



**CHANGING
LIVES**

PRIVATE SECTOR SOLUTIONS FOR HELPING SMALL FARMERS



Changing Lives:

*Private Sector Solutions for Helping
Small Farmers*



PHOTO © Nyani Quarmyne (Panos) / IFC

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Foreword

Building Private Sector Opportunities in the World's Most Challenging Markets

As a senior executive at Coca-Cola in Africa, Peter Njonjo was hardly a stranger to the business landscape of his native Kenya. And yet when it was time to raise capital to finance his startup idea—a mobile platform that connects smallholders with food vendors—Njonjo's options were limited. Investors deemed his project too risky and so left with no choice, he drained his life savings and put his family's home in Nairobi on the market.

Like many Global Agriculture and Food Security Program (GAFSP) Private Sector Window clients, Njonjo and his Twiga co-founder Grant Brooke approached IFC in 2017 in search of an investment that would secure their vision for what has since become Twiga. Thanks to a strong blended finance model made possible through the Private Sector Window of GAFSP, Njonjo and Brooke found investors who believed in their mission to consolidate Kenya's food retail sector.

It's a good thing they did: Twiga has provided smallholder farmers across Kenya with access to a fair and transparent mobile marketplace that also offers higher prices for their goods. And Twiga recently completed another round of financing—one of three GAFSP clients to "graduate" from blended finance support in recent years. Njonjo's own journey is a poignant reminder of our mission and is just one of several new stories featured in this latest edition of *Changing Lives*.

In an era of global economic tensions and scarce public resources, mobilizing private sector

investment is essential to ending poverty and boosting shared prosperity. IFC and the GAFSP are the leading the way in mobilizing private capital for development using unique blended finance solutions. We enable companies and financial institutions focused on smallholder-based value chains to build competitive business models, create new jobs, and accelerate development in challenging markets.

Since our program began in 2011, our Private Sector Window has supported 66 agribusiness investment projects in 27 countries with a total project size of \$330 million. In addition, we have approved 71 advisory projects in 32 countries for \$30 million.

Over the past two fiscal years, more than half of our investment projects were in fragile and conflict-affected situations (FCS) countries, building on IFC's strong commitment to create markets and private sector opportunities in some of the world's most challenging places. That means that we have invested in early stage or risky projects that hold high potential for development impact and sustainability in places where it is needed most. Rooted in the heart of our model is the belief that GAFSP concessional funding should be temporary, and that our clients will one day become financially and commercially sustainable.

More than just a belief, this is GAFSP's core philosophy—and one that we've seen come to fruition in recent years: In addition to Twiga, two clients— Pearl Dairy Farms in Uganda and Insta Products in Kenya—no longer need concessional investment funding support from GAFSP for their expansion plans.

This latest edition of *Changing Lives* offers a snapshot of some of our most recent GAFSP Private Sector Window projects. Organized under four themes, these investments focus on

our efforts to transform the lives of smallholders through 1) raising agricultural productivity and improving climate resilience; 2) increasing nutritional intake and adoption of high-yield and innovative technology; 3) inclusive business and gender; and 4) improving access to finance.

In this edition, you will read about Njonjo, the first senior executive at a Fortune 500 Company to join an African start-up, and the ways in which Twiga is revolutionizing Kenya's agricultural supply chain, from rural smallholders to food vendors on the streets of Nairobi. You will meet Nadeem Ahmed, the founder and chairman of Global Tea and Commodities Ltd, who is working with IFC and GAFSP to expand Malawi's macadamia nut farming sector. Global Tea is distributing 300,000 macadamia seedlings to 3,000 farmers—half of them women—while also undertaking a critical advisory services program to empower smallholders with agricultural and financial tools for success.

You will also read about our work in Honduras, where GAFSP supports the Cadelga Group to provide loans to smallholders to buy fertilizer, seeds, and irrigation technology. By providing farmers with high-quality inputs and drip irrigation, this project is helping smallholders weather the effects of wide-spread drought, boosting resilience in the face of climate change and fluctuating coffee prices.

In Mali, one of the world's poorest countries, a GAFSP investment is helping build a modern shea butter processing plant in Bamako, the capital, that will increase income and market access for approximately 120,000 new and existing shea kernel collectors, over 95 percent of whom are women. And in Ethiopia, we're supporting an IFC Advisory Services project with Luna Slaughterhouse, an abattoir south of Addis

Ababa, to train smallholders on improved animal health, feed production, and financial literacy—all of which ensures a steady supply of high-quality goat and sheep meat.

Working together with our donor partners – the governments of Australia, Canada, Japan, the Netherlands, the United Kingdom and the United States – we expect to continue accelerating upstream and innovative initiatives, help build competitive smallholder-linked agricultural value chains and create new jobs while further extending our reach into FCS countries. IFC and GAFSP's commitment as advisors, investors, and innovators has never been stronger.

Niraj H. Shah

*Principal Investment Officer
Program Manager, GAFSP
Private Sector Window*



PHOTO © Dominic Chavez/ IFC

Small farmers face big challenges

Along the way from farm to market

Small farmers lack proper inputs for their farms, including high-yield seeds, technologies and fertilizer.

Financiers view small farmers as risky borrowers because most of them have undocumented credit histories, unstable incomes and little collateral.



ACCESS TO INPUTS

ACCESS TO FINANCE

Every \$1 of Private Sector Window funding leverages more than \$5 of private sector funding.

We support activities to provide access to improved seeds and fertilizers as well as adopting high-yield technologies.

We invest in non-traditional lenders who work with smaller borrowers and private supply-chain finance that can provide farmers with more credit & more stable income.

Women farmers are particularly disadvantaged, lacking land ownership opportunities and access to inputs.

Small farmers lack access to fair markets and to reliable storage facilities, often forced to sell their crops at harvest time when prices are low.

GENDER IN- EQUALITY

We support investments & advisory services that empower women farmers.

ACCESS TO MARKETS & STORAGE

We support development of farm-to-market linkages and improving post-farm logistics.





**GIVEN THE RIGHT ENABLING
CONDITIONS AND PRIVATE
SECTOR SUPPORT, FARMERS
CAN TRANSFORM THE RURAL
LANDSCAPE AND UNLEASH A
NEW AND SUSTAINABLE
AGRICULTURAL REVOLUTION.**

PHOTO © Mikias Sissay/IFC

The Challenge

Seventy-five percent of the world's poor live in rural areas, toiling on tiny plots of land that yield barely enough to support their family's basic needs and necessities.

For many of these rural citizens, agriculture has the greatest potential to lift them out of poverty—proving two to four times more effective in raising incomes among the very poor than growth in other sectors. But for many smallholder farmers struggling to feed their families, formidable obstacles stand in the way.

Even if they have land to farm, many small farmers, particularly women, lack access to proper agricultural inputs, including high-yield seeds, technologies and fertilizers.

Shut out from traditional forms of banking, these farmers have little access to formalized financing. At harvest time, with no credit, they are unable to store their crops in reliable and safe warehouses. Often working in remote areas, they find it difficult to get their harvested goods to market.

It is a vicious cycle that keeps them mired in perpetual poverty: forced to sell crops at a time when prices are low, and forced to buy food and inputs at a time when prices are high.

These are the people the Private Sector Window of GAFSP aims to help. By harnessing the private sector as an engine of growth and development, we know that we can make a difference in the lives of millions of small holder farmers throughout the world.

Given the right enabling conditions and private sector support, these farmers can transform the rural landscape and unleash a new and sustainable agricultural revolution.



TO DATE, GAFSP HAS APPROVED \$330 MILLION IN 66 INVESTMENT PROJECTS IN AGRIBUSINESS THAT ARE AIMED AT IMPROVING THE LIVES OF OVER A MILLION SME AND SMALL FARMERS ACROSS THE GLOBE.

