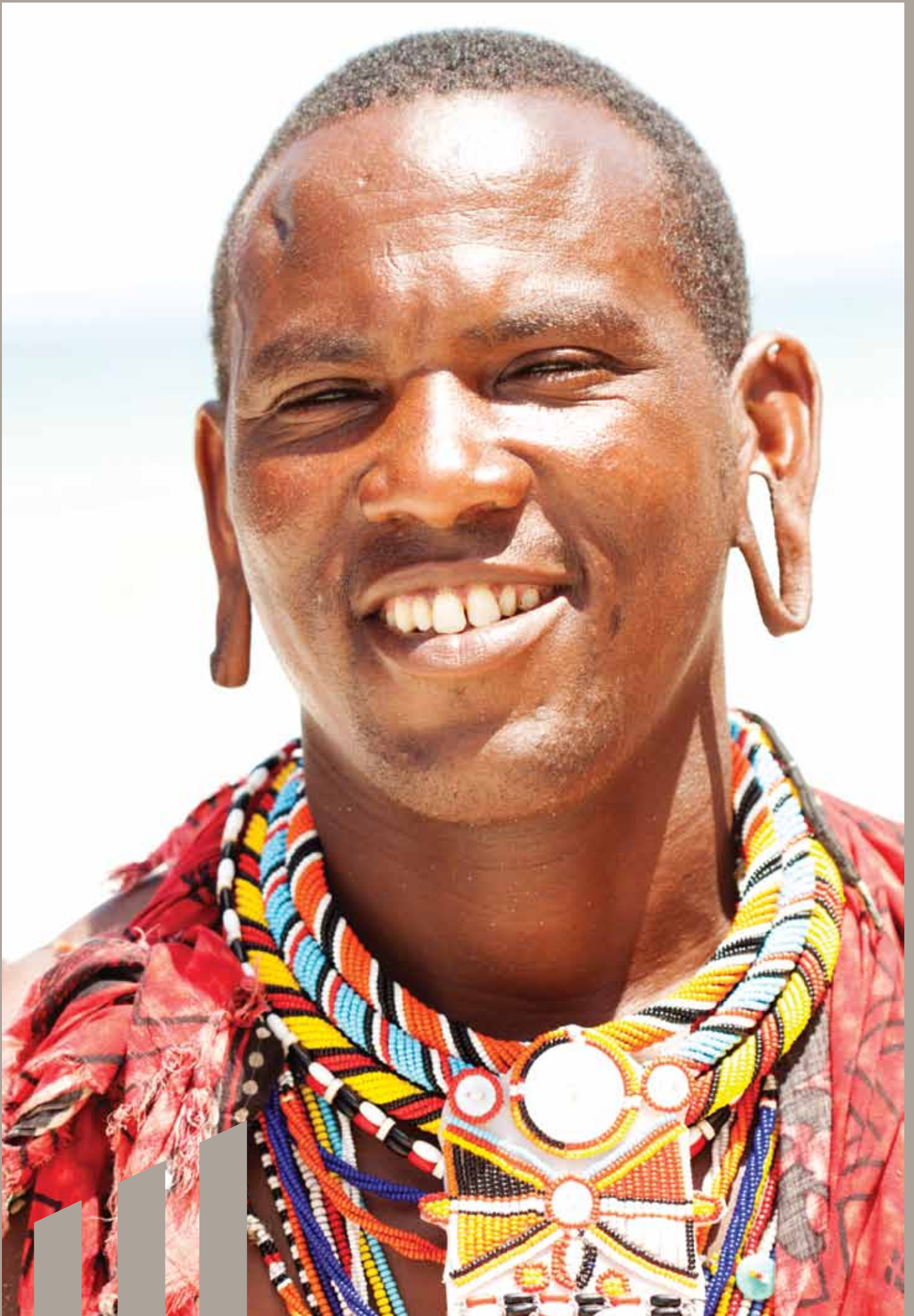
Mid-way through 2014 AMSCO started with a substantial internal restructure to align with the strategy under implementation, as referred to above. These notable changes included a comprehensive change management programme involving staff at all levels that continued engagement to ensure that all employees are informed and involved, as much as possible, with the changes in AMSCO. It was also realised that a different skills level was required and new talent sourced that will substantially complement the existing array of skills in AMSCO. The team handled the changes exceptionally well and many of our new colleagues already started joining at the end of 2014. Training and change management remains an integral part of transforming AMSCO in the coming years as services change and the new offerings start contributing to revenues and profitability. AMSCO does not anticipate any financial challenges during this transition; neither will there be a need to borrow funding to successfully scale operations.

The Directors of AMSCO have taken notice of the act on management and supervision where articles 166 and 277 of Book 2 of the Dutch Civil code address a balanced distribution of men and women in the Board of Directors and the Supervisory Board. This will be taken into account in future appointments, amongst other criteria.

The AMSCO management would like to thank the AMSCO Board of Directors, ATMS Foundation Trustees, donors, African governments and other stakeholders for their continued support. To the AMSCO team - without your willpower and commitment, this transition would not have been possible. Well done and “more grease to your elbows”.

