
Investment proposal
United Republic of Tanzania
Farmers' Organisations Financing Program –
Tanzania (FOFP-T)

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 34.

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Investment Proposal: Farmers' Organisations Financing Program – Tanzania (FOFP-T)

I. Key data on investment proposal

Project Name	Farmer Organizations Financing Program - Tanzania (FOFP-T)
Geographic Focus	Tanzania
Private Sector Borrower	CRDB Bank Plc (CRDB) is a commercial bank licensed by the National Bank of Tanzania
Technical Partner	Aceli Africa Inc
Financiers	<p>IFAD Private Sector Trust Fund:</p> <ul style="list-style-type: none"> • Senior loan of US\$9,000,000 to CRDB composed of Private Sector Trust Fund resources of US\$6,000,000 and Global Agriculture and Food Security Program's (GAFSP) Business Investment Financing Track (BIFT)¹ resources of US\$3,000,000 • Grant for technical assistance (TA) of US\$1,200,000 to CRDB financed from GAFSP BIFT² • Grant for first loss of US\$1,800,000 to Aceli Africa for the benefit of CRDB financed from GAFSP BIFT. Provision of an additional US\$200,000 to cover direct costs to Aceli Africa, and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein <p>CRDB (expected cofinancing):</p> <ul style="list-style-type: none"> • Senior loan: US\$9,000,000
Senior Loan Total Amount	US\$9,000,000 from IFAD to CRDB
Risk Sharing Grant	US\$1,800,000 grant for first-loss from IFAD to CRDB through selected technical partner Aceli Africa. Additional US\$200,000 to cover the direct cost of Aceli will be financed from GAFSP through the 5% IFAD PSTF direct cost (not part of the grant for first-loss)
TA Facility Grant	US\$1,200,000 TA Grant from IFAD to CRDB
Borrower Cofinancing	Minimum US\$9,000,000 by the Borrower
Total Financing	US\$21,000,000
Summary Lending Terms of IFAD	<ul style="list-style-type: none"> • Loan Amount: US\$ 9,000,000 • Currency: US\$ • Interest Rate: 3% p.a. fixed; • Interest Payments: semi-annually • Tenor: 7 years

¹ GAFSP has approved funding request on 19 February 2026 (Approval Notice Appendix 8). From overall US\$6,000,000 financing from GAFSP BIFT, additional 5 per cent represents IFAD Private Sector Trust Fund direct cost and 8 per cent supplementary funded administration fee.

² As per GAFSP BIFT guidelines, technical assistance may account for a maximum of 20 per cent of the non-sovereign operation.

Financing (Loan)	<ul style="list-style-type: none"> • Principal Grace Period: 3 years • Principal Repayment: Semi-annual repayments in years 4 – 7. CRDB is fully liable to repay the credit line in its entirety. • Disbursements: 2 disbursements, both of which subject to the fulfilment of CPs • Front-end fee: 0.75% of the total principal amount of the IFAD Financing, which is payable no later than thirty (30) days after the signing of the financing agreement and prior to the first disbursement • Commitment fee: 0.75% per annum on the undisbursed portion of the second tranche of the loan. This fee shall begin to accrue from the date the first tranche is value dated in IFAD’s system and will continue until the amount is either disbursed or cancelled • Seniority: Senior • Availability period: 36 months commencing from the date of execution of the Financing Agreement
Governing Language and Law of Financing Documents	<p>English Language</p> <p>English Law / General Principles of International Law (for the grant agreements)</p>

II. Introduction

1. **Regional and sectorial context.** Tanzania is a lower-middle-income country where agriculture contributes about 26% of GDP and employs over 65% of the population.³ Despite steady and strong agricultural potential, rural poverty and food insecurity remain high, particularly among households reliant on rain-fed agriculture. Smallholder farmers dominate key food crop value chains but face low productivity and weak market integration due to climate vulnerability, limited access to inputs, finance, technology, and poor infrastructure. These constraints disproportionately affect smallholders, women, and youth, limiting the sector’s contribution to inclusive rural growth.
2. **Role and constraints of AMCOs.** The country has a large and growing ecosystem of registered cooperatives, including 2,486 Savings and Credit Cooperatives (SACCOs) and 4,391 Agricultural Marketing Cooperative Societies (AMCOs).⁴ AMCOs are becoming increasingly important intermediaries for financial inclusion largely driven by the integration of mobile and digital platforms (BoT, 2024).⁵ They facilitate access to credit by providing group guarantees and credit information and by linking smallholder farmers to banks and MFIs. Beyond their financial role, AMCOs help organize farmers for collective input purchases and marketing, promote sustainable farming practices, support adaptation to climate change, and act as an advocacy voice for smallholders through national and regional cooperative bodies such as the Tanzania Federation of Cooperatives (IFAD, 2023⁶). Despite this potential, an estimated 70% of AMCOs’ financing needs remain unmet, particularly among those involved in less formalized value chains (BoT, 2024⁷).

³ <https://www.icrallc.com/wp-content/uploads/2024/11/Tanzania-Business-Industry-Overview.pdf>

⁴ They are registered under the Cooperative Societies Act (2013) and supervised by the Tanzania Cooperative Development Commission (TCDC), under the Ministry of Agriculture. If they engage in financial intermediation, they are additionally regulated under the Microfinance Act (2018) by the Bank of Tanzania.

⁵ Bank of Tanzania (BoT) (2024). Annual Report 2023/24: Financing the Agricultural Sector and Financial Inclusion Trends. Dar es Salaam: Bank of Tanzania.

⁶ IFAD. (2023). Rural Institutions and Cooperative Development in East Africa: Tanzania Country Report. Rome: International Fund for Agricultural Development.

⁷ Ibid.

This is largely driven by governance and capacity gaps, reducing their credit worthiness and trust between AMCOs and financial institutions (TCDC, 2024).⁸

3. **Gender and Youth Dimensions.** Women and youth are central to Tanzania's agricultural economy but remain constrained by structural and social barriers. Women contribute the majority of food production yet remain concentrated in low-productivity farming with limited access to inputs, extension services, and market information. Youth (16–35), despite making up over 65% of the population,⁹ face unemployment (21%)¹⁰ and limited engagement in agriculture due to constraints in land, finance, cooperative membership/ leadership, as well as social norms that increase unpaid responsibilities. Addressing these constraints is essential for achieving inclusive rural transformation.
4. **Problem statement.** AMCOs' ability to drive agricultural growth in Tanzania is constrained by limited access to finance, due to limited bankability, high transaction and monitoring costs for financial institutions, especially where infrastructure and digital connectivity are weak. This financing gap forces AMCOs, their smallholder members, and other linked value chain actors out of formal credit markets, limiting investment in productivity and marketing.
5. **Proposed solution.** To address these constraints, IFAD has designed the Farmers' Organisations Financing Program – Tanzania (FOFP-T), a blended finance initiative that mobilizes US\$21 million in total financing, designed to address systemic barriers to financial inclusion for AMCOs and smallholder farmers in Tanzania. The program includes a US\$9 million senior loan from IFAD to CRDB Bank (CRDB), matched by US\$9 million in co-financing from CRDB, alongside a US\$1.8 million first-loss grant managed by Aceli Africa and a US\$1.2 million technical assistance grant for CRDB. Lending flows are expected to reach recipients through four lending channels: (i) 32.5% direct lending from CRDB to AMCOs for working capital and investments; (ii) 15% indirect lending via local financial intermediaries to extend access to more remote AMCOs and AMCO members; (iii) 32.5% direct individual or group loans to AMCO members; and (iv) 20% value-chain financing arrangements through lead agribusinesses off-takers.
6. **The Borrower:** Originally established in July 1984 as the Cooperative Rural Development Bank (CRDB) of Tanzania; following the government's privatization program, it was transformed into CRDB Limited in 1996 and subsequently re-registered as CRDB Bank Plc upon its public listing on the Dar es Salaam Stock Exchange in 2009. CRDB Bank Plc is Tanzania's largest commercial lender by assets¹¹, with 251 branches nationwide and a strong financial position. In FY2024, CRDB reported assets of TZS 15.9 trillion (US\$ 6.8 billion), profits of TZS 527 billion (US\$ 230 million), ROE of 28.1%, and a low group NPL ratio of 2.94%, with a Moody's rating of B1/Stable.¹² The bank operates Tanzania's largest agricultural lending portfolio—about TZS 2.94 trillion (US\$ 1.13 billion), representing over 45% of national agricultural lending—and currently finances over 600 AMCOs, reaching more than 750,000 smallholder farmers. While its AMCO lending remains concentrated in export-oriented cash crops, CRDB aims to scale up financing to nutritious food crop value chains, supported by its strong capital base, prudent risk management systems, and expanding digital agri-finance platforms.

⁸ Tanzania Cooperative Development Commission (TCDC). (2024). National Cooperative Development Report 2023/24. Dodoma: Ministry of Agriculture.

⁹ Ibid.

¹⁰ National Bureau of Statistics (NBS) (2023). Tanzania Labour Force Survey 2022. Government of the United Republic of Tanzania.

¹¹ Tanzania Invest. [Source](#).

¹² [Our Group | CRDB Bank PLC](#) and [Annual Report 2024](#). More information on the Borrower available in Appendix 5.

III. The proposed NSO

7. **Overarching goal.** The overall Development Goal of the FOPP-T is to enhance food security and increase the incomes of over 38,000 rural smallholders. To achieve this, the FOPP-T objective is to professionalise and enhance access to finance for an estimated 143 AMCOs, over 10,000 AMCO members, and other value chain actors, by catalysing funds for agriculture lending, combined with de-risking solutions including capacity building, including for digitalization.
8. **Target group.** The FOPP-T will focus primarily on improving access to finance for food-crop AMCOs, which already have formal registration and basic organizational structures. The program will also extend financing to smallholder farmers who are members of these AMCOs, as well as to lead Agri-SMEs and MSMEs whose operations strengthen the value chains in which AMCOs participate (see Appendix 6). Lending will be provided directly by CRDB to eligible AMCOs, Agri-SMEs, and indirectly through wholesale credit lines to MFIs and SACCOS, supported by targeted technical assistance. This blended approach will allow CRDB to reach higher-risk yet high-impact segments—such as smallholders and emerging cooperatives—that are typically underserved by conventional banking models. To maximise mutual complementarity with the IFAD sovereign portfolio, this operation will focus on geographic areas where IFAD-financed projects are currently active, targeting at least 20% of end clients from these IFAD-supported projects.
9. **Targeted value chains:** By targeting priority value chains with a nutrition-sensitive approach – including food crop value chains including maize, beans, rice, cassava, potatoes, dairy, fishery, horticulture, sesame, sunflower – FOPP-T supports the growth of sectors critical to food security and nutrition in Tanzania. The program will contribute to making nutritious food more available, affordable, and accessible for both rural and urban consumers. The value chains under consideration are aligned with FAO’s framework on nutrition-sensitive value chains and Global Alliance for Improved Nutrition’s (GAIN) metrics on nutrient-dense food systems. CRDB will report on loans disbursed per value chain, allowing the facility to monitor and demonstrate its contribution to nutrition-sensitive outcomes.
10. **Project components.** The FOPP-T is structured around **three interconnected components** designed to address financial, institutional, and risk-related barriers faced by AMCOs, smallholders, and value chain actors in Tanzania.
11. **Component 1: Catalytic Funding for Investments.** IFAD will provide a US\$ 9 million senior loan to CRDB, matched by US\$ 9 million from CRDB in local currency, creating US\$ 18 million in loanable resources. The senior loan will have a total maturity of up to seven years, including a 3-year grace period and disbursement of funds within a 36-month period.
12. CRDB will implement strategies to ensure uptake and sustainability, including:
 - Tailored financial products aligned with agricultural cycles.
 - Implementing more flexible collateral policies (e.g., off-take contracts, FO-owned assets).
 - Lowering cost of financing (concessional pricing passed to end users).
 - Incentives for branch staff to originate agri-AMCO loans.
 - Prioritization of VCs with strong market linkages and proven repayment potential (e.g., dairy, fisheries, food crops).
 - Lending will be delivered directly or via intermediaries (MFIs, SACCOS, FinTechs, VC lead firms).
13. **Component 2: Capacity Building and Digitalisation to Enable Access to Finance.** A US\$ 1.2 million TA grant will support both supply- and demand-side capacity. CRDB has been chosen to manage the TA facility and will take on the responsibility to hire local service providers in alignment with IFAD procurement

requirements. Interventions will focus on three pillars¹³: (i) institutional strengthening for CRDB; (ii) capacity building to end clients; and (iii) robust monitoring and governance to ensure quality, accountability, and learning. Cutting across all three areas, digitalization will enhance service delivery, efficiency, and financial transparency. The overarching objective is to build an ecosystem in which AMCOs are bankable and digitally connected, and CRDB is equipped to serve them sustainably with tailored financial products.