PHOTO © Courtesy of Cargill

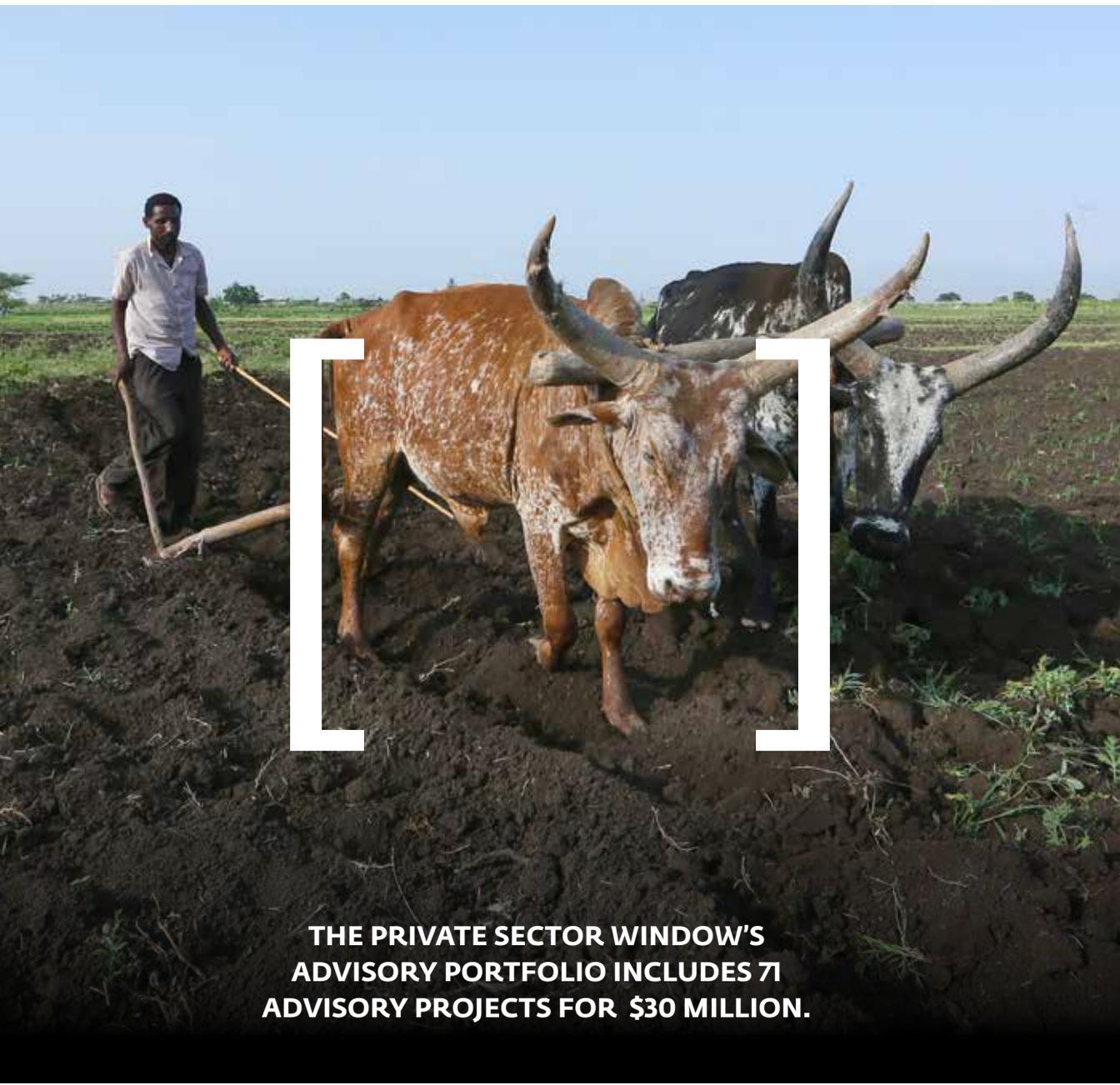
Private Sector Solutions

Supporting agribusiness and agri-finance projects that commercial investors deem too risky is what GAFSP Private Sector Window does best: investing across the entire food supply chain from farm inputs to logistics and storage, to processing and financing.

We use blended finance solutions and IFC's expertise and knowledge to support projects in the agricultural sector that may not attract commercial funding due to perceived high risks in this sector. GAFSP funding is co-invested alongside IFC funding but we take it one step further: addressing market failures by providing affordable funding with less demanding terms. This allows us to invest in early stage or riskier projects that hold high potential for development impact and financial sustainability. That means that we can partner with companies who include farmers as part of their overall value chain, providing access to markets, financing and storage, and increasing production and incomes for those living and working in the world's lowest income countries. To date,

GAFSP has approved \$330 million in 66 projects in agribusiness that are aimed at improving the lives of over a million SME and small farmers across the globe.

In addition, we are supporting 71 advisory projects for \$30 million. These investments are tied to advisory experts who provide on-the-ground training and advice for businesses and farmers in promoting access to agricultural finance, improving farmer productivity, strengthening standards, establishing market links, reducing risks and mitigating climate change effects. The GAFSP Private Sector Window is making a difference, one innovative investment at a time.



**THE PRIVATE SECTOR WINDOW'S
ADVISORY PORTFOLIO INCLUDES 71
ADVISORY PROJECTS FOR \$30 MILLION.**

PHOTO © Mikias Sissay/IFC

Advisory Services

It takes more than just finance to achieve sustainable private sector development. Advice is a critical part of the Private Sector Window's work as a comprehensive blended finance solutions provider.

The Private Sector Window provides technical and financing knowledge, expertise, and tools to:

- Raise agricultural productivity and improve climate resilience through climate-smart practices
- Increase nutritional intake and adoption of high-yield and innovative technology through better farm management
- Create opportunities for inclusive business by linking farmers to global value chains and implementing approaches that target gender equality
- Develop financial products and services that help farmers access finance and invest in new technologies

The Private Sector Window's advisory portfolio includes 71 advisory projects for \$30 million.

Our work spans the globe, with active projects in 32 countries, including Ethiopia, where our advisory services team is working with Luna Slaughterhouse to

improve the quantity and quality of the company's goat and sheep meat supply.

In Côte d'Ivoire, we are working with cocoa giant Cargill to expand a training program for cooperative managers that is helping smallholder farmers improve cocoa productivity, sustainability, and traceability. The program is also strengthening women's economic roles, as well as expanding digital financial solutions for farmers and cooperative members.

In Malawi, we are working with Global Tea and Commodities Ltd on a training program that's helping smallholders improve their livelihoods while also securing more macadamia nut output to meet consumer demand. In Honduras, our advisory services are supporting the Cadelga Group to create a new department that provides loans to smallholders in the form of fertilizer, seeds, and irrigation technology. As part of the loan, farmers receive training in crop diversification and upgraded irrigation techniques, which helps offset the effects of drought and boost resilience in the face of climate change.





*Raising Agricultural
Productivity
& Improving Climate
Resilience*

PHOTO © A'Melody Lee / World Bank



**MALAWI IS THE THIRD
LARGEST PRODUCER OF
MACADAMIA NUTS IN AFRICA.**

Farmer Obert Ntonyo near his macadamia tree | PHOTO © Bennie Khanyizira/ IFC

In Malawi, Macadamia Farmers Cultivate Business Skills Alongside Nut Trees

Obert Ntonyo, a macadamia nut tree farmer in Malawi, is a patient man. He has to be. After all, it takes five years from the time a macadamia nut tree seedling is planted to its first production of nuts.

But for Ntonyo, the wait is worth it. His 100 macadamia trees—provided by Global Tea and Commodities Ltd. to help individual farmers become macadamia nut producers—could more than double his income.

Ntonyo knew for years that the macadamia nut trees offered better earning potential than the tomatoes and cabbage he grew at home. Since the seedlings were just too expensive, he continued working on a commercial macadamia nut farm. When he heard about a new program that would allow him to become his own macadamia nut producer, he rushed to join. At full production, he expects to earn around \$340 per tree annually—which would enable him to send his five children to university.

“I’m a small farmer but now I can get the same benefits as the big farms,” Ntonyo says, standing next to one of his trees.

Global Tea’s initiative to expand macadamia nut farming in Malawi is backed by a \$4 million joint investment from IFC and the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP). In addition to the investment,

a three-year IFC advisory engagement with GAFSP supports the program with financial literacy training for the farmers, including guidance on record keeping, managing loans, and budgeting during crop cycles. IFC is also working with macadamia cooperatives in the country to improve their management capacity—enabling them to serve and support farmers more efficiently.

Global Tea, with support from the Dutch government, is distributing 300,000 macadamia seedlings to 3,000 farmers across Malawi’s Thyolo and Mzimba Districts, where rolling hills and good growing conditions favor the growth of macadamia. Half of the farmers in the program are women, ensuring that men and women both benefit from the opportunity to increase their livelihoods. The company offers these farmers technical guidance on managing pests and plant disease, controlling erosion, and applying low-tech irrigation techniques.

Global Tea and its top macadamia nut buyers saw an opportunity to help small-scale farmers in Malawi improve their livelihoods

while also securing more macadamia nut output to meet consumers' demand. The country accounts for three percent of the world's macadamia nut output and is the third largest producer of macadamia in Africa. Global Tea is already one of Malawi's top macadamia producers, as well as the country's largest coffee producer.

