



SMALLHOLDER  
AND AGRI-SME FINANCE  
AND INVESTMENT NETWORK

# ANNUAL PROGRESS REPORT 2020

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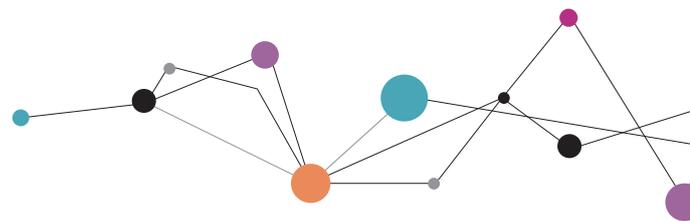




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# ANNUAL PROGRESS REPORT 2020

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# Foreword



## A year of adaptation in the face of new and amplified challenges

SAFIN's commitment to addressing the gaps in small- and medium-sized agricultural enterprise (agri-SME) investment and finance was sharpened in the face of the unique challenges brought on by the COVID-19 pandemic. As a Network, we had to ask and answer the question, "How do we evolve to fit the needs of partners in the face of these new, or at least amplified, challenges?"

As the only agri-SME financing focused Network globally, our pilot phase workstreams proved to be still relevant as we adapted our planned activities to fit the new realities and needs of Network members. I believe that we can be doubly proud of the milestones and achievements from 2020, some of which are captured in this report, and we can be prouder still that these achievements and milestones reflect our collective efforts, contributions and some of our wins as a Network.

When writing, reading and reflecting upon this report it was important to derive and understand the lessons from 2020, which brought the significance of resilient food systems into sharper focus. Agri-SME finance is an important consideration in this regard, and the conversations, collaborations and innovations required to drive this are at the center of our focus as a Network.

I am blessed with two perspectives: 1) as the Chair of the Steering Committee and 2) as the CEO of one of the partner organizations of the Network. In both capacities, I continue to admire the unwavering focus of the SAFIN Secretariat in accommodating the voices of all partners and fostering collaboration. Networks are built at the speed of trust. As we transition from our pilot phase into SAFIN 2.0, trust remains key to achieving our mission as a network. Therefore, I invite all partners and friends to recommit to the vital task of bolstering and enabling an effective and inclusive ecosystem for agri-SME finance.

*Ayodeji Balogun*

**Ayodeji Balogun**  
Chair, Steering Committee



## Looking back at 2020 with a renewed sense of purpose

2020 was an extremely challenging year for many SMES in food and agriculture all over the world. The COVID-19 pandemic plus related travel and trade restrictions – combined in some contexts with pests, extreme climate events, and other stressors – stretched their assets, disrupted their business models, and increased transaction costs in accessing inputs and markets. Similarly, the pandemic tested the capabilities of financial institutions and investors working with agri-SMEs. Overall, 2020 was a year where none of us – including SAFIN partners, whether agri-SME platforms or investors – could go about our jobs in a "business as usual" fashion. We each had to give up on existing plans, cut losses, find new ways to achieve set goals, and cultivate resilience.

For the SAFIN Secretariat, the challenge quickly turned into an opportunity to grow more attentive and relevant to Network partners and to the broader agri-SME finance ecosystem. For several partner investors, the expected portfolio losses ended up being limited and new opportunities emerged. Many agri-SMEs successfully adapted their business models, for instance by pivoting towards new markets or digitalizing their products and processes. However, many small entrepreneurs dried up their assets and had to close their businesses, and the full impact of the crisis on financial institutions that serve smallholders and agri-SMEs is not yet known.

As we reflect on this difficult year, we should celebrate the many achievements presented in this report; but we should also take to heart the lesson that the pandemic taught us: it is vital to build a stronger financial ecosystem around agri-SMEs. It is with this renewed sense of purpose that we close 2020 – with gratitude to all our partners, our Steering Committee, and our donors – and look ahead to our new phase: SAFIN2.0.

*Bettina Prato*

**Bettina Prato**  
Senior Coordinator

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# List of Acronyms

AFD	Agence Française de Développement
AGRF	African Green Revolution Forum
Agri-SME	small- and medium-sized agricultural enterprise
ASP	Agro-Service Providers
ARM	Agricultural Risk Management
CABFIN	Capacity Building in Rural Finance
CASA	Commercial Agriculture for Smallholders and Agribusiness
FARM-D	Forum for Agricultural Risk Management in Development
FAA	Food Action Alliance
FAO	Food and Agriculture Organization of the United Nations
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IP	Investment Prospectus
IPF	Investment Prospectus Framework
ITC	International Trade Centre
OECD	Organisation for Economic Co-operation and Development
PARM	Platform for Agricultural Risk Management
PDB	Public Development Bank
PF4SD	Private Finance for Sustainable Development
SAFIN	Smallholder and agri-SME Finance and Investment Network
SDG	Sustainable Development Goal
WEF	World Economic Forum

