

Rapid Response and Recovery Facility for Cooperatives, SMEs and Sacco's in Africa, Asia and Latin America

Proposal to minister Sigrid Kaag to mitigate the economic crisis in rural areas of developing countries because of COVID-19

Summary

The Advisory Council on International Affairs (AIV) advised the cabinet on May 11, 2020 to make available 1 billion euros to combat the COVID-19 crisis and the economic crisis because of it in developing countries. According to World Food Programme a quarter of a billion will suffer acute hunger by the end of the year due to immediate food supply problems¹. Analysis by IFPRI (IFPRI 2020) finds that there is less support for agriculture than for other forms of economic assistance. There is therefore both a critical need and an opportunity for the Dutch government to leverage the strength of well-established Dutch financial institutions and technical assistance providers that have come together to lead a coordinated sector response at a global level.

COVID-19 is triggering disruptions in agricultural value chains that affect shipments of farm inputs, planting, harvesting, processing, and trade. To mitigate the effects of these disruptions on vulnerable populations and stabilize livelihoods and food security in Africa, Asia, and Latin America, it is essential to address the financing and capacity building needs of rural enterprises particularly **farmer cooperatives, small and medium enterprises (SMEs), and Saving and Credit Cooperatives (SACCOs)**. Specifically, there is an urgent need for **liquidity** in the form of working capital (e.g., to purchase inputs, pay for labor, process and ship goods).

In a similar vein, agri-focused financial institutions suffer heightened **risks** under these conditions, diminishing their appetite to finance the agriculture sector. These COVID-related challenges compound the already challenging economics for financial institutions to serve farmer enterprises, as documented by data gathered by partners in our consortium, and underscore the need for risk-sharing mechanisms and other financial incentives to keep credit flowing for agricultural enterprises.

With this **call** the collaborating parties seek to give concrete content to earlier calls for support that links emergency assistance to economic recovery and development and to boost intra-regional trade that promotes food security².

The collaborating partners and signatories of this concept note are financial institutions and investors, business development service providers, all of them directly or indirectly with a Dutch connection.

Together, we request Minister Sigrid Kaag for Foreign Trade and Development Cooperation to make available for the next five years:

- 1) €200 million for financial institutions in order to ease the costs of lending to cooperatives, small and medium enterprises (SMEs), Saving and Credit Cooperatives (SACCOs) and agri-focused Micro Financial Institutions in rural areas in Africa, Asia and Latin America.
- 2) €150 million for pre- and post-investment technical assistance to this sector paired with the finance.

¹ <https://insight.wfp.org/covid-19-will-almost-double-people-in-acute-hunger-by-end-of-2020-59df0c4a8072>

² <https://www.idhsustainabletrade.com/investereninafrika/>

These € 350 million in funding will be leveraged 10 times and mobilize € 3.5 billion in private sector lending from Dutch institutions as well as impact lenders affiliated with our partners domiciled abroad. This lending will reach cooperatives and other rural enterprises aggregating more than 5 million smallholder farmers and workers and improve livelihoods for 25 million people.

In addition to these immediate needs to keep credit flowing to agricultural enterprises paired with technical assistance so financing can be managed effectively, there is also an urgency to make food systems ecologically and socially resilient and based on balanced ecosystems, a healthy society and inclusive prosperity. This will require new ways to produce, store, trade, transport, process, market, and consume (or dispose of) food. Digitization and climate smart production are key themes. This call will have the perspective of addressing these aspects as part of the recovery actions.

To also structurally tackle issues of the cooperatives and other companies in being served by banks and other chain parties, by digitization of communication and trade, the collaborating parties call upon the services of the Netherlands Food Partnership to broaden our coalition with Information Technology partners with expertise and backing to invest and implement the necessary improvements in rural areas.