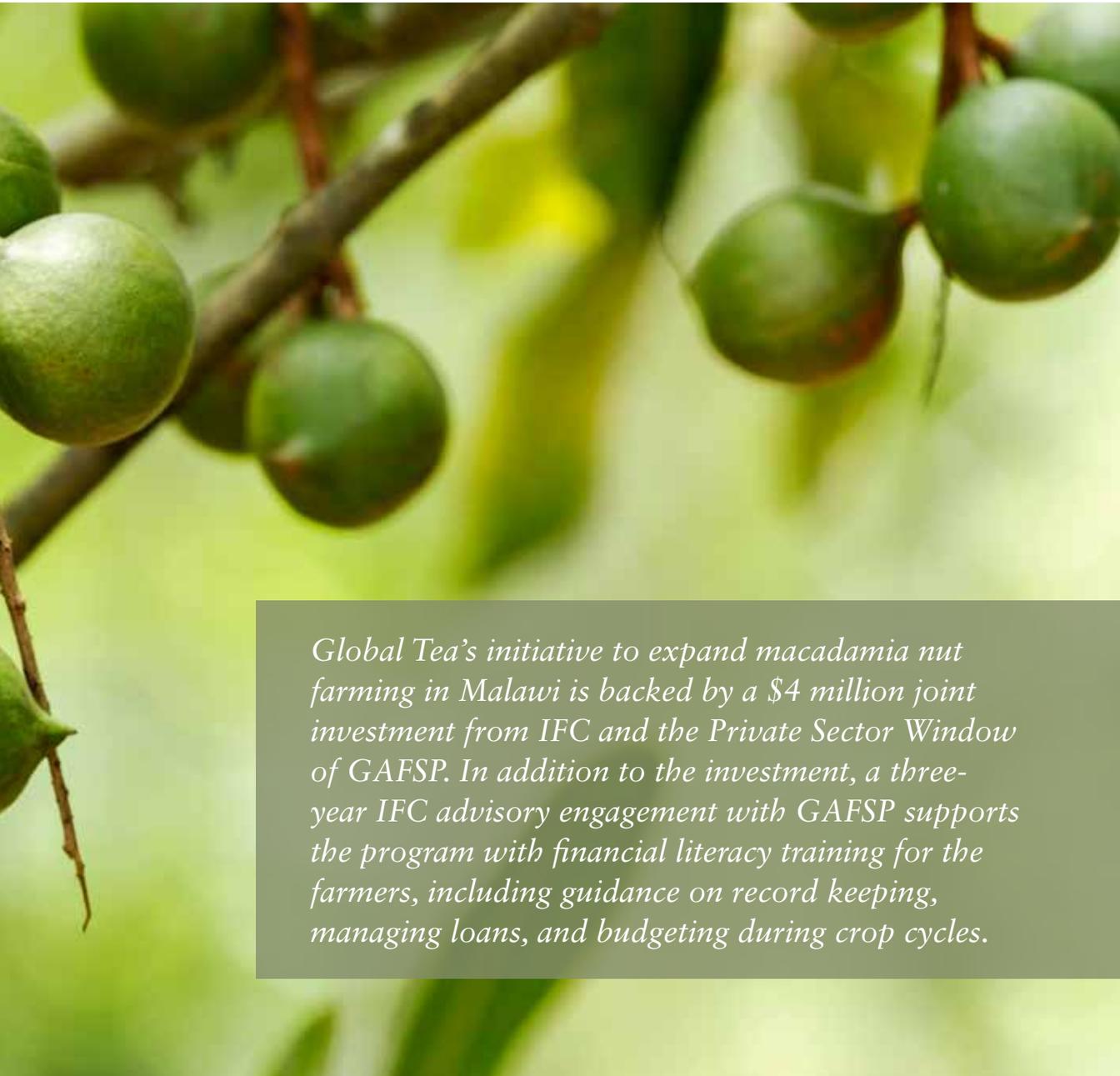
Once participants are selected for Global Tea's project, each farmer receives 100 seedlings, as Ntonyo did. Along with those seedlings comes coaching throughout the planting and growing process as the farmers learn to manage their farm like a business. Once the trees produce nuts, Global Tea guarantees the farmers a buyer for their production.

"The project will improve the lives of 3,000 families and more importantly, this is the stepping stone towards producing at a much bigger scale," says Nadeem Ahmed, the chairman of Global Tea.

For smallholder Annie Fred, growing macadamia nut trees is a 30-year investment that will benefit her grandchildren. Learning business skills to help her manage the trees is a critical part of the project. "I feel good as a woman that I can do this," Fred says as she looks over her macadamia trees, interspersed with corn and beans. "I am experimenting with new crops to create opportunities for my farm and my family."

IFC's involvement brings benefits to the local environment as well. As part of the partnership with Global Tea, IFC has helped the company replace its diesel generators with solar panels at its facilities in Malawi and Kenya. In addition to GAFSP, the advisory project is in partnership with IFC's Conflict-Affected States in Africa (CASA), an initiative backed by Ireland, the Netherlands, and Norway that is focused on accelerating private sector development in post-conflict countries.





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PHOTO © ntdanai / Shutterstock



“We’re changing the lives of thousands of farmers and their families, not just by giving plants, but also upskilling farmers and teaching financial literacy.”

Farmer Annie Fred says that planting macadamia trees is an investment in her grandchildren | PHOTO © Bennie Khanyizira/ IFC

An Entrepreneur Helps Transform African Commodities, One Nut at a Time

When Nadeem Ahmed buys a cup of coffee on the streets of London, it's not the anticipatory caffeine rush that occupies his thoughts in the moments before he takes his first sip. Rather, Ahmed is thinking of the steep price he just paid—particularly compared to the rock-bottom fee the coffee farmer thousands of miles away likely received.

For Ahmed, it's a dilemma that's more than just theoretical. As founder and chairman of UK-based Global Tea and Commodities Ltd, one of the fastest growing integrated tea, coffee and macadamia nut companies globally with more than 4,500 employees, Ahmed's mission is to deepen the market



PHOTO © Dominic Chavez / IFC

NADEEM AHMED CEO, Global Tea and Commodities Ltd.

for African commodities. The goal is not just to supply raw coffee beans, tea leaves or nuts—but instead provide processed, finished, and packaged products, ready to be sold to consumers in the West.

"Just think of the impact if we are able to add value to what we are doing so that Africa isn't just supplying commodities," he said, during a recent visit to Washington D.C. "If we are able to create this shift, the margins and profits now happening elsewhere would instead take place in Africa."

Ahmed, who was born and raised in Kolkata, now calls London home, though

he commutes to Africa regularly for work. He became interested in business opportunities on the continent almost by accident: On holiday in Kenya more than 30 years ago, he saw tremendous potential, and unlike his native India, he said, competition was sparse.

“It’s a myth that investments in countries with financial difficulties are somehow unsafe,” he said. “A fragile country doesn’t mean that the investment is insecure. If anything, I’ve found the opposite: governments in fragile countries are proactive in supporting investments.”

Ahmed’s close work with the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP) is creating a “win-win” for smallholder farmers in Malawi and Global Tea alike. “We’re changing the lives of thousands of farmers and their families, not just by giving plants, but also upskilling farmers and teaching financial literacy. This has been a huge opportunity to affect the lives of people around the business.”

Though convincing farmers to grow macadamia nuts took effort—they bear some fruit in five years but show real economic returns only after a decade—Ahmed says that farmers quickly saw the business sense behind transitioning to nuts.

“Growing macadamia takes patience, but it also means earning more money for the rest of the farmer’s life,” he noted. Macadamia nuts are still a growing market in many countries, Ahmed says, where the small and relatively pricey nut remains largely unfamiliar. “If people start buying macadamia the way they buy cashew and peanuts, there will be a huge shortage and prices will continue to increase.”

Ahmed says that his relationship with GAFSP has enabled Global Tea to fast-track their progress with smallholders in Malawi.

“Our work with IFC’s Advisory Services team has pushed us to places we would have been reluctant to go so quickly. We’ve done in two years what we otherwise might have done in ten. And IFC and GAFSP have provided more than just an investment: they’ve given us the wherewithal to deal with issues we wouldn’t otherwise have had the skillset or bandwidth to tackle on our own.”





Macadamia trees in Malawi | PHOTO © Bennie Khanyizira/ IFC



**IN ETHIOPIA, LIVESTOCK AND AGRIBUSINESS
ACCOUNT FOR ROUGHLY**

80%
OF EMPLOYMENT

40%
OF THE COUNTRY'S GDP

PHOTO © Mikias Sissay/IFC

Creating a Market for High-Quality Ethiopian Meat Products

Tesfalidet Hagos, the founder and general manager of one of Ethiopia's largest meat processors, stares east across rolling fields, a pair of sunglasses shielding his eyes from the morning sun.

"My dream is for Ethiopian meat to be known and loved in markets across Africa, the Middle East, and Asia," says Hagos, who founded Luna Export Slaughterhouse in 2003. "Ethiopia can—and should—become a world-class meat exporter, but we will have to transform our industry to achieve it."

Rearing goats and sheep has long been a way of life in Ethiopia, where more than 20 percent of the population live below the poverty line. Historically, livestock and agribusiness make a significant economic impact in the country, accounting for roughly 80 percent of employment and 40 percent of GDP.

Millions of Ethiopian smallholders raise animals to consume or to sell, but the market is fragmented, limiting their incomes. Many farmers apply inefficient husbandry practices, meaning their herds fall short of demanding international standards.

This lack of readily-available, high-quality goat and sheep is a huge challenge for Tesfalidet, whose dream is to revolutionize the way animals are raised and brought to market in Ethiopia.

"At times we have been forced to run our factory at only 50 percent capacity because we can't source a regular supply of quality livestock," says Tesfalidet. "It was frustrating, and we needed to re-think the way the entire livestock supply chain works in Ethiopia, from what farmers feed their animals to how we produce and package them. This is why we turned to IFC for support."