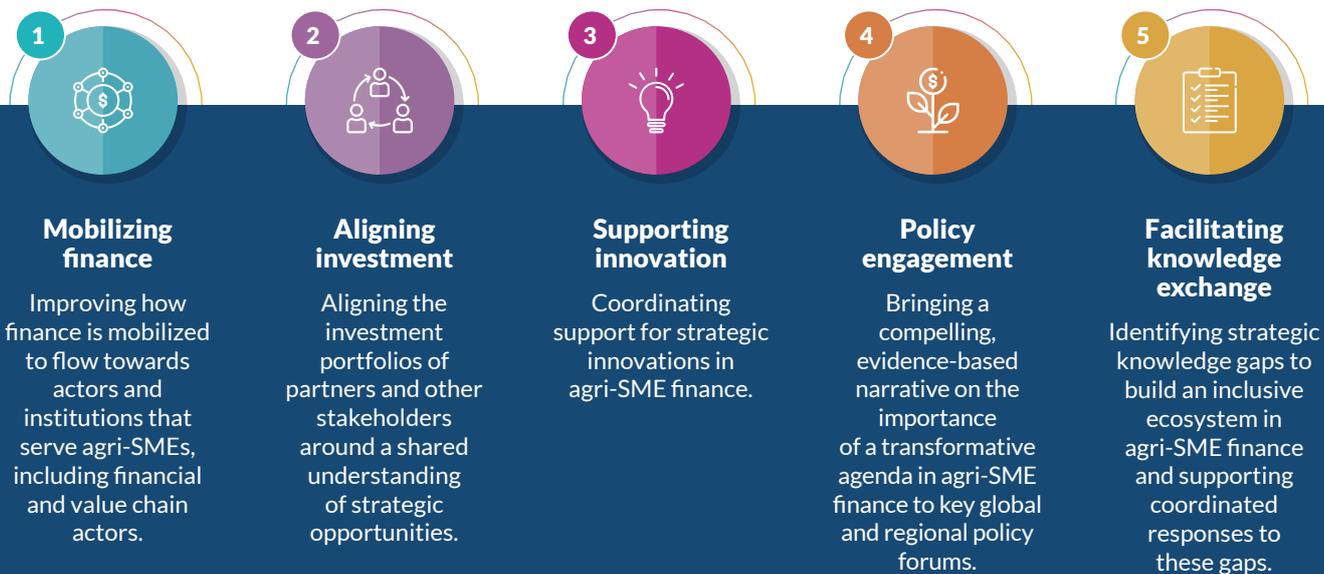


# Introduction

Agri-SMEs are the foundation of food systems in emerging economies. They are present across all stages of agricultural value chains, from farming inputs and production to processing and marketing. Ensuring that agri-SMEs have adequate access to finance is integral to achieving the targets set by the 2030 Agenda for Sustainable Development, as they are critical for food security and economic development of developing countries. At present, investment in food and agriculture in developing regions falls short of that needed to reach the Sustainable Development Goal targets by 2030, and this also holds true for agri-SMEs. A collaborative, multi-stakeholder effort across the agri-SME finance ecosystem is needed to close this investment gap.

In 2018, the Smallholder and agri-SME Finance and Investment Network (SAFIN) was formally launched by the International Fund for Agricultural Development (IFAD) with a number of institutions across different parts of the agri-SME financing space. By 2020, the Network had over 50 partners, guided by a Steering Committee and facilitated by a Secretariat housed at IFAD. The vision of SAFIN is of a more effective and inclusive institutional and market ecosystem for the delivery of agri-SME finance. SAFIN's mission is to realise this vision through dialogue, knowledge-sharing and collaboration among different actors working in the agri-SME space.

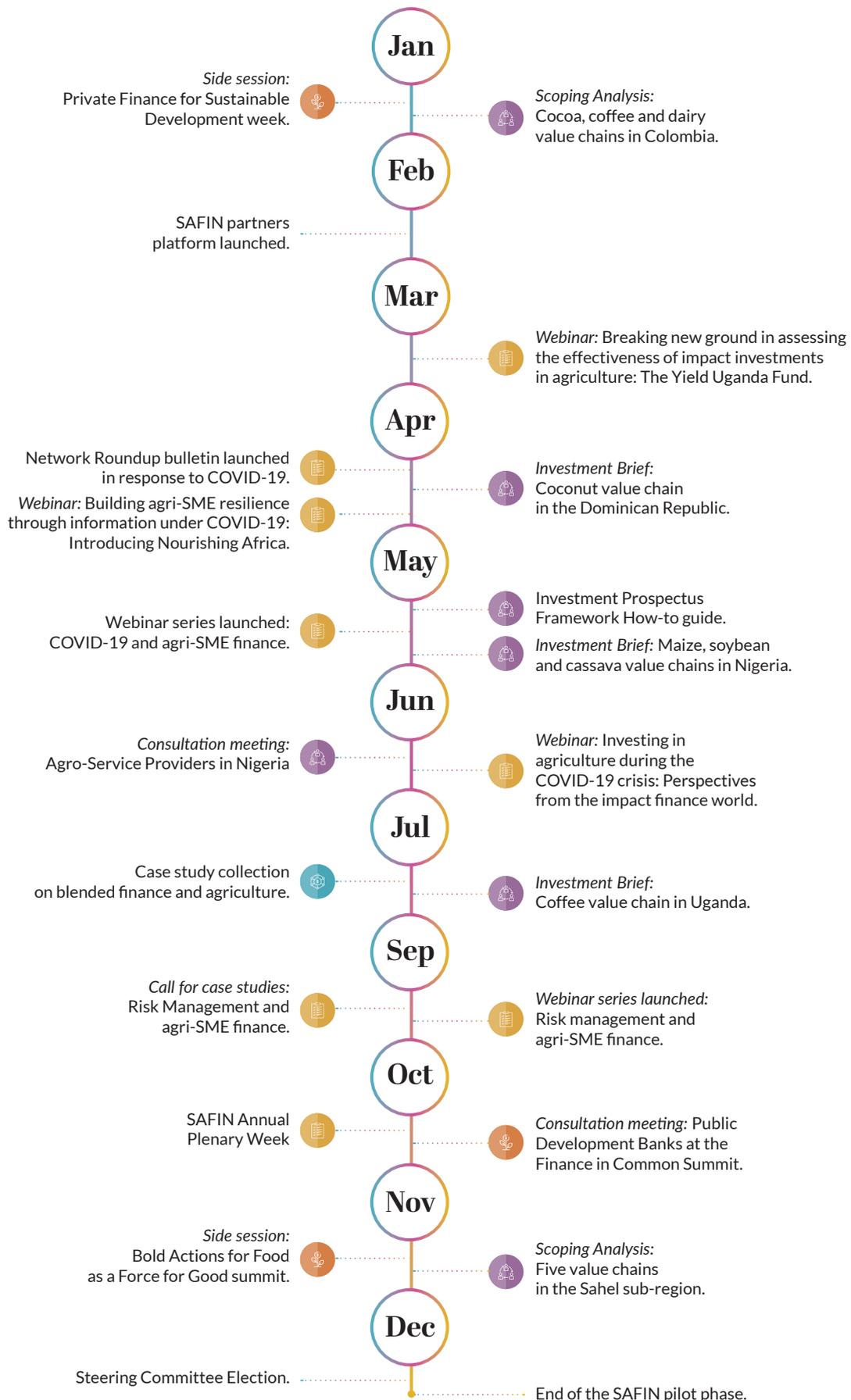
SAFIN partners are committed to working collaboratively to address the gaps in the agri-SME investment and finance ecosystem. SAFIN offers a curated, pre-competitive space for partners to learn about each other, approach shared knowledge gaps, and discover opportunities to work collaboratively to achieve greater impact. For its pilot phase (2018–2020), SAFIN partners prioritized collaboration in five workstreams:

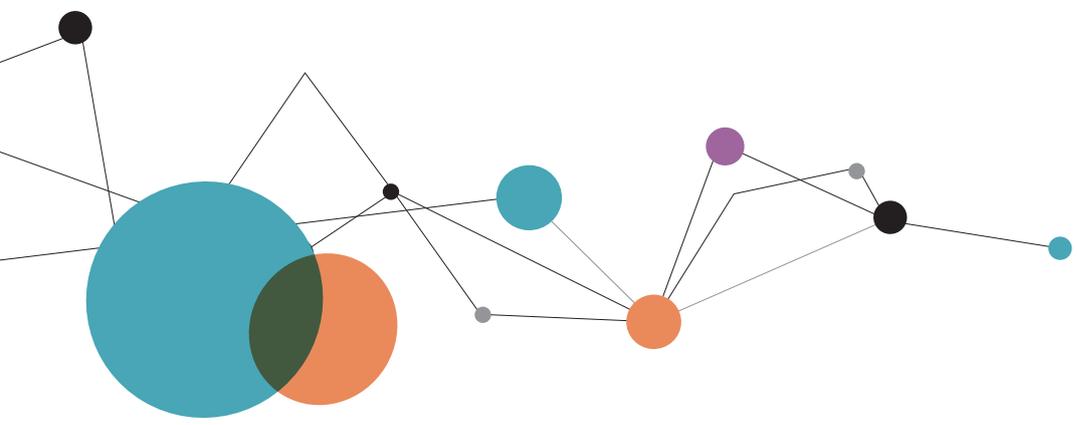


# Network Partners in 2020



# 1.1 Highlights from 2020





# Progress in our pilot phase workstreams



With the onset of COVID-19 and resulting lockdown measures, some of SAFIN's 2020 activities were initiated or adapted to suit the evolving needs of partners. This included adapting the original plan for a webinar series on agri-SME finance innovations to one that focused on the impact of COVID-19 on agri-SME finance (see Boxes 2 and 3) and launching a new bi-monthly partner bulletin: the "SAFIN Network Roundup".

Throughout 2020, SAFIN continued to be an active voice in global discussions around mobilizing finance in the agri-SME space by contributing to numerous policy forums, summits and conferences. In the space of blended finance and agri-SMEs, 2020 marked a milestone year for SAFIN, with the publication of nine case studies from the joint SAFIN/Organisation for Economic Co-Operation and Development (OECD) "deep dive" on this theme. Other key publications in 2020 include a "How-to guide" for the Investment Prospectus Framework (IPF), new Investment Briefs for the Investment Prospectuses (IPs) for Uganda, Nigeria, and the Dominican Republic, and Scoping Analysis reports for value chains in Colombia and the Sahel sub-region.

Finally, 2020 marked the completion of the SAFIN pilot phase, and as such, it was a year of consolidation and transition for the Network. The main activities of the pilot phase were finalised, and alignment for the [SAFIN 2.0 \(2021–2025\)](#) activities was reached by Network partners.

## 2.1 Mobilizing finance

As was the case in 2019, this workstream focused primarily on developing the evidence base for the use of blended finance in agriculture. Blended finance uses concessional capital to absorb or redistribute part of the investment risks associated with transactions with positive expected development impact, making them more attractive to commercial investors. In 2018, SAFIN and the OECD took a "deep dive" into blended finance to assess whether and how it could be used to lower risks and costs confronting investors and financial institutions serving agri-SMEs. In 2019, a landscape report on the use of blended finance in the sector was published and discussed at workshops co-organized with the African and Asian Rural and Agricultural Credit Associations and the Asia-Pacific Rural and Agricultural Credit Association. In 2020, the SAFIN/OECD deep dive on blended finance yielded nine case studies.

## 2.1.1 Case studies on blended finance and agriculture

In July 2020, the SAFIN/OECD deep dive on blended finance and agriculture reached a milestone with nine case studies co-published with the Inter-American Development Bank (IDB) Innovation Lab, many of which were authored by SAFIN partners. Each case study illustrates a different use of blending, and collectively they cover three main areas of application of blended finance in the agri-SME finance space:



1. Blended schemes that de-risk, incentivize and build capacity for agri-SME finance across different types of financial institutions in specific countries, with examples from Ghana, Kenya and Tanzania;
2. Blended vehicles and project structures that de-risk new value chains, production models and technologies, with examples from Bhutan, Brazil and Paraguay;
3. Blending that addresses business model risks associated with the design of new financial products and services targeting agri-SMEs, with examples from India, Mexico and the Philippines.

## 2.1.2 Contributing to the global debate on blended finance in the agri-SME space

Throughout 2020, the SAFIN Secretariat and Network partners remained active in the global conversation on blended finance for food and agricultural investments. Their involvement included engaging in several policy forums, international conferences and summits, such as the Private Finance for Sustainable Development (PF4SD) Conference and the Finance in Common Summit (see section 2.3).

At the African Green Revolution Forum (AGRF) 2020 virtual summit, the Secretariat chaired a session on blended finance for agribusiness investment and contributed to a symposium on innovative finance for African agribusiness, chaired by the SAFIN Senior Coordinator. In the wake of an African Union Development Agency conference co-organized with IFAD and the World Economic Forum (WEF) to coordinate regional responses to the impact of COVID-19 on food systems, the Secretariat and some Network partners contributed to a working group on de-risking finance for African agri-SMEs. Together with FIRA Mexico and IDB, the Secretariat and partners also coordinated a dialogue on blending and innovative finance in Latin America. At the WEF Bold Actions for Food as a Force for Good event, SAFIN and several partners presented at a number of sessions on blended finance, agri-SMEs and finance for young entrepreneurs. Finally, the Secretariat contributed to the “Agricultural Finance Year Book 2020 – Digitalisation and Agricultural Financing in Uganda”.

## 2.2

## Aligning investment – the Investment Prospectus Framework

In 2020, SAFIN continued to support the implementation of the IPF. The IPF process involves a two-stage multi-stakeholder approach to identifying transformative investment opportunities in specific agri-SME value chains at country and regional levels. The process identifies areas in value chains where the financial sector is unable or unwilling to unlock investment and where SAFIN partners can design and implement financial solutions for agri-SMEs. Despite travel restrictions caused by COVID-19, further progress on the SAFIN IPF pilots focused on four countries (Dominican Republic, Colombia, Nigeria and India) and the Sahel sub-region in 2020 (Fig. 1).