This approach offers high-leverage for public funding because it draws upon the existing capital based on established funds and financial institutions and it builds on the experience and track record of the service providers involved to pair financing with TA. The collaborating parties give a commitment to link and reach out to cooperatives, SMEs and rural SACCOs, to accelerate their procedures and flexibilization their conditions, like repayment schemes and also to improve the structures of the ecosystem, including alignment of data and metrics, so that the measures taken will contribute to a more systemic and aligned approach which will increase the resilience of the ecosystem on the long term. At the same time, consortium members plan to create a coordination mechanism to facilitate match-making between agricultural enterprises, technical assistance providers, and lenders.

Background

As a result of the COVID Pandemic and the lockdown of economic and social activity, farmers and their organizations are facing several challenges such as:

- Difficulties to access inputs and raw materials for production, due to issues with communication, trade and logistics;
- Inability to access markets on time, with concomitant increase in food waste on farms and during transportation;
- Social distancing has resulted in limited labour for sowing, weed control, harvesting, processing and reduced in situ extension services;
- Border closures have hindered movement of fresh and processed food products, putting for example serious constraints on the intra-regional trade in Africa and on intra-regional labour migration;
- Reduced sales have resulted in an increase in unemployment and the return to villages and hamlets with serious threats of land conflicts and destruction of forests;
- Increase defaults on ongoing loans and problems in the financial sector, in particular the popular SACCOs.

This Rapid Response & Recovery Facility focusses on the economic challenges that cooperatives, SMEs and Sacco's in rural areas in Africa, Asia and Latin America are facing due to COVID-19. To secure future economic perspectives and food security, additional arrangements are needed to safeguard past investments done by farmers, and public and private actors. To make the small and medium enterprises, cooperatives and agri-

focused MFI's survive the crisis and expand in the aftermath, basically channelling loans to the ones with a solid business pre-covid and flexibility in conditions of loan arrangements will suffice. Three interrelated challenges need attention and can be catered for by smart financing:

- 1) Appropriate risk-sharing and financial incentives for lenders to continue serving farmer enterprises.
- 2) Linked to effective technical assistance to improve the business performance and planning of cooperatives, SME's and SACCOs.
- 3) Building on existing common metrics, investments in digitization to reduce origination and service delivery costs for banks and other chain parties, increasing transparency and reducing risk and put the small enterprises in a pivot role between (member) farmers and chain parties.

This initiative aims to bring together networks, knowledge and hands-on expertise on sustainable economic and rural development, agri and food development and finance to make the best possible use of them to rapidly and effectively provide cooperatives, SMEs and savings and credit cooperatives in Africa, Asia and Latin America with the right mix of finance, tools and technical assistance. In that way, thousands of fundamentally healthy businesses are saved from collapsing and tens of million households in rural areas in developing countries retain their income, jobs, savings and ultimately safeguard their food security.

Liquidity

Liquidity has become the number one issue for both Cooperatives and SMEs in general and SACCOs. Per recent surveys by members of our consortium and other stakeholders, working capital for agricultural enterprises and SACCOs with a sound business is essential because of acute financial obligations they suffer from the COVID-19 crisis.³

- **Cooperatives & SMEs:** As cooperatives and SMEs' sales have reduced, limited cashflow is available to purchase the products of the smallholders nor run the business.
- **SACCOs/agri-focussed MFIs:** Also, the locally very important Saving and Credit Cooperatives (SACCOs) are at risk because of COVID-19: farmer members no longer save and no longer repay. Available money with traders is not ploughed back in the financial system, because of low interests. This is a risky situation as hundred thousand of rural households depend on the services of cooperatives, SMEs and SACCOs.

The sector itself is taking advantage of its self-organisation and has activated forms of inter-cooperative consultations using the representative structures and international relations. To find solutions for liquidity problems, the cooperatives, SMEs and Sacco's have set up peer-to-peer national and even international consultations for improvement in cash management, seek connection to the wider economy and banking system to feed their local capital suppliers and they engage with new technology to maintain

³ A preliminary survey of the Agriterra Cooperative Helpdesk under over 60 agricultural cooperatives in the Agriterra network and Sacco's/agri-focused MFIs revealed an acute liquidity need of 50 million Euros in several developing countries. From a survey by Dalberg among 12 social lenders of CSAF (May 2020), commissioned by KfW (Germany) in co-operation with Incofin, it appears that the COVID-related liquidity shortages of CSAF clients (cooperatives and agricultural SMEs) amounts to between 195-220 million USD (of which 60% in SSA and LATAM). The Dalberg study estimates that the full size of the short-term liquidity need of the market could be as high as USD 2-10 billion.

communication and services in times of social distancing. But, like elsewhere in the world these businesses need additional support.