IFC, with support from the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP), is working closely with Luna on a four-year program to train farmers on improved forage development, financial literacy, water management, and animal health and welfare standards for domestic—and export—markets.

An estimated 1,200 farmers of a target of at least 5,000 (including 1,500 women) have been reached since the program was



PHOTO © Mikias Sissay/IFC

launched in 2019. The training is helping farmers increase feed production for their livestock, improve their crop residue management, and professionalize the way they run their farms and businesses. The goal is to help them raise consistently healthy, high-quality animals.

Awor Semere recently received training through the program and is hoping it will increase her income so that she can afford school fees for her four children. “I have two hectares of land that I want to use for animal feed production,” she says.

“The training on planting and growing techniques was very useful. I have no doubt it will help me become successful.”

The project has also established a demonstration farm to support the farmers’ training and has a special focus on women farmers, analyzing their roles in Luna’s supply chain, and itemizing the resources they can – and can’t – access. The goal is to help women boost their productivity and profits, and to encourage female farmers to take a more active role in the sector.

Meanwhile, IFC is directly supporting Luna itself, advising the company on upgrades to its sprawling processing site south of Addis Ababa, and helping it implement rigorous traceability, hygiene, marketing, and distribution strategies. This support has helped Luna become Ethiopia's first meat processor to achieve

the globally-recognized FSSC 22000 production certification, a testament to the company's robust and effective food safety management system.

Not only is Luna seeking to improve the quality of the meat it sources and sells, it also wants to become Ethiopia's first exporter of vacuum-packed meat, which



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PHOTO © Midas Communications/IFC

commands a higher price than refrigerated meat and has a much longer shelf life. Vacuum-packed meat can be sent by land and sea instead of air, reducing freight costs by at least 60 percent and cutting greenhouse gas emissions

With IFC's support, Luna's ambition is to produce premium cuts of goat, sheep, and beef to equal anything currently available in its target markets, and to make Ethiopian meat as known, loved, and trusted as another already famous Ethiopian product—coffee.

The achievements of Luna and its farmers should also serve as a model for Ethiopia's wider livestock sector, helping tap the country's true livestock potential.

"We are determined to provide a consistent and quality product that pleases our clients and establishes Ethiopian meat as a favorite in the market," says Tesfalidet. "We will also measure our success by creating a community in our supply chain, by improving food security, and by creating jobs and sustainable incomes for our farmers."





PHOTO © Mikias Sissay/IFC





*Increasing Nutritional
Intake & Adoption
of High-Yield and
Innovative Technology*

PHOTO © Curt Carnemark / World Bank



BY 2021, MILK OUTPUT FROM PEARL DAIRY'S EXISTING SUPPLIERS IN THE REGION IS EXPECTED TO INCREASE BY 100,000 LITERS A DAY AND DRIVE A \$3 MILLION ANNUAL INCREASE IN FARMERS' REVENUES.

PHOTO © Isaac Mulli Mutua/IFC

Milking the Benefits of Blended Finance in Uganda's Dairy Sector

Keeping cattle is a time-honored cultural tradition in western Uganda, where the iconic long-horned animals are associated with royalty—and valued for far more than the milk they produce. But as families shift to commercial farming to meet the nation's steadily rising demand for milk, many of them need advice on techniques that will help fortify milk production.

Joseph Nsereko, a farmer in Mbarara, used to be one of those farmers looking for support. He struggled to increase milk production to beyond 180 liters per day from a dairy herd of around 30 cows. Pearl Dairy, a milk processor that depends on local farmers for a sustainable, steady supply of milk, reached out to train Nsereko. With Pearl Dairy's guidance—including



PHOTO © Isaac Mulli Mutua/IFC

direct engagement and access to regular agricultural extension services—he doubled his farm’s daily raw milk output.

IFC began working with Pearl Dairy six years ago, when the company received an \$8 million financing package from IFC and the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP). This supported the establishment of a powdered milk processing plant and related infrastructure with a daily handling capacity of 240,000 liters.

IFC supplemented the investment with advisory services in 2017, when it worked with Pearl Dairy to launch the Dairy Development Program. The program helped train 50 “dairy development executives” that are now advising 650 farmers on techniques to improve productivity and adopt good agricultural practices. The goal is to increase farmer productivity, create a stable supply base of 1,000 dairy farmers providing high-quality raw milk, and reach another 5,000 farmers with advice.

IFC’s support has helped Pearl Dairy create 150 direct jobs and improve the livelihoods of more than 10,000 farmers in remote rural areas. By providing market access and technical support, the company is helping integrate farmers into export markets and reducing the gap between world market prices and the prices Ugandan dairy farmers receive. The project contributes to food security by increasing local consumption of milk and other dairy products, ultimately raising the nutritional intake of the local population.





Uganda's dairy sector—a source of household nutrition and income—plays a key role in the lives of citizens. But although the dairy industry has maintained an average positive growth rate of 3 percent per year and the Ugandan government promotes its development, the sector has not yet reached its full potential.

PHOTO © Isaac Mulli Mutua/IFC

By 2021, milk output from Pearl Dairy's existing suppliers in the region is expected to increase by 100,000 liters a day and drive a \$3 million annual increase in farmers' revenues.

Uganda's dairy sector—a source of household nutrition and income—plays a key role in the lives of citizens. But although the dairy industry has maintained an average positive growth rate of three percent per year and the Ugandan government promotes its development, the sector has not yet reached its full potential.

Dairy production is dominated by small-scale farmers living in impoverished rural areas, and it is estimated that only 20 percent of the country's milk output is processed. Strategic support for the sector will help it improve milk quality and help reduce variability in production by season.

Pearl Dairy has tailored its approach to the needs of its milk suppliers. One key to the company's success has been its direct engagement with farmers. Farmers are trained in techniques to improve quality—like sieving milk, animal husbandry, record keeping, and general hygiene around the farm.

"Milk yield has increased from when we started offering advisory and hands-on training," said Glorious Ankunda, a dairy development executive at Pearl.

Current raw milk production capacity among suppliers is seven to eight liters per cow per day, from less than four liters before Pearl Dairy began its outreach. With guidance from Pearl Dairy, trainers believe it will be possible for Uganda to approach best-in-class productivity of 20-25 liters per cow per day.

Pearl Dairy also offers farmers incentives to deliver more milk at higher quality. These include pre-negotiated financing with local microfinance institutions for farm improvements, with guaranteed repayments from milk proceeds; timely payments, and improved logistics through additional milk collection centers adjacent to dairy farms.

IFC's investment supported establishment of Pearl Dairy's new milk collection centers and cold-storage infrastructure, which will help facilitate milk collection from remote smallholder farms.

In addition to the training and extension services, Pearl Dairy's application of advanced technologies will support the overall development of the dairy sector in Uganda. Implementation of the project will include upgrades to environmental and social management and the development of a comprehensive waste management plan, including pollution prevention and infrastructure for waste treatment, storage, and disposal.



17 MILLION

**CHILDREN GLOBALLY
SUFFER FROM SEVERE
MALNUTRITION**

PHOTO © World Bank





*Inclusive Business
& Gender*

PHOTO © Stephan Gladieu / World Bank



MORE THAN 17,000 FARMERS AND 8,000 VENDORS IN KENYA NOW WORK WITH TWIGA—WHICH PAYS 20 TO 40 PERCENT MORE THAN BROKERS AND DELIVERS PAYMENT IN FULL WITHIN 48 HOURS THROUGH MOBILE MONEY TRANSACTIONS.

PHOTO © Twiga Foods

Technology Helps African Farmers Sell What They Sow

“Buy high, sell low” doesn’t sound like a very promising philosophy for a start-up business. But for Twiga Foods, a Kenyan mobile phone platform that sells bananas and other produce from small-scale farmers to local vendors and markets, paying farmers more and selling to vendors for less has been a winning formula—with ripple effects across the entire supply chain.

Farmers who sell produce to Twiga now have access to a fair, transparent, mobile marketplace that offers higher prices for their goods. In the past, they often lost money, time, and products because sales depended on multiple layers of brokers to get their goods to markets and wholesale vendors. Each middleman took a cut that ate into their family’s income.

“Before working with Twiga I used a broker, but the price varied greatly and often I would not get the right price for my product since they didn’t bring scales to measure accurately,” says Anderson Kivuti, a farmer in the town of Embu who sells bananas and kale to Twiga. “Twiga is more organized and gives me stability.”

Besides earning more for their crops, farmers can increase their farms’ productivity as they receive technical advice and financial offerings geared to their specific needs. On the other end of the

supply chain, vendors benefit from fast, free delivery of produce.

Since Twiga’s founding in 2014, the company has sold a variety of fruits and vegetables, including tomatoes, onions, potatoes, and watermelons, on its mobile platform and has recently expanded to processed foods like flour, rice, cooking oil, and sugar.

IFC co-led Twiga Food’s 2018 financing of \$10.3 million to help the company expand operations and offer new services to smallholder farmers. The financing from IFC includes funding from the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP).