In 2020, the IPF process was synthesised into a “How-to guide” for SAFIN partners and other potential users (see Box 1).

## 2.2.1

### Progress by country

Figure 1. Active Investment Prospectus Pilots

1 Dominican Republic    2 Colombia    3 Nigeria    4 India    5 Sahel sub-region





PILOT ANCHOR

**JAD**  
Junta Agroempresarial Dominicana, Inc.

VALUE CHAIN(S)

**Coconuts and associated crops**

## Dominican Republic

After the SAFIN IPs for coconuts and associated crops was published in 2019, follow up activities during 2020 focused on two fronts: 1) implementing a financing solution to increase the capacity and quality of coconut production and 2) diversifying the range of products made from locally produced coconuts. Efforts towards these activities were led primarily by Hernan Manson from the International Trade Centre (ITC) as part of their “Alliances for Action” programme. ITC, with the support of the Dominican Agroentrepreneurial Board (Junta Agroempresarial Dominicana) and Fundación Capital, met with and collected information from public and private sector institutions active in the coconut value chain to inform the design of a financial product for small and medium producers and other agri-SMEs in this value chain. As part of this process, the three institutions worked to identify producer and processor organizations to create new alliances to take the findings of the IP forward. An [Investment Brief for the Dominican Republic](#) was published in April 2020.



## VALUE CHAIN(S)



Cocoa



Coffee



Dairy

## Colombia

After the publication of a Scoping Analysis on cocoa, coffee and dairy value chains in Colombia, follow up activities in 2020 included dialogue among the Secretariat, a small group of partners, the Colombian Ministry of Agriculture, and the Colombia flagship working group of the Food Action Alliance (FAA). The dialogue was led locally by Rabobank, Internacional de Agricultura Tropical (International Center for Tropical Agriculture) and WEF. The Ministry of Agriculture and Rural Development of Colombia was interested in the potential development of an IP informed by the Scoping Analysis to support their “360-degree risk mitigation strategy”, which covers 12 value chains, including cocoa and dairy. The FAA was interested in using the IPF to frame their efforts and drive investments towards improving the sustainability of the dual-use cattle value chain while also considering a complementary IP on the cocoa value chain, thanks to cocoa’s potential for sustainable reforestation strategies, which may supplement the incomes of cattle farmers.



PILOT ANCHOR



VALUE CHAIN(S)



**Cassava**



**Maize**



**Soybeans**

## Nigeria

Building on the 2019 IP for Nigeria, a study of Agro-Service Providers (ASP) was launched in collaboration with AFEX, following an agreement with IP partners to further explore financial solutions for ASP in the agri-SME space. SAFIN partners and local stakeholders held a virtual meeting to validate study findings and discuss the ASP landscape in Nigeria, including different ASP models, their growth potential and corresponding financial needs. The study proposed the design of a funding structure inclusive of a technical assistance component to meet those needs. The study was presented in a second virtual meeting with key stakeholders in the third quarter of 2020. An Investment Brief for Nigeria was also published in May 2020.

PILOT ANCHOR



VALUE CHAIN(S)

**Minor millets**

## India

Following the publication of a Scoping Analysis in December 2019, the pilot for India focused on exploring investment opportunities in the minor millets value chain in the states of Rajasthan and Madhya Pradesh. The IP process was led by the local SAFIN anchor, ACCESS Development Services, which set up a Steering Committee that met virtually in early 2020 to validate the initial market analysis and financing and investment opportunities that later became the focus of the IP. In the third quarter of the year, key findings from the IP were presented to the Steering Committee. The final version of the IP presented investment and financing opportunities across three types of agribusinesses: 1) farmer producer organizations, 2) agri-SMEs that perform primary processing activities for local markets, and 3) agri-SMEs that perform secondary processing for regional or national urban markets.



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VALUE CHAIN(S)



**Onions and indigenous cereals (Niger)**



**Maize (Burkina Faso)**



**Mangos (Senegal)**

## Sahel

A Scoping Analysis was launched around mid-2020 covering Niger, Burkina Faso and Senegal. The process was initiated when SAFIN partners active in the region were asked to define value chains of priority focus. After an initial market analysis, a first virtual meeting was held with the partners to propose and validate the selection of five value chains, namely: 1) onions (Niger); 2) indigenous cereals (Niger); 3) market gardening (Burkina Faso); 4) maize (Burkina Faso); and 5) mangos (Senegal). In the third quarter of 2020, interested partners reconvened to discuss key findings from the Scoping Analysis. The final version of the Scoping Analysis was published in November 2020.

## Box 1. The Investment Prospectus Framework “How-to guide”



The Investment Prospectus Framework is an instrument designed for SAFIN partners and interested actors to identify opportunities for collaborative action and financing in agri-SME-dense value chains with the potential for transformative change at the country level. Each Investment Prospectus is expected to allow SAFIN partners to align their prospective activities and portfolios around these opportunities and related financing needs.

The experience of piloting the IPF in Colombia, Dominican Republic, India, Jamaica, Nigeria and Uganda during 2018–2020 formed the basis of a “How-to guide” that was published in May 2020. The guide was designed to enable SAFIN partners and interested actors to deploy the framework independently of the SAFIN Secretariat, when seeking to align themselves around transformative investments in agri-SMEs in specific contexts.

## 2.3 Policy engagement

In 2020, SAFIN increased its efforts to advocate for more investment into agri-SMEs in numerous global and regional forums, including the OECD PF4SD Conference, the AGRF virtual summit, and the WEF virtual Bold Actions for Food as a Force for Good event. The Secretariat also supported relevant high-profile initiatives, such as the Finance in Common Summit, the FAA, the United Nations Food Systems Summit and the AGRF Deal Room. The total number of speaking engagements by the SAFIN Secretariat in 2020 totalled 15. A far larger number of speaking engagements and public events were organized by partners, individually or in collaboration with each other or with other actors.

