

Insight

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Report authors

John Scicchitano, Epitace Nobera,
and Awa Alyne Daffe, Pangea
Global Ventures;
Lauren Burnhill,
Claire LaBrunerie and
Carmine Soprano, BII.



How can gender- and climate-smart approaches unlock financing for SME agribusinesses in West Africa?

Practical thinking on investing for development

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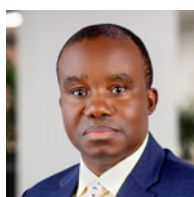
Foreword

Agriculture, forestry and fishing play a crucial role in the West African economy. Not only do these sectors account for a significant proportion of the region's GDP, but they also represent an important source of jobs - 66 per cent of farm and off-farm agrifood value chain workforce or 82 million jobs. In this context, SME agribusinesses have the potential to facilitate pathways out of poverty for small holder farmers and low-skill workers, as well as serving as a mechanism to promote the inclusion of women and youth. Still, private sector credit to agriculture remains low, with the financing gap per annum standing at \$74.4 billion.

Furthermore, climate change poses a threat to these agricultural outputs and livelihoods, both for cash crops like cacao and coffee and for food crops. This, compounded with the fact women make up between 40-60 per cent of the formal agriculture workforce, could also translate into significant gender effects.

West Africa is one of the fastest growing regions within Africa, led by Nigeria and Ghana in the English-speaking zone and Senegal and Cote d'Ivoire in the Francophone zone. British International Investment (BII) has been investing in Africa for over 70 years and has a history of supporting SMEs in West Africa, including a commitment of \$39.2 million in 2020. The region is of strategic importance to us due to its strong agriculture and SME financing and continued unmet potential for growth. Financial services, given their growth and contribution to the economy, could serve as enablers of capital to these segments. This, in turn, will support private sector development, economic growth, and long-term sustainable employment, particularly for the semi-skilled and low-skilled workforce in the region.

While data on the growing number of investment funds serving in African agriculture is highly visible, information on local financial market products, services, and practices is scarce. This research report is aimed at developing the local lending market for SME agribusinesses, helping Financial Service Providers identify appropriate credit opportunities within the food and agriculture value chain, employing an inclusive and climate-smart approach that can reduce the risk to lenders, improve portfolio performance, and increase the resilience of borrowers, hopefully inspiring action to increase access to finance in this sector.



Benson Adenuga
Head of Office and Coverage Director for Nigeria

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Executive summary

The agriculture, forestry and fishing sector play a crucial role in West African economies, representing 60 per cent of Sierra Leone's gross domestic product¹; 37 per cent of Liberia's; roughly 20 per cent of Côte d'Ivoire's, Ghana's, Nigeria's and Burkina Faso's; and 15 per cent of Senegal's. The sector is also an important source of jobs, accounting for more than 66 per cent of the farm and off-farm agrifood value chain workforce, or roughly 82 million jobs.

As a subset of businesses in this sector, small and medium enterprises (SMEs) represent about two-thirds of the supply channels for food consumption², having the potential to facilitate pathways out of poverty for smallholder farmers and low-skill workers. Approximately 10 per cent of all Sub-Saharan SMEs are considered to be agri-SMEs³ and 83 per cent of these lack sufficient access to finance and the capacity to manage it (representing a financing gap of \$ 74 billion⁴ per annum). Financing support for SME agribusinesses in West Africa is crucial for both national economies and societal well-being.

Despite its importance to West African economies, private sector credit to agriculture as a proportion of total private sector lending remains low, ranging from 2.1 per cent in Burkina Faso to 4.7 per cent in Nigeria⁵. The role of private credit more broadly is also relatively small in relation to GDP, and within that amount, the value of agriculture credit is quite limited. Thus, the challenge for increasing financing for SME agribusinesses begins with the larger challenge of increasing private sector financing as a whole.

This research outlines the challenges and opportunities present in financing SME agribusiness in West Africa, distinguishing pre- and post-harvest agribusinesses from agricultural production (farming). We aim to show why financial service providers (FSPs) can and should increase credit to this particular sub-sector, exploring the scope and reach of existing investment funds; local financial markets; and innovations and innovators in SME agribusiness lending, as well as their potential applicability to bank financing. We also offer a set of recommendations for FSPs to better understand and serve this market segment. Finally, we explore climate- and gender-smart approaches that decrease credit risk. There are bankable opportunities in SME agri-businesses but unlocking financing requires going beyond changes to business models within specific FSPs to reviewing systemic changes that can drive sustainability, impact, and long-term economic growth.