14. On the supply side, sub-component 2.1 will strengthen CRDB's ability to deliver inclusive, climate-resilient rural finance by aligning its agribusiness strategy and risk systems with FOFP-T goals, upgrading digital and data systems, and delivering comprehensive staff training with the aim to increase active participation of this target group. Likewise, digitized credit processes, enhanced IT systems, and new gender-, youth-, and climate-responsive products will expand outreach and improve efficiency. A robust M&E system and quarterly reporting will ensure accountability and track progress, including monitoring of AMCOs performance (e.g., NPL, creditworthiness), particularly their graduation toward accessing commercial financing.
15. On the demand side, sub-component 2.2 will enhance the capacity of AMCOs, agribusinesses, and farmers through strengthened governance, financial literacy, digital tools, and climate-smart production support. Training will be provided over the first three years of NSO implementation to AMCOs boards and members, with legal compliance support for selected cooperatives and peer learning opportunities. Digital systems, devices, and advisory platforms will improve record-keeping, market access, and service delivery, alongside workshops and demonstration plots aimed at increasing productivity by at least 20%.
16. Sub-component 2.3 includes activities of project monitoring, governance, and learning systems ensure accountability, transparency, and evidence-based decision-making. This includes project steering and oversight mechanisms, audits, baseline and endline surveys, and data-sharing frameworks. Together, these measures support adaptive, evidence-based management, tracking of results on financial inclusion, productivity, and the long-term sustainability of an ecosystem in which AMCOs are bankable, digitally connected, and effectively served. AMCOs' performance (e.g., NPLs, creditworthiness) and access to finance will be closely monitored and reported.
17. A preliminary TA Plan with budget allocation has been provided in Appendix 7.
18. **Component 3: Risk Management Solutions for Sustainable Financing.** To expand lending to FOFP-T's higher-risk target groups, IFAD will provide a US\$ 1.8 million first-loss grant to Aceli Africa Inc to further enhance the existing partnership with CRDB. The IFAD grant will be channelled through Aceli into an Aceli-managed reserve account held at CRDB.
19. Aceli will cover the first 2-9 % of principal losses¹⁴ on eligible loans—averaging around 5 %—thereby enabling coverage of up to US\$ 36 million in loans and achieving a roughly 20-to-1 leverage effect. Under Aceli's incentive model, lenders build a reserve account as loans are registered, with coverage tied to new borrowers, informal value chains, and impact criteria such as gender, climate resilience and food security. This risk-sharing structure lowers the financial barrier and aligns the lender's incentives with inclusive outcomes. The CRDB must demonstrate reasonable recovery efforts before accessing the reserve, and any unused funds will be returned to IFAD at the end of the loan term.

¹³ TA budget breakdown could change subject to conversation with CRDB Bank (implementing entity of TA).

¹⁴ Aceli's loss coverage methodology allocates first-loss protection based on borrower profile (new vs. returning) and alignment with defined impact criteria, with higher coverage for first-time borrowers meeting more impact objectives and lower coverage otherwise.

20. The first-loss grant from IFAD (financed from GAFSP BIFT) is complemented by additional guarantees from the African Guarantee Fund (AGF) and the PASS Trust, which can cover up to 70% of loan values. The remaining collateral is expected to be provided by farmers, often through land or group guarantees facilitated by SACCOs or AMCOs.
21. **Expected outcomes.** The main outcomes to be achieved by the end of the FOFP-T 7-year implementation include:
- a. An estimated 143 AMCOs and over 10,000 smallholder farmers (AMCO members), are enabled to access commercial loans and strengthen their institutional governance.
 - b. Approximately 38,000 smallholder members (AMCO members or individual smallholders) are expected to be reached and will benefit from improved access to inputs, aggregation services, and markets.
 - c. Of these, 30% women and 15% youth will benefit.
 - d. Actors linked to AMCOs in the VCs are strengthened with (i) Business Development Services for 23 linked agri-SMEs, of which 18 are expected to receive loans; (ii) Direct loans to an additional 10,000 smallholder AMCO member through CRDB or intermediaries
 - e. An estimated 400 AMCO leaders are successfully professionalized with trainings in AMCO governance structure, strong leadership, robust internal AMCO policies, internal accountability mechanisms, digital financial record-keeping, sound financial management, and transparent handling of funds and resources.
 - f. The TA will strengthen CRDB's capacity to finance food-crop agricultural value chains while improving the operational and financial readiness of AMCOs and value chain players. This includes assessing and segmenting AMCOs, prioritizing those near ready for bankability for tailored training and coaching, enhancing CRDB staff capability through a Training-of-Trainers model, and supporting digital financial inclusion, product innovation, and climate-smart agriculture.
 - g. A comprehensive Results Framework is available in Appendix 1.
22. **Sustainability:** FOFP-T is structured to ensure a long-term shift in the approach of financing AMCO and AMCO members after the concessional period by integrating farmer-group lending into CRDB Bank's mainstream business model. The shift toward full commercialisation will be supported by delivering additional capacity building (both on demand and supply side), digitalization of credit assessment, onboarding, and repayment. Parallel capacity building under Component 2 will reduce transaction costs for both sides of the market: CRDB will strengthen its agriculture credit systems, while AMCOs will improve governance, record-keeping, and digital readiness, enabling them to transition from grant-dependent entities to bankable clients. By the end of the concessional phase, all subsidy elements—pricing incentives, TA-linked risk cover, and reporting support—will be phased out, leaving a commercially viable FO-lending model anchored in CRDB's own capital and internal risk processes. The approach aligns with IFAD's principles of prudential finance and sustainable markets, ensuring concessionality is temporary, targeted, and does not distort markets. CRDB retains meaningful financial exposure throughout implementation, reinforcing ownership and accountability. Incremental lending and additionality will be tracked through a ring-fenced FOFP-T portfolio, clearly separated from existing CRDB agricultural lines and DFI-supported facilities, preventing overlap or double counting.

IV. Structure and Governance

23. **Governance Structure and Oversight:** CRDB has a formal governance structure aligned with Bank of Tanzania (BOT) requirements. Its Board of Directors comprises 12 members, with a clear separation between the Chair and the CEO, enhancing independent oversight; the Board is predominantly independent and non-executive, with specialized committees for credit, risk, audit, and governance. The Board has also established policies and procedures on conflicts of interest and related party transactions, with regular declarations and reviews, and no material related party lending to Board or management has been identified. The bank operates under Basel II/III principles and BOT prudential regulations.
24. **Management:** CRDB's agribusiness team is well-qualified, with strong client engagement and a growing lending pipeline. It comprises specialized business and credit officers, agribusiness relationship managers across regional branches, rural agri loan officers, and a central support team for products, risk, digital tools, and technical assistance coordination. Senior management stability is solid, with the leadership team averaging 5.9 years in tenure, supporting continuity and strategic execution. However, institutional depth in agriculture remains limited: core back-office units such as credit risk, compliance, and loan recovery are still adapting to agri-specific needs, and credit appraisal tools remain largely collateral- and balance-sheet-based, with limited use of cash-flow or forward-looking assessments. As lending expands to smaller and less formal AMCOs, further strengthening of risk systems and analytical tools will be required to preserve portfolio quality. In this context, the proposed technical assistance would play an important role in addressing these gaps by helping CRDB strengthen agri-specific underwriting methodologies, enhance risk assessment and monitoring tools, and build institutional capacity across both front- and back-office functions to support a more scalable and resilient agribusiness portfolio.

V. Strategic considerations

25. **Alignment.** This NSO directly contributes to Strategic Objectives 1 and 2 of IFAD's Strategic Framework 2016-2025¹⁵ through its support to rural food security and market access through access to finance, and to Strategic Objective 3 given it will finance loans to support climate resilience and potentially also mitigation. It also contributes directly to the SDGs of Climate Action (SDG13) and Life on Land (SDG15) at its core, and indirectly to No Poverty (SDG1), Zero Hunger (SDG2), Decent Work and Economic Growth (SDG8), and Reduced Inequalities (SDG10). (Appendix 2 contains more detailed information on strategic alignment.)
26. **Additionality.** IFAD's concessional senior financing, first-loss coverage, and technical assistance reduce collateral requirements, extend loan maturities to up to six years, and allow for seasonal repayment structures, resulting in end-borrower rates of approximately 9–14 percent, compared to prevailing market rates of 18–24 percent for agricultural SMEs. The structure blends a US\$ 9 million PSTF loan with a US\$ 1.8 million GAFSP BIFT first-loss tranche and US\$ 1.2 million for technical assistance. An additional US\$ 200,000 will also be provided to cover the direct cost of Aceli and will be financed from GAFSP through the additional 5% IFAD PSTF direct cost (not part of the grant for first-loss). CRDB will match IFAD's financing at a minimum 1:1 ratio, mobilizing an additional US\$ 9 million in private sector funds catalysed by the NSO and generating an US\$ 18 million dedicated facility for AMCOs and their value-chain partners. FOFP-T therefore fills a structural market gap as the first dedicated blended-finance facility in CRDB's portfolio focused specifically on AMCOs.

¹⁵ <https://www.ifad.org/documents/d/new-ifad.org/ifad-strategic-framework-2016-2025>

27. **Complementarity.** The FOFP-T is fully complementary with IFAD’s Country Strategic Opportunities Programme (COSOP) 2022-2027 promoting financial inclusion and digital solutions for strategically important food value chains, including food crops, dairy, and fishery.¹⁶ At the portfolio level, FOFP-T complements IFAD’s sovereign operations in Tanzania by providing a dedicated financing vehicle for AMCOs and their members, building on capacity building and value chain support delivered under projects such as C-SDTP in the dairy sector, AFDP in seeds and blue economy value chains, and TFSRP-H, which supports youth in horticulture but does not directly address access to finance. At the NSO level, FOFP-T is complementary to regional financial inclusion initiatives such as ARCAFIM, while exploring synergies with AgDevCo Ventures. Finally, FOFP-T will link with the FO4IMPACT initiative, which will identify and refer bankable AMCOs, ensuring a sequenced approach in which earlier-stage organizations are prepared through FO4 and more mature cooperatives access blended finance and specialized support under FOFP-T, supported by partnerships with national and regional farmer organizations.
28. **Institutional Roles and Responsibilities**
- (i) **IFAD** will be responsible for overall oversight of the operation, serve as the lender of record for the US\$ 9 million investment to CRDB through the PSTF and will channel the TA funds. Using direct costs from the GAFSP funding, IFAD will hire a dedicated locally based Project Coordinator. It will also sign grant agreements with CRDB (TA manager) and Aceli¹⁷ (manager of grant for first-loss).
 - (ii) **CRDB Bank** will be responsible for managing the loan under Component 1 and the Technical Assistance activities under Component 2 (through local service providers). CRDB will take full legal responsibility for using the loan proceeds for the specified purposes and for the full deployment, implementation, and reporting to IFAD. As part of these responsibilities, CRDB will have a dedicated project manager. CRDB will also ensure transparent processes, competitive sourcing, and efficient contract management, with regular reporting to IFAD on the whole project.
 - (iii) **Aceli** will provide a comprehensive package of financial and technical support to strengthen CRDB Bank’s capacity to expand inclusive and climate-smart agricultural lending. This support will include administering IFAD’s first-loss funds and producing detailed portfolio analyses of all Aceli-supported loans issued by CRDB, with data disaggregated by sector, geography, client type, and alignment with IFAD’s targeting priorities—smallholder inclusion, gender equality, youth empowerment, and climate resilience. Aceli will monitor fund utilization, risk exposure, and leverage ratios, while providing regular narrative and compliance reports to demonstrate performance and ensure alignment with agreed objectives. Beyond risk-sharing, Aceli will deliver in partnership with Value for Women gender lens investing advisory for CRDB staff to strengthen gender-inclusive product design and client engagement. Aceli will continue offering origination incentives—funded by other partners—to encourage CRDB’s lending to high-impact but underserved agri-SMEs and cooperatives.
29. **Coordination of program.** An IFAD Tanzania-based Project Coordinator, financed through IFAD direct cost,¹⁸ will be tasked to facilitate coordination between IFAD, CRDB, and Aceli Africa. He/she will also focus on monitoring loan performance, TA delivery, guarantee utilisation, and ensuring appropriate and timely reporting. A CRDB staff will be designated to support and act as main contact point to oversee

¹⁶ Programme of Loans and Grants

¹⁷ IFAD will sign a grant agreement with Aceli Africa Inc. Direct cost of Aceli will be financed from GAFSP through the additional 5% IFAD PSTF direct cost.

¹⁸ Direct costs include the activities necessary to prepare, implement, manage, and oversee PFSP projects, as well as the support functions required to ensure effective delivery and accountability.

the day-to-day implementation of all the components ensuring smooth operations and alignment with IFAD requirements, ensuring effective, accountable, and timely delivery of FOF-P activities.