Paul Malherbe CEO and Managing Director of AMSCO







AMSCO DIRECTORS



Robert Zegers
AfDB - AFRICAN DEVELOPMENT BANK
Chairman



Vanessa Doucelin
AFD - AGENCE FRANÇAISE DE DÉVELOPPEMENT
France



Morten Christiansen
IFU - THE INVESTMENT FUND FOR DEVELOPING COUNTRIES
Denmark



Eva Bakonyi
IFC - INTERNATIONAL FINANCE CORPORATION



Helder J de Oliveira
BANCO BPI
Portugal



Ali Mufuruki
INDEPENDENT DIRECTOR



1. TALENT ACQUISITION

EXPATRIATE MANAGEMENT

AMSCO sources and places industry experts with appropriate skills and experience in African Companies for a period of 3-5 years to improve operational and financial efficiency, install management systems, and through succession planning, strengthen indigenous management to assume leadership when AMSCO Managers move on.

RECRUITMENT SERVICES

AMSCO offers added value by providing services in countries where existing commercial recruitment and management development service providers cannot deliver commensurate with the economy's needs. Drawing on a vast global network of competent, hands-on experts from a wide range of disciplines, AMSCO offers direct recruitment services for private companies, public and meso-level institutions. AMSCO couples the aforementioned services with creative initiatives to repatriate African professionals in the Diaspora to the Continent. African Governments and their economies are able to benefit from the multiplicity of social and economic benefits derived.

2. TRAINING & DEVELOPMENT

For more than two decades, AMSCO has supported African enterprises in enhancing employee and management skills leading to improved efficiencies, increased productivity, impactful leadership and good governance. Capacity is delivered through a range of training programmes – designed for individuals and for companies aimed at accelerating enterprise growth and profitability. AMSCO also has sectorial training interventions focused on a sector or theme in order to achieve greater skills development impact.

3. DEVELOPMENT & ADVISORY SOLUTIONS

AMSCO's involvement in Development & Advisory Solutions is based on the premise of making markets work to promote sustainable job creation, and inclusive growth thereby promoting economic development and ultimately poverty reduction. The model used is that of catalysing smart partnerships that help achieve this objective.



CLIENT HIGHLIGHTS



ALISTAIR JAMES CO. LTD.

Commencement: October 2013
Sector: Transport and Warehousing
Location: Dar es Salaam - Tanzania
Number of Employees: 218

Company Background

Alistair James Company Ltd was set up in 2006 by Alistair James and began initial operations in June 2008 with the aim of providing logistics services in Tanzania. Additional services include heavy haulage, hazardous chemical transport, rig moving, equipment hire, material handling and warehousing.

The Challenge

The Tanzanian logistics market is attractive for companies who are able to operate with economies of scale and efficiency. To be able to have efficient operations, Alistair needed to expand its fleet to better handle the demand for its services. The main challenges they faced included:

- The need to execute the expansion strategy very speedily before the window of opportunity closes
- Quality of staff was a major problem for the industry and country

The Solution

AMSCO's intervention at Alistair James Co. Ltd. commenced on 1 October, 2013 with the secondment of two managers in the positions of General Manager and Hazardous Material Manager whose major deliverables included:

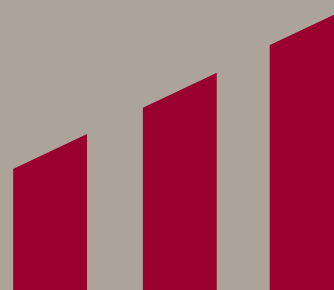
- Managing the operations and dispatch teams to minimise delays and maximise truck utility
- Working with the HR department to recruit, retain and motivate the work force
- Structuring, staffing and directing of the HAZMAT Division including the management of all field safety managers and staff

The Impact

- Increase in revenue by 33% between 2012 and 2014
- Increase in employment numbers by 40% between 2012 and 2014
- Increased the capacity to serve their customers by 30% which is an increase in the truck fleet by 30 more trucks from an initial 100 trucks on inception
- Evolution of hazardous materials standards and systems from infancy developed and quality training systems in place
- Alistair Equipment Services Tanzania Ltd is now BS OHSAS 18001:2007 certified. OHSAS 18001 is an internationally applied British standard for occupational health and safety management systems
- Alistair Logistics is 9001:2008 ISO certified. This certification enables the company to have its processes vetted to ascertain where improvement is needed
- Today, Alistair staff members are able to complete a trip from Johannesburg, South Africa to Tanzania in just 6 days. That is almost 7 weeks quicker than using a sea freight option

Conclusion

Over the last few years, the company has proved to be increasingly competitive, profitable and sustainable. Managers continue to build capacity and improve upon systems that will ultimately place the company as a forefront runner in the industry.





BIOVAC INSTITUTE

Commencement: February 2007

Sector: Health

Location: Cape Town – South Africa

Number of Employees: 158

Company Background

The Biovac Institute was established in 2003 through a public private partnership between the South African government and a private healthcare enterprise, in order to realise the objective of setting up a human vaccine manufacturer in South Africa. Biovac has grown both in size as well as qualitatively, and in 2013 started producing the first vaccine stability trial batches in its new facilities in Cape Town.

The Challenge

South Africa and the broader sub-Saharan Africa region has been battered by numerous preventable diseases; a situation that could be better managed by national governments if they had access to affordable vaccines in addition to improved sanitation and access to portable water to contain such disease outbreaks.