Increased financing for banks does not translate to better availability of credit for SME agribusinesses. There is a need to modify funding packages to FSPs to include incentives that change their approaches to measuring and mitigating risk, pricing loans, and managing credit activities. Incentives should also integrate practical gender and climate considerations. In light of this, we recommend specific measures for FSPs to incorporate that would contribute to the strengthening of SME agribusiness lending. Additionally, gains could be achieved by supporting FSPs to identify nationally and locally relevant value chain sub-sectors within agribusiness value chains and tailor their outreach and credit strategies to reach the SME agribusinesses that have good commercial prospects, as well as impact, within each FSPs strategic and geographic business operations.



1

Introduction

The food security debate has largely focused on the farm sector and trade but has neglected the multiple segments of the agrifood value chains in developing countries, including activities such as pre-production inputs, postproduction processing, logistics, and wholesale. These components of the agri-food system, however, form 30-40 per cent of value-added and costs in value chains, have different financing needs, and present different risk profiles than agricultural production (farming).

Over recent years, significant efforts have gone into understanding SME agribusinesses. Nonetheless, this work has been largely limited to smallholder farmers, input and offtake, or service SME agribusinesses. To create a more holistic definition, ISF Advisors developed a comprehensive taxonomy combining existing, extensive segmentation within each of the SME agriculture and agribusiness types and mapping these against their role in the value chain.⁶