### 2.3.1 Private Finance for Sustainable Development Conference

The OECD PF4SD Conference is held in Paris every January to gather policy makers, investors and leading experts in finance and development to discuss how private capital can be mobilized towards the Sustainable Development Goals (SDGs). The theme for the 2020 forum (28–31 January) was “Aligning Finance with the SDGs”. SAFIN co-hosted a session at the conference with the OECD Financing for Development team on the role of blended finance in agri-SME finance, which built on the SAFIN/OECD “deep dive”. The SAFIN Senior Coordinator also spoke about green finance and alignment of private investment in the agri-food sector in a separate session of the conference.



SAFIN-OECD session on disruptive use of blended finance in the agri-SME space

## 2.3.2

## Finance in Common Summit and the Public Development Bank agriculture cluster

On 12 November 2020, Agence Française de Développement (AFD) hosted the Finance in Common Summit. The Summit convened heads of state and government, leaders of Public Development Banks (PDBs) and other institutions to strengthen the contribution of PDBs to realize the 2030 Agenda. The SAFIN Secretariat supported IFAD in convening a cluster of agricultural PDBs with AFD in preparation for the summit, including speaking at a pre-summit, high-level event on financing sustainable food systems hosted by IFAD. Additionally, the SAFIN Senior Coordinator facilitated the cluster and chaired a consultation on the cluster outcome declaration for the Summit at the SAFIN Plenary, thereby opening a new space for dialogue between the PDB community and other actors in the agri-SME finance ecosystem that are part of the network.

## 2.3.3

## Contributing to the Food Systems Summit: Champions network and Action Track 4

In October 2020, the SAFIN Senior Coordinator was appointed a Food Systems Champion in the context of preparations for the United Nations 2021 Food Systems Summit. She was also appointed Vice-Chair of the Champions' Group for Women and Gender issues, and later as the finance lead for the Summit Action Track 4, which focuses on "equitable livelihoods." These appointments signalled recognition within the United Nations system of the unique role of SAFIN around the agenda of agri-SME finance and provided new opportunities to advance this agenda in global efforts for food systems transformation. SAFIN engagements in the Food Systems Summit will continue throughout 2021 via independent dialogues and supporting the development of game-changing solutions.





# Network development

## 3.1 Network dynamics and governance

In 2020, SAFIN welcomed four new partners: 1) Aceli Africa, 2) Al-Fal Microfinance Company, 3) Banco de Fomento Agropecuario (El Salvador) and 4) the Council on Smallholder Agricultural Finance. Their addition took SAFIN's membership to double the size it had at the Network's inception in 2017, reaching a total of over 50 partners.

During 2020, the Secretariat continued to monitor and report on network health, connectivity and development through periodic surveys and a social network analysis, with support from Small Foundation – a Network partner and donor. The results of such analyses were discussed amongst the Network partners and informed an effort to continuously refine and improve how the Network operates and how it tracks its results. Survey results were also presented at the SAFIN 2020 Annual Plenary week (see section 3.2.4) and informed the SAFIN 2.0 strategic focus areas (see section 3.1.2).

Network activities continued to be guided by the pilot phase SAFIN Steering Committee during 2020. The year was particularly busy for the Committee with numerous consultations around the structure and activities for the SAFIN 2.0 phase beginning in 2021. The process of election of a new Steering Committee to serve in 2021–2022 was initiated in December.

### Box 2. Insights from the September 2020 Network Health Survey

The two Network Health surveys conducted in January and September 2020 had 18 and 17 respondents, respectively. The scores to survey questions improved during this period, with more participants noting particular improvements around clarify of purpose, progress towards said purpose, inclusive decision making, ease of access to information about Network activities and benefits from Network participation. The surveys also documented some challenge areas, notably concerning partners' ability to make time for active engagement in Network activities, and the need for further outreach to different types of actors to continue progress towards SAFIN's purpose. These insights continued to inform Network activities in the lead up to SAFIN 2.0.

### 3.1.1 Lead up to SAFIN 2.0

Throughout 2020, partners were involved in intense dialogues about the next phase of SAFIN (2021–2025). During the first six months of 2020, these discussions reflected on the experiences of the pilot phase, including the results from the January survey. In March, the Steering Committee came together over three days to generate ideas for new focus areas based on lessons learned from the pilot phase, new areas of concern and new partners' priorities. What resulted were five focus areas (see Table 1), which were then elaborated on via extensive discussions between the Senior Coordinator and individual partners. These conversations aimed to determine whether partners were interested in taking on one or more focus areas, whether they had the capacity to do so, and what concrete contributions the Network could make in each focus area. These conversations also served to reconfirm partner interest in the Network and commitment to SAFIN's value proposition.

**Table 1.** The five focus areas and their objectives for SAFIN 2.0

1	2	3	4	5
<b>CONVENE</b>	<b>TRACK</b>	<b>FOCUS</b>	<b>INFLUENCE</b>	<b>CO-CREATE</b>
Bring the ecosystem together to build trust and mutual understanding	Map out opportunities for innovative collaborations	Foster shared understanding of strategic issues and knowledge gaps	Bring agri-SME finance focus to country-led initiatives for private investment in sustainable food systems.	Align around new and effective financial solutions to emerging challenges
<p>Nurture relationships and build trust to illuminate opportunities for collaboration.</p> <p>Engage the community of actors operating in agri-SME finance to foster better mutual understandings, a shared sense of direction and better alignment.</p>	<p>Enable partners to learn about innovative work in agri-SME finance that others in the Network are doing, with focus on early stage initiatives, with room for co-creation</p>	<p>Help partners better manage and prioritize information flows by gaining a shared understanding of priority and "game changing" issues in the ecosystem.</p> <p>Achieve a shared "theory of change" about how work in the agri-SME finance space can most impact on the realization of the 2030 Agenda.</p>	<p>Catalyse new investments in agri-SMEs and effective agri-SME finance solutions, by influencing country-led initiatives to support private investment in the sector.</p>	<p>Support the design of financial solutions to emerging or strategic challenges like COVID-19, shifting to sustainable food systems and climate resilience.</p>

In SAFIN 2.0 (2021–2025), the Network's business model will shift towards a more decentralized and partner-led approach, where partners will exchange ideas, knowledge and skills to learn from each other and facilitate collaboration in all five focus areas. Activities will be designed with greater direct partner involvement, in line with good network practice.