The Solution

AMSCO was tasked with the identification of scientific and managerial skills to set up the only vaccine manufacturing facility in sub-Saharan Africa. To this end, AMSCO has over the project term seconded senior managers, in roles varying from Chief Operating Officer, Business Development Manager, Process & Qualification Engineer and Project Managers. The client has created a knowledge economy within the local skills market. It has allowed South African scientists to manufacture products that respond to vaccine-preventable regional diseases, outbreaks and pandemics. It has provided the required infrastructure to build on to future high priority vaccines such as HIV/AIDS.

The Impact

- Biovac directly impacts on the Department of Trade and Industry's (DTI) strategy through gearing up local manufacturing capability, in so doing, reducing the trade deficit on imported vaccines
- During the period of AMSCO support received between 2007 to 2013, Biovac has grown as follows:
 - Revenue growth of 330%
 - Employment increase of 120% to 158
- Through the promotion of skills development initiatives, local South African service providers and agents are contributing directly and indirectly to job creation and skills development as well as other positive opportunities due to their affiliation with Biovac

Conclusion

AMSCO is pleased to be a part of a project that understands the importance of a local vaccine manufacturing plant; more so the company's contributions towards the achievement of sustainable and cost-effective availability of treatments against killer diseases like Tuberculosis and HIV/AIDS.

RECRUITMENT

In 2014, AMSCO extended its service offering beyond the traditional placement of expatriate managers to client companies on fixed term contracts; to include the recruitment of African diaspora looking at relocating to Africa and recruiting local talent seeking alternative employment opportunities. The AMSCO strategy remains one of growth, establishing themselves within the territories they operate, where the recruitment market is less developed and competition is limited. The objective is to grow faster in these markets and partner with local recruitment firms to ensure that it builds expertise within these firms and at the same time provide clients with the best talent.

Drawing on AMSCO's knowledge of the recruitment space in sub-Saharan Africa, its team of seasoned executive recruiters who possess extensive search experience are able to support client needs. AMSCO has signed retainers with leading multinationals in the financial services sector that include Old Mutual Ghana and Rand Merchant Bank to recruit skilled senior executives and board members. AMSCO has worked assiduously to identify talent that meets the needs of its clients and has managed to guarantee delivery. The company's intention is to grow into other sectors and establish itself as a market leader.

TRAINING & DEVELOPMENT PROGRAMMES

TRAINING AND DEVELOPMENT

For more than two decades, AMSCO has supported African Enterprises in enhancing employee and management skills leading to improved efficiencies, increased productivity, impactful leadership and good governance. Capacity is delivered through a range of training programmes designed for individuals, companies and industries, aimed at accelerating enterprise growth and profitability while at the same time achieving greater skills development impact.



Overview of Training in 2014

Category of Training	Type of Training	No. of Training Activities	No. of People Trained	No. of Females Trained
Corporate Governance	Corporate Governance	2	14	9
Executive Leadership Development	Strategic Planning for Global Competitiveness	3	14	1
	Senior and Executive Management & Leadership Development	22	96	36
	Middle Management Development/Seven Habits of Highly Effective People	9	57	-
	Supervisory	6	74	31
Quality Management	ISO Certification	4	432	109
HIV/AIDS, Health and Safety, Environmental Standards	Awareness, Advice and Support	4	41	22
Company Specific Programmes	Industrial Training: Machine Operation, Technical Skills Development, Machine Maintenance, Production, Warehousing	9	47	5
	Technical/Specialised Training: Software Training (e.g., Sage, Peachtree, Pastel); Hospitality Training (e.g., Housekeeping, Food & Beverages); IATA, Project Management; Agriculture and Agribusiness; Procurement & Logistics	35	450	72
	Banking & Finance/Insurance Training: Income Debt Securities; Mutual Fund Management; Tax Related Training, Risk Management and Insurance; Credit Management; Accounting; Treasury	50	412	180
	Soft Skills/Basic Training: Computer Literacy Courses; Customer Care Courses; Communication Skills Training; Presentation Skills Training; Team Building Courses; Negotiation Skills Training; Time Management; Sales & Marketing	30	1,672	648
	Administration and HR: Effective Administrator; Effective Personal Assistant; Secretarial; Workplace Ethics; HR Policies and Procedures; Labour Relations; Payroll	8	22	10
TOTAL TRAINING NUMBERS		194	3,447	1,175

Number of Participants from Non-AMSCO Client Companies

Region	Number of Companies	Number of Training Events	Number of People Trained	Number of Females Trained
West Africa Region	5	6	85	18
East Africa Region	2	3	10	4
Southern Africa Region	10	3	21	9
Total	17	12	116	31

2014 was a year of innovation for the Training and Development department. A new range of programmes to address specific markets and individual client needs were introduced to the existing bouquet of programmes offered by the department for both focused and company specific training.