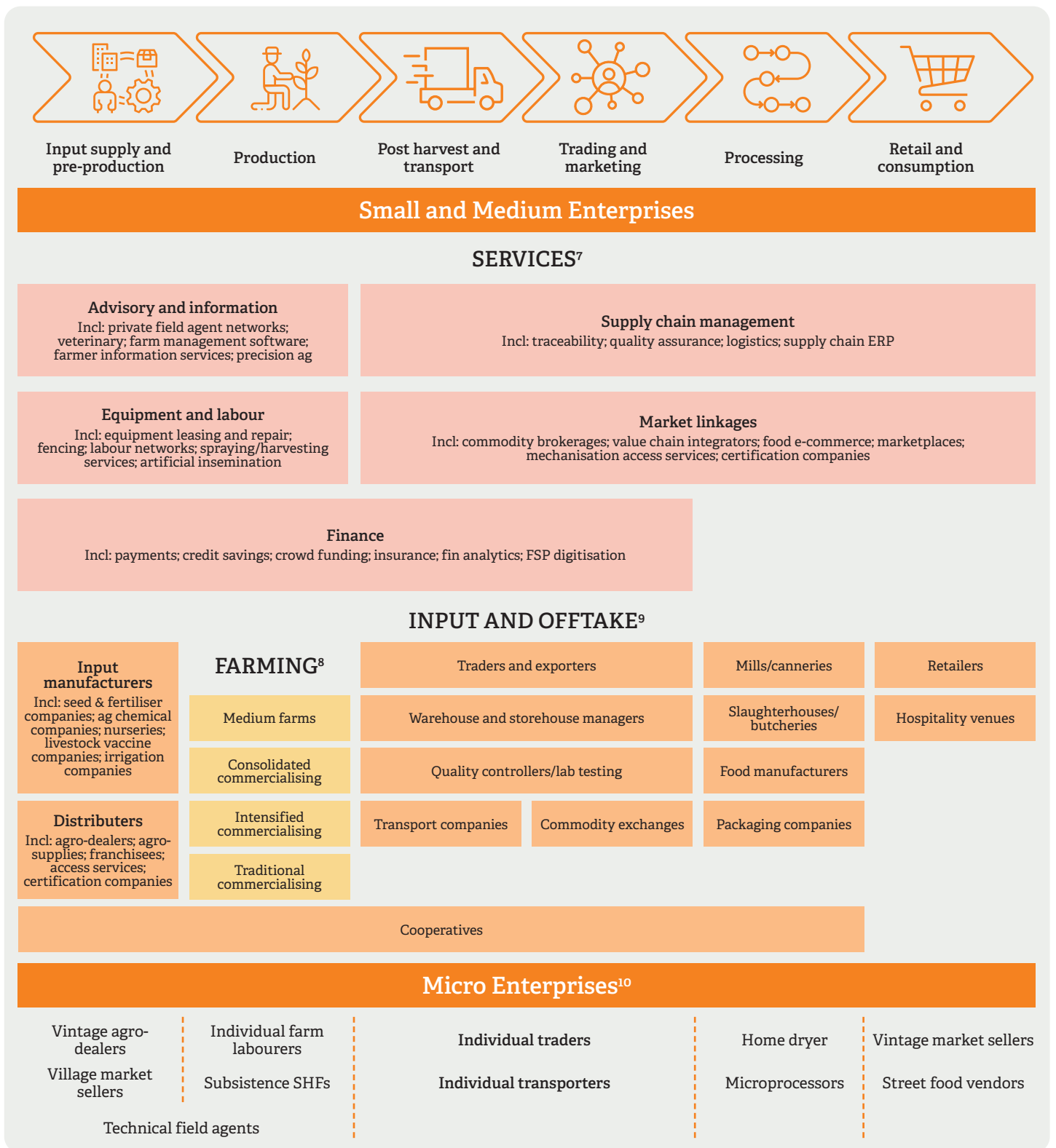


Figure 1: ISF advisors SME agribusinesses taxonomy

Overall, there is broad agreement on the differences between micro, small, medium and large enterprises, which directly affects the type of support each segment needs, as well as their role in the food system. However, given company and national differences, it is difficult to establish a globally applicable set of thresholds for each segment, and thus a more global definition is needed. According to ISF Advisors, SME agribusinesses could be defined as “profit-oriented enterprises that are involved in the agricultural value chain either directly or by providing enabling services to value chain actors”.¹¹ To classify as an SME agribusiness, enterprises must be able to service an investment of \$50,000 to \$2 million, as indicated by at least two of the following:

- Have more than five but fewer than 250 employees (and at least 25 members for co-ops)
- Have an annual turnover of \$ 100,000 to \$ 5 million
- Have total assets of at least \$ 20,000¹²

SME agribusinesses do not need to have an ambition to grow but must be profit-oriented. They may also include small commercialising farms and farmer cooperative-owned enterprises, with farmers selling at least 50 per cent of their production to qualify.¹³

With climate change already affecting production throughout West Africa and the world, supporting agribusinesses and farmers to understand and address evolving climate risks is critical for the sustainability of food production and for food security. Changes in rainfall patterns, leading to droughts and/or flooding, temperature changes that alter the growing season and timing of harvests, shifting plant and animal disease vectors that reduce yield and extreme weather events, all increase physical risk in agriculture. Identifying and managing physical climate risk is key for ensuring the sustainability of agribusinesses, and thus their financial performance. Furthermore, incorporating gender-responsive and socially inclusive practices enhances workforce resilience and sustainability, boosting the impact of climate risk management measures¹⁴.

The impact of climate risk on agrifood systems is increasingly problematic when it comes to export earnings and domestic food security and nutrition. Women and youth are a critical component of the agriculture workforce, making the integration of climate, gender, and inclusion considerations into lending considerations key for sustainability. Women may also be more vulnerable to climate change than men because of their dual role in ensuring family wellbeing and household economic wellbeing. Water scarcity, for example, increases the time they spend acquiring water resources for the family, reducing time available for business activities. Food scarcity means shifting available food to meet family nutritional needs, reducing time and output of cash generating activities. As a knock-on effect, where women are forced to shift time from economic activities to family survival, children and youth are often required to leave the educational system to contribute to family sustainability. It is not only necessary to ensure women-owned and women-led businesses have access to finance, but also that women, youth, and indigenous populations are treated fairly and safeguarded appropriately throughout agriculture value chain workforces.

Food security and poverty have been increasing concerns in the wake of Covid-19. Yet, traditional food security initiatives tend to adopt a production-focused approach, seeking to directly influence food security through increasing the supply of food. This focus, however, neglects other root causes of food system underperformance and the leverage points where the greatest impacts can often be found¹⁵. Incorporating SME agribusinesses into conversations on food security can increase the success of production-related initiatives, adding a powerful employment and workforce impact.



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Most agribusinesses are located in secondary cities and rural areas, where they offer employment for women and youth, often with low skillsets and highly constrained economic opportunities. Where agribusinesses flourish and create these job opportunities, their presence also stems the tide of rural-urban migration, decreasing the strain on overpopulated cities¹⁶. Where women are the business owners, and not just members of the workforce, studies in Africa and Asia have shown that women-owned micro, small and medium-sized enterprises (MSMEs) are better borrowers – the rates of non-performing loans are consistently lower for women than men. Women-led MSMEs have been shown to take fewer business risks, prioritising stable performance and long-term growth over high-risk, high-growth strategies¹⁷. This is the type of profile banks should value, particularly when climate- and gender-smart practices can reduce risk and/or improve performance.