Kenya is well-positioned for such progress: it has the largest GDP in East and Central Africa and one the most conducive environments for private sector expansion in sub-Saharan Africa. But the country still faces challenges related to accelerating growth and boosting shared prosperity.



Farmers who sell produce to Twiga now have access to a fair, transparent, mobile marketplace that offers higher prices for their goods.

PHOTO © Twiga Foods

Poverty among rural farmers has been a particularly difficult problem to solve. That's where Twiga's mobile platform can make a difference as it reinvents both ends of the retail value chain.

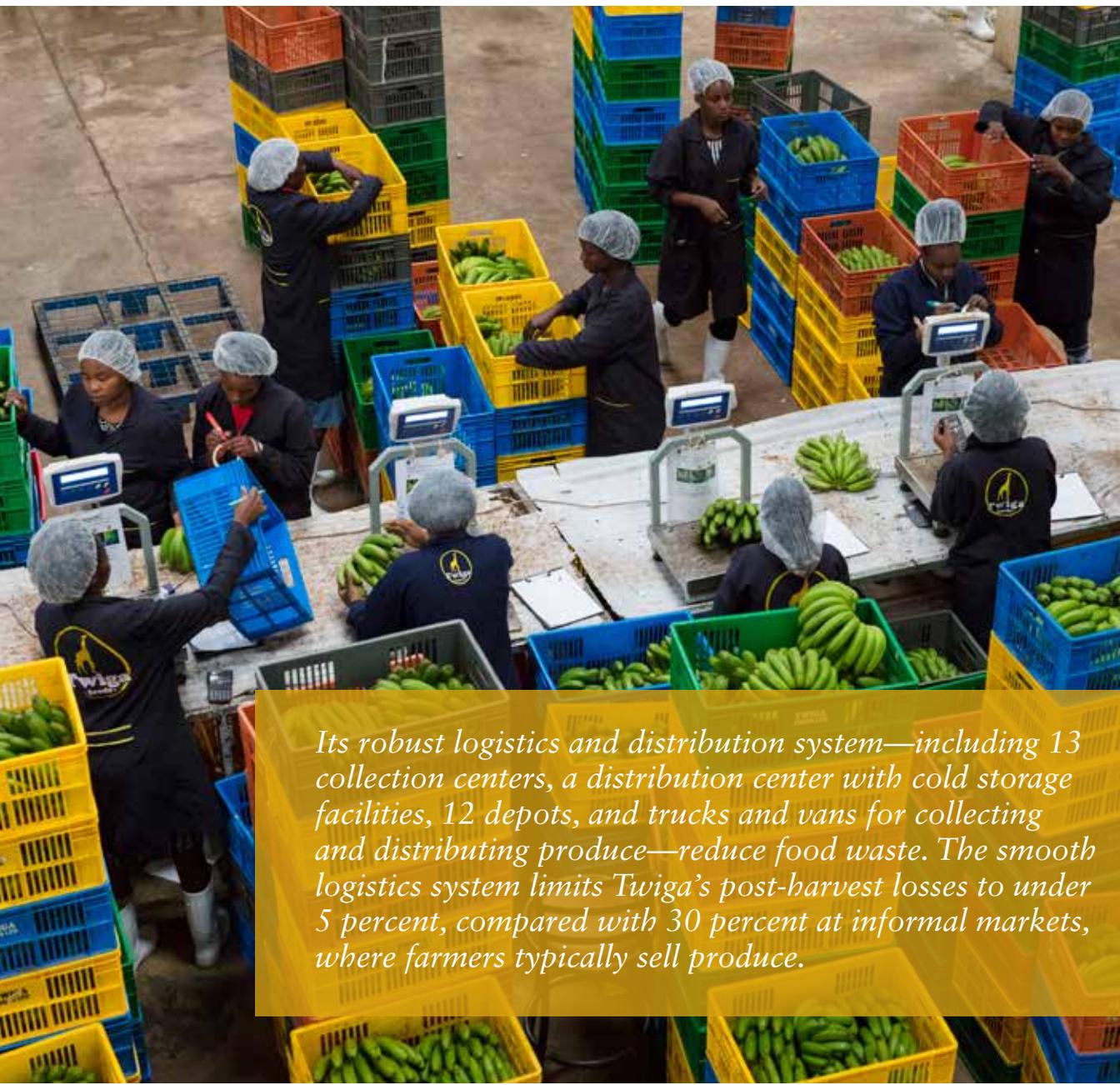
Traditionally, lack of reliable market access for smallholder farmers has impeded the economic development of rural areas because farmers often live far from the wholesale markets, and it is not feasible for them to deliver their produce directly. Highly fragmented systems encourage smallholders to navigate through farmer groups or brokers to get their produce to markets. Fluctuating, non-transparent prices are often the result.

One of Twiga's most important achievements has been to increase vendors' access to markets—a process that has

transformed business. Traditionally, fresh-fruit and vegetables are delivered by brokers to four Nairobi wholesale markets overnight. Informal vendors arrive before dawn to source produce before paying for a manual cart-pusher to deliver them to their stall. The process is inefficient, time-consuming, and expensive for informal vendors. But because Twiga delivers produce directly to the vendors' stalls, vendors save time and money.

More than 17,000 farmers and 8,000 vendors in Kenya now work with Twiga—which pays 20 to 40 percent more than brokers and farmer groups and delivers payment in full within 48 hours through mobile money transactions.

This helps farmers anticipate income and aids in financial planning.



Its robust logistics and distribution system—including 13 collection centers, a distribution center with cold storage facilities, 12 depots, and trucks and vans for collecting and distributing produce—reduce food waste. The smooth logistics system limits Twiga’s post-harvest losses to under 5 percent, compared with 30 percent at informal markets, where farmers typically sell produce.

PHOTO © Twiga Foods

STRENGTHENING FOOD SECURITY

Twiga also plays a critical role in helping Kenya achieve its sustainable development goals to achieve food security and promote sustainable agriculture. Its robust logistics and distribution system—including 13 collection centers, a distribution center with cold storage facilities, 12 depots, and trucks and vans for collecting and distributing produce—reduce food waste. The smooth logistics system limits Twiga’s post-harvest losses to under 5 percent, compared with 30 percent at informal markets, where farmers typically sell produce.

Twiga’s collection centers, which serve as transaction points for farmers, are staffed with agronomists who provide services that help farmers improve crop yields—and, by extension, their incomes. The company plans to add agricultural inputs distribution networks, farmer financial services networks, and access points for other basic goods. IFC helps ensure that Twiga is providing safer, more sustainable food for Kenyan consumers by providing training and on-site coaching to Twiga’s farmers. This will raise standards for domestic products, a new development in a country where previously only international goods set the standards for quality.



PHOTO © Twiga Foods

An African Entrepreneur is Revolutionizing Kenya's Supply Chain

Peter Njonjo, Co-Founder and CEO of Twiga Foods, sat down with GAFSP Private Sector Window's Daphna Berman at IFC headquarters in Washington D.C. recently to discuss the challenges facing African entrepreneurs, his decision to leave Coca-Cola, and why he needed to sell his Nairobi home in a quest to ensure that his vision for Twiga became a reality.

DAPHNA BERMAN: How did the idea for Twiga come about?

PETER NJONJO: Initially, my co-founder Grant Brooke and I wanted to export bananas from Kenya and though we got many orders from the Middle East, we quickly realized that we couldn't export even a single container. Farmers had no traceability or record-keeping, agronomic practices were poor, and there was a lot of informality in the farming sector. We realized we needed to pivot, and quickly saw how inefficient the sector was. Consumers in Africa spend about fifty

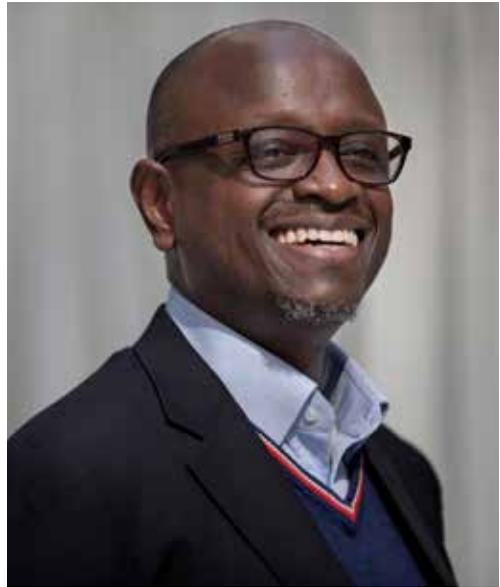


PHOTO © Dominic Chavez/ IFC

**PETER NJONJO
CEO, Twiga Foods**

percent of their disposable income on food and the source of this inefficiency is retail fragmentation: Nairobi has 6.5 million people fed by 180,000 individual retailers. In countries with a more consolidated retail market, consumers spend less on food. By using technology to aggregate the retail demand in the informal market, Twiga creates an efficient supply chain, so that we're able to supply lower cost and better-quality food to retailers.