30. **Monitoring and Evaluation.** CRDB will report regularly to IFAD using standard templates, providing financial and operational data to support supervision missions that assess implementation capacity, covenant compliance, concessionality, and the programme's results on food crop value chains and financial inclusion for farmer organizations. Governance and transparency will be reinforced through a joint Steering Committee (IFAD, CRDB, and Aceli) providing strategic guidance during program implementation. Programme results will be measured through baseline, midline, and endline household and farmer organization surveys financed under the TA grant. Upon discussion with CRDB loan monitoring teams, conditional to its core banking capabilities CRDB will track through existing loan tagging and TA reporting a set of specific monitoring indicators (e.g., tags added to all FOF-P loans for their relevant climate finance loan categories, and nutrition-sensitive value chains, to be captured during implementation). In order to adapt CRDB's AMCO scoring assessment, a dedicated scoring tool¹⁹ will be deployed for continued monitoring of AMCO progress after the programme's mid-term evaluation.
31. **ESG considerations.** The NSO applies strong **ESG safeguards** aligned with IFAD's **SECAP** standards, ensuring inclusion of farmers, women, and youth in mitigation and monitoring efforts. All borrowers will follow IFAD's exclusion list and updated E&S screening procedures, addressing environmental and climate risks early in loan assessment. The operation is classified as **Moderate** for environmental and social risks and **Substantial** for climate risk. Activities to be carried out to ensure SECAP compliance of the project are summarised in the Environment and Social Action Plan (ESAP).
32. **Main Risks.** The operation faces financial, operational, and market risks, including possible repayment stress at CRDB, weaker AMCO readiness, agricultural volatility, FX exposure, and loan losses. These risks are mitigated by CRDB's strong financial position, diversified portfolio, co-financing requirement, covenant monitoring, and active FX risk management. Additional protection comes from portfolio guarantees, technical assistance to strengthen agri-specific underwriting and digital systems, and capacity building for AMCOs to improve governance, financial literacy, and bankability. At the institutional level, risks relate to coordination, prioritization, sustainability, and compliance. Given the number of actors involved, implementation could face delays or reduced focus, especially as the facility is small relative to CRDB's broader operations. These risks are mitigated through a CRDB-led Steering Committee, dedicated project management, and close coordination with IFAD and other partners. A detailed list of risks identified during due diligence, and the associated mitigation measures, can be found in Appendix 4.

VI. Conclusion and Recommendation

33. The FOF-P holds significant potential to address a key barrier to rural development in Tanzania, with high complementarity to the PoLG. It also holds significant potential for learning for IFAD, which can then be used to replicate this model to address similar barriers in other countries inside and outside the region. The Tanzania government provided a non-objection in November 2025.
34. I recommend that the Executive Board approves the proposed financing in terms of the following resolution:

RESOLVED: that the Board shall approve a senior loan of nine million United States dollars (US\$9,000,000), composed of Private Sector Trust Fund resources

¹⁹ CRDB expressed interest in using the Agribusiness Leadership Programme (ALP) methodology to assess AMCO capacity and guide training content, and potential partnership for implementation of this NSO.

of six million United States dollars (US\$6,000,000) and GAFSP BIFT resources of three million dollars (US\$3,000,000);

RESOLVED FURTHER that the Board shall approve a grant for technical assistance (GAFSP BIFT resources) of one million two hundred thousand United States dollars (US\$1,200,000) to CRDB;

RESOLVED FURTHER that the Board shall approve a grant (GAFSP BIFT resources) for first loss of one million eight hundred thousand United States dollars (US\$1,800,000) to Aceli Africa; and

RESOLVED FURTHER that the Board shall approve a provision of an additional two hundred thousand United States dollars (US\$200,000) to cover direct costs to Aceli Africa, and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario
President

Appendix 1: Results framework

Outreach/Outcome	Indicators	Programme Mid- and Final Targets			DATA SOURCES	DATA COLLECTION METHODS	FREQUENCY
			Mid (y4)	End (y7)			
Outreach	Number of beneficiaries directly reached (broken down by gender, age)	Total	31 100	38 000	Client System	CRDB Reporting	Annual
		Women (30%)	9 330	11 400			
		Youth (15%)	4 665	5 700			
	Number of indirect beneficiaries reached	Total	155 500	190 000	Client System	CRDB Reporting	Annual
		Amount of total funding catalysed by the program (private versus other sources)	Total loanable		18 000 000	Client System	CRDB Reporting
	CRDB (private, 50%)		9 000 000				
	Disbursement rate of funding	%		100	IFAD System	IFAD Reporting	Annual
	Number of producer-based organizations supported (organization)	Direct and Indirect FO*	122 Direct: 63 Indirect: 59	143 Direct: 74 Indirect: 69	Client System	CRDB Reporting	Annual
	Other entities supported. Breakdown by type of investee and instrument.	Direct and Indirect SHFs**	7 647 Direct: 5 685 Indirect: 1 962	10 009 Direct: 7 705 Indirect: 2 304	Client System	CRDB Reporting	Annual
		Direct Agri-SMEs	39	46			
Intermediaries		12	14				
Outcome 1: More rural employment opportunities notably for women and youth	Direct employment provided (full-time equivalent)	Total	1500	1800	Client System	CRDB Survey	Mid (y4) / End Project (y7) reporting
		Women (25%)	375	450			
		Youth (15%) ²⁰	225	270			
	Persons receiving capacity development support	Direct FO/AMCO leaders	395	395	Client System	CRDB Reporting	Annual
Of which number of females (30%)		118	118	Client System	CRDB Reporting	Annual	
Outcome 2: Increased income and revenues for small producers involved in food systems	Farmers that are supported in accessing improved marketing opportunities (farmer)	Total:	16 400	19 200	Client System	CRDB Survey	Mid (y4) / End Project (y7) reporting
		Of which number of females (30%)	4920	5760			
Outcome 3: Increased production and farmers' productivity	Number of beneficiaries directly reached that have reported improved productivity	Total:	14 700	18 000	Client System	CRDB Survey	Mid (y4) / End Project (y7) reporting
Outcome 4: Improved access to finance for small producer and rural poor, agri-SMEs involved in food systems	Persons supported by project in rural areas accessing financial services	Total	31 000	37 500	Client System	CRDB Reporting	Annual
		Women (30%)	9 300	11 250			
	Number of loans to beneficiaries (by gender, age)	Total #loans: (women%, youth%)	16 000	27 900	Client System	CRDB Reporting	Annual
		Women (30%)	4 800	8 370			
	Youth (15%)	2 400	4 185				

²⁰ Number expected to be higher if it included informal jobs.

Outreach/Outcome	Indicators	Programme Mid- and Final Targets			DATA SOURCES	DATA COLLECTION METHODS	FREQUENCY
			Mid (y4)	End (y7)			
	Total value of loans to beneficiaries (by gender, age)	Total USD	\$37 629 800	\$64 271 800	Client System	CRDB Reporting	Annual
		Women (30%)	\$18 814 900	\$32 135 900			
		Youth (15%)	\$11 288 940	\$19 281 540			
	% increase in agri-portfolio of private sector portfolio****	%	85	90	Client System	CRDB Reporting	Annual
	# new financial products or services developed and offered to beneficiaries	#	3	3	Client System	CRDB Reporting	Annual
Outcome 5: Strengthened resilience of small producers to the impacts of climate change on their food security and nutrition	Number of farmers receiving inputs or services on climate resilient or sustainable agriculture practice (farmers)	Farmer	3780****	4440	CRDB Survey	Mid (y4) / End Project (y7) reporting	CRDB Survey
		Of which, female farmers (30%)	1134	1332			
		Of which, number of farmers adopting technologies or practices received (50%)	1890	2220			
<p>* Receiving services directly from CRDB and from intermediaries serving additional AMCOs and SHFs</p> <p>** Any SHF receiving access to financing through the FOFP is member of a supported AMCO</p> <p>*** % increase of CRDB agri-portfolio, to be reconfirmed at baseline stage</p> <p>**** This figure is based on the number of AMCOs receiving direct access to finance and training, amongst which 30% are expected to be financed and trained on climate resilient or sustainable agriculture practices. An average of 200 SHFs per AMCO benefit from these services among which 50% are expected to adopt the best practices received and 30% are women. Targets are subject to review at the baseline assessment.</p>							

2. **Assumptions:** To fill the indicative targets of the results framework, outreach estimations have been structured around four indicative investment groups: Direct AMCOs (32.5% of total investment), Direct Smallholder Farmers (32.5%), Direct Agri-SME lending (20%), and Indirect lending via SACCOs/MFIs (15%). Each group has defined budget allocations, ticket sizes, loan durations, grace periods, interest rates, expected losses, and repayment frequencies, reflecting tailored assumptions to achieve targeted outreach and financial sustainability.
- Direct AMCOs/Coops: Total allocation of US\$5.85 million, average loan size US\$100,000 (range: 15,000-250,000), duration 2 years, with a bi-annual repayment schedule. Each loan is expected to reach 200 households, primarily smallholders (92.5%), with 20% of borrowers being new clients per cycle. Average loss per cycle is 5%, with a 10% indicative dropout rate, and four loan cycles planned.
 - Direct Smallholders: Total allocation of US\$5.85 million, average loan size US\$1,500 (range: 100-5,000), duration 1-year, quarterly repayment, with each loan reaching one household. Average loss per cycle is 5%, 20% new clients, 10% indicative dropout, and up to seven loan cycles planned.
 - Direct Agri-SME lending: Total allocation of US\$3.6 million, average loan size US\$250,000 (range: 15,000-250,000), duration 2 years, bi-annual repayment. Each loan is estimated to reach 200 households, with 20% new clients per cycle. Average loss per cycle is 5%, with a 10% indicative dropout, and up to four loan cycles planned.

- Indirect via SACCOs/MFIs: Total allocation of US\$2.7 million, average ticket size US\$250,000 (on-lending range 30,000-500,000), duration 3 years, bi-annual repayment. Each loan is estimated to reach 50 households on average, with 20% new clients per cycle, 2% loss rate, 10% indicative dropout, and up to two loan cycles planned.
3. Across all groups, the framework assumes progressive outreach to new clients (20% per cycle), management of loan recycling, and controlled financial risk, with average losses ranging from 2% to 4% and repayment schedules harmonized as bi-annual. This framework provides a comprehensive projection of expected impacts, household reach, and financial performance across different client segments at mid and end term of the project.
4. **Other relevant M&E activities:**
- A clear attribution methodology will be applied during implementation to ensure that only incremental lending generated under FOFP-T is reported as BIFT-funded results. As an additional layer of tracking, Aceli will monitor all FOFP-T financed loans above the US\$ 10,000 threshold—covering those delivered to AMCOs, Agri-SMEs, and SACCOs—while smaller loans to smallholder members of AMCOs will also be tracked by CRDB to ensure full portfolio transparency.
 - CRDB will track the FOFP-T portfolio quality through dedicated loan codes and reporting templates, fully segregated from pre-existing (Aceli / GCF a.o.) portfolios. Only loans originated after project effectiveness, meeting FOFP-T eligibility criteria and with FOFP-T resources utilized for the loan proceeds will be counted.
 - Part of the overall monitoring and evaluation system includes establishing a baseline assessment utilizing a dedicated credit scoring system, such as the IFC Agribusiness Leadership Program (ALP) and subsequently monitoring their levels of professionalization over time.

Appendix 2: Alignment with IFAD's mission

5. **Alignment with IFAD's Mandate:** This NSO directly contributes to Strategic Objectives 1 and 2 of IFAD's Strategic Framework 2016-2025²¹ through its support to rural food security and market access through access to finance. It also contributes to Strategic Objective 3 given it will finance loans to support climate resilience and potentially also mitigation. It also contributes directly to SDG1, SDG2, SDG8, SDG10, SDG13, SDG15.
6. **Alignment with IFAD's Private Sector Operational Strategy and its Rural Finance Policy:** The project is closely aligned with the objectives of the Private Sector Operational Strategy (PSS) 2025-2030, specifically Objective 2 in that it will catalyse private sector finance for investment in inclusive, sustainable, and resilient rural and food system transformation. The project will deploy one of the three instruments foreseen in the NSO framework. The solutions provided under this NSO are demand-driven and informed by extensive prior research into the specific needs of AMCOs. Moreover, this NSO is fully aligned with IFAD's Inclusive Rural Finance Policy, which emphasizes financial innovation, catalytic finance, and the creation of sustainable pathways for rural economic inclusion. IFAD's assessment on the alignment with the DFI blended finance concessionality principles²² ensures that concessional funding complements, rather than distorts, the market, particularly when providing commercial financing to AMCOs. This means addressing market failures without crowding out private sector investment and minimizing concessionality over time while maximizing private sector resource use²³.
7. **Alignment with Country's COSOP:** FOFPP-T complements the key aim of the Tanzania COSOP 2022-2027 to promote financial inclusion and digital solutions for strategically important food value chains, including food crops, dairy, and fishery.²⁴ The project's strategic objectives are supported by an enabling environment shaped by the policy drive of the Ministry of Agriculture, in coordination with the Government of Tanzania, to advance agricultural commercialization and digital finance, notably through Agenda 10/30²⁵ and the Digital Agricultural Transformation Programme²⁶, which promote the use of digital payment systems to farmers for aggregation and market transactions, and through SACCOs for financial intermediation.