2

Methodology

The research team carried out numerous interviews with leading FSPs in the SME and agri-finance space in multiple countries (Annex 1). The purpose was to:

1. Evaluate whether FSPs are serving agribusinesses as best as possible.
2. Explore the extent to which gender and climate considerations are incorporated into lending methodologies.

As a caveat, data on West Africa tends to be limited. Available data tends to look broadly at sub-Saharan Africa, or more narrowly at specific countries. In contrast, there is an increasing body of research available for the East African region.

Research sought to reach local banks and NBFIs lending to SME agribusinesses, identifying those using gender and/or climate lenses in their credit processes. Of the interviews conducted, 60 per cent were with commercial and agricultural banks. The distribution of stakeholder interviews is captured in Table 1

Interviews by stakeholder type	
Category	Number
Commercial banks	13
Agricultural banks	2
Microfinance institution	4
Development banks	1
Bank financial partners	3
Other	2
TOTAL	25

Table 1: Interviews by stakeholder type



3

The challenge: Channelling funds to SME agribusinesses

Our research identified multiple challenges FSPs face in providing credit to SME agribusinesses. Some of these risks are relevant to all SME lending, while others are unique to SME agribusiness lending. These are:

- **Lending to SME agribusinesses carries a high risk:** SME agribusinesses with financing needs between \$ 25,000 and \$ 1.5 million are particularly underserved, as loan sizes and borrowing profiles are too large and risky for microfinance and retail banking, yet too small and costly to serve for corporate banking¹⁸. As a result, risk is currently higher for banks lending to SME agribusinesses compared to other sectors, and weather patterns, pests, storage and prices, can make these business models unstable. Physical climate risks that affect agriculture production also impact SME agribusinesses, although these impacts are often indirect and potentially manageable through sound business practices¹⁹. Furthermore, lending to SMEs is operationally heavy. When credit methodologies and practices are not tailored specifically to serving SMEs, the result is that total returns are lower than for other types of lending.
- **Limited information on specific products, terms, conditions, and pricing:** In the absence of reliable, publicly available research on structural conditions of local financial sectors, information on specific products, terms, conditions and pricing is difficult to uncover. Anecdotally, reference is often made to short tenors in local agriculture-related lending, with three to 12 months the most often-cited tenors. While short-term lending can address working capital needs, there is no evidence to indicate such lending is harmonised with the productive cycles agribusinesses manage in alignment with underlying agricultural cycles and seasonality.

- **Loan sizes and profitability are low:** The gap in SME agribusiness lending, much as for general SME lending, is most notable with respect to smaller loans sizes – under \$ 1 million – that are not profitable enough for investment funds to consider. There are market opportunities for local financial institutions with respect to loan sizes in the \$ 25,000-\$ 750,000 range – above the lending threshold of most MFIs and below the floor of most investment funds. Local banks should be able to bridge this gap if they are given the knowledge and tools to do so, on a commercial basis.
- **Vulnerability of agribusinesses to the impacts of climate change:** the countries included in this report are likely to experience rising temperatures, alongside increased incidence of drought and flooding, all of which will impact agribusinesses directly (e.g., through changing crop yields) as well as indirectly (e.g., through disruptions to supply chains, power supply and transport routes). For agribusinesses and the FSPs that lend to them, climate risks may lead to financial risks (such as risk of loan default), unless increased understanding of climate risk identification, management and mitigation is built amongst both agribusinesses and FSPs. Building this capacity will enable agribusinesses to become more resilient to the impacts of climate change, as well as for FSPs to potentially identify new opportunities through developing climate-smart financial products.

» *Climate risks may lead to financial risks (such as risk of loan default), unless increased understanding of climate risk identification, management and mitigation is built amongst both agribusinesses and FSPs.*

Under the correct conditions, loans of this size can be profitable for banks. However, this is not currently the case for agri-lending in sub-Saharan Africa. A recent study from the Council of Agriculture Smallholder Finance found smaller loan sizes to be less profitable in sub-Saharan Africa than in other developing market, faring poorly relative to the rest of the world on profitability drivers, excluding cost of funds (assumed to be equal across regions).