FOCUSED PROGRAMMES

These are programmes tailored for individuals drawn from different organisations with similar needs. The programmes provide the opportunity for in-depth exploration of specific topics. AMSCO offers them to enterprise employees in sub-Saharan Africa. For the training and development series of leadership programmes, the Reddin 3 Dimensional Managerial Effectiveness Seminar which teaches managers how to fill the gap between theory and practice using action learning was added, with the first programme running in South Africa. Due to its success, the programme will be rolled out to East and West Africa in 2015. To complement corporate governance programmes, training and development introduced the Board Leadership programme which tackles the roles and responsibilities of directors to the organisations on whose boards they sit. A Women in Leadership programme targeted at women in senior positions in organisations and entrepreneurs, aimed at strengthening their sense of empowerment and helping them manage their professional and personal lives was

also organised. Training and development ran thirteen (13) open enrolment programmes, organised and implemented across the regions in 2014. In addition to those mentioned above, some of the other programmes included Leadership and Management (LEAD), Finance for Non-finance Managers, Strategy Execution, the Managing for Results and Managing Managers for Results programmes run in partnership with the Gordon Institute of Business Science (GIBS).

COMPANY SPECIFIC PROGRAMMES

These programmes are specifically designed and tailor made to address the needs of an individual company. Two new programmes were introduced in this area. The Agent Network Accelerator programme was introduced for AMSCO client organisations which are transitioning to regulatory financial institutions and will depend on building an agent network to deliver their services. The programme focuses on the strategies for building and managing the networks and agents. Training and development also ventured into the uncharted area of Housing Microfinance training. This was organised for a client in the microfinance industry who introduced a new housing product to their portfolio. Ten (10) company specific programmes were conducted for both client and non-client companies in the period under review. The programmes that ran in the different regions included Strategy and Change Management, Corporate Governance, Sales and Negotiation, Supervisory Skills and Safety Training, to name a few.

SECTORIAL PROGRAMMES

AMSCO organises sector specific training to examine and address the needs of a particular industry. The sectorial initiatives are intended to tackle gaps that have been identified in the industries and improve business operations while upgrading the skills of the participants. In 2014, AMSCO organised one sectorial intervention for the Insurance industry in Zambia, targeting entry to mid-level management. A total of 22 participants from 8 organisations benefited from this programme. The programme was subsidised by funds from The ATMS Foundation.

DEVELOPMENT & ADVISORY SOLUTIONS PROGRAMMES

AMSCO's Technical Assistance Programmes was renamed as Development and Advisory Solutions (DAS) to capture the new shift and orientation in strategy and also to connect with the current thinking within the development space. AMSCO works with various development partners through targeted interventions for private sector development, entrepreneurship and improved livelihoods. Partners may fully or part-fund projects bringing multiple players together to promote capacity development. AMSCO can provide a full set of services from intervention undertakings through project management to monitoring and evaluation.

AMSCO INTERVENTIONS

Zambia Business in Development Facility (ZBiDF)

In 2014 the Swedish International Development Cooperation Agency (SIDA) through the Embassy of Sweden in Zambia, partnered with AMSCO by funding US\$1.5M towards a development programme called Zambia Business in Development Facility (ZBiDF). This is a partnership hub designed to promote cross sector partnerships in business. The ZBiDF is hosted by AMSCO under the auspices of a Champions and Advisory Group (CAG). ZBiDF is a multi-stakeholder private-public sector platform aimed at increasing the quantity, quality and impact of cross-sector partnerships for development in Zambia. The facility is coordinated by the National Coordinator and three partnership brokers under each of the three focus sectors: Agriculture, Extractive Industries and Manufacturing. ZBiDF will lead on bringing Zambian agribusiness, government and civil society stakeholders together in the execution of breakthrough partnerships for improving produce, marketing, extension services, irrigation etc. In addition to overall management services, AMSCO has provided the technical expert resources and will monitor the progress and impact of the facility.

Fund for Local Cooperation in Agribusiness - Embassy of Finland

AMSCO engaged the Embassy of Finland in Lusaka for the implementation of a 12 months management support project for 2 farmer owned companies (Manyonyo Irrigation Company Limited (MICL) and Nzenga Irrigation Company Limited) under the **GRZ Small Scale Irrigation Project (SSIP)**. This project is expected to be funded for implementation in 2015. AMSCO's development intervention in this assignment involves strengthening governance structures within the two entities, establishing and developing business processes for the enterprises and developing the capacity of management and staff of the firms. At the farmer level, AMSCO shall train the farmers on entrepreneurship and basic business principles.

Ekiti Y-Cad

In Nigeria, AMSCO partnered with Ekiti State Government in Nigeria and the UNDP in empowering young people to become emergent farmers as well as to improve the capacity of the state to grow its agricultural potential. The intervention was aimed at:

- Providing necessary technical and managerial farming skills for commercial agri-business start up and expose the selected unemployed youths using a learn on the farm approach
- Facilitating the acquisition of basic advanced skills for commercial agri-business start-up and expose the selected youths to skills required to operate and manage commercial farms
- Stimulating entrepreneurial development and achieve attitude reorientation among selected youths as well smallholder farmers

AMSCO is looking to scale this project to other states in Nigeria as well as other African markets.