²¹ <https://www.ifad.org/documents/d/new-ifad.org/ifad-strategic-framework-2016-2025>

²² <https://www.ifc.org/content/dam/ifc/doc/mqrt/ifc-blendedfinance-fin-092021.pdf>

²³ The loan conditions set are backed by a quantitative model, demonstrating that for the borrower, the project's internal rate of return will be sufficient to incentivize it to participate, e.g. comparable to other investment opportunities. Other conditions may include setting a minimum target for the leverage ratio of private to concessional funding or establishing a concessionality phase-out plan.

²⁴ Programme of Loans and Grants

²⁵ [kilimo.go.tz/uploads/documents/sw-1747227277-Agriculture Annual Report 2023 - 2024 compressed.pdf](http://kilimo.go.tz/uploads/documents/sw-1747227277-Agriculture%20Annual%20Report%202023%20-%202024%20compressed.pdf)

²⁶ [Tanzania Kicks Off Digital Agriculture Revolution with Joint Programme Kick-Start Meeting | United Nations in Tanzania](#)

Appendix 3: Operational Considerations

9. **Main Purpose of Financing:** The US\$ 9 million will be channelled as an unsecured senior loan to CRDB intended for direct lending to AMCOs, wholesale lending to MFIs and SACCOs financing AMCOs, and VC players linked to AMCOs. This will be combined with a further US\$ 1.8 million used as a grant for the loan loss facility, and US\$ 1.2 million used as grant funding for the TA support, signed through (a) grant agreement(s). Results will be captured through baseline, midline and endline household surveys, and FO/AMCO surveys, allowing for strong results measurement given the M&E funds available through the TA grant.
10. **Environmental, Social and Governance (ESG) considerations.** IFAD assessed the Partner Bank's Environmental and Social Management System (ESMS), which includes a clear Environmental and Social (E&S) policy, robust E&S risk identification and due diligence processes, adequate internal capacity and expertise, and systems for ongoing monitoring and reporting to determine compliance with SECAP guidelines and proposed additional requirements through an agreed Environment and Social Action Plan (ESAP). Borrowers, including AMCOs, MSMEs and smallholders, will adhere to stringent safeguards requirements and will be excluded if any of their activities are on IFAD's Exclusion List. Environment and climate concerns will be addressed in the loan application form. Furthermore, potential climate-specific funding includes aspects around climate adaptation strategies currently in place with AMCOs entering into the pipeline, especially for women and youth-led initiatives. As per the SECAP Assessment, the Project is classified as **Moderate** for environmental and social risks and **Substantial** for climate risk. Activities to be carried out to ensure SECAP compliance of the project are summarised in the Environment and Social Action Plan (ESAP).
11. **Independent Review on Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations.** The Independent Review confirms that the FOFP-T is aligned with the DFI Enhanced Blended Concessional Finance Principles, using a targeted blended finance structure to enable CRDB Bank (CRDB) to lend to farmer organizations and value chain actors that are currently excluded from commercial credit due to high collateral requirements, weak financial records, and perceived risk. The program combines a US\$ 9 million concessional IFAD loan—matched 1:1 by CRDB—with a first loss grant and technical assistance from GAFSP, ensuring minimum and time-bound concessionality, while maintaining commercial incentives and a projected return on assets of 2.5–3%. By coupling risk-sharing with capacity building for both borrowers and the bank, FOFP-T aims to create a scalable and commercially sustainable AMCO lending model that reinforces market development rather than distorting it, while promoting high standards of governance, environmental and social performance, and inclusion—particularly for women and youth. Continuous monitoring will be required to ensure concessionality declines over time and that international best practices remain embedded throughout implementation.

Appendix 4: Main Risks

12. **Credit Risk (Risk of Default):** There is a possibility that CRDB may be unable to meet its repayment obligations to IFAD, either due to loan defaults within its agricultural portfolio or broader financial mismanagement. Mitigation: In this case, the risk is limited because the proposed IFAD loan would account for only 1.5% of CRDB's total agricultural portfolio (as of April 2025, TZS 2.936 trillion (US\$ 1.129bn)). The likelihood of cross-default—where CRDB fails to meet obligations to multiple lenders—is also low, given the bank's strong credit performance, prudent liquidity management, and diversified loan book. To further limit exposure, CRDB will be required to provide at least one-for-one co-financing, ensuring it shares the financial risk on its own balance sheet and maintains strong repayment incentives.
13. **Repayment Risk (CRDB → IFAD):** As with any other bank, CRDB could miss scheduled repayments if asset quality, liquidity or earnings falter. Mitigation: Current CAMELS indicators are strong — with 2024²⁷ group NPL 2.9% (5%), ROE 28.1% (22.1%), liquidity ratios well above prudential minimal ranges. In addition, monitoring through reporting and covenant compliance to IFAD help mitigate this risk.
14. **Operational Risk:** CRDB already has extensive experience lending to AMCOs, particularly those engaged in cash crops such as coffee, cashew, and cotton, where well-structured value chains and established commercial relationships with buyers enable the use of contracts as collateral. However, its experience is more limited in food-crop value chains, which tend to be less formalized and carry higher price and market risks. Mitigation: To reduce the cost of default, a risk sharing component will provide portfolio guarantees and TA funds to CRDB will be partially used to develop specialized risk assessment tools that are specifically designed to meet the needs of AMCOs and smallholder farmers. Additionally, the Technical Assistance component will also support the digitalization of bank operations and technological infrastructure, which will help the bank to better serve the agricultural sector, reducing operational costs, lowering risk, and improving the customer experience for rural clients.
15. **Market Risk:** Lack of Readiness Among AMCOs to effectively utilize the financial services being offered due to weak governance, insufficient management skills, and poor financial literacy, which could lead to high default rates. Mitigation: This will be mitigated through the robust capacity-building component. Also, the program will segment AMCOs based on their readiness for commercial financing, with those more prepared receiving immediate support to professionalize and enhance their bankability. Continuous monitoring will help to ensure AMCOs progress towards becoming viable clients for financial institutions, while national and regional AMCO networks, and ongoing IFAD-supported initiatives, such as FO4ACP and the sovereign portfolio, will be engaged to identify pipeline.
16. **Foreign-exchange Risk:** IFAD lends in US dollars while CRDB on-lends in Tanzanian shillings. A sharp depreciation of the local currency could inflate CRDB's hard-currency debt service obligations, potentially strain its liquidity position and increase default risks among on-lending end clients. Mitigation: On-lending will be strictly limited to local currency, and CRDB will be required to actively hedge its FX exposure through its Global Markets Unit, which already manages open currency positions in line with regulatory and board-approved limits. CRDB's existing access to FX and hedging instruments, including central bank swaps, and its relationships with major global counterparties (e.g. JP Morgan, Citi, Standard Chartered) provide the institutional capacity to manage this risk effectively. The loan agreement will specify that CRDB must maintain an adequate FX-reserve buffer or rolling swap

²⁷ CRDB 2024 Integrated Annual Report and Consolidated Audited Financial Statements ([Link](#)). P. 5

coverage to ensure full repayment capacity in the event of significant shilling depreciation.

17. **Moral Hazard / Operational Risk:** Delivery of Aceli’s Portfolio First Loss. A key risk is that CRDB could accelerate defaults or weaken recovery efforts to take advantage of the guarantee mechanism, rather than exhausting normal debt management and follow-up processes. Additional risks include delays or inaccuracies in loan registration, cash management, and data reporting—especially as Aceli expands to AMCOs that may struggle with eligibility and reporting—which could undermine transparency and timely disbursement. Mitigation: Aceli’s standardized reporting framework, segregated cash management, and strict alignment with IFAD’s eligibility criteria reduce these risks. In addition, all loans backed by the ACELI guarantee must demonstrate that rigorous recovery efforts were undertaken before the first loss is paid. By tying coverage to compliance standards of ACELI, the structure directly addresses moral hazard, strengthens incentives for prudent loan management, and ensures the facility remains aligned with programme objectives.
18. **Market volatility and agricultural Risks:** Caused by factors such as fluctuating commodity prices, unpredictable weather patterns, and changes in market demand could significantly impact the income of small producers, making it difficult for them to meet their financial obligations. Mitigation: This will be mitigated through the various risk management tools including offering risk-sharing mechanisms, such as portfolio guarantees and locally based foreign exchange currency solutions. This measure will encourage financial institutions to lend to AMCOs despite the higher perceived risks.
19. **Institutional Prioritization / Crowding-Out Risk:** CRDB receives multiple lines of concessional and commercial financing from various development partners and investors. Given the relatively small size of the FOFP-T facility compared to CRDB’s overall balance sheet and other ongoing programs, there is a risk that this operation may be de-prioritized internally, reducing strategic visibility and implementation focus. Mitigation: This risk will be mitigated by embedding the FOFP-T objectives within CRDB’s agricultural finance strategy and ensuring strong institutional ownership through a Steering Committee established and led by CRDB, with representation from IFAD and other relevant stakeholders. The Steering Committee will oversee implementation progress, ensure alignment with CRDB’s broader SME and agri-finance goals, and conduct regular performance reviews. This structure—combined with high-level management engagement and clearly defined performance indicators—will help maintain visibility and prioritization of the FOFP-T portfolio within CRDB’s operations.
20. **Coordination Risk and management complexities:** Given that Program involves multiple stakeholders, including local AMCOs, there is a risk of misalignment of goals, delays in implementation, and challenges in monitoring and evaluating progress. These issues could compromise the effectiveness of the program and its ability to scale up to other regions as planned. Mitigation: A key role of the Technical Specialist hired by IFAD as well as the counterpart Project Manager assigned by CRDB will be to coordinate activities of the program helping to mitigate these risks. Additionally, the Program will establish clear reporting and monitoring mechanisms to proactively identify and address issues. Coordination risks with other NSOs in place (e.g., ARCAFIM) will be managed through proactive collaboration. A dedicated Project Manager will work closely with the respective Project Managers and implementing partners of other NSOs to ensure alignment and avoid overlap. Furthermore, during the design phase, complementarities between NSOs were carefully assessed to guarantee that targeting remains specific and interventions are mutually reinforcing.

21. **Sustainability Risk:** There is a risk that once concessional financing, risk-sharing, and technical assistance under FOFP-T conclude, CRDB may no longer prioritize lending to smallholders, AMCOs, and agri-SMEs, reverting to its traditional focus on lower-risk commercial clients. Mitigation: The project will embed long-term sustainability by (i) demonstrating the commercial viability of lending to smallholders and AMCOs through a risk-adjusted portfolio that performs under blended finance terms; (ii) supporting CRDB to develop permanent, market-based agri-finance products—including digital and risk-mitigation tools—that can be sustained beyond concessional support; and (iii) institutionalizing capacity within CRDB through staff training, internal policy updates, and integration of agricultural lending targets into its broader SME strategy. In addition, the NSO’s incentive framework and post-project monitoring arrangements will encourage CRDB to maintain its agricultural portfolio and continue serving IFAD’s target group after project closure.
22. **Financial Crime/Integrity Risk:** FCD Anti-Financial Crime Unit has conducted an Enhanced Due Diligence (EDD) of CRDB,²⁸ including its ownership structure, ultimate beneficial owners, board members, significant contracting entities, and an assessment of the Entity’s Anti-Financial Crime Program (AFCP). CRDB has completed IFAD’s KYC and AFCP Questionnaires.
23. EDD checks were also extended to Aceli Africa Inc. (Aceli), the entity selected to implement the risk sharing component through a formal agreement with IFAD. Aceli also completed the KYC and Anti-Financial Crime Program (AFCP) Questionnaires. Through this EDD, FCD did not identify material alerts relating to CRDB or Aceli.
24. In terms of its AFCP, CRDB is a locally regulated entity reporting to the Bank of Tanzania (BoT). CRDB has adopted a structured AFC framework, designed to comply with applicable regulations and international standards. This consists among others of Anti-Money Laundering, Sanctions, Anti-Corruption Policies. CRDB maintains a dedicated financial crime compliance function and implements KYC/EDD procedures across its operations. An automated screening system is used for onboarding and regular review of recipients, including checks against applicable international sanctions lists. All staff are required to complete regular anti-financial crime training. The latest internal audits or supervisory reports did not identify any significant material observations in the Entity’s AFCP.
25. **Financial Management (FM) Risk:** involving CRDB and service providers, with various forms of financing from two financiers, along with risks associated with CRDB’s provision of cofinancing. Key aspects to address include regular financial reporting arrangements from CRDB by components separating the loan and the TA grant and semi-annual reporting from Aceli for the first loss grant. Two external audits (on CRDB for the Loan and TA Grant and on Aceli) will take place to cover the full FOFP-T project. The audit Terms of Reference will be agreed upon and include the auditing and accounting standards at contract negotiation stage. IFAD will work together with CRDB and Aceli to provide semi-annual reporting templates in compliance with the upstream donor agreements. CRDB will ensure the program is included on a regular basis under the internal Audit Scope. The TA funds will be predominantly maintained for the use within CRDB and potentially service providers as per the proposed budget outlined in Appendix 7. The potential financial management risk will be mitigated through the annual supervision exercises.