Profitability driver	SSA performance compared to rest of world
1 Income: loan size	43% lower
1 Income: currency loss	12% higher
2 Operation costs	22% higher
3 Credit losses	205% higher

Table 2: Source: Dahlberg CASF study, page 8

Lenders reported a range of different challenges in terms of growing their agri-SME lending portfolios, both external (market-related) and internal (capacity and organisational development related).

- **Lack of investment readiness, with potential borrowers lacking skills required to prepare loan applications.** These skills include bookkeeping, preparation of business plans, basic market research, and technical agronomy and agribusiness skills. Borrower skill deficits appeared to be more acute in frontier markets like Burkina Faso, Sierra Leone, and Liberia, but remain a significant constraint even in more mature markets like Nigeria.
- **Geographic constraints, including poor access to regions** where economic activities normally take place. This is especially acute in countries facing insecurity (Burkina Faso) and where road infrastructure is very poor due in part to past civil wars (Liberia, Sierra Leone). In those instances, potential borrowers and lending institutions cannot easily connect and economic activities are too risky or costly to carry out. Even in more stable conditions, banking sector resources are concentrated in urban areas, while agribusinesses are generally located in rural settings.



4

The opportunity: Innovation

The importance of the agriculture sector as a whole, both for economic growth and national food security, suggests that efforts to overcome lending obstacles can unlock a market of significant size. Expanding potentially profitable SME agribusiness lending activities will require banks to change their approach to business strategies, business development models and operating practices, but not all of these changes imply high investment costs.

This section explores how technology, including but not limited to fintech, is creating options for improving risk analysis for better pricing, using market segmentation as a mechanism to increase funding flows, as well as outlining a range of practical changes that banks can undertake when it comes to the co-sourcing through partnerships (both at the investment and business development level). These include, for example, the design of climate- and gender-smart SME agribusiness loan products; internal policy changes; gender-smart and climate risk assessment training; targeted geographical outreach; changes in underwriting practices; use of insurance products; and value-added services.

- **Innovative credit models and credit scoring models (ScoreTechs) can enable existing financial markets and can be relevant to businesses buying capex, machinery and equipment.** Fintech ventures offer a range of solutions for overcoming the thin file/no file challenge of assessing potential borrower creditworthiness. These include the ability to incorporate alternative data sources into credit scoring algorithms (e.g., invoice payment histories, utility payments, mobile calling patterns, social media marketing outreach patterns, etc.) and the use of bias-reducing AI algorithms to improve credit review processes for non-traditional borrowers. These models are also piloting the use of different types of alternative data that can substitute for traditional credit histories when assessing borrower risk. Other technology-driven innovations within the financial sector focus on payment systems, invoices, lending aggregators, and pay-as-you-go models that reduce the need for upfront investment.



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Insurance, technology and human capital are all areas where risk could be better managed, if and when the right products and tools are available, which they increasingly are. The range of solutions being developed and piloted is varied, as is the intended ‘beneficiary’ along the financing pathway. Solutions can be in the form of innovative (i.e., differential) premium insurance products (Pula, Blue Marble), to new financing vehicles with business models refined to capture the missing middle (Apollo Agri, Trade Access), to technical solutions designed to ease financing bottlenecks (Yapu Solutions, CGIAR), to enhanced technical assistance solutions improving the bankability of SME borrowers in the agri sectors (ARISE), to market-based blended finance mechanisms, designed to balance the risk/reward trade-offs better for agri-lenders (Aceli Africa).

- **Financing for SME agribusinesses is typically considered part of general agriculture sector lending.** Market segmentation and product offerings are not highly developed. Defining clearer goals, policies and metrics to support SME agribusiness lending, as distinct from agricultural production (farming) lending, could contribute to increased funding flows and verifiable performance improvements.

Although the size of agribusiness in the total lending portfolio is variable and generally small, agribusiness lending has been increasing over the last three to five years. Few interviewees provided information about the percentage of SMEs – and of agribusiness SMEs specifically – in the total loan portfolio in West Africa. Of those that did, the data is highly variable but shows generally low levels of lending (see Table 3). There seems to be an inverse relationship between the size of the lenders and the share of MSME agribusiness lending, with larger banks having lower portfolio concentration in MSME agriculture/agribusiness lending than microfinance lenders²⁰.

Despite the proportion of agribusiness in the total portfolio being generally very small, estimated at 10 per cent for the institutions investigated, its size has been increasing over time.