Growth Oriented Women Enterprises (GOWE) Programme

The Growth Oriented Women Enterprises (GOWE) programme in Kenya is implemented by AMSCO on behalf of the African Development Bank (AfDB). The Programme has two components – Guarantee Facility provided by AfDB for Women Entrepreneurs in Kenya and the Technical Assistance component. AMSCO manages the technical assistance portion that focuses on training of women entrepreneurs and their staff. The training is aimed at enhancing their management and business skills, which have been identified as major challenges faced by the entrepreneurs in their efforts to grow their businesses. In 2014 AMSCO trained 296 women within the areas shown below:

Country	Particulars	Number of Training Sessions Jan-Dec 2014	Number of Participants Jan-Dec 2014	Number of Training Sessions 2010-2014 period	Number of Participants 2010-2014 period
Kenya	Expand Your Business (EYB)	3	69	8	176
	Business Planning (BP)	2	19	6	115
	Business Edge	1	25	3	50
	Improve Your Business (IYB)	7	140	13	276
TOTAL FOR GOWE KENYA PROGRAMME		13	296	30	617

The programme is now evolving and AMSCO is currently seeing demand and requests coming from the county Governments and other private sector organisations including some churches. During 2014, trainings were conducted for the county Governments of Kisumu, Embu, Eldoret, Bungoma, Mombasa and also for Tullow Oil Company in Turkana.

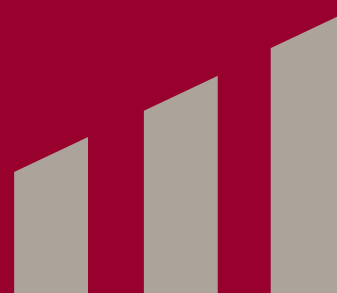
FUTURE OUTLOOK

The key strategic focus for DAS will be to leverage development funding opportunities from both private and public partners in order to support the growth of sustainable and inclusive businesses. These partners could be Development Finance Institutions, Donors, Government and other private sector players. The DAS solutions shall employ market based approaches and be sector wide to inject substantial development impact. While conventional approaches have intervened on the supply side only, the AMSCO DAS strategy shall employ mix of instruments that Push and Pull to design tailored solutions that are sustainable and impactful to our clients. Market dynamics have changed and demand side interventions are yielding outstanding impact.

In 2014, a sensitisation session on market systems was held for Management and Heads of Operations. In 2015 plans are underway for the implementation of the same to the rest of the operations team.

In line with this new market development thinking, AMSCO sees good DAS opportunities across the agricultural/Agri-business value chain, Financial Inclusion and Inclusive Business. These would be our key focus areas in the coming period and the teams have commenced rapid diagnostic analysis of these areas to refine AMSCO's offer to our clients. Partnerships and collaborations have also been identified as key strategies for AMSCO to achieve critical mass in the DAS arena as well as build credibility with market players.

Within Agriculture and Agri-business, opportunities have begun to crystalise and particularly for Zambia and Nigeria where AMSCO is gaining traction with respect to DAS assignments.



DEVELOPMENT IMPACT

The focus of the ATMS V Project is to support SMEs with potential for growth, and willingness to improve corporate governance which is critical in enhancing a company's competitiveness and its sustainability in the long term. The ATMS Project has set out its primary objectives as follows:

- To assist SMEs with interim management
- To improve revenues and profitability of the companies it assists
- To develop local successor managers and transfer managerial skills to local employees
- To increase the number of local skilled employees
- To enhance employment creation and sustainability

AMSCO's real time portfolio management system tracks and reports the portfolio's performance based on the mandated outcomes. In this report we cover the period 2013/2014 highlighting how AMSCO has performed in relation to the stated objectives and against the defined baseline.

The year's development impact salient features

213	Number of active clients by end of 2014
321	Number of Managers seconded to client companies by end of 2014
121,861	Total employment supported by AMSCO in 2014
80%	Share of SMEs in the portfolio
US\$6.9 billion	Total portfolio revenue in 2014
US\$994 million	Net portfolio profit in 2014
US\$229 million	Taxes paid by the AMSCO portfolio to Governments in 2014
3,447	Total number of people trained in 2014
US\$513,242	Total grants approved in 2014

PORTFOLIO COMPOSITION

As at December 2014, AMSCO had 321 managers seconded to 213 sub-Saharan Africa companies. 50% of those AMSCO professionals occupy senior to executive level management functions, 32% are functional heads, 11% operational while 7% are in technical positions. AMSCO's broad range of operational and top management staff provide support to the client companies to ensure efficient company operations, planning and delivery of training programmes, and the achievement of development impact. Majority of the managers are seconded to the finance and insurance sector at 23%, followed by the professional and technical sector at 17%. The highest number of managers seconded is in Zambia at 19%, followed by South Africa at 16% and Kenya at 13%.



Economic development in Africa benefits from management expertise and innovations that can increase the pace of business activity. We want to encourage more efficient, productive and sustainable private sector along with rapidly expanding small and medium enterprises. Africa needs businesses that are responsive to the needs of the consumers, and that are contributing to inclusive growth and development. Our collaboration is helping ensure that this is possible.

IFC, a member of World Bank Group, is committed to providing solutions that bring results by fostering economic growth and stability in developing countries. IFC remains confident that AMSCO will continue to play a pivotal role in the transformation of Africa's private sector.