Healthy cooperatives, SMEs and SACCOs should be prevented from collapsing to protect members' income, savings and capital. In addition, SACCOs/agri-focussed MFIs are essential for access to finance in rural areas, and solid SACCOs/agri-focussed MFIs are needed for the recovery of the post-COVID era economy.

Although several sector initiatives and governmental support programmes have been implemented to support a responsible refinancing of local financial sectors and their clients, there is an increasing risk-averseness amongst financial institutions. They are reconsidering their loan portfolios and conditions to comply with the need for more liquidity in the cooperative sector and the economy in general. In addition to the Dutch and other international lenders who are members of CSAF, the consortium also includes local banks that can reach farther into the market, particularly with smaller ticket sizes. New loans are considered when indeed needed to overcome the temporary consequences of COVID-19.

With support of €200 million for financial incentives and additional funds outlined below for technical assistance, the financial institution partners participating in the Rapid Response & Recovery Facility expect to mobilize €3.5 billion to high-impact agricultural cooperatives and other SMEs by year-end 2024. The signatories supporting this initiative can be found in the list in annex I and represent 30 financial institutions and investors and technical assistance providers with a Dutch link that reach 5 million smallholder farmers across globe and represent over EUR 700 million. annual financing for cooperatives, agricultural SMEs, and SACCOs.

For loan takers often lack is the possibility to get a fast overview where the best capital provider for their case is. Where can they get the best conditions and procedures (e.g. terms of repayment) and have fast access to finance. Therefore, a business case emerges for a closer collaboration among the mentioned funds and other parties. There is an opportunity to create a unique window for cooperatives, SMEs and Sacco's, a one-stop shop that can introduce them to the best lender for their request. The window would recommend the financial institution or fund, according to the country, sector, type of required finance, conditions, terms and needed guarantees. It could help to shape the enabling conditions with the corresponding governmental bodies and cater for additional advice or support to keep business going.

Investing in the Future: Digitization & Sustainable Agriculture

While there is an immediate need to deploy financing with technical assistance to stabilize rural livelihoods and food security, for these approaches to be impactful and durable over time, they must incorporate a longer term outlook. Specifically, we believe there is a need to invest in the future with respect to: 1) digitization to integrate farmers and agricultural enterprises into the global economy and 2) promoting more sustainable and climate-resilient agri-food systems.

Digitization. Related to the subject of liquidity, digital tools will improve the information collection and disbursement of loans to reduce the cost made by the financial institutions and to increase the transparency of TA needs, supply chain and financing risks, in a standardized way. Digital and on-line solutions become in the COVID-19 crisis paramount in every aspect of social and economic life. The general assemblies of cooperatives cannot be held although they are a legal obligation. Technical assistance and extension work of the cooperative to its members, trainings in cooperatives, SMEs and SACCOs are

suspended when internet is not available or social distancing applies. The push to use digital is big and the tech savviness is enhanced in rural areas under pressure of the circumstances. Yet, still 82% of rural Africa is without Internet and investments with governments are urgently needed⁴.

Solutions need to go along with support to establish internet infrastructure and communication means. By giving an extra boost to the creation of the communication and innovation hubs in rural areas, as last year recommended by the Task Force Rural Africa of the AU-EU partnership, communications, e-commerce and digital banking solutions come within reach for rural people.

Cooperatives and SMEs are by their nature conveners of people and producers downstream and suppliers and off-takers upstream, as well as entry point for public services on education, health and security. Now logistics and contacts get confined to smaller areas in which labour mobilization and provision of goods has to be handled, and contacts to the wider economy become digital and online, the cooperative transforming into a digital communication and innovation hub, can continue to play its role.