Lending institutions	% SMEs loans in total loans	% Agribusiness SME in total loans	Average size of agribusiness loans (000\$)
ACTB Sierra Leone	50	46	1.4
Ecobank Ghana	25	10	250
FCMB Nigeria	40	13	-
APOEX SL	80	30	2
Premium Trust Bank Nigeria	-	5	8,000

Table 3: proportion of SMEs and agribusiness SMEs funding in total portfolio

- **There is an opportunity in value chain lending, successfully applied by many FSPs to reduce risk and accelerate lending to agribusinesses.** These institutions make internal investments in capacity building to understand the structure and market actors within the value chain. Those deploying this approach say it has resulted not only in a sharp decrease in non-performing loans, but also a sharp decrease in denied loan applications.

However, stakeholders also cited high costs of building capacity to participate in lending to other value chains, outside of cereals and high value export products. While the value chain structure and performance are well-established for agricultural products like maize or cotton, they are less established for products like plantain or shea butter. Nonetheless, these less-established value chains provide large potential for profit and social impact across the region. Acquiring technical and economic expertise in these value chains requires a significant investment in staff time and funds.

- **The existence and effective functioning of a centralised collateral registry** that covers both movable and immovable assets and the existence of one or more regulated credit bureaus can remove the barriers associated to the lack of collateral and credit histories to improve SME access to credit. This infrastructure is already in place in the seven West African markets studied and thus the groundwork has been laid for improving the financial ecosystem. Streamlining, or in some cases adding, online services, reducing fees, and improving data coverage, would strongly support the growth of SME credit.



5

The opportunity: The business case for gender and climate-smart agrifinance

Gender-smart climate finance presents a unique business opportunity, associated with stronger business performance and higher rates of return for investors. Globally, the shift towards a green economy is estimated to require around \$ 1 trillion of investments annually and could yield direct economic gains of \$ 26 trillion by 2030²¹. Research has shown women entrepreneurs are more likely to start businesses with a sustainability focus, but often lack access to appropriate credit to effectively scale-up their businesses. This funding gap is opening new opportunities for investors²². Across the value chain – from entrepreneurs, senior leaders, employees and consumers – women can play an important role in climate mitigation and adaptation, helping to speed up the transition towards climate resilient agriculture systems that are aligned to net zero pathways in a way that is more profitable, efficient and, at the same time, more inclusive and sustainable.

Research has shown that inclusive businesses and investments can deliver a range of financial benefits, including improved business performance of up to 15 per cent, as well as \$ 5.9 trillion estimated additional global market capitalisation²³. Moreover, gender-balanced leadership teams in private equity has been found to generate a 20 per cent higher net internal rate of return (IRR). In short, gender-smart climate finance is a unique business opportunity²⁴. Many financial institutions report seeing the benefit of this, as women-owned SMEs are generally more likely to perform better from a credit risk point of view²⁵.



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Having a credible definition of gender-smart climate finance means FSPs can measure how much funding they are investing and deploying at this nexus. A gender-smart climate finance investment can be defined as one that:

1. Is 'Paris aligned', meaning it has been assessed as consistent with a pathway towards low greenhouse gas (GHG) emissions and climate-resilient development in line with the objectives of the Paris Agreement; and
2. Meets climate finance criteria, meaning financing is aligned to a climate finance taxonomy, such as that one developed by Multilateral Development Banks²⁶; and
3. Meets 2X Criteria. To be 2X-eligible, an investment needs to meet minimum thresholds related to women's entrepreneurship, leadership, employment, consumption, or prioritisation of women in investments through financial intermediaries^{27,28}.

Increasingly, tools to support gender-focused investing have been made available to FSPs. For example, the simplicity and ubiquity of the **2X Challenge criteria** has helped companies improve their business practices and performance. The market-oriented principles of the **ICMA Social Bond Principles** have contributed to the emergence of gender bonds, which are attracting international capital flows for financial intermediaries committed to reaching and working with women borrowers. **NMB Tanzania's gender bond** is not only a first for Africa, but it is also listed on the Dar Es Salaam securities exchange, creating opportunities for regional and international investors²⁹. IIX Singapore has not only issued gender bonds, the exchange also recently launched an **Orange Bond Initiative**, which stakes a claim as "the world's first asset class built by and for the Global South and the 99 per cent as a solution to financing gender equality". The initiative aims to mobilise over \$ 10 billion in funding in support of over 100 million women and girls worldwide by 2030. Building on the growing interest of these bonds, guidance on how to design and issue a gender bond was recently published by FSD Africa, BII and UN Women. This **Gender Bond Toolkit** was recently published to further encourage and enable FSPs to consider and issue gender bonds.