²⁸ Names of Key Project Staff for this project were not available at this stage and will be shared with IFAD once CRDB has selected the project team.

26. **Procurement Risks:** CRDB Bank has established a strong Procurement Governance Framework supported by updated and interrelated policies, including the Procurement Policy (2024), Human Resources Management Policy (2024), and Group AML Policy (2025). These policies reflect international best practices and emphasize ethics, transparency, accountability, and sustainability. Key strengths include a comprehensive procurement policy, a clear governance structure with defined roles and segregation of duties, a qualified procurement team, and robust systems like SAP and Monday.com that enhance automation and oversight. The framework also integrates ESG principles and maintains strong links between budgeting and procurement planning, supported by regular reporting and audits. However, a few operational weaknesses persist, such as the absence of a detailed Procurement Operational Manual, lack of standardized workflows and templates, and limited procedural guidance. System integration is unclear, and documentation gaps exist in RFPs and contracts regarding AML and data protection. These gaps pose potential risks of inconsistent implementation, compliance breaches, and operational inefficiencies. To mitigate these risks, it is recommended that CRDB Bank during the TA implementation should develop a comprehensive operational manual, ensure system integration, standardize documentation, implement structured training and audit follow-up mechanism, and fully operationalize ESG and record management practices to ensure transparency, efficiency, and global competitiveness.
27. **Blended Finance Principles Adherence Risk:** Key risks could affect adherence to the Blended Finance Principles. Borrower default or weak AMCO governance could challenge commercial sustainability, while improper use or phasing of concessional resources could distort markets or crowd out private investment. There is also a risk that ESG standards are not fully maintained throughout implementation, affecting the project's ability to promote high standards. The project mitigates these risks through targeted technical assistance to strengthen AMCO's capacity, layered risk-sharing with first-loss coverage, phased handover of lending to CRDB, and regular monitoring and reporting by IFAD and Aceli Africa, ensuring concessional support remains temporary, proportional, and aligned with the Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations (DFI Enhanced Principles or Principles).
28. **Targeting Risk:** There is a risk that loan proceeds may be allocated to clients outside the intended target groups of the Program. This could undermine the Program's objectives of supporting AMCOs and smallholder farmers operating in designated food crop value chains. Mitigation: (i) structuring of tailored loan products with capped ticket sizes; (ii) eligibility screening procedures (Appendix 6) embedded into credit processes; (iii) dedicated TA to develop and monitor the pipeline of eligible clients; (iv) each loan benefitting from the Aceli loan loss facility will be required to submit an application to Aceli, which will review and validate alignment with Program targeting criteria before coverage is granted; and (v) continuous monitoring by IFAD and CRDB to ensure strict compliance with targeting rules.

Appendix 5: CRDB Bank - Company information and financial analysis

29. **Institutional profile and ownership:** CRDB Bank, established in 1996, is one of the leading banks in Tanzania, known for its focus on providing comprehensive financial services to individuals, small and medium-sized enterprises (SMEs), and large corporations. The bank has a widespread network with over 251 branches and more than 650 ATMs across the country, serving over 3 million customers.
30. CRDB Bank's shareholding is divided into three categories: major shareholders above 10% (DIF and PSSSF), medium shareholders between 1–10%, and minority shareholders below 1%, with board representation allocated accordingly. The Government of Tanzania holds 34.3% equity through DANIDA Investment Funds and pension funds, while Denmark and the Ministry of Finance each provide one board member.
31. **Governance and oversight:** CRDB Bank maintains a stable and experienced leadership team headed by CEO Abdulmajid Nsekela, supported by a specialized Agribusiness department with dedicated officers and managers across branches, while governance is reinforced through conflict-of-interest policies, regular disclosures, and strong retention at senior levels, ensuring strategic continuity and compliance.
32. The bank operates through subsidiaries such as CRDB Insurance, CRDB Foundation, CRDB Bank Burundi, CRDB Bank Congo, and a Dubai representative office, all ring-fenced with separate governance and regulatory oversight to limit intra-group risk. CRDB Insurance and CRDB Foundation expand services and social impact, while CRDB Bank Burundi leads its market in profitability and service quality. With over 35,000 shareholders—48% institutional/cooperative, 33% local, and 19% foreign, the ownership structure is highly diversified, ensuring no single controlling shareholder and strategic decisions driven by a collective of significant stakeholders.
33. **Banking Regulation and Benchmarking:** Tanzania's banking regulation is strong, with BoT enforcing capital, liquidity, single obligor limits, and IFRS 9 compliance. CRDB is fully compliant, maintains a stable outlook (Moody's reaffirmed CRDB's B1/Stable rating on 26 Feb 2025), and reports solid metrics. Governance and disclosure are generally sound, though related-party exposure oversight could improve. A key risk remains CRDB's lending to sovereign-linked or politically connected entities, requiring continued vigilance. Overall, CRDB's regulatory position supports FOFP-T implementation. Despite this sound framework, the effectiveness of governance mechanisms warrants continued scrutiny in light of exposure concentration. CRDB has provided the requested asset information, including loan-level breakdowns and details on top exposures.
34. **Agricultural Lending Portfolio:** CRDB Bank PLC is Tanzania's systemically important agri-financier, commanding an estimated 45 % market share of formal agricultural lending in a TZS 12 trillion (US\$ 4.6 billion) market. Currently, CRDB has the largest agricultural lending portfolio in Tanzania, with total exposure of TZS 2.936 trillion (US\$ 1.129 billion) as of end-2024. Its 2024-28 strategy targets raising agriculture's loan share from 18 % to 25 % and deepening inclusion of women (≥ 40 %) and youth (≥ 30 %).
35. Lending spans the full agricultural value chain, including farmers, traders, processors, exporters, and other value-chain actors, and serves a diverse client base of individuals, cooperatives, AMCOs, and farmer groups. CRDB currently finances over 600 AMCOs, reaching more than 750,000 small-holder farmers. Its AMCO portfolio is still largely concentrated in export-oriented cash crops such as cashew, sugarcane, cotton, and coffee, while nutritious food crop value chains account for only 18% of its current AMCO lending. The institution now aims to

- significantly increase its financing to nutritious food crops, shifting from a portfolio dominated by export crops toward one that more directly supports domestic food security and inclusive rural nutrition. CRDB offers different Agri-financial products and services that are well aligned with the four proposed lending channels. These are complemented by expanding digital delivery systems (biometric onboarding, e-vouchers, mobile channels) that lower costs and extend rural reach. However, food-crop AMCOs remain underfinanced due to weak records, high collateral requirements, and slow manual processes, highlighting the need for targeted technical assistance and de-risking to scale lending in nutritious value chains.
36. CRDB offers agricultural clients under the FOFP-T lending channels a broad range of financial products and specialized facilities, supported by partners such as TADB, PASS, USAID, AGF, and AfDB. Despite its extensive rural network of 251 branches, 24,000+ agents, and 4,500 POS devices, physical access and staff capacity remain challenges, particularly in understanding production cycles and ensuring timely disbursements. Key obstacles include high collateral requirements (154% for agriculture), limited guarantee instruments, informality among producers, weak cooperative record-keeping, and lack of formal collateral—often forcing CRDB to lend to individuals with AMCOs as social guarantors. Nonetheless, opportunities exist to scale sustainable financing through farmer capacity building, stronger value-chain partnerships, and risk-reducing mechanisms like guarantees and insurance. A comprehensive list of agricultural financial products is outlined in the table below.
 37. **Pricing and Exit Strategy:** Through FOFP, CRDB will enable AMCOs to access loans at 9–14%, compared to market rates of 17–32%. The programs exit and replication strategy is embedded in CRDB’s long-term institutional strengthening. AMCO lending will be progressively mainstreamed into CRDB’s core operations as internal capacities, systems, and portfolio performance improve; concessional elements and external guarantees will be phased out as risk premiums fall; and digital credit assessment and monitoring tools will reduce transaction costs and support scalable growth in food-crop financing.
 38. In parallel, strengthened AMCO governance and financial management capacity will enable sustainable demand and lower credit risk over time, ensuring that AMCO lending continues beyond project completion and can be replicated across other banks and value chains through the wider FOFP global framework. Lessons generated through the Technical Assistance (including potential collaboration with IFC’s Agricultural Leadership Programme) will allow CRDB to refine its assessment of AMCOs as potential loan applicants and update its internal credit scoring models. The experience and track record built under FOFP-T will also serve as proof of concept, demonstrating that lending to food-crop AMCOs is both viable and commercially bankable. This is expected to enhance CRDB’s capacity to scale lending from its own balance sheet and crowd in additional public and private financing over time.
 39. **Collateral requirements:** are tailored to the product and client type. Branches commonly accept real property (plots) and vehicles as collateral, often below full coverage (approximately 50–80% of loan value), complemented by silent guarantees (typically 50–60%) provided through partners such as the Green Climate Fund (GCF), TADB, and PASS Trust (funded by DANIDA and SIDA). Regular reporting on grant and guarantee utilization is a corporate requirement. Through GCF and government funds, CRDB delivers concessional loans to AMCOs at around 9%, with Relationship Managers booking these facilities from the system and specifying the funding source. Collateral can also take alternative forms—group guarantees are common when AMCOs act as collective borrowers—and flexibility in repayment schedules accounts for seasonality and farmer cash flows. Loan applicants, such as AMCOs, are often expected to submit business plans and cash flow statements as part of the credit process.

Table - CRDB Agricultural Credit Products

Product Category	Product / Facility relevant to FOFP-T	Key Features & Terms	Target Users / Eligibility
Deposits	Current Account (Agri MSME / Corporate)	<ul style="list-style-type: none"> Local & foreign currency Initial deposit & minimum balance: TZS 100,000 Interest-bearing Access to Tembo Visa/Mastercard, Internet & Sim-Banking 	Agri MSMEs, Emerging Agri Corporates, Large Agribusinesses
	Fahari Kilimo Account	<ul style="list-style-type: none"> Min. balance TZS 3,000 No opening balance required POS/ATM withdrawals Dormant after 12 months, no penalty on reactivation Interest up to +1% above normal savings rate 	Farmers, AMCOs, farmer associations, groups & individuals
Individual Input Loans	Direct loan to AMCO members	<ul style="list-style-type: none"> Disbursed to individual accounts Repaid after crop sale via SME account routing 	AMCO-affiliated smallholders
Agri MSME Loans	Transactional-Based Loan	<ul style="list-style-type: none"> Working capital for LPO/contract execution Up to 85% of invoice value TZS 10M – 2B (above 2B on merit) 30–180 days 1% rate discount if collateral provided 	Registered agribusinesses with strong credit / contract history
	Invoice Discounting	<ul style="list-style-type: none"> Short-term cash flow bridge using invoices as collateral 	MSMEs with valid invoices
	Certificate Discounting (CDF)	<ul style="list-style-type: none"> Working capital based on certified delivery confirmation 	MSMEs with verified certificates
Working Capital Facilities	Overdraft / Revolving Facilities	<ul style="list-style-type: none"> Self-liquidating against sales revenue 	AMCOs, agri traders, processors
	Temporary Overdraft (TOD)	<ul style="list-style-type: none"> ≤ 3 months, to cover delays in payments 	Clients with good account history
	Short-Term Working Capital Loan	<ul style="list-style-type: none"> Instalment repayment up to 36 months 	Agri businesses needing operational liquidity
	Group Lending for Shared Assets	<ul style="list-style-type: none"> Loans taken in AMCO name for tractors, warehouses, etc. • Repaid through AMCO fees / service income 	AMCOs (risk pooled across members)
Asset Finance	Farming Equipment Loan	<ul style="list-style-type: none"> Up to 75% of pro-forma value financed 	Farmers / cooperatives
	Truck Finance	<ul style="list-style-type: none"> 75% financing for transport trucks (in partnership with sellers) 	Agri transporters / logistics actors
	Plant & Machinery Loan	<ul style="list-style-type: none"> Up to 60% financing for agro-processors (min. 12 months track record) 	Value-addition SMEs
Trade Finance	Guarantees & Letters of Credit	<ul style="list-style-type: none"> Bid / performance / advance / retention / payment guarantees, LC issuance 	Agribusinesses with contract obligations
Special Agri Financing Models	Seasonal Crop Loans	<ul style="list-style-type: none"> Finance for inputs, harvest, transport, pre-sale operations 	Seasonal crop farmers
	Commodity / Warehouse Receipt Finance (CMA)	<ul style="list-style-type: none"> Loan secured by stored crop under collateral management 	Traders, AMCOs, processors
Non-Financial Services (Consortium Model)	Training, Mentorship, Exposure Visits	<ul style="list-style-type: none"> Capacity-building platforms linked to agri lending 	AMCOs, youth, women, agripreneurs

40. **Conclusion:** CRDB remains Tanzania's largest and most systemically important financial institution, showing robust growth and profitability across all indicators. CRDB is a strong candidate for implementing the FOFP in Tanzania, thanks to its deep experience in Tanzania's agricultural sector and existing systems and risk-sharing instruments that position it well to serve this underserved segment in partnership with IFAD under this proposed facility and also in the long term.