Sustainable agri-food systems. Traditional food and agriculture systems are destroying the very ecosystems they depend on. Biodiversity decreases, and soils erode, through extensive production practices and deforestation for agriculture, and use of wood for cooking and heating. In modernizing intensive production in developing countries the use of agrochemicals and expansion of monocultural production systems can put additional claims on the environment and climate. The signatories contribute to a transition to climate resilient food systems by supporting: Initiatives that incorporate sustainable forms of agriculture which develop healthy soils and safeguard biodiversity. Initiatives that use renewable energy sources and actively decrease their fossil fuel consumption. Initiatives that apply circular thinking, creating circular solutions that regionally close material loops and efficiently use earth's resources. Initiatives that fight food waste throughout the value chain.

Trade

In-country trade and trade between countries suffers from the restrictions on social movements and contacts. The small and medium business sector including cooperatives, is inventing new ways of marketing, product innovations to increase shelf-life and targets new customers with innovative propositions. Nevertheless, input supplies and sales suffer problems.

Although still in its pioneer stage in developing countries, e-commerce can become a game changer. It has exploded in China with many agri-companies making use of e-commerce. Many businesses were struggling for survival under the sudden and harsh new reality of COVID-19 pandemic. E-commerce, however, realized remarkable growth. Live-stream e-commerce market was soaring. Now China has passed the first wave of pandemic and finally gets some breathing space for the post-lockdown life. Consumption is expected to rebound from the state of deep freezing. That presents opportunities for farmers in China and could be so for farmers in, other Asian countries, Africa and Latin America.

As a new way of marketing, interactive and online shopping shortens the supply chain of agri produce by directly engaging end-consumers with a win-win for prices to consumers and producers. Cooperatives and other SMEs that aggregate smallholder farmers and,

⁴ CTA/Dalberg ICT 4 Agriculture Report conclusion <https://www.cta.int/en/digitalisation-agriculture-africa>

with proper support and investment, have the capacity to manage these digital transactions are best positioned to embrace this new opportunity. Investments seem low as to be e-commerce seller, the only thing needed is a mobile phone. But behind the phone, it is product quality and chain capacity that matters. It requires certain economies of scale, quality management and brand building, all of which the small-holder farmers are not familiar with, but for which the cooperatives and sound SMEs seems best positioned to take it in by receiving the tools and the knowledge to serve (new) markets and channels.

What is needed?

Strong unity of the collaborating parties under one window as a rapid response & recovery facility is crucial to address the three urgent issues at the level of cooperative businesses: overcome liquidity, communication and trade issues mentioned.

The collaborating parties feel secure on the credit plus technical assistance part. On the communication and trade part promoted by Information Technology, they need to link expert companies in that field to business development of cooperatives and eventually to loans from financial institutions. The collaborating institutions are still not engaging in financing or supporting the build-up of technology infrastructure and the use of information technology on scale in productive linkages between chain parties, but do have an interest in reducing transaction costs in the chain and in making cooperative and small and medium companies more profitable by reducing transaction costs.

The facility needs a firm mandate and funding to operate effectively and to attend the ongoing and emerging liquidity crisis. The combined services of loans, guarantees, grants and technical assistance are all crucial to mitigate the economic risk of COVID-19 for the cooperative sector, the SMEs and SACCOs. To reach them most effectively, the financial products should be made available either directly to farmers' organizations and SMEs, or indirectly via financial intermediaries like SACCOs. Financial constraints are only some of the problems faced by smallholders and SMEs. To ensure the success of its investments, it is also crucial to assist investees to resolve such as lack of capacity issues by technical assistance and build a track record. A proper (on-line) due diligence trajectory by actors in the field (local and international organizations) together with a tailored support trajectory will increase the impact of extra investments in the cooperative, smallholder and SME sector.