DAPHNA BERMAN: What are some of the challenges that you've faced in making Twiga a success?

PETER NJONJO: Building a start-up on the continent is a significant challenge. When

we started Twiga, for example, I didn't have access to credit and couldn't lease distribution vans and so instead, I needed to buy them outright. That meant that instead of developing Twiga's intellectual property, I used my limited resources to create and develop an ecosystem to help my business grow. That's a huge hurdle for many businesses. In 2015, we had raised some money, but not nearly enough to unlock enough capital for Twiga, and so my wife and I agreed to sell our matrimonial home in Nairobi. I was working at Coca-Cola at the time and my wife had a very senior position at a Kenyan telecom company, and yet in addition to our life savings, we also needed to put our house on the market. Investors who are not familiar with emerging markets have a hard time understanding this ecosystem, but this is the reality for many African start-ups. This presents a huge opportunity for organizations like IFC, with support from blended finance, to provide an opportunity to create that ecosystem.

DAPHNA BERMAN: What convinced you to leave the security of Coca-Cola for a start-up?

PETER NJONJO: I had a very illustrious 21-year career with Coca-Cola and was one of the youngest business unit presidents in the company. But I could see that Twiga had gotten to a point where it needed more structure. My co-founder got Twiga off the ground, but we needed a strategy to continue growing. My experience at Coca-Cola is very valuable to a company like Twiga and since making the transition

to Twiga in April 2019, it's worked out very well. We've quadrupled our monthly revenue this year, which is testament to the fact that the opportunity is there. What we need is the organizational structure to help Twiga realize its vision.

DAPHNA BERMAN: How has your background at Coca-Cola prepared you this role?

PETER NJONJO: At Coca-Cola, we learned how to better distribute products in very small villages across the continent. I directly managed about 40 countries for Coca-Cola in Africa—an experience that helped me understand how to structure retail processes. Coke is a very well-distributed product across Africa because the company has done a great job in building a brand, creating demand, and ensuring momentum to support the distribution infrastructure.

Twiga now supplies high-velocity food such as bananas, potatoes, tomatoes, onions, and watermelons—foods that you find on the table every day. The idea is to leverage the velocity that exists in these foods to build a cost-effective distribution network. There's a strong parallel there with the work I've done previously at Coca-Cola, but it's also allowing me to leverage the expertise and knowledge I've accumulated over the last 20 years to lift up my community and remove barriers to commerce. Today, Twiga has about 8,000 retailers in our database, with some 4,000 active retailers ordering every day. And we have more than 17,000 farmers, which shows you that doing good can be good business. Businesses like ours

are changing lives on the ground and giving people opportunities to earn livelihoods where they could not before.

DAPHNA BERMAN: What's next for you and for Twiga?

PETER NJONJO: Over the next year, we are planning to expand across Kenya and have already lined up operations in Mombasa and Nakuru. We're also looking at an international expansion—either in East Africa or West Africa— and have just closed an additional round of financing.

DAPHNA BERMAN: What roles have GAFSP and IFC had throughout this process?

PETER NJONJO: IFC and GAFSP were instrumental in helping us overcome the

barriers that so many African entrepreneurs face. They have provided buying power that we've been able to harness for our retail aggregation. In addition to equity from IFC and GAFSP, IFC is putting together a guarantee that is available to local banks: farmers can then go to those local banks and borrow against that facility to better capitalize their farms, improve agronomic practices, and become more reliable suppliers for Twiga. IFC has given us a lot of credibility with different stakeholders and by virtue of their stature, they've provided us with a seat at the table when it comes to agricultural policy. Indeed, GAFSP and IFC have provided us far more than just financial backing, because as I like to say, not all money is created equal.



“IFC and GAFSP were instrumental in helping us overcome the barriers that so many African entrepreneurs face.”

PHOTO © Twiga Foods



152,000

**FEMALE FARMERS HAVE BEEN REACHED THROUGH
PRIVATE SECTOR WINDOW INVESTMENTS.**

PHOTO © Chor Sokunthea / World Bank

Closing the Gender Gap

Women—who produce more than half of the world’s food—are the beating heart of agricultural productivity.

Yet most women farmers toil in relative obscurity, shut out from land ownership, lacking market price information and agricultural inputs. They tend to have smaller plots of land and have to travel long distances to market. As a result many female farmers are less productive and miss out on valuable earnings, money that could feed their families and educate their children.

The Private Sector Window of GAFSP is committed to helping women farmers raise their productivity profile through gender relation actions attached to many of our projects. To date, more than 152,000 female farmers have been reached through our investments.

Gender focus is now a driving force in all Private Sector Window projects. Before we agree to a new investment, our staff will

undertake a thorough gender assessment as part of the appraisal process. With specialized training from IFC’s gender team, our Private Sector Window staff can help GAFSP’s corporate clients understand the importance of including women in their value chain.

By allowing women the same access to agricultural resources as men, the Food and Agriculture Organization of the United Nation estimates that women’s agricultural yields would increase by 20 to 30 percent over current levels. With GAFSP private sector support, we are committed to increasing the participation and impact of women in the global agricultural value chain.



**MALI IS THE WORLD'S
SECOND LARGEST
PRODUCER OF THE SHEA
NUT, AND ACCOUNTS
FOR APPROXIMATELY 20
PERCENT OF THE GLOBAL
SUPPLY OF SHEA.**

PHOTO © Bioversity International/B.Vinceti

As Mali's Shea Nut Industry Takes Root, Women Farmers Find a Market

Every day during shea season, Hawa Sidibé walks four to seven kilometers to collect shea nuts to sell to traders. A lack of transportation to the fields is one of the many challenges that Sidibé – president of the Shea Cooperative of Gouandiaka, in Sikasso, southern Mali – and other members of her cooperative face as they try to earn a living.

Until recently, an even bigger challenge was finding regular buyers for the cooperatives' shea nuts. Demand isn't the issue: Mali is the world's second-largest producer of the shea nut, and accounts for approximately 20 percent of the global supply of shea. Shea butter is used as a cocoa butter equivalent in cosmetics and in the food industry.

But a lack of technology and modern industry means that Mali produces virtually no industrial shea butter. Most of Mali's shea nuts are sold raw or processed locally into low-quality artisanal shea butter, keeping the country on the fringes of the lucrative and fast-growing industrial shea butter market. For a conflict-affected country like Mali, where over 42 percent of the population lives in poverty, this is an opportunity lost—especially for the approximately one million mostly poor, rural women who work in Mali's shea value chain.

To support these farmers, IFC is providing a loan of €2.5 million to Mali Shi—a shea nut processing company based on the outskirts

of Mali's capital, Bamako. The financing will enable Mali Shi to build the country's first active modern shea butter processing plant, increasing incomes for the 120,000 shea producers who supply nuts to the company. Over 95 percent of these producers are women, for whom the secure livelihood is critical, as it pays school fees for children and household expenses.

The financing from IFC includes funding from the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP), which allows IFC to invest in riskier projects with strong development impact.

As part of IFC's work to strengthen Mali's ability to process shea nuts locally, IFC will offer training in business skills, finance, and management to members of 100 women-led cooperatives that work with Mali Shi. IFC will also help the company improve energy efficiency, environmental and social management, traceability of its products, and international food safety standards.



PHOTO © Jonathan Ernst / World Bank

THE PROJECT IS EXPECTED TO INCREASE INCOMES FOR THE 120,000 SHEA PRODUCERS WHO SUPPLY NUTS TO THE COMPANY, MORE THAN 95 PERCENT OF WHOM ARE WOMEN.