Financial Analysis

41. **Historic financial information and key ratios:** CRDB Bank demonstrates strong financial health across key prudential metrics. Asset quality remains sound, with an NPL ratio of 2.9% at end-2024, well below Tanzania's 5% regulatory threshold. Capital adequacy is robust, with a CAR of 17.8% and Tier 1 ratio of 16.9%, comfortably exceeding the CAR Tier 1 8.5% minimum requirement. Liquidity buffers are strong, as the liquidity ratio stands at 28.2%, above the 20% regulatory floor, supported by a current ratio of 30.5%. Profitability is solid, with ROA at 3.7% and ROE at 28.1%, reflecting efficient operations despite a cost-to-income ratio of 43.7%. These metrics underscore CRDB's resilience and prudent financial management.
42. **Capital Structure:** The Total Capital Adequacy Ratio (CAR), which includes both Tier 1 and Tier 2 capital, ranged from 17.4% in 2019 to 19.8% in 2021, before moderating to 17.8% in 2024. The Tier 1 Capital Ratio, representing the bank's core equity capital, followed a similar pattern, standing at 16.9% in 2024. Despite these variations, both ratios have consistently remained well above the Bank of Tanzania's minimum thresholds—12.5% for Tier 1 capital and 14.5% for total capital. The Central Bank also requires CRDB to maintain a minimum core capital level of TZS 15 billion (approximately US\$ 5.52 million), further reinforcing the bank's sound capitalization and compliance with prudential standards. The bank's Debt-to-Equity Ratio (Leverage) remained relatively stable, slightly increasing between 2020 and 2024, indicating a consistent level of leverage between 6 and 6.6. The Asset-to-Equity Ratio (Equity Multiplier) followed a similar trajectory, showing a minor increase from 7.0 in 2020 to 7.6 in 2024.
43. **Asset Quality:** Strong and sustained growth between 2022 and 2024, with total assets reaching about TZS 16.7 trillion and profit after tax rising by roughly 30% to TZS 551.5 billion in 2024. Loans and advances expanded by nearly 23%, supported by a comparable increase in customer deposits. Despite rapid portfolio growth and a challenging credit environment, the bank maintained solid asset quality—recent reports indicate an NPL ratio of around 2.9% (end-2024). Other asset quality indicators remain healthy, with write-offs at 1.0% of gross loans and a gross loans-to-deposits ratio of 99.2%.
44. **Earnings and Profitability:** The bank has demonstrated consistent earnings and profitability. The Return-on-Assets (ROA) ratio increased from 3.5% in 2023 to 3.7% in 2024, showcasing efficient asset utilization to generate earnings, above industry averages (5%). The Return-on-Equity (ROE) ratio also reflected strong performance, steadily improving from 14.4% in 2019 to a peak of 28.1% in 2024, indicating an efficient use of equity capital, above industry averages (22.1%). The Cost-to-Income Ratio, which indicates cost efficiency, decreased from 64.4% in 2019 to 45.7% in 2024, reflecting improved cost management despite minor fluctuations.
45. **Liquidity and Funding:** The bank's liquidity and funding profile experienced variability over the observed period. The Liquidity Ratio, in Tanzania is calculated as ratio of high-quality liquid assets (HQLA) to net cash outflows over a 30-calendar-day stress period.²⁹ The liquidity ratio³⁰ has been constantly above the minimum regulatory requirement of 20%, increasing from 27.5% in 2021 to 28.2% in 2024. The current ratio which measures the ability to cover short-term liabilities with short-term assets increased to 71.9% in 2024 from 59.7% in 2020. The Loan-

²⁹ The numerator consists of assets that can be converted quickly to cash without significant loss, classified into levels (though currently only Level 1 assets apply), with prescribed haircuts for certain categories. The denominator is calculated by applying run-off rates to expected cash outflows from liabilities and off-balance-sheet commitments and flow-in rates to expected cash inflows, but with inflows capped at 75% of outflows. Banks must hold HQLA equal to or greater than the net outflows. The guideline specifies localised conversion and run-off coefficients and mandates monthly reporting to the BoT.

³⁰

to-Assets Ratio increased from 57.6% in 2020 to 64.5% in 2024. This ratio reflects the proportion of the bank's assets allocated to loans, with the increasing level indicating a strategy of lending more over the years. The portion of all customer deposits in relation to current liabilities decreased from 86.2 in 2023, to 88.1% in 2024. While this provides a strong deposit base, it also highlights potential risks related to liquidity and interest rate changes, necessitating careful management to avoid maturity mismatches and to maintain financial health. Profitability and cost ratios are sector-leading, driven by digital scale. Liquidity and funding ratios confirm a resilient balance sheet capable of supporting FOF-T financing up to US\$ 18 million without compromising stability.

CRDB Bank – Summary of Financial Ratios 2020-2024 (%)

RATIOS CALCULATED IN LOCAL CURRENCY (TZS)							
FINANCIAL ANALYSIS	2019	2020	2021	2022	2023	2024	CAGR (19-24)
GROWTH (in local currency)							
Interest Income Growth	NA	7.1%	13.0%	21.0%	26.2%	24.6%	18.2%
Fee and Commissions Growth	NA	7.8%	30.4%	30.0%	27.8%	20.8%	23.1%
Earnings Growth	NA	24.7%	69.7%	28.1%	22.9%	29.2%	33.9%
Total Assets Growth	NA	8.0%	21.2%	31.2%	14.5%	24.2%	19.6%
Gross Loans Growth	NA	14.8%	26.0%	36.4%	18.7%	24.2%	23.8%
Customer Deposits Growth	NA	3.3%	17.6%	24.8%	8.3%	22.8%	15.0%
MARGINS							Delta (19-24)
Net Interest Margin	82.1%	83.4%	81.9%	77.0%	71.8%	73.8%	(8.3%)
Gross Profit Margin	82.0%	82.9%	81.4%	77.5%	73.9%	76.3%	(5.7%)
Net Earnings Margin	15.2%	17.7%	25.7%	26.6%	25.9%	27.0%	11.8%
EARNINGS & PROFITABILITY							Delta (19-24)
Return-on-Assets Ratio (ROA)	1.9%	2.3%	3.4%	3.4%	3.5%	3.7%	1.8%
Return-on-Equity Ratio (ROE)	14.4%	16.6%	23.9%	25.4%	26.2%	28.1%	13.7%
Cost-to-Income Ratio (Group Level)	64.4%	61.6%	55.3%	49.4%	49.5%	45.7%	(18.7%)
CAPITAL ADEQUACY							
Capital Adequacy Ratio (CAR)	17.4%	17.9%	19.8%	18.3%	17.5%	17.8%	0.4%
Tier 1 Capital Ratio	17.2%	17.8%	19.8%	16.7%	16.1%	16.9%	(0.3%)
Tier 2 Capital Ratio	0.2%	0.1%	0.0%	1.6%	1.4%	1.0%	0.7%
Debt-to-Equity Ratio (Leverage)	6.5	6.0	6.1	6.7	6.5	6.6	4.2%
Asset-to-Equity Ratio (Equity Multiplier)	7.5	7.0	7.1	7.7	7.5	7.6	4.2%
Debt-to-Assets Ratio (Debt Ratio)	86.7%	85.8%	85.9%	87.1%	86.7%	86.8%	0.1%
ASSET QUALITY							
Gross Loans-to-Deposits Ratio	68.7%	76.4%	81.9%	89.5%	98.1%	99.2%	30.5%
Write-offs-to-Gross Loans	3.6%	2.5%	1.3%	0.6%	1.4%	1.0%	(2.6%)
PAR 90	5.7%	4.5%	3.1%	2.7%	2.7%	2.6%	(3.1%)
NPL Ratio* (Group Level)	5.5%	4.4%	3.3%	2.8%	2.8%	2.9%	(2.6%)
LIQUIDITY & FUNDING							
Current Ratio (12-months)**	65.8%	59.7%	58.2%	65.1%	73.5%	71.9%	6.1%
Customer Deposits-to-Current Liabilities	97.7%	92.7%	88.1%	85.7%	86.2%	88.1%	(9.6%)
Loan-to-Assets Ratio	54.2%	57.6%	59.9%	62.3%	64.6%	64.5%	10.3%
Liquidity Ratio***	NA	25.5%	27.5%	27.0%	27.0%	28.2%	2.7%
Liquidity Coverage Ratio (LCR)	NA	NA	NA	NA	NA	156.0%	NA
Net Stable Funding Ratio (NSFR)	NA	NA	NA	NA	NA	127.0%	NA

46. **Financial forecast, scenarios and risks:** The financial forecast to 2032, developed by IFAD alongside CRDB's own projections, confirms that the bank remains resilient even under a conservative stress scenario. CRDB's stress scenario assumes slower earnings growth, flat margins, and rising credit risk compared to its optimistic baseline outlook. While Tanzania's economy is expected to grow

strongly, the stress case models earnings growth decelerating from 29.2% in 2024 to 5.0% by 2032, with non-performing loans increasing to 4.5% and profitability eroding (ROE falling from 28.1% to 16.0%). Provisions outpace loan growth, pressuring returns, though capital remains resilient with CAR above regulatory minimums. Macroeconomic conditions stay broadly supportive, but currency depreciation and inflation pose risks, making FX risk management critical. Overall, the exercise highlights CRDB's strong buffers and prudent management, reinforcing its ability to navigate adverse conditions while maintaining financial soundness.

47. **Conclusion:** The review of CRDB Bank's performance confirms a strong and well-managed institution. Over 2020–2024, the bank achieved steady growth while maintaining solid capital, liquidity, and profitability. Risks in asset quality were contained through prudent provisioning and robust controls. Forward-looking analysis, including stress testing, reinforces CRDB's resilience and capacity to navigate economic challenges. Overall, CRDB remains a key player in Tanzania's financial sector, aligned with IFAD's principles of sound management, transparency, and long-term financial inclusion.

Appendix 6: IFAD loan proceeds target groups

48. The following table contains criteria that will be applied for each of the target groups. CRDB has aligned its SME definitions with IFC standards and tracks impact through its women's desk and CRDB Foundation.

Agricultural Marketing Cooperative Societies³¹	<ul style="list-style-type: none"> • Legally registered as a cooperative/ AMCO for a minimum of 3 years; • Demonstrated experience in collective marketing, input purchases or other business activities; • and per assessment proven record of compliance with the by-laws and good governance practices; • Commitment to share data and interest or experience in accessing finance with banks; • Demonstrated willingness of receiving support and upgrade digital proficiency (e.g. bookkeeping software, web-based productivity tools or adoption of corporate mobile money accounts); • Participating AMCOs will need to be engaged in pre-selected food crop VCs and be legally registered entities.
Smallholders	<ul style="list-style-type: none"> • Be a member of a registered AMCO or Cooperative; • Produce crops that are part of targeted VCs; • Significant portion of household income from agriculture activity; • Commitment to apply for and utilize the FOF Program microlending products with limited ticket sizes; • Commitment to adopt sustainable agricultural practices. • Demonstrated willingness of receiving support and upgrade digital readiness (e.g. most members have a device, know how to use it, and have tried mobile money) OR a willingness to build digital and financial literacy and try digital services.
Agri MSMEs	<ul style="list-style-type: none"> • Legally registered as a business entity in the agricultural sector; • Engaged in the production, processing, and/or distribution of agricultural products in targeted VCs; • Must have been in operation for at least 2 years with a positive financial history in the last year of operations; • As key component of the SME business model, commercial relationship with AMCOs, including sourcing of raw materials and/or supply of inputs and services.
MFIs SACCOS	<ul style="list-style-type: none"> • Legally registered and compliant with national regulations; • Have a demonstrated track record of lending to agricultural businesses or farmer groups; • Must have been operational for at least 3 years with a focus on rural or agricultural financing; • Maximum NPL share of portfolio to be decided; • Commitment to collaborate with the Program to design financial products tailored to the needs of farmers and agri-MSMEs.
VC lead companies	<ul style="list-style-type: none"> • Legally registered and operating within a targeted agricultural VC; • Already has established business relationship with partner bank; • Engaged in large-scale buying, processing, or distribution of agricultural products; • Must have established relationships with AMCOs and smallholders; • Demonstrated commitment to fair trade practices and inclusive VCs; • Commitment to partner with the Program to facilitate access to finance for smaller actors within the VC; • Commitment to corporate social responsibility and sustainable practices.