Ongoing DGIS programmes can be strengthened to use or expand existing capacity of ongoing projects to identify, validate the credit needs and to provide support in identifying where the best credit provider is for a given case. Through ongoing projects, it is largely known which SME's, SACCO's and cooperatives play a role in realizing the Ministry's Food and Nutrition Security objectives, both in terms of inputs (seeds, fertilizers) needed to maintain or improve productivity, as in terms of buying/processing commodities and reaching (often base of the pyramid) consumers. The TA component will allow this Response Facility to 'hit the ground running' (by building on ongoing Dutch development investments), to evaluate credit needs within the context of Dutch development policy objectives (increase Food and Nutrition Security, focus on youth / women employment, private sector involvement etc). Where loan facilities can mitigate financial risks, the TA component can provide a more technical risk mitigation.

This all can happen when the institutions and organisations mentioned in this note commit to coordination, flexibilization and rapid response. These commitments should

then be matched by a loan cum technical assistance support, channelled through the mentioned institutions and their local counterparts.

Request to minister Sigrid Kaag for period 2020-2025

The facility addresses in the Rapid Response mode: **the liquidity urgency at the end-users' side**. The liquidity need is hard felt at the level of coops (including SACCOs) and SMEs, and therefore at farmer level.

- For lenders, the situation has affected their **risk appetite** to push farther onto the frontier to serve more of the unmet demand among coops and SMEs. Grant funding for financial incentives will unlock private sector lending for working capital of end-users.
- **Guarantees, first loss arrangements, subsidies for hedging costs** are instruments that will increase the risk appetite with lenders, and free working capital for, in principle, sound businesses.
- Credit cannot flow at nearly the scale possible if there is not **appropriate technical assistance** alongside for financial management, business planning, governance, and controls. It is essential for coops/SMEs to qualify for and manage financing.

For the recovery phase, the **technical divide must be addressed** by investing in IT infrastructure, positioning cooperatives as hubs between farmers and chain parties and connecting all parties in the chain with digital solutions and apps. For all chain parties, the transaction costs to deal with smallholders, SMEs and cooperatives are making their services expensive. IT holds the promise to reduce the transaction costs, and therefore needs to be tackled.

The proposal pitches three things for the rapid response facility:

1. **Grant funding for financial incentives for lenders**. The total grant of 200 million Euro to be used for instruments as above mentioned should be sufficient to leverage Euro 3,5 billion in working capital and term loans for cooperatives, SMEs and SACCOs.
2. **Grants for technical assistance for capacity builders** for a total of 150 million to support enterprises in strengthening their resilience to manage through COVID and grow during the recovery period. The TA component should match existing allocations and enable TA providers to further de-risk the lending commitments presented by this consortium.

The corresponding commitment from our combined side would be:

1. **Increased coordination between FIs and TA providers**. The linkages between different indirect and direct funders of cooperatives, SMEs and SACCOs in the coalition will be improved. In this line, **a one-stop-shop** as unique window will be considered and when possible established as a neutral entity that leads borrowers to the right lender for their case, in those cases where no obvious lender is available.
2. **Leverage private sector lending from the market**, in a way that an additional 200 million Euro for financial incentives and capital inlays in selected funds could generate Euro 3.5 billion in lending across Africa, Asia, and Latin America to earlier stage coops and SMEs reaching 5 million smallholder farmers and workers globally
3. **Linkages to similar initiatives** taken by IFC (8 billion), KfW (1 billion).

In the recovery facility:

4. **Linking TA to specific client profiles** by segmenting cooperative landscapes on scale and collaborate with governments and multilateral financial institutes with loan programmes for rural development, in order to position cooperatives, SMEs and

SACCOs at the heart of rural development and link each company to adequate financier.