## 3.2

## Creating and facilitating knowledge-sharing in the agri-SME finance ecosystem

## 3.2.1

### Learning events

#### Webinars

In the context of the COVID-19 pandemic, SAFIN provided online learning and knowledge-sharing opportunities for partners and other agri-finance practitioners, designed in part to address issues specifically related to the pandemic. Throughout the year, webinars and events were hosted with key knowledge partners, such as the World Bank Group's Agriculture Finance (AgriFin) centre, the Capacity Building in Rural Finance (CABFIN) partnership, the International Labour Organization (ILO), the Forum for Agricultural Risk Management in Development (FARM-D) and the Platform for Agricultural Risk Management (PARM). These events included a four-part webinar series on the impact of COVID-19 on agri-SME finance (Box 3) and a three-part webinar series on agri-SME finance risk management during COVID-19 (Box 4). Taken together, these events reached 1100 unique participants. The level of engagement by participants was outstanding, particularly during the webinar series focused on the effects of COVID-19, which established SAFIN as the main global space for discussion specifically on agri-SME finance in the context of the pandemic.

#### Box 3. Webinar series: COVID-19 and agri-SME finance

In the Spring and Summer of 2020, the SAFIN Secretariat organized six virtual webinars/gatherings for SAFIN partners and other stakeholders to share information on impacts and responses to the pandemic in the agri-SME finance space. Two webinars focused on the perspectives and experiences of impact lenders and African agripreneurs in the Nourishing Africa Platform. The remaining four webinars occurred as a series co-organized with the World Bank Group's AgriFin. Collectively, the series considered the pandemic's impacts on and responses from non-bank financial institutions, trade and value chain finance, and new and emerging technology-enabled solutions for finance and supply chain management.

#### Box 4. Webinar series: Risk management and agri-SME finance

The COVID-19 crisis has highlighted the limited capacity of agri-SMEs and financial service providers (FSPs) to anticipate and mitigate risks in their value chains. Many agri-SMEs were affected by supply chain disruptions and limited liquidity while FSPs were affected by non-performing loans and other assets. In this context, SAFIN collaborated with FARM-D, ILO Social Finance and PARM to organize a three-part webinar series to discuss the use of agricultural risk management (ARM) tools, examples of ARM solutions for agri-SMEs and FSPs, and emerging ARM policy issues in the context of the pandemic.

### Curated dialogue on mobilizing private finance for food system transformation

Following the second SAFIN/AgriFin COVID-19 and agri-SME finance webinar in early June (see Box 3), some private investors, donors and Development Finance Institutions asked to continue the conversation in a closed dialogue series. In response, the Secretariat gathered around 20 practitioners, decision-makers and experts in financial structuring and technical assistance in a closed series of roundtables from July–October 2020. The dialogues were co-convened by the SAFIN Senior Coordinator and colleagues at the Food and Agriculture Organization of the United Nations (FAO) and the Consortium of International Agricultural Resource Centers.

They explored key areas of tension or lack of coordination in the financial ecosystem, allowing participants to articulate their positions and understand other perspectives. Topics of discussion included where and how to use blended finance for greatest development impact, how and when to exit or scale it down, the role of digital data systems in reducing the rationale for blending, and challenges in operationalizing a “food system approach” to investment. The dialogues provided inputs for a joint SAFIN/Convergence report to be published in early 2021 and for the Secretariat’s contribution to discussions on new blended vehicles in the Joint SDG Fund process and in the United Nations Food System Summit process.

### 3.2.2 Knowledge products

2020 was an important year for SAFIN in terms of knowledge production. The main learnings from key analytical processes were documented in preparation for the pilot phase completion. A total of 17 knowledge products were produced and disseminated through SAFIN and knowledge partner channels (Table 2).

**Table 2.** SAFIN knowledge products produced in 2020

KNOWLEDGE PRODUCTS	UNITS PRODUCED	DESCRIPTION
 <p><b>CASE STUDIES: BLENDED FINANCE FOR AGRICULTURE</b></p>	9	Developed from the SAFIN-OECD “deep dive” on blended finance and agriculture, these case studies documented how blended finance structures or instruments may be used to address key risks and build capacity in the agri-SME sector in different developing countries.
 <p><b>SCOPING ANALYSES</b></p>	2	Scoping analyses produced in 2020 covered five value chains in three countries of the Sahel sub-region as well as the coffee, cocoa and dairy value chains in Colombia. These analyses describe investment opportunity areas for further exploration through targeted IPs. Achieve a shared “theory of change” about how work in the agri-SME finance space can most impact on the realization of the 2030 Agenda.
 <p><b>INVESTMENT PROSPECTUSES</b></p>	1	SAFIN IPs provide a detailed analysis of opportunities in a selected value chain. They also assess financing gaps and recommend financial solutions. In 2020, an IP was produced on the minor millets value chain in India.
 <p><b>INVESTMENT BRIEFS</b></p>	4	In 2020, concise investment briefs were introduced to summarize the main investment and financing opportunities emerging from the various IPF pilots. The briefs covered Uganda, Nigeria and the Dominican Republic.
 <p><b>THE INVESTMENT PROSPECTUS FRAMEWORK: HOW-TO GUIDE</b></p>	1	The main learnings from the various IP pilots were documented in a “How-to guide” so various actors can use the IP Framework in different value chains or food systems.



**Box 5. Investment Briefs**



In 2020, the SAFIN Secretariat launched the development of “Investment Briefs” in response to demand for condensed, user friendly versions of IP reports. The main objective of the briefs is to summarize IP findings in an accessible way. The briefs include key challenges, key institutional actors and agri-SME financing gaps in a given value chain, as well as a brief description of the solutions recommended in the IP reports. In 2020, Investment Briefs were published for value chains in the Dominican Republic, Nigeria, and Uganda.

**3.2.3 Knowledge partnerships**

During 2020, SAFIN continued to be an important partner for key knowledge platforms in the agri-SME finance space. SAFIN continued its collaboration with the CABFIN initiative (hosted at FAO) with periodic sharing of plans, cross-posting of new research and joint events, as well as shared efforts to encourage webinar attendance. Collaboration with AgriFin also continued through 2020, with a joint webinar series on COVID-19 and its impact on agri-SME finance (see Box 3). A new collaboration was initiated in 2020 with the UKAid-funded Commercial Agriculture for Smallholders and Agribusiness (CASA) programme via periodic exchanges around respective research agendas and participation by the SAFIN Senior Coordinator as a speaker in the CASA webinar, “Re-thinking agribusiness investments though the pandemic”. Finally, SAFIN also became a formal “Field Building Partner” of the Council of Smallholder Agricultural Finance: a group of impact lenders with a focus on agri-SME finance, and it supported the elaboration of their “State of the Sector Report 2020”.