Oumar Seydi IFC Director for Eastern and Southern Africa

AMSCO FINANCIAL OVERVIEW

Abridged Statement of Profit or Loss and Other Comprehensive Income for Period Ending 31 December

(in thousands US\$)

	2014	2013
	US\$	US\$
Revenues	46 313	45 184
Cost of sales	(37 625)	(36 462)
Gross profit	8 688	8 722
Other operating incomes	150	180
Administrative and operating expenses	(7 822)	(8 374)
Finance income (expenditure)	(313)	(334)
	(7 985)	(8 528)
Other comprehensive income	-	-
Total comprehensive income/ expense for the year	703	195

Abridged Statement of Financial Position as at 31 December

(in thousands US\$)

	2014	2013
	US\$	US\$
Assets		
Non current assets	825	401
Current assets	12 927	11 431
Total assets	13 751	11 832
Equity and liabilities		
Equity attributable to equity holders	5 457	4 753
Liabilities	8 295	7 079
Total equity and liabilities	13 751	11 832

*KPMG Accountants N.V., the company auditors, have issued an unqualified opinion.

The complete audited report is available at the company's registered office.



Paul Malherbe
CEO and Managing Director



Kofi Andah
Director of Operations



Pauline Mbayah
Director of Business
Development



Anabela Appleton
Stakeholder
Relations Manager



Mohamed Ky
Regional Manager



Richard Barasa
Finance Manager



Phetsile Ndzinisa
Human Resources Manager



Mpho Kgosidintsi
Marketing and
Communications Manager



Stella Masinde
Training and
Development Manager



Randy Ramouthar
IT Manager



Anastasia Boerma
Legal and Risk Manager



CHAIRMAN'S MESSAGE

The ATMS Foundation is steadfast in the administration of donor funds to strengthen qualifying Small and Medium Enterprises (SMEs) supported by AMSCO. Strategic partnerships support us to invest in skills development and guarantee business sustainability in Africa. Funds allocated are aligned to the human capital development needs of African enterprises and their national development plans.

In 2014 the ATMS Foundation approved US\$513,242 for AMSCO interventions in 19 sub-Saharan Africa enterprises. 58% of the funds were for management assistance while 42% was allocated to training initiatives. The ATMS Foundation continued to provide financial support to AMSCO Development and Advisory Solutions (DAS) Programmes namely: Growth Oriented Women Enterprises Programme (GOWE), CADIZ High Impact SME Development Fund and the Zambia Business in Development Facility (ZBiDF).

The DAS programme implemented in partnership with one of our main stakeholders – The African Development Bank - continued to positively impact on gender empowerment in businesses. The GOWE Kenya programme supports women entrepreneurs with a combination of investment and advisory services that build their management and business skills. The programme is aimed at assisting women owned enterprises to grow and become sustainable through focused training. In 2014, GOWE rolled out 13 programmes, training 296 women in Kenya.

Donor support is critical for AMSCO and the ATMS Project to positively and effectively impact on African enterprises. In 2014 the ATMS Foundation's support to AMSCO clients dropped significantly due to donor fatigue. This negatively impacted on training outcomes.

The Training & Development department trained 3,447 people in 2014 compared to 5,410 in 2013. The impact was about the same on females with 1,175 women benefiting from the trainings compared to 1,833 in the previous year. Alternative strategies are being worked on to improve the outcomes with the minimal resources available. AMSCO implements sector training programmes that address a variety of specific industry needs and skills gap. This year, the ATMS Foundation supported one intervention in Kenya targeting entry to mid-level management in the insurance sector. 22 employees from 8 organisations participated in the programme. AMSCO training and development programmes have evolved to unveil a myriad of opportunities that upskill entrepreneurs. They have potential to be scaled and meet the margins set by different operations teams in AMSCO's new business strategy. Collaborations are being sought to competently develop enterprises.

A strategy is under development to map out the ATMS Foundation activities for the remaining ATMS V period and beyond. Although there will be a limit on grant allocations for enterprises as we move towards 2015, I am optimistic that the outlook for the coming years will improve. The ATMS Foundation plans to actively fundraise and continue to manage the funds allocated to AMSCO clients towards business growth.

The demand for financial assistance by SMEs outweighs the supply. In response to that, the end of 2014 marked the beginning of the implementation of AMSCO's new strategy where fundraising is decentralised to operations teams. Initiatives like that can only widen both AMSCO and the ATMS Foundation's opportunities. Despite the slow process, many sub-Saharan Africa countries have signed the ATMS V National Framework Agreements to formalise relations with the Project. The outstanding ones are expected to sign in 2015. In the meantime, priority is given to the development of new business services that can operate beyond the confines of the ATMS Project and enable AMSCO to be self-sustainable beyond the ATMS V project period.

Congratulations to the AMSCO team for their relentless attitude to make an impact in the African business landscape. I further congratulate the ATMS Foundation Trustees, the donors and stakeholders for their support in volatile times. Structures are now in place for success to follow in 2015 and many more years to come.

Jan Berteling Chairman, ATMS Foundation



ATMS FOUNDATION TRUSTEES



Jan Berteling
The Netherlands
Chairman



Abdoulaye Mar Dieye
UNDP - United Nations
Development Programme



Sam Akyianu
IFC - International
Finance Corporation



Sven Riskaer
Denmark
Independent Trustee



Ali Mufuruki
Tanzania
Independent Trustee

ATMS FOUNDATION OPERATIONS OVERVIEW

Since inception in 1996, the ATMS Foundation has managed over US\$60M in training and management funds for qualifying AMSCO client companies in sub-Saharan Africa. Traction for 2014 is as follows:

