



# project results

## IMPROVING THE FINANCIAL MANAGEMENT SYSTEMS OF ANATRANS - A CASHEW NUT PROCESSOR IN BURKINA FASO



### Beneficiary organisation

Anatrans is the leading cashew nut processor in Burkina Faso. In 2021, the company sourced fair trade and organic cashew nuts from approximately 2,400 local farmers and processed them for export. Since 2015, responsAbility has invested a total of USD 22.45 million in Anatrans through Nuts2 B.V., a Dutch holding company with a majority stake in the firm.

### The challenge

Anatrans received funding indirectly from international investors through the holding company Nuts2 B.V. This approach was adopted because Nuts2 B.V. uses IFRS - a more standardised accounting framework compared to the OHADA system prevalent in Western and Central Africa, which Anatrans follows. The OHADA framework<sup>1</sup> does not provide the level of transparency and limits certain disclosures required by international investors. Additionally, the finance team at the holding company possessed more advanced expertise and superior reporting capabilities than Anatrans. Although responsAbility aimed to finance Anatrans directly to bolster its financial independence and operational sustainability, challenges in assessing Anatrans' financial statements impeded this objective.

### The proposed solutions

The project aimed to enhance Anatrans' financial management system to enable direct investments without reliance on the holding company. This adjustment would streamline processes for lenders by minimising inter-company transactions and enhancing fund monitoring and control. For Anatrans, it would boost operational efficiency and sustainability, attract more direct financing, and strengthen its financial independence and international lending relationships.

More specifically, the project would:

- Strengthen Anatrans' financial management systems, including processes, policies and procedures in line with international accounting standards (IFRS) to meet investor requirements.
- Integrate the inventory process in the accounting system to improve the company's inventory management.
- Enhance the capabilities of Anatrans' financial team to autonomously implement and follow these improved processes and policies.

The following project outputs and outcomes were expected:

- 1 Improved financial management and reporting processes to reduce lead time and increase accuracy.
- 2 Increased direct investments in Anatrans from responsAbility and other investors.



Internal management



IMPACT INVESTOR



BENEFICIARY ORGANISATION

Anatrans

serving a total of

2,400 smallholder farmers

Burkina Faso

AGRICULTURAL VALUE CHAIN

Cashew nuts

START DATE

June 2022

END DATE

December 2022

TOTAL EXPENDITURE

€ 68,560

of which € 46,823 (68%)

financed by SSNUP

<sup>1</sup> <https://www.ohada.org/en>







## key results



**The accounting system was improved** including system upgrades and ensuring compliance with international standards.



**New financial policies and procedures manual were developed.**



**The financial and accounting team was trained on generally accepted accounting principles covering inventory, assets, depreciation, taxes, and cash payment registration.**

After assessing their knowledge gaps, they received targeted on-the-job training on system management and reporting standards.



**A cost inventory account module was integrated into the bookkeeping software, facilitating automated accounting entries for stock movements.**



**Automated generation of accounting reports directly from the accounting software, which was previously a manual process.**



**Solutions for numerous shortcomings within the finance department were provided.**

**SDGs supported by the project**



**8. Decent work and economic growth**

8.10 Capacity building for financial institutions



## lessons learnt

✓ **Conducting selection interviews with consulting team members is crucial for the successful project implementation**

A significant challenge encountered involved partnership issues with the consulting firm regarding the execution deadlines of certain development tasks. Although the company had been working with this firm since 2019 and had previously experienced quick and efficient service, the performance for this project was slower. This issue was primarily due to a change in personnel, as the consultant who had effectively managed projects from 2019 to 2022 was replaced by new consultants. However, with increased coordination efforts, the project was successfully completed.

A key lesson learnt is the importance of conducting thorough selection interviews for consultants before initiating a project. Ensuring that the partner firm assigns competent and efficient consultants can significantly enhance the effectiveness and timely completion of projects.

### Outlook

During the project, it was discovered that Anatrans' assets and depreciation lists were outdated and non-compliant. This prompted the decision to schedule another technical assistance project for June - July 2023 to address these issues comprehensively.

The project also highlighted the necessity and feasibility of digitising employee salary payouts, leading to enhanced policies on cash payments, automated entries, and accounting flows. Therefore, since the beginning of 2023, Anatrans has transitioned to paying all of its 2300+ seasonal employees via mobile money, fostering financial independence among staff who previously received their salaries in cash.