5. The issue of **digitization and e-commerce** will be tackled with similar instruments, credit with TA, and additionally term loans for investments in infrastructure and specific technical assistance to establish the productive alliances, enable digital communication and trade in inputs and produce. For this subject, an additional group of tech companies and chain parties with interest in cooperative and SME products, should be formed. The current coalition calls in the services of the **Netherlands Food Partnership** to complement the coalition in this way.
6. The topic of **climate resilience** will be covered by strengthening support mechanisms of lenders through credit with TA, upholding environmental standards and de-risking climate smart initiatives and transition schemes to sustainable agriculture by means of guarantee instruments. The coalition will **build a network of partners** like Wageningen University, IFAD and others to further develop this topic.






The details of the facility are open for discussion with the ministry of Foreign Affairs and this note is therefore an invitation to the minister for Foreign Trade and Development Cooperation to engaging with the collaborating parties to explore and design the Rapid Response and Recovery Facility.

Signatories:

Financial institutions

<p>CSAF</p>  <p>Industry alliance whose members and affiliates include: AgDevCo, Alterfin, Global Partnerships, Grameen Agricole, Incofin Investment Management, MCE Social Capital, Oikocredit, Rabo Rural Fund, responsAbility Investments AG, Root Capital, Shared Interest Society, SIDI, SME Impact Fund, and Triodos Investment Management</p>	
<p>Aceli</p> 	
<p>Bamboo Capital Partners</p> 	
<p>Incofin (Fairtrade Access Fund)</p> 	
<p>Oikocredit</p> 	

TA providers

Agriterra	 The logo for Agriterra features the words "AGRI" and "TERRA" stacked vertically in white, bold, sans-serif capital letters on a blue rectangular background. Below the text are three curved, orange lines that sweep upwards from left to right.	
SCOPEInsight	 The logo for SCOPE insight consists of a stylized graphic of three overlapping, angular shapes in shades of green and blue, resembling a folded piece of paper or a modern architectural form. Below the graphic, the text "SCOPE" is in a bold, sans-serif font, and "insight" is in a smaller, lowercase, italicized sans-serif font.	
IFDC	 The IFDC logo features a circular icon on the left containing a stylized plant with green leaves and an orange top. To the right of the icon, the letters "IFDC" are written in a bold, green, sans-serif font.	
AAA	 The logo for the Africa Agribusiness Academy features a stylized green letter 'A' inside a blue circle. To the right of the icon, the text "Africa Agribusiness Academy" is written in a black, sans-serif font, with "Africa" on the top line, "Agribusiness" in the middle, and "Academy" on the bottom line.	
SNV Netherlands Development Organisation	 The SNV logo consists of the letters "SNV" in a large, bold, blue, sans-serif font. Below the letters is a thick, horizontal blue bar.	

Annex I: Participants supporting the Rapid Response Facility

- The **Agri-Business Capital (ABC) Fund** offers a set of financial products, including loans and equity, specifically tailored to the needs of smallholder farmers and agri-SMEs. To reach them most effectively, these products are made available either directly to farmers' organizations and SMEs, or indirectly via financial institutions. Financial constraints are only some of the problems faced by smallholders and SMEs. To ensure the success of its investments, the ABC Fund also helps investees resolve issues such as lack of capacity through its Technical Assistance Facility (TAF) which is managed by Agriterra. With a target of 200 M euro fund, this is expected to produce €180M in direct additional funding (hence produce a 1:9 leverage ratio), out of which nearly €60M already secured (committed capital).
- **Aceli Africa** is a market-enabling facility that will offer financial incentives to increase lender risk appetite for serving high-impact agricultural SMEs. Aceli will offer these incentives to 25+ lenders, including international social lenders participating in CSAF as well as local financial institutions in East Africa. The financial incentives being offered are based draw upon new data -SMEs showing that the risk lending to agricultural SMEs is 2x+ risk in other sectors and returns are 5% lower. Aceli partner with lenders that are already active in the market but are constrained in how much capital they can deploy precisely because of the high risk and low returns financing the sector. In this way, targeted donor funding can generate high leverage of private capital. The model has been incubated by CSAF (more below) and places particular emphasis on impact related to food security, gender inclusion, and climate-smart agriculture. and additional incentives for lenders and TA for borrowers that meet these impact criteria.
- **CSAF, the Council on Smallholder Agriculture Finance**, is the leading global industry alliance focused on lending to agricultural SMEs. Its 15 members include the Dutch Rabobank, Oikocredit, Triodos Bank, and SME Impact Fund, as well as impact lenders domiciled in other countries such as Incofin, which manages the Fairtrade Access Fund (FAF) with FMO among its anchor investors. Founded in 2012, CSAF is a forum for lenders to share learning and develop industry standards for a sustainable financial market serving the financing needs of agricultural SMEs in low- and middle-income countries worldwide. As of 2020, CSAF members annually lend €600M to agricultural SMEs in Africa, Asia, and Latin America. However, the demand is far greater. With access to financial incentives that will share risk and cover the costs of reaching farther onto the market frontier to serve new borrowers, CSAF members will be able to increase their annual lending to €900B by 2024.