NEW GRANT COMMITMENTS IN 2014

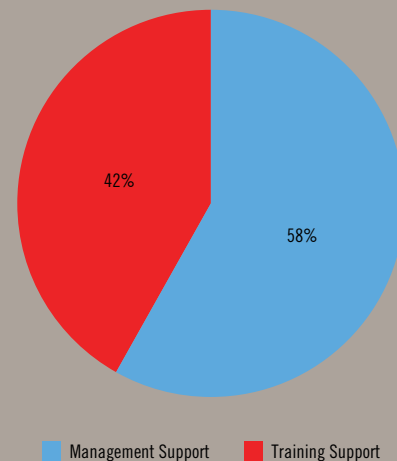
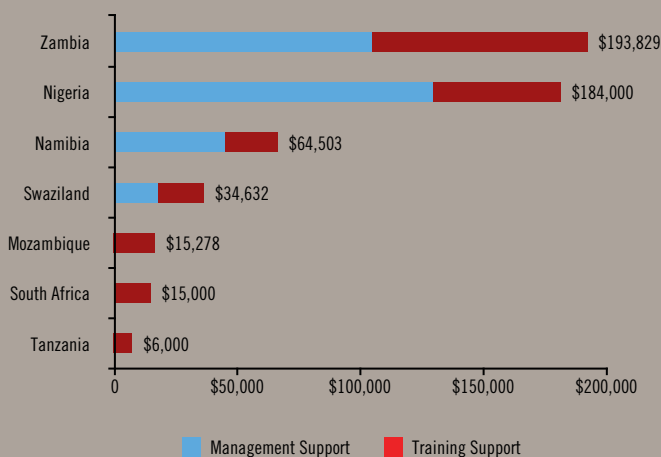
In 2014, grant commitments amounted to US\$513,242. Of this amount, US\$295,802 (58%) was for Management Support and US\$217,440 (42%) was for Training Support. Grant commitments were provided to a total of 19 companies during 2014 across 7 countries.

GRANT DISBURSEMENTS IN 2014

In 2014, the ATMS Foundation disbursed grant funding amounting to US\$924,913. US\$394,456 (43%) was for management support and US\$530,456 (57%) was for training support. 42 clients benefited from management support and 73 clients benefited from training support.

GRANT COMMITMENTS FOR 2014

Grant commitments per country





The African continent has been growing strongly. However, developing human capacity and improving business environments are key to ensuring economic growth translates into increased levels of human development. The African Training and Management Services (ATMS) Project aims to build human capital in public and private companies across Africa. Through the Project, AMSCO, UNDP and their partners have shown that developing countries can participate fully in the global economy by building skills and capacity among local businesses. UNDP is proud to contribute to this initiative through its technical and advisory expertise.

Abdoulaye Mar Dieye

Assistant Administrator and Director, Regional Bureau for Africa, United Nations Development Programme

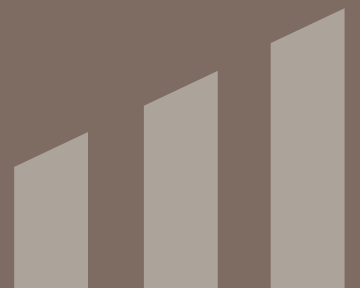
ATMS FOUNDATION FINANCIAL OVERVIEW

Abridged Statement of Profit or Loss and Other Comprehensive Income for Period Ending 31 December	2014	2013
(in thousands US\$)	US\$	US\$
Administrative expenses	(486)	(543)
Training expenses reimbursed to clients	(444)	(998)
Management support paid to clients	(394)	(1 087)
Training execution paid to AMSCO	(86)	(277)
Funding for AMSCO projects	(215)	(244)
GOWE programme expenses	(302)	(241)
Zambia SME programme expenses	(0)	(422)
Technical assistance programmes	(580)	-
Total expenditure	(2 508)	(3 812)
Finance income/ expenditure	7	38
Other comprehensive income	-	-
Total comprehensive income/ expense for the year	(2 501)	(3 774)

Abridged Statement of Financial Position as at 31 December	2014	2013
(in thousands US\$)	US\$	US\$
Assets		
Current assets	3 475	4 624
Total assets	3 475	4 624
Fund capitalisation and liabilities		
Fund capitalisation	3 250	3 583
Liabilities	225	1 042
Total fund capitalisation and liabilities	3 475	4 624

*KPMG Accountants N.V., the company auditors, have issued an unqualified opinion.

The complete audited report is available at the company's registered office.





GEMA CONSTRUCT

Commencement: January 2010

Sector: Professional and technical services

Location: Abidjan – Cote d'Ivoire

Number of Employees: 304

Financial Support: US\$43,978

Company Background

GEMA Construct was registered in October 2009 in Cote d'Ivoire with the aim to design and execute industrial and commercial projects in Cote d'Ivoire and the sub regional countries. The company provides local turnkey projects to the oil and gas, mining, agro processing and logistics sectors. GEMA Construct's shareholding is a combination of former shareholders of GEMA S.A and new shareholders from Europe and Africa.

The Challenge

GEMA requested AMSCO's assistance in order to successfully implement its corporate business plan and set up an industrial construction unit in Cote d'Ivoire offering professional and technical services to the agro-industrial, logistics, oil, gas and mining sectors, which are pillars of the national economy.

The Solution

AMSCO's intervention with GEMA Construct started in January 2010 with the secondment of four Managers and the subsidisation of training costs by the ATMS Foundation. Following a general decline in business due to the 2011 post-election war, the managers embarked on a drive to expand GEMA's activities at national, sub-regional and international levels, including the Congo Brazzaville.