**3.2.4 Strengthening knowledge flows across the Network**

**Annual Plenary Meeting 2020**

The fourth SAFIN Annual Plenary Meeting took place from the 19 to 23 October 2020. Due to COVID-19 restrictions, this was the first virtual convening of SAFIN network partners and leaders from the agri-finance ecosystem. The event included 15 sessions, led by over 50 speakers, with 8 virtual exhibition booths and a virtual networking café and exhibition hall.



SAFIN Partners at the Annual Plenary Meeting 2020

The 2020 Plenary focused on the challenges facing the agri-finance ecosystem during the COVID-19 pandemic, and the bulk of the plenary programme was made up of thematic discussions, co-designed and proposed by SAFIN network partners. These discussions provided opportunities for learning and comparison of experiences across Asian, Latin America and Asian regions. The Plenary also included panels and deep dive sessions for stakeholders to discuss topics in the agri-ecosystem, including:

- Digital innovations in technology and technical assistance models;
- Regional priorities in agriculture finance in Latin America;
- Alternatives to collateral in agri-lending; and,
- Agri-finance flow facilitation by farmers’ organizations.

The 2020 Plenary was also an opportune time for SAFIN partners to reflect on the achievements and challenges faced during the pilot phase and to plan their main activities for SAFIN 2.0. Four network design sessions yielded potential activities and success indicators for the five focus areas of SAFIN 2.0 (see Table 1). In both the opening and closing sessions, participants discussed the September Network Health Survey results (see Box 2) and suggested areas for improvement.

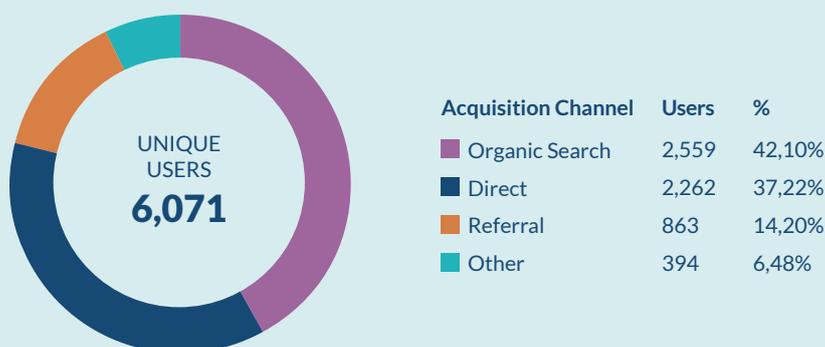
### SAFIN website

Throughout 2020, the SAFIN website was kept up to date with the latest news, events, publications and opportunities in agri-SME finance. During the first six months of the year, the SAFIN Partners Area portal was added to the website for partners to share news about their relevant initiatives, learn about other network partners and explore opportunities for collaboration. Additionally, custom description and registration pages were created for online events. During the second half of 2020, the SAFIN resource database was fully revised for easier access to publications, including the addition of categories, custom search and filter functions. A microsite was developed during the lead-up to the 2020 SAFIN Annual Plenary Week to highlight the session, logistical and registration information. Data on website page views and users by acquisition channel are shown in Figs. 2 and 3, respectively.

**Figure 2.** Page views for the SAFIN website from 1 January–31 December 2020.



**Figure 3.** Unique users by acquisition channel.



## Quarterly newsletter

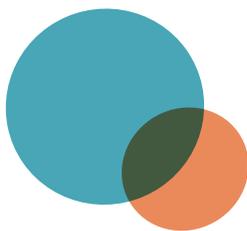
Throughout 2020, SAFIN partners and subscribers were kept up to date with quarterly newsletters from the Secretariat, and subscriptions grew from 105 in January 2020 to 719 by December 2020. Each newsletter included news from across the Network, special partner spotlight features as well as the signature Perspectives interview series. Partners and industry experts interviewed as part of the 2020 Partner in the Spotlight and Perspective series include Maria Teresa Zappia, Chief Investment Officer at BlueOrchard; Yuri Soarez Dillon, Unit Chief for the IDB Innovation Lab; Gerhard Coetzee, Customer Value Lead at the Consultative Group to Assist the Poor; Mario Ixcoy, Finance Manager of Federación de Cooperativas Agrícolas Guatemala; Federico Bilder, Cofounder of A2F Solutions; Octavio “Bobby” Peralta, Chief Executive Officer of Association of Development Finance Institutions in Asia and the Pacific; Dr Barbara Buchner, Global Managing Director of the Climate Policy Initiative; and Nadia Martinez, Global Coordinator of the Council on Smallholder Agricultural Finance.

## COVID-19 bulletin

In April, the Secretariat launched a “SAFIN network roundup” bi-monthly bulletin, which was viewed over 2200 times during the year. The aim of the bulletin was to keep partners informed about the effects of the pandemic on the sector and to facilitate coordinated responses to the crisis. The bulletin informed partners about evolving needs and responses to the impact of the pandemic on agri-SMEs and on agri-SME finance, as well as about recent and upcoming initiatives, research and events.