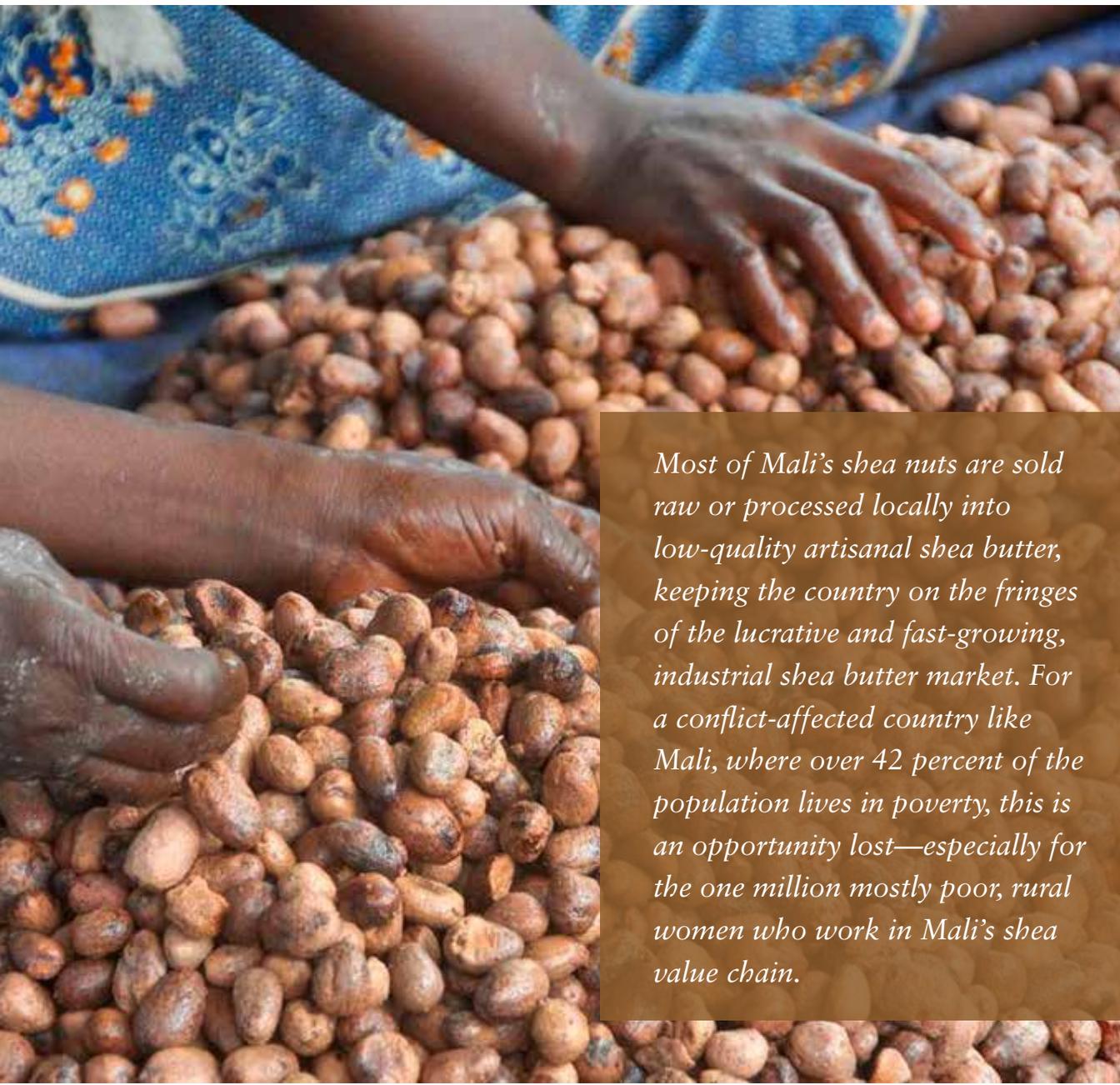
Mali Shi's partnership with the Gouandiaka Cooperative "brings a lot of hope for us," Sidibé says. "Before, we were not able to sell our shea, whereas now we are sure to have a buyer for the long run."

IFC's investment and guidance also strengthen Mali Shi as it plans for a new phase of growth. "IFC's financing and technical assistance will help us meet international standards in an industry where our international clients' quality requirement is very high," says Simballa Sylla, the Managing Director of Mali Shi.

The investment in Mali Shi received on-the-ground support from IFC's Conflict Affected States in Africa Initiative, which is backed by Ireland, the Netherlands, and Norway.

In parallel with IFC's support, the World Bank will provide competitive grants to shea cooperatives—helping them buy equipment, build storage infrastructure, and benefit from technical training to improve the quality of the shea kernels to be processed. The investment will help professionalize Mali's shea cooperatives and boost incomes in the long term.

Building agricultural productivity is critical for Mali, which ranked 182nd out of 188 countries on the 2018 United Nations Human Development Index. Ninety percent of Mali's poor people live in rural areas, and drought, instability, and conflict have increased the incidence of poverty.



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PHOTO © iStock/ KSKImaging





*Improving
Access to finance*

Cocoa Cooperatives— and their Farmers—Get a Sweet Start

By his own admission, Kouassi Yao Hervey's cocoa cooperative in Côte d'Ivoire used to be in total disarray: The division of labor was unclear, the cooperative's finances were opaque at best, and "everyone stepped on each other's toes," he recalls.

That all started to change in 2016, when Hervey enrolled in the Cargill Coop Academy, an educational program for cocoa cooperative managers that attendees describe as a cross between a mini-MBA and an organizational boot camp.

What followed—a transformation he likens to a “rebirth”—has allowed his cooperative's bean production to grow by more than 130 percent in just two years. “The Coop Academy compelled us to build a structure, which not only changed our lives, but also the lives of the farmers,” says Hervey, who is chairman of his cooperative's Board of Directors.

The Academy, which is supported by IFC in partnership with leading cocoa company Cargill, has reached an estimated 52,000 farmers across Côte d'Ivoire since it was launched in 2013, training more than 850 cooperative leaders. A pilot launched in 2016 as part of the program is also allowing farmers to receive cocoa premium payments digitally—a process that has removed cash from the process and, in doing so, provided

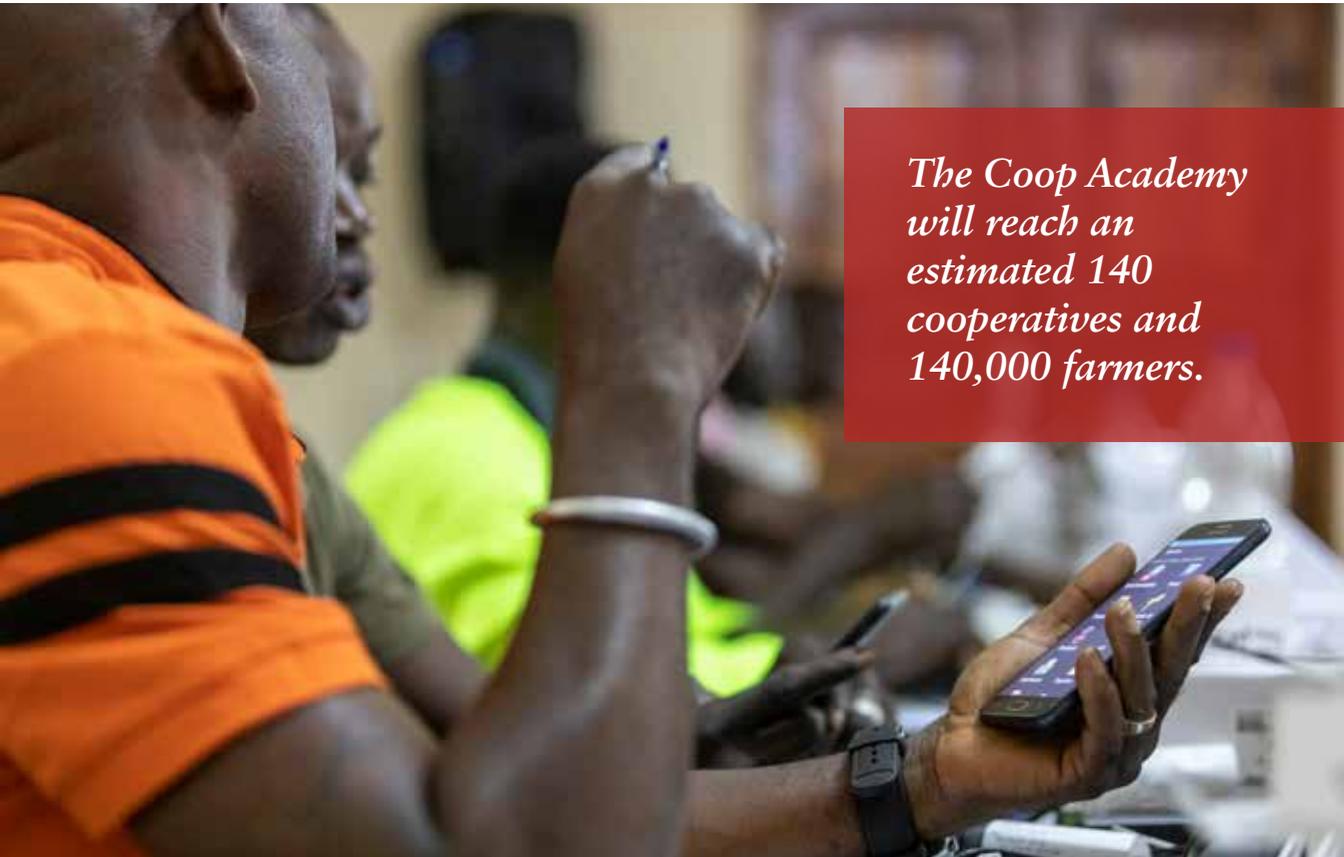
safety to thousands of cooperative staff and members.

These programs—the first of their kind—are now being scaled up with support from the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP). The Academy will reach an estimated 140 cooperatives and 140,000 farmers. The digital payment component has already benefited 10,000 farmers and is expected to reach a total of 60,000 in the next few years.

“In just a few years, the cooperatives we've trained have become more profitable and more sustainable, which has helped farmers, changed lives, and created positive impacts on dozens of rural communities,” says Lionel Soulard, Cargill Cocoa & Chocolate's managing director for West Africa. “We're creating a virtuous cycle: cooperatives have become more professional and so farmers have put more trust in them. As a result, the cooperatives play an increasingly important role in the community.”