In climate finance, the emergence and dissemination of clear quantitative and qualitative taxonomies – international, regional, and national – has made it easier for investors and funders to determine the validity of climate and green financial products offered by sovereigns and corporates. Whether voluntary or mandatory, taxonomies that set clear objectives, science-based and quantifiable screening criteria, include specific sectors and activities and are aligned to core principles of Environmental, Social and Governance (ESG) and Sustainable Development Goal (SDG) values. For example, "do no significant harm" and social safeguarding have been shown to facilitate increased funding flows to positive impact projects and companies. The taxonomies help eliminate "greenwashing" and contribute toward moving economies and financial systems toward a more sustainable future.

The International Capital Market Association (ICMA) has played an important role in catalysing climate- and gender-smart financing. Regarding **Green Bond Principles**, it has since published **Social Bond Principles** and **Sustainability Bond Guidelines**. Sustainability bonds, and sustainable finance more broadly, contemplate both green/climate and social objectives. International capital markets have seen an increasing number of green, social, and sustainable bond and debt offerings, with issuers including sovereign nations, international financial institutions, and emerging markets financial institutions. While these make an important contribution to achieving a more equitable and sustainable planet, they do not particularly address the challenges of local FSPs in emerging markets.

The rationale for investing in women, specifically in the agriculture, food and forestry sectors, is clear, and has food security implications. Women are estimated to account for about 43 per cent of the total agricultural labour force in developing countries³⁰. Aside from variations across countries and regions, women generally form the backbone of agriculture-based developing economies, particularly in West Africa. The sector provides nutrition for all, as well as jobs and income to 1.1 billion people worldwide. As result, there is a strong business and sustainability case for investing in the sector.

Mainstreaming gender into climate policy and financing mechanisms – especially in the agricultural sector – can have benefits from both a climate adaptation and mitigation perspective. In the aftermaths of a catastrophic event, having access to an account translates into an ability to receive cash transfers from the government and remittances from friends or relatives. Access to credit can provide the resources needed for recovery and reconstruction after a disaster, making it possible to rebuild faster and better³¹. This is particularly true for women, who face higher vulnerability to climate risks. In particular, women’s roles in the care economy, nurturing children and the elderly in the wake of climate disasters, interferes sharply with their ability to manage their businesses and generate income. Gender-blind mitigation measures can be less effective and less sustainable than gender responsive measures, as well as inadvertently manifesting or widening inequalities. Efficient, effective and equitable low-carbon development needs to target women as essential stakeholders, harness their knowledge and potential, and empower them to contribute to poverty reduction, sustainable development, food security and effective climate change responses³².

Evidence also suggests businesses and investments that perform well on sustainability and gender diversity return greater profits. Thus, gender-smart climate investing makes business sense³³. This is particularly true for investments in areas such as women’s insurance. The International Finance Corporation (IFC) estimates that the relevant market has the potential to grow up to \$ 1.7 trillion by 2030, three times its current size³⁴. If gender equality is smart economics, then mainstreaming gender considerations into climate policy and financing mechanisms constitutes smart climate finance³⁵.

Applying a gender lens to agricultural financing can also help fill the SME climate finance “missing middle”. Agriculture receives a limited fraction of total commercial bank lending. In the agricultural sector, specifically, an estimated three in four agri-SMEs lack sufficient access to finance and the capacity to manage it. SME agribusinesses face a double stigma of falling under broader definitions of SME, where they may be uncompetitive compared to, for example, manufacturing SMEs, and also by being lumped together with agriculture production enterprises, which have different risk profiles on the whole and higher climate risk profiles in particular. The annual agri-SME financing gap across sub-Saharan Africa has been estimated at \$ 74 billion³⁶.

The combined use of gender- and climate-smart practices to enhance lending outcomes and borrower performance is a comparatively new phenomenon. As a result, there is little data around the combined effect of these two impact practice changes. However, there is a strong business case for the incorporation of gender- and climate-smart practices into SME agribusiness lending as a way to lower risks, improve performance and unlock bankable opportunities for local FSPs. This risk-reduction is relevant for FSPs already lending in the agri sector, as well as those who are in related value chains such a value-additive food processing. To the extent that true risk is lower than perceived risk, lending margins and profitability for the SME agribusiness sub-sector may be higher than they are believed to be.



Businesses and investments that perform well on sustainability and gender diversity return greater profits. Thus, gender-smart climate investing makes business sense.