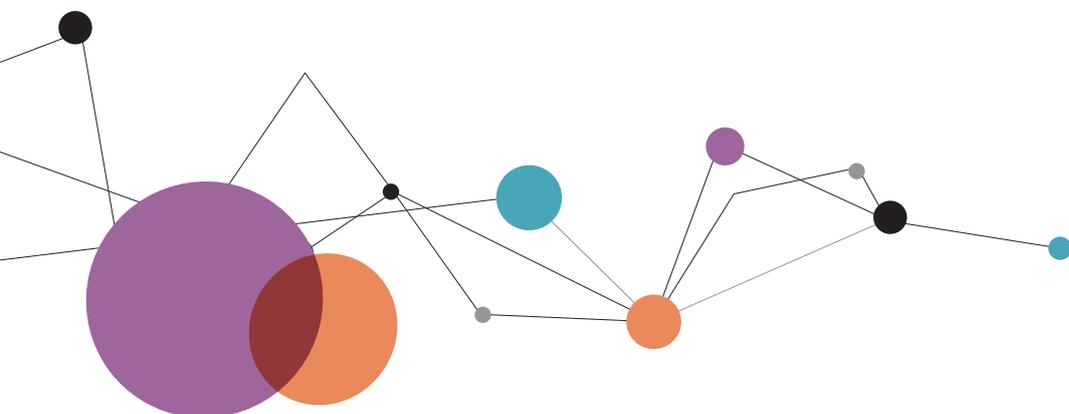
## Communication strategy and branding

Early in 2020, the SAFIN Steering Committee approved a new network communication strategy. The strategy was designed to guide ongoing communication activities so that the Network could grow a membership that is informed, motivated and well-positioned to positively influence the agri-SME space. In April–June, the SAFIN brand was also assessed and revised to strengthen the Network’s visual identity and to improve its communication activities. During the second half of the year, these communication and branding adaptations were used in the design of a set of knowledge products, including working papers, case studies and investment briefs. This branding and communication work also appeared in the SAFIN 2.0 booklet, which summarizes the journey of the Network during its pilot phase and lays out its areas of focus for the new phase.





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# Financial resources and expenditure

The SAFIN budget is designed to cover coordination costs for the network and activities of a public good nature. This includes human and financial resources for convening meetings and other events, knowledge-sharing, communication, and advocacy, as well as resources for activities or knowledge products that no individual partner may fund but that can: (1) benefit all partners and the broader ecosystem; and (2) pave the way for follow-up activities or products that individual partners can carry out or fund at a later stage.

In the course of 2020, the budget included around 1.2 million dollars (see below).

## Resources

1 Jan - 31 Dec 2020



## Expenditure

1 Jan - 31 Dec 2020

Item	Actual Expenditure (USD)
Staff costs	447,004
Consultancies	30,170
Travel	3,971
Communication	11,118
Institutional contracts	76,415
<b>Total expenditure</b>	<b>568,678</b>

Details of expenditures in the different categories above are provided below:

**Staff costs:** This budget category covers expenditures for the salaries of members of the SAFIN Secretariat, including a Senior Coordinator, a Technical Specialist, a Knowledge Management Analyst, and an Administrative Assistant.

**Consultancies:** Overall expenditure reflects the cost of consultants hired for graphic design work and events management, as well as the cost of recruitment of interns supporting the Secretariat during the year.

**Travel:** Expenditures under this category cover travel for the SAFIN Secretariat, sponsored speakers and participants to attend learning and advocacy events in various locations. In 2020, travel was limited to one mission due to travel restrictions after the outbreak of the COVID-19 pandemic.

**Communication costs:** Under this category, budget was allocated to cover the maintenance costs of the SAFIN website and conferencing software, as well as the production and translation of communication materials. **Institutional contracts:** During 2020, four contractual agreements were signed with partner institutions to conduct analytical work in relation to the Investment Prospectus Framework pilots.

**Institutional contracts:** During 2020, four contractual agreements were signed with partner institutions to conduct analytical work in relation to the Investment Prospectus Framework pilots.

# Lessons learned and the way forward



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As the final year of the SAFIN pilot phase, 2020 was full of learning opportunities, including how to adapt and even thrive during a global pandemic. It was also a year of consolidating learning from the last three years into strategies and focused activities for the next phase.

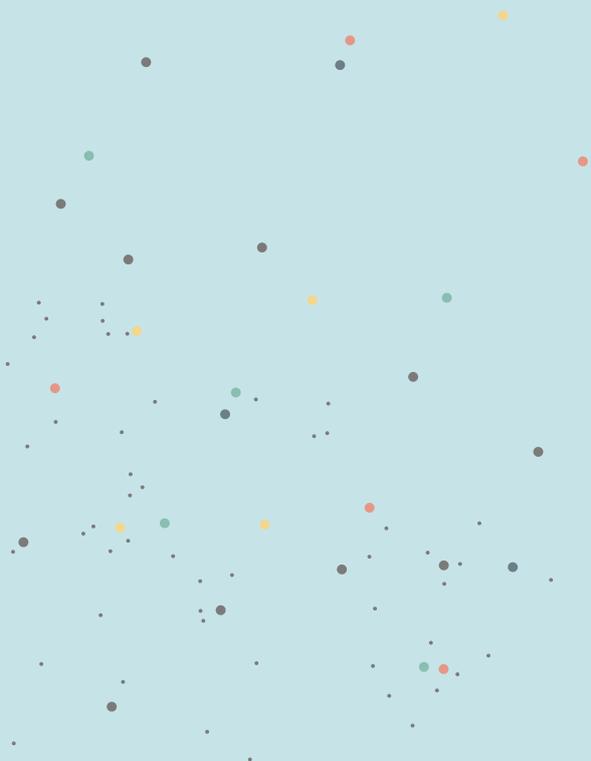
In terms of operations, the Network found new ways to strengthen its communication infrastructure and deploy remote connectivity tools effectively and engagingly. The Network also discovered new opportunities to add value to partners via quality webinars, virtual discussions and digital tools, including the “SAFIN Network Roundup” bulletin. Further, the Network learned that although remote participation lacked the informality of in-person encounters, virtual discussions may deliver easy and low-cost access to learning as well as broader participation.

In terms of mandates and strategic positioning, the Network learned that its focus on agri-SME finance as a space for collaboration, research and learning is valuable for partners. The importance of SAFIN's purpose was not only reaffirmed in the Network Health surveys and during the 2020 Annual Plenary but also by the growing visibility and profile of SAFIN in regional and global forums, like the AGRF or the United Nations Food Systems Summit. SAFIN continues to be unique in its dedication to agri-SME finance work within the global ecosystem and continues to be seen an important source of information, a space for dialogue, and a powerful community of agri-SME investors and partners.

Finally, in terms of Network working experiences, all SAFIN partners and the Secretariat experienced the COVID-19 pandemic in different ways in their professional and personal lives; but to everyone, 2020 was a reminder of the importance of personal resilience, attention and compassion towards each other.

All the lessons learned in 2020 will inform our strategic focus, our operational and communication tools, and how we relate to each other as individuals in the next phase of our journey.

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