According to Soulard, the expansion, called Coop Academy 2.0, will allow cooperative leaders the opportunity to grow their skillset and receive training in digital finance, sustainability, and navigating commercial credit systems, while also increasing traceability and security. The programs are also tailored to train and coach women leaders in the cocoa sector and bring participants to “the next level of professionalism and traceability,” he says.

The next phase of the project ramps up IFC’s efforts to focus on professionalization, gender, and digital payments at a larger scale. Women—who have traditionally been excluded from access to training, inputs, and education within the cocoa sector—will receive entrepreneurship training and women’s group leaders will receive additional training and coaching on group management and group-level entrepreneurship. They will learn ways to generate income, both individually and as



The Coop Academy will reach an estimated 140 cooperatives and 140,000 farmers.

PHOTO © Courtesy of Cargill

formal groups, and increase their collaboration with the local cocoa cooperatives.

According to Soulard, the success of the cooperatives has been significant: The ScopeInsight Basic assessment tool, co-developed by IFC and SCOPEInsight, an independent agricultural ratings agency, to measure professionalism in cooperatives, found that nearly three-quarters improved their professionalism, with an average score increase of about 20 percent. Also, many cooperatives have become autonomous, and four are now direct exporters, because professionalizing them has given them tools to drive their own economic growth and sustainability. In a country where the agricultural sector accounts for around 20 percent of GDP and nearly 50 percent of the workforce, most of whom are small farmers, the potential is enormous.

“The changes made were visible and measurable immediately,” says Kouassi Kra, a cocoa farmer and cooperative leader who graduated from Cargill Academy in 2017. Kra remembers watching new trucks whiz by his small farm, marveling at their speed and efficiency, and dreaming of opportunities that seemed beyond reach. Because of his participation in the program, Kra’s cooperative became eligible to acquire new trucks through a three-year leasing deal, structured through a facility supported by GAFSP in which lending risks are jointly shared by Cargill, IFC, and the Société Ivoirienne de Banque (SIB), one of the country’s largest banks.

The program, called Doni Doni (“step by step” in the Dioula language) provides affordable interest rates and has helped ease the logistical nightmare that had plagued many smallholder farmers as they struggled to get their cocoa beans to market. Close to 90 cooperatives have leased 268 new vehicles, which has meant fewer breakdowns and lower fuel costs.

“Of course, our cooperative existed before Coop Academy, but now, a beautiful internal and external revolution has taken place,” Kra says. “Today, we are destined for development and success.”





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PHOTO © Courtesy of Cargill

Helping Smallholders Weather the Effects of Climate Change in Honduras

Until recently, farmers like Older Rivera had few options in the weeks before planting season in Honduras began: He could borrow money from neighbors or relatives to cover seed and fertilizer costs, with the hopes of repaying the loan after harvesting. But more often, Rivera and neighboring smallholders were at the mercy of commercial intermediaries, who charged sky-high interest rates that locked farmers into a financial spiral that, by all accounts, was difficult to escape.

It's a challenge that has grown in recent years across Honduras, where drought, climate change, and plummeting coffee prices have left agricultural workers across this mountainous central American country reeling.

But that's starting to change. With support from the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP), IFC recently launched a partnership with the Cadelga Group, one of the largest distributors of agricultural products and services in Honduras.

The advisory services project has enabled Cadelga to create a new department, AgroMoney, which provides loans to smallholders in the form of fertilizer, seeds, and irrigation technology. As part of the program—the first microcredit package of its kind in Central America—farmers receive inputs, as well as training, and later repay

the loans with competitive interest rates similar to what they'd receive in the formal banking sector.

"I feel very happy because I had never had the opportunity to receive a credit before AgroMoney," Rivera, a coffee, green bean and tomato farmer from Santa Barbara, said.

According to Mateo Yibrin, Cadelga Group's CEO, the company previously explored selling to small farmers, but needed IFC expertise to make it happen. "We tried for more than a decade to get into microloans with smallholders, but we lacked the process, policy, methodology and strategy," he said.

Until recently, Cadelga was best known for selling agricultural supplies to large and medium-sized farms across Honduras and other parts of Central America. But microloans hold tremendous opportunity



“By 2050, this part of the world won’t have enough land to feed the entire population and so this is an important solution to help address the challenge of food security head on. We need to empower smallholders to feed themselves, their families and the rest of us.”

PHOTO © Dominic Chavez / IFC

40%

NEARLY 40 PERCENT OF HONDURAS' 9.2 MILLION PEOPLE WORK IN THE AGRICULTURAL SECTOR AND SMALLHOLDERS MAKE UP SOME 70 PERCENT OF THE AGRICULTURAL COMMUNITY

for the company: Nearly 40 percent of Honduras' 9.2 million people work in the agricultural sector and smallholders make up some 70 percent of the agricultural community, farming low-profit crops such as bananas, plantains, rice, maize, and beans. Land reforms in the country have left land ownership largely unconcentrated and so unlike neighboring Guatemala, most of the country's land is in the hands of smallholders who farm on less than a hectare of land.

But reaching these small-scale farmers—about two million people— has been a challenge. Just 45 percent of the population in Honduras has a bank account, one of the lowest levels of financial inclusion in the region, according to the 2017 Global Findex. In rural areas, the situation is even more complicated: Farmers lack the collateral and financial literacy needed to access credit and interact with the formal banking system. Banks, meanwhile, see the smallholder space as too risky. And as Yibrin noted, the country's topography makes it all the more difficult: few bankers want to travel into the mountains along bumpy dirt roads to process a loan of just \$1,500.

The AgroMoney pilot, launched in March 2019 in the Santa Barbara region and rolled

out to the Comayagua region in August 2019, has provided 664 loans to smallholder farmers totaling some US \$1 million. As part of the program, smallholder farmers get a credit line approved, but they only pay interest on the amounts they've used—which keeps costs low. The project aims to reach more than 4,400 farmers by 2021, with plans to expand throughout Honduras in the coming years.

Providing access to better fertilizer and better seeds, alongside technology to establish water-efficient drip-irrigation systems has helped farmers increase crop productivity and quality despite the drought, which is boosting resilience in the face of climate change.

As part of the loan, farmers also receive training in crop diversification and upgraded irrigation techniques, which helps offset the effects of drought. For farmers like Andrés Pineda, the impact has been dramatic. Though he's farmed coffee, cucumbers and sweet peppers for more than 12 years, "AgroMoney is the only one who has helped my farm when I needed it, and in a timely manner," he said.

According to Ary Avila, who heads the AgroMoney division, providing access to

better fertilizer and better seeds, alongside technology to establish water-efficient drip-irrigation systems, has helped farmers increase crop productivity and quality even despite the drought—all of which is boosting resilience in the face of climate change. “We are increasing productivity, revenue and wellbeing,” he said, and in doing so, “breaking the cycle” that so many farmers had been trapped in previously.

IFC is also working with Cadelga to strengthen its network of retailers—nearly 30 stores in the two pilot regions, many of which are family-owned and lack the managerial and customer service skills to grow their business. The project assesses the retailers’ needs and provides training and coaching alongside timely advice on

best agricultural practices—all of which helps ensure that these small businesses can serve rural communities. Through this work, Cadelga is helping build a more efficient, inclusive and sustainable distribution network in Honduras to reach more smallholder farmers.

Yibrin, the Cadelga CEO, says that the project is continuing to improve lives, while also playing an important strategic role in the region.

“By 2050, this part of the world won’t have enough land to feed the entire population and so this is an important solution to help address the challenge of food security head on,” he said. “We need to empower smallholders to feed themselves, their families and the rest of us.”



PHOTO: © Maria Fleischmann / World Bank



PHOTO © Karel Prinsloo/IFC



*Supporting agribusiness and
agri-finance projects that
commercial investors deem too
risky is what GAFSP Private
Sector Window does best.*

Global Agriculture and Food Security Program (GAFSP) is a demand-led and recipient-owned global partnership and a cost-effective and flexible multilateral financing mechanism dedicated to fighting hunger, malnutrition and poverty in developing countries. In line with Sustainable Development Goal 2 (SDG2), GAFSP supports resilient and sustainable agriculture that benefits and empowers poor and vulnerable smallholder farmers, particularly women and youth. The GAFSP Private Sector Window, managed by IFC and supported by the governments of Australia, Canada, Japan, the Netherlands, the United Kingdom and the United States, provides long- and short-term loans, credit guarantees, and equity as well as technical assistance to private sector companies and financial intermediaries in eligible IDA countries. It supports projects that improve productivity and growth, deepen farmer's links to markets and access to finance, and increase capacity and technical skills.

International Finance Corporation, a member of the World Bank Group, is the largest global development institution focused exclusively on leveraging the power of the private sector to tackle the world's most pressing development challenges. Working with private enterprises in more than 100 countries, IFC uses its capital, expertise, and influence to help eliminate extreme poverty and promote shared prosperity.

For more information, visit www.gafspfund.org or www.ifc.org/GAFSP.