Performance improvement through climate-smart practices

- Climate-resilient agricultural methods can enhance agricultural productivity, which can positively impact consumption and sales while enhancing environmental performance.
- Climate-smart financing can support post-disaster recovery and reconstruction, particularly for women.
- Targeted food assistance, including when paired with disaster preparedness.

Performance improvement through gender-smart practices

- In general, gender equality is positively associated with improved company governance, profitability, and innovation, as well as better returns, and therefore can be a defence against default.
- Ten-year longitudinal data from Root Capital's portfolio shows multiple performance benefits from supporting businesses with a higher level of women participation.
- Investing in women in the agricultural sector specifically has a multiplier effect on productivity, food security and overall empowerment, among other key development outcomes.
- Increased firm diversity has a positive multiplier effect on other women-led firms.

Opportunities at the gender-climate-agriculture finance nexus

- Gender-targeted climate risk insurance can positively impact agricultural productivity, investments, and overall women's empowerment.
- Overcoming gendered barriers can result in considerable climate mitigation and adaptation outcomes. Gender-responsive financial mechanisms that enable access to financial services reduce women's vulnerability, strengthen their capacity to cope with natural hazard events, and contribute to increased agricultural productivity and production.
- Gender balance across green sectors can enable businesses to respond to transition demands more easily, increase their profitability, and shift business models in a positive direction.
- Climate Smart Agriculture (CSA) options, properly tailored to the needs of women farmers, can lead to increased adoption of CSA practices, positively impacting selected development outcomes, including higher incomes and lower vulnerability to climate shocks.
- Similarly, clean energy investments for women can positively impact livelihoods, jobs and the environment, while also freeing up some of their time previously allocated to labour-intensive household tasks.

Investing in women, especially in the agricultural sector, has a multiplier effect on productivity, food security and overall empowerment, among other key development outcomes. Currently, women only receive about 7 per cent of total agriculture investments worldwide and 5 per cent of agricultural extension services in developing countries. Enabling women to access resources to the same extent as men can increase on-farm yields by 20-30 per cent, leading to better business outcomes for farms³⁷. Women tend to grow different crops than men, so improving women's access to finance could have biodiversity and food security co-benefits³⁸. Ultimately, closing the gender yield gap could raise total agricultural output in developing countries by 2.5-4 per cent and help feed an additional 100-150 million people.

Women have been shown to spend a far greater proportion of their income investing in household health and nutrition than men, as well as investing in education for children. These indirect impacts have important long-term benefits for socio-economic well-being.



Gender-responsive financial mechanisms that enable access to financial services reduce women's vulnerability, strengthen their capacity to cope with natural hazard events, and contribute to increased agricultural productivity and production.

Examples of gender-smart finance encouraging women's climate adaption also exist and can even have positive gendered ramifications in terms of making credit product design, collateral requirements, and services provision more gender-friendly. Through **ClimADAPT**, local banks and MFIs in Tajikistan enhance men and women's access to climate resilience technologies, particularly in the agriculture sector. With support from the European Bank for Reconstruction and Development (EBRD) and the Climate Investment Funds (CIF), women borrowers were encouraged to adopt climate resilience technologies through increased awareness-raising activities and the introduction of dedicated training for local banks.

ClimADAPT also enhanced the gender capacity of local banking staff to better cater to the needs of women customers. Local banks showed flexibility in adapting their collateral requirements for accessing loans and repayment plan terms to meet women's needs by accepting the use of jewellery, shop inventories and commercial assets as collateral. Communications materials helped attract more potential women borrowers. About 30 per cent of ClimADAPT borrowers were women, holding 19 per cent of the total amount of loans disbursed (higher than the national average of women borrowers). The overall value of loans accessed by women borrowers showed an increase of five percentage points between 2017 and 2018, rising from 14 per cent to 19 per cent of total loans by the partner financial institutions (PFIs)³⁹.

Targeted climate finance products can help enhance women's risk preparedness and resilience. Available evidence reveals a preference for goal-linked savings products which enable women to invest both in their businesses and in durable goods for their families. Importantly, when climate disasters occur, women savers have greater resilience and recovery, benefiting both household and economic stability.

Larger businesses and donor-funded financing facilities have a role to play in gender- and climate-smart agrifinancing. Existing good practice examples in West Africa reflect the innovations discussed above, with newer, often tech-driven companies acting in lieu of the larger, older, international corporates that have traditionally captured large shares of private funding.

One such larger, younger business is