To support enterprises in strengthening their resilience to manage through COVID and grow during the recovery period technical assistance (TA) is required. The TA component should match existing allocations and enable TA providers to further de-risk the finance.

- **Agriterra** is the agri-agency specialized in cooperative business development, and promotion of agri-industrialization with a track record on making cooperatives bankable (www.agriterra.org). In 2019 Agriterra supported 357 cooperatives with 1,18 million smallholder farmers. Agriterra is the lead agency for the technical assistance facility of the Agri-Business Capital Fund, managed by Bamboo Capital Partners as fund manager and funded by EU/ACP, IFAD, AGRA, Governments of Luxembourg and Switzerland.
- **SCOPEinsight** has developed and implemented (on-line) assessment tools that measure the level of professionalism of agribusinesses (which include cooperatives, farmer organizations and SMEs) from a business point of view. Till date over 4000 assessments have been conducted in over 40 countries. The outcomes of the

assessments indicate if the agribusinesses are reliable business partners for market players and finance. The data-driven approach is a key ingredient to align the approaches in the Rapid Response Recovery Facility.

- The **International Fertilizer Development Center** (IFDC) is an international public organization (IPO) focused on improving the livelihoods of farmers and agribusinesses in Africa and Asia. IFDC facilitates scalable, sustainable food systems and agri-business models thru' bridging the gaps between soil and plant nutrition technologies, through research and improved on-farm production, inclusive market systems development, financial inclusion and creating enabling policy environment. Each year, IFDC activities results in building the capacities of more than 1 million farmers in farm management and good agricultural practices and bringing nearly 400,000 hectares under better resilient and climate-smart farming technologies (2018). IFDC also facilitated more than 300 public-private partnerships, especially in the Dutch flagship incubator program 2SCALE, to enhance and accelerate agri-business opportunities which leveraged around 20 million USD worth benefits annually.
- **Africa Agribusiness Academy** (AAA) is an African SME grassroot organisation initiated in 2010 by a joint effort of a group of African agribusiness entrepreneurs, Dutch private sector players and the Dutch Government. AAA employs, through its member network 25,000 people and positively impacts close to 1.5 million small scale farmers, with economic output of 100 million dollars per year within our six member countries: Uganda, Rwanda, Kenya, Tanzania, Malawi and Ethiopia. AAA members are active in six value chains namely fish, inputs, dairy, poultry, honey and horticulture. This is all at risk if the network and its members are not able to survive the current crisis.
- **SNV Netherlands Development Organisation** is a not-for-profit international development organisation. SNV has a long-term, local presence in over 25 countries in Asia, Africa and Latin America. SNV works on Agriculture in 27 countries, contributing to increased incomes, increased resilience to climate change and increased food and nutrition security for 9.7 million people between 2019 and 2022. In our interventions we address systems change by kick-starting markets, supporting improvement of government service delivery and improving government and market accountability. In addition, leveraging additional financial resources beyond project boundaries is an essential element in attaining impact at scale. SNV Agriculture strives for premium quality of project implementation and offers four products: Inclusive Value Chains, Climate and Business, Sustainable Nutrition for All and Opportunities for Youth Employment.