The Impact

- GEMA won international tenders in Congo Brazzaville to build 2 gas terminals in the country
- Construction of another gas terminal in Cote d'Ivoire
- Expansion within the sub-region of Africa with the opening of a branch in Congo

- Delattre Levivier Morocco, a leader in heavy metal construction in Morocco has acquired 51% of the shares of GEMA and by this will bring its expertise to GEMA Construct and facilitate the company expansion plan
- 12 Ivorian youth were recruited under the World Bank programme
- Several training programmes were implemented and have resulted in the improvement and development of staff skills
- Under the President's Emergency Programme for the rehabilitation of 1,045 village wells in Cote d'Ivoire, five staff from GEMA were designated and trained in order to ensure the rehabilitation and supply of parts to the programme. The project was successfully achieved

Conclusion

Over the years, considerable strategic and technical contributions have been made to ensure GEMA's business success. The AMSCO Managers' combined efforts have been instrumental to the company's expansion process, especially in ensuring business development during the post-conflict period. AMSCO is confident that the business will register even further growth and success.



CARBON AFRICA MOZAMBIQUE LIMITADA

Commencement: November 2013

Sector: Waste Management (Inclusive Business)

Location: Maputo – Mozambique

Number of Employees: 1

Company Background

Carbon Africa Mozambique Limitada was established in 2012 as a subsidiary of Carbon Africa limited. This is a project development and climate finance advisory firm focused on municipal waste management solutions.

The Challenge

Carbon Africa Limited sought an experienced individual to assist with the expansion of its operations into Mozambique. The individual would be instrumental in the development of a country wide waste municipal treatment programme, as well as assist with the promotion and capacity building on Nationally Adapted Mitigation Actions (NAMAS).

The Solution

AMSCO seconded a Project Manager to Carbon Africa Mozambique to also take on the role of Country Representative. The AMSCO Manager's responsibilities include overseeing new projects in Mozambique, to be implemented in partnership with the Mozambican Association of Recycling – AMOR. He is also responsible for day-to-day management of the local operations and relationships, including business development.

The Impact

- Carbon Africa and AMOR recently created the company “3R – Reduce, Reuse, Recycle” to develop integrated waste management solutions and open Waste Transfer and Recycling Centres (WTRC) within the country. The company began its operations in January, 2015
- Efforts have been focused on fundraising: the company is in the final phase of contracting with the AECF (African Enterprise Challenge Fund) for a matching fund loan of up to US\$1,4M
- NCF (Nordic Climate Facility) secured EUR 500,000 to a project spearheaded by Carbon Africa and NIRAS on 2 fronts: support for the establishment of the WTRC in Beira, as well as testing concept and formulation of bottom-up NAMA – Nationally Appropriate Mitigation Actions

- On the establishment of Waste Transfer and Recycling Centre (WTRC) – a Memorandum of Understanding with the city of Beira was signed in October 2014 – 1ha plot of land has been allocated to 3R
- A Site Manager has been recruited with the first waste streams (starting with beer bottles and plastics) expected in May 2015
- A working group has been established in partnership with the Belgian Government in order to identify climate fund opportunities for the treatment of municipal waste in Mozambique, to support government access to these climate funds, and create an enabling environment for the implementation of integrated waste management in the country
- The working group is led by MITADER (Ministry of Earth, Environment and Rural Development), with the active participation of ANAMM (National Association of Municipalities), FUNAB (Fund for the Environment), Carbon Africa, and AMOR. The group met eight times since its inception in early 2014 and has already achieved positive results; obtaining funds to pay current work on the municipal legislation, on the evaluation of the waste tax fee system as well as to develop a monitoring, reporting and verification system for the treatment of municipal waste

Conclusion

The company has registered great progress in the area of business development. Carbon Africa Mozambique has managed to build fundamental private public partnerships with key players in the social recycling scene; it has also found success in mobilising funds for the implementation of intended projects. AMSCO is confident that through these partnerships, the company will be able to register great success.



The shared vision between AMSCO and the African Development Bank continues to be realised through a practical and assessable effort to fully integrate Africa into the global trading environment. The call for the support of studious entrepreneurs with adaptable business models that can contribute profitably within different segments of the economy has been heeded by organisations that have a stake in Africa's transition towards a developed continent. Finding common ground between the public sector mandate and private sector interventions has been the position of the African Development Bank since its inception.

AMSCO's interventions have provided a strong foundation for companies to improve their standing in line with growth margins and productivity within their designated sectors. The African Development Bank values the long standing partnership with AMSCO as it has permeated the realisation of goals across the broader spectrum of Africa's social needs and economic priorities.

African Development Bank supports African enterprises and continues to focus its efforts on the upliftment of the SME sector to enhance competitiveness and business success which ensures long term development and sustainability.

Kodeidja Diallo Director of Private Sector Operations
AfDB (African Development Bank)

ATMS FOUNDATION MANAGEMENT



Anabela Appleton
Stakeholder
Relations Manager



Eden Saban
ATMS Foundation
Administrator





KEY

-  Zambia
-  Anglophone Southern Africa
-  Lusophone
-  East Africa
-  Anglophone West Africa
-  Francophone

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