³¹ IFAD will provide a potential pipeline of AMCOs that meet certain bankability standards from its portfolio for CRDB to assess, aiming to target at least 20% of end clients.

Appendix 7: Provisional Technical Assistance Budget

Description Budget item by component, subcomponent and activity	Budget expenditure category	Location		Items (cost in US\$)				Years of Implementation				Financing sources (US\$)					
		Implementing entity	Country / site	Unit	Unit cost	Q	Total	Year 1	Year 2	Year 3	Year 4-7	IFAD Grant	Recipient (CRDB)		Co-financier (CRDB)		
													Cash contributions	In-kind contributions	Cash contributions	In-kind contributions	
Component 1: Technical Assistance for CRDB																	
1.1 Validate the Bank's existing agribusiness strategy to assess its relevance and alignment with the current market environment.	Consultancies	CRDB	TZ	Field Visit	20 000	1	20 000	20 000					20 000		10 000		
1.2 Agri-finance, value chain, and Agri-risk management training for 50 CRDB staff.	Training and Capacity Building	CRDB	TZ	Workshop	35 000	1	35 000	35 000					35 000		35 000		
1.3 Conduct Training of Trainers (ToT) program for 10 CRDB staff members to strengthen the Bank's internal capacity and ensure the sustainability of agribusiness training initiatives.	Training and Capacity Building	CRDB	TZ	Workshop	15 000	1	15 000	15 000					15 000		10 000		
1.4 Capacitate CRDB staff with Agribusiness tools for effective implementation of agribusiness activities in the field e.g. gadgets, laptops working attires.	Workshop	CRDB	TZ	Field Visit	30 000	1	30 000	30 000					30 000				
1.5 Customer research and customer journey mapping	Workshop	CRDB	TZ	Workshop	80 000	1	80 000	80 000					80 000		30 000		
1.6 Review & streamline credit processes and monitoring tools		CRDB	TZ	Learning Visit	15 000	1	15 000		15 000				15 000		10 000		
1.7 Digitise CRDB loan origination, appraisal & monitoring, and deploy geo-tagged farm monitoring tools for loan tracking	Good, Services & Inputs	CRDB	TZ	Documentation	200 000	1	200 000		200 000				200 000		60 000		
1.8 Optimize Agricultural Data Management System (ADMS) to enable a digital credit scoring engine and implement digital KYC farmer registration & digital ID systems	Training and Capacity Building	CRDB	TZ	Workshop	80 000	1	80 000		80 000				80 000		25 000		
1.9 Design specialised Agri-financing models for AMCOs, smallholders, value chain actors, including asset financing, working capital and investment	Good, Services & Inputs	CRDB	TZ	Field Visit	80 000	1	80 000		80 000				80 000		25 000		
1.10 Design youth/women inclusion & empowerment models	Training and Capacity Building	CRDB	TZ	Workshop	10 000	1	10 000		10 000				10 000		5 000		
1.11 Marketing of the new and revised agribusiness products	Good, Services & Inputs	CRDB	TZ	Documentation	30 000	1	30 000		30 000				30 000		15 000		
TOTAL COMPONENT 1							595000	180000	415000	-			595000	-	225000	-	-
Component 2: Technical Assistance to end-clients																	

Description	Budget expenditure category	Location		Items (cost in US\$)				Years of Implementation				Financing sources (US\$)				
		Implementing entity	Country / site	Unit	Unit cost	Q	Total	Year 1	Year 2	Year 3	Year 4-7	IFAD Grant	Recipient (CRDB)		Co-financier (CRDB)	
													Cash contributions	In-kind contributions	Cash contributions	In-kind contributions
2.1 Governance, leadership & cooperative management training for 316 AMCOs boards & managers (Includes - designing training programme, facilitators, training materials, transportation, accommodation and allowances of beneficiaries)	Training and Capacity Building	CRDB	TZ	Workshop	50 000	1	50 000					50 000		10 000		
2.2 Financial literacy and Agripreneurship training - AMCOs members 395 prioritising Women and Youth (Cost includes venue, refreshments, stationery, and allowances)	Training and Capacity Building	CRDB	TZ	Workshop	60 000	1	60 000					60 000		15 000		
2.3 Facilitate an Exchange Visit between 3 AMCOs to promote peer learning, knowledge sharing, and adoption of best practices in governance, financial management, and sustainable agri-business operations.	Good, Services & Inputs	CRDB	TZ	Field Visit	30 000	1	30 000	30 000				30 000		5 000		
2.4 Deployment of system and administration tools for digital record keeping, market information and systems, that is, Laptops for AMCOs and mobile phones for farmers.	Training and Capacity Building	CRDB	TZ	Session	250 000	1	250 000	250 000				250 000				
2.5 Review and develop standard operating procedures (SOPs) and manuals for AMCOs governance, finance, etc.	Documentation				50 000	1	50 000		50 000			50 000		15 000		
2.6 Support 63 AMCOs registration & legal compliance (Cooperative Act)	Training and Capacity Building				20 000	1	20 000		20 000			20 000				
2.7 Roll out a digital marketplace for input ordering and crop marketing to support relevant AMCOs and small holder farmers	Good, Services & Inputs				20 000	1	20 000			20 000		20 000		5 000		
2.8 Launch mobile-based advisory & smart agriculture applications to support farmers to access information such as weather, market, and training etc	Good, Services & Inputs				25 000	1	25 000		25 000			25 000		5 000		
TOTAL COMPONENT 2							505000	390000	95 000	20 000		505000	-	55 000	-	-
Component 3: Risk Management Solutions and Project Governance																
3.1 Conduct Annual Project Steering Committee meetings	Workshops	CRDB	TZ	Workshop	10 000	1	10 000		10 000			10 000		5 000		

Description	Budget expenditure category	Location		Items (cost in US\$)				Years of Implementation				Financing sources (US\$)				
		Implementing entity	Country / site	Unit	Unit cost	Q	Total	Year 1	Year 2	Year 3	Year 4-7	IFAD Grant	Recipient (CRDB)		Co-financier (CRDB)	
													Cash contributions	In-kind contributions	Cash contributions	In-kind contributions
3.2 One project specific annual audit (on the FOPF-T program) at mid-term.	Good, Services & Inputs	TBD	TZ	Field Visit	15 000	1	15 000			15 000		15 000				
3.3 Develop data-sharing frameworks and impact assessment tools (with institutions such as Uchumi Institute, FSDT, ESRF, or REPOA)	Good, Services & Inputs	TBD	TZ	Session	15 000	1	15 000	15 000				15 000		5 000		
3.4 Mid-term and Final evaluations, baseline and end-line surveys (This will also support the operationalisation of the project impact report)	Good, Services & Inputs	TBD	TZ	Session	60 000	1	60 000	30 000		15 000	15 000	60 000		15 000		
TOTAL COMPONENT 3							155 000	45 000	10 000	45 000		100 000	-	-	-	-
TOTAL							1200000					1200000	-	305000	-	-

49. Fiduciary aspects

- Procurement procedures for goods, services and human resources:** Procurement will be following the CRDB procurement policies and procedures. The conclusion of the procurement due diligence on CRDB Bank's procurement framework reflects strong governance, ethical standards, and compliance, forming a solid foundation for effective procurement management. Financial management and accounting arrangements CRDB is subject to reporting. CRDB will submit semi-annual reports showing the expenditures for the period. The Annual workplan and budget will be submitted to IFAD in November of every year in order to receive a No Objection. IFAD will provide the reporting templates.
- Audit arrangements:** Annual Audit on TA facility will be submitted to IFAD on an annual basis, within 6 months after the end of the fiscal year. Terms of Reference of the Audit are specified in a separate document. The audit also includes analysis on the co-financing component.
- Disbursement arrangements:** IFAD will disburse 90% of the subsequent AWPB. Once CRDB submits the semi-annual reports and shows expenditure of 75% of the funds, then they may request an additional disbursement. Further conditions will be defined in the grant agreement.

Appendix 8: Approval notice GAFSP BIFT



February 19, 2026

***Re: Outcome of the Business Investment Financing Track (BIFT) initial proposal
submission to the Global Agriculture and Food Security Program***

BIFT Pilot Call for Proposals

Dear applicant,

On behalf of the Global Agriculture and Food Security Program (GAFSP) Steering Committee (SC), it is my distinct pleasure to inform you that the initial proposal titled "Farmers' Organisation Financing Programme - Tanzania" (FOFP-T), which was presented by the International Fund for Agricultural Development (IFAD) as a Supervising Entity (SE) under the BIFT, has achieved a high score under the GAFSP BIFT Pilot Call for Proposals. We are thrilled to announce that as a result of this commendable achievement, the GAFSP SC has allocated USD 3.0 million for a senior loan, USD 1.8 million for a first loss facility, and USD 1.2 million for technical assistance to implement activities as outlined in the initial proposal. Approval of the final proposal by the GAFSP Steering Committee will include an assessment of whether the following recommendations for improvement provided by the Independent Technical Advisory Committee (TAC) have been sufficiently incorporated or addressed:

Strengths:

- Clear and implementation-ready project structure, mirroring FOFP-Rwanda and integrating initial TAC feedback.
- Clear problem definition and targeted focus on underserved AMCOs.
- Strong anchor institution embedded in an experienced and complementary consortium.
- Well-developed blended finance architecture addressing key market constraints.
- Alignment with BIFT thematic priorities, with credible impact potential.

Areas of Improvement:

- Limited scale relative to CRDB's balance sheet.
- Concentration of risk and weak articulation of market demonstration effects.
- Unclear additionality, attribution, and incrementality.

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- Insufficient operationalization of climate, nutrition, and gender objectives.

Recommendations for Improvement:

- Provide a clearer articulation of how BIFT-supported lending will be distinguished from CRDB's existing agricultural portfolio and from other guarantee and risk-sharing mechanisms operating in Tanzania
- Clarify the safeguards that will ensure the facility remains strategically visible within CRDB and is managed as a distinct initiative
- Provide clearer eligibility and selection criteria to ensure the facility does not primarily serve a narrow group of already well-developed AMCOs with existing access to finance.
- Further clarify the full scope and cost of Aceli's engagement over the life of the project, the extent to which this role is financed beyond the project budget, and contingency arrangements in the event of capacity or funding changes

Please note that GAFSP requires the SE to submit the final proposal design document to the GAFSP Steering Committee for final approval. The SE is expected to prepare a detailed response matrix to accompany the final proposal so that the SC can verify whether the conclusions of the TAC-BIFT Recommendation Report and the additional comments received from SC Members have been effectively addressed in the document.

Once again, please accept my heartfelt congratulations for crafting an outstanding initial proposal that demonstrates your dedication to advancing agriculture and food security. We are eager to witness the positive impact your proposal will have on the global community and look forward to supporting your efforts.

If you have any questions or require additional information, please feel free to contact the Coordination Unit at gafsp-info@gafspfund.org.

Sincerely,

Natasha Hayward

Program Manager

Global Agriculture and Food Security Program

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Appendix 9: Matrix of responses to BIFT Steering Committee (SC) and Technical Advisory Committee Feedback (TAC)

DATE: Original 3rd February / Updated March 6th, 2026
PROJECT TITLE: Farmers' Organisation Financing Program – Tanzania (FOFP-T)

BIFT SC Feedback	IFAD Responses	CU Comment
<p>Additionality and attribution. The proposal would benefit from clearer articulation of how BIFT-supported lending will be distinguished from CRDB's existing agricultural portfolio and from other guarantee and risk-sharing mechanisms operating in Tanzania and currently used by CRDB as informed in the annexed list of current CRDB partnerships. This includes defining portfolio boundaries, clarifying rules governing the stacking and interaction of risk-sharing instruments, and setting out transparent reporting arrangements to avoid double counting. In addition, given CRDB's scale and diversified agricultural operations, the proposal should clarify the safeguards that will ensure the facility remains strategically visible within CRDB and is managed as a distinct initiative, with dedicated governance, reporting, and monitoring arrangements. These elements are important to protect additionality and ensure that BIFT support remains clearly attributable and focused throughout implementation.</p>	<p>FOFP-T will be implemented within CRDB as a ring-fenced sub-portfolio, using a unique facility code, dedicated ledger accounts, and core-banking system tagging so all BIFT-supported lending is distinguishable from CRDB's existing agricultural portfolio. Only loans that meet FOFP-T eligibility and targeting criteria (as set out in the BIFT proposal) will be tagged and reported as FOFP-T, preventing relabelling of pre-existing or parallel lending. Each loan will be screened against CRDB's other guarantee and risk-sharing schemes, with no-double-coverage and stacking rules defining how Aceli/BIFT first-loss, any complementary guarantees, and borrower collateral interact and how losses are allocated. Attribution will be supported through loan-level and portfolio-level reporting capturing funding sources, risk-sharing instruments and coverage levels, value chain and inclusion tags, and reconciliation against CRDB's wider agri-portfolio and other DFI-supported facilities. Governance arrangements—including a FOFP-T Steering Committee, a dedicated portfolio manager, and annual audits and Aceli verification—will maintain visibility, ensure compliance with additionality and non-overlap rules, and support integration within CRDB while preserving traceability and accountability.</p>	<p>Addressed in par 21</p>
<p>Targeting and strategic focus on underserved AMCOs. While the proposal appropriately focuses on commercially oriented AMCOs rather than subsistence-focused cooperatives, it would benefit from clearer eligibility and selection criteria to</p>	<p>AMCOs will be selected and supported through a clear, graduated targeting framework based on their level of commercial and institutional readiness, using a standardized diagnostic tool such as the IFC ALP scorecard to classify cooperatives as emerging, near-bankable or bankable</p>	<p>Addressed</p>

<p>ensure the facility does not primarily serve a narrow group of already well-developed AMCOs with existing access to finance. Greater transparency on how AMCOs will be selected, supported, and graduated across levels of readiness would help ensure that the project meaningfully expands access to underserved segments while maintaining its commercial focus.</p>	<p>according to governance quality, financial records, aggregation capacity, market linkages and compliance. Minimum eligibility will include formal registration, active participation in priority food-crop value chains, a proven aggregation and marketing function, basic operating history and records, and commitment to governance and digital upgrades under the technical assistance programme. Targeting will prioritise underserved food-crop AMCOs, particularly in IFAD-supported and low-bank-penetration districts, with explicit focus on cooperatives with strong participation and leadership of women and youth. A pipeline will be built through CRDB portfolio, cooperative federations, IFAD projects and the FO4IMPACT platform, with transparent screening and readiness assessment. Support will follow a graduation model, combining tailored capacity building with progressively more direct and less concessional financing as AMCOs become bankable, while portfolio caps, first-time borrower targets and periodic readiness reviews will prevent concentration on already well-served cooperatives and ensure that the facility expands access to finance for new and underserved segments on a sustainable, commercially viable basis.</p>	
<p>Governance and resourcing of Aceli’s role. Given Aceli’s central function in administering the first-loss facility, supporting portfolio monitoring, and providing advisory expertise, further clarity is needed on the full scope and cost of its engagement over the life of the project, the extent to which this role is financed beyond the project budget, and 6 contingency arrangements in the event of capacity or funding changes. Addressing this upfront would materially reduce implementation and continuity of risk.</p>	<p>Aceli’s role in FOF-P-T will be governed through a formal grant agreement covering the full seven-year implementation period and an additional wind-down phase to manage long-tenor loans and recycling of first-loss funds. Its mandate, costs and reporting obligations will be clearly defined, with US\$1.8 million from BIFT ring-fenced as first-loss capital and a small time-bound allocation for facility set-up and monitoring, while core systems, staffing and analytics are financed through Aceli’s multi-donor platform, ensuring continuity beyond this single operation. The first-loss reserve will be held in a dedicated account at CRDB and administered through Aceli’s audited Reserve and Settlement Mechanism, with strict eligibility screening, claims validation and loss-allocation rules, and semi-annual reporting to IFAD and the project Steering Committee on portfolio performance,</p>	<p>Addressed in par. 28, 29 and Appendix 5</p>

	<p>additionality and compliance. To mitigate continuity and implementation risks, the arrangements will include clear service standards, independent audits, and dedicated portfolio tagging within CRDB to ensure the facility remains a distinct, visible and accountable instrument throughout implementation.</p>	
<p>Pathway for broader crowding-in. While CRDB's confirmed co-financing is a clear strength, the proposal would benefit from a clearer articulation of how the pilot is expected to support scale-up beyond the facility itself, whether through expansion of AMCO lending within CRDB's mainstream portfolio or eventual engagement of additional financial institutions or DFIs. This would strengthen the market demonstration and replication narrative.</p>	<p>FOFP-T is designed as a market demonstration that enables CRDB to mainstream food-crop AMCO lending beyond the facility by building a track record, reducing transaction costs through digitised origination and monitoring, and institutionalising new credit policies and tools (e.g., cashflow-based lending, alternative collateral and seasonally aligned products). As portfolio performance improves, concessional elements and first-loss reliance will be phased down and lending volumes will increasingly be financed from CRDB's own balance sheet, with targets and reporting embedded in its core agribusiness strategy. Evidence generated through the ring-fenced FOFP-T portfolio (repayment, pricing, risk and impact by segment) will be used to crowd in additional funding—either by scaling co-financing from CRDB and attracting follow-on DFI lines into the same product suite, or by replicating the model with other Tanzanian PFIs using standardized AMCO readiness tools, documented underwriting templates, and shared lessons via sector stakeholders (BoT/TCDC and cooperative federations). Furthermore, the project will have a dedicated window of wholesale finance from CRDB to intermediary financial institutions to on-lend to the FOFP target groups. This window will directly bring in SACCOs, MFIs and/or FINTECHs to the Farmer Organization finance ecosystem promoted by the project.</p>	<p>Addressed in par. 21</p>
<p>Climate and nutrition outcomes. The proposal could be strengthened by more explicitly linking financing and technical assistance activities to measurable climate adaptation and nutrition outcomes, beyond safeguards compliance and</p>	<p>We agree on the intent, while recognising the operational constraints of expanding the results framework significantly. The RF is already broadly aligned with BIFT indicators, and we will therefore keep refinements light-touch and practical, suitable for the private sector execution logic. In response to</p>	<p>Addressed in par. 29 and par. 37</p>

value-chain proxies. Refinements to the results framework would enhance outcome credibility and learning	the comment, in addition to the existing RF, we will: (i) Introduce a realistic set of monitoring indicators that can be captured through CRDB's existing loan tagging and TA reporting. Upon discussion with CRDB loan monitoring teams, conditional to the CRDB core banking capabilities, we will add, 1. Tags added to all FOFP loans for their relevant climate finance loan categories, and 2. Tags on all FOFP loans for the investment on nutrition-sensitive value chains, to be captured during implementation; and (ii) Ensure baseline/endline surveys include outcome questions that verify the monitored progress and measure the outcomes/impact on the same.	
Gender and youth ambition. Although women and youth empowerment are integrated into the project design, greater ambition and operational specificity would strengthen this dimension. Clearer articulation of specific barriers and tailored responses, together with reflection on the adequacy of inclusion targets, would help ensure inclusion outcomes remain robust across multiple lending channels	Building on the substantial results framework enhancements made in response to the last round of Technical Committee feedback for the Rwanda programme, the team will apply the same approach here and will seek to address these concerns with CRDB during implementation discussions. While gender and youth are already integrated across the facility design and TA, we will further strengthen operational specificity by clarifying the key barriers women and youth face in accessing finance (e.g., limited collateral and land rights, membership/share constraints in cooperatives, lower digital access, and weaker participation in leadership), and by detailing tailored responses by channel (e.g., targeted financial literacy and business skills, digital onboarding support, adapted product features, and incentives for inclusive outreach). We will also revisit the adequacy and feasibility of inclusion targets across the four lending channels and attempt to strengthen reporting protocols to ensure disaggregated tracking and robust inclusion outcomes throughout implementation.	Addressed
M&E Framework adaptation. The M&E framework could be further enhanced for robustness and credibility. Priority improvements include sharpening outcome- and impact-level indicators, clarifying especially Aceli's contribution to monitoring, strengthening gender and youth	The team takes note of these suggestions and will incorporate them, where feasible, in ongoing discussions with CRDB and Aceli. The current M&E framework is aligned with IFAD and BIFT requirements, and further refinements to outcome and impact indicators, gender and youth tracking, and independent learning and validation arrangements, especially	Addressed in par. 44

targets, and formalizing independent validation and learning loops.	through the mid-term and final evaluations, will be considered in order to strengthen overall robustness and credibility without adding undue operational burden. Regarding ACELI's role, their full monitoring, evaluation and annual learning cycle will be included into the FOFPP partnership package, including for the youth and gender balance in outreach, and will be detailed in the financing agreement between IFAD and ACELI.	
Written comments received from the US		
We would appreciate clarity of how Aceli's \$200,000 fee to administer this facility is calculated; (Note, same fee as for the Rwanda BIFT facility).	The USD 200,000 administration fee was determined based on Aceli's projected operating and supervision costs for administering the facility, taking into account the limited resources available to cover these expenses. The fee is therefore cost-based and reflects a pragmatic allocation toward essential functions, including facility administration, oversight, reporting, partner coordination, and project supervision. The fact that the same fee level is applied under the Rwanda BIFT facility reflects comparable resource constraints and administrative requirements, rather than a standardized or volume-based pricing approach.	Addressed in Appendix 5 (4b)
It will be important to be explicit how any such linkages and outcomes derive naturally from the activities being done in support of the BIFT's mandate to mobilize finance for high-potential yet underserved segments of the food system.	Agreed. We will make explicit how these linkages and outcomes arise directly from activities undertaken in support of BIFT's core mandate—namely, mobilizing finance for high-potential yet underserved segments of the food system—rather than being treated as parallel or ancillary objectives.	Addressed
Are the TAC or IFAD concerned the absence of other commercial bank partners may lead to the perception, if not reality, of IFAD "picking winners" via CRDB?	The current partnership structure with CRDB's reflects the outcome of a structured selection process based on transparent and objective criteria, rather than preferential treatment. Potential partner banks were identified among Aceli member institutions , ensuring upfront alignment with Aceli's principles and demonstrated commitment to inclusive agricultural finance. Two eligible banks in Tanzania were interviewed as potential candidates. Following this process,	Addressed

	CRDB emerged as the most responsive and best aligned partner, based on its institutional commitment to inclusive finance, operational readiness, relevance to the target market, and prior experience implementing similar facilities. These factors positioned CRDB as the strongest candidate to successfully lead the project. The partnership structure is therefore grounded in fit-for-purpose selection and delivery capacity, not exclusivity, and does not preclude engagement with additional partners should project conditions warrant it.	
This is a good point. There may also be an opportunity to promote linkages between GAFSP tracks and projects. A quick scan of the GAFSP website shows there are three active GAFSP projects in Tanzania – one country-led (AfDB); one private sector window (IFC); one PO-led (AfDB)	We agree with this observation and support the view that stronger articulation of the policy and regulatory engagement pathway would enhance the project’s contribution to longer-term system change. While the project is not designed as a policy reform operation, efforts will be made to more explicitly align implementation learning with ongoing policy and regulatory dialogue at country level. In particular, evidence generated through facility implementation—such as constraints related to collateral requirements, risk-sharing mechanisms, and regulatory frameworks affecting agricultural finance—will be systematically documented and shared through existing IFAD, Aceli, and government coordination platforms. These insights are expected to inform dialogue with relevant public counterparts and development partners, complementing parallel public investments and reform processes rather than duplicating or substituting for them. The proposal will be strengthened to clarify this feedback loop between implementation, evidence generation, and policy engagement.	Addressed
Could you please clarify why it is necessary to highlight this area for strengthening given that these are assessed to be compliant? To enhance clarity and understanding., suggest describing with more exact terms what “climate and ESG risk management” means in the context of this proposal.	We acknowledge this observation and agree that clearer articulation of tools such as stress testing, contingency triggers, and climate-responsive lending features could further strengthen the presentation of climate, environmental, and ESG risk management. At the same time, the project’s current design is intended to ensure compliance with applicable ESG and climate risk management requirements within its operational scope, rather than to	Addressed

<p>Enhance clarity and understanding., suggest describing with more exact terms what “climate-responsive loan features” comprise.</p>	<p>introduce additional risk-management instruments or lending features beyond those already embedded in participating institutions’ frameworks. The comment is nonetheless well noted and will inform ongoing reflection as the facility is implemented, including through routine monitoring and supervision.</p>	
<p>Some elements of the results framework appear to be adapted from the Rwanda proposal (including residual “BK” references), suggesting that further contextualization to Tanzania is required. In addition, the project term currently extends to Year 4 indicators only; clarity is needed on whether Year 5 indicators will be added or whether Year 4 will be used as a proxy for final results, which affects consistency with GAFSP’s full reporting cycle.</p>	<p>The results framework in the Investment Proposal has been adjusted accordingly. The proposed indicators are aligned with reporting requirements towards the donors of the IFAD Private Sector Trust Fund, with GAFSP indicators as well as the capacity of CRDB to monitor and report on the indicators. Furthermore, the duration of indicator measurement spans across the 7-year horizon and includes baseline, mid- and end-line assessments, which will generate the quantitative foundation for assessing changes attributable to the project. The base-line survey will be completed within the first six months to establish reference values for key indicators, while the endline survey will be undertaken in the final year (7) to measure overall results and project impact.</p>	Addressed Annex 1
<p>What would be the impact to the project if the fee was held to 5%?</p>	<p>Reducing the fee to 5% would constrain IFAD’s s ability to adequately cover essential operating, supervision, and reporting functions for the facility. This would likely require scaling back oversight intensity or reallocating resources from other project supervision activities, with potential implications for implementation quality and risk management.</p>	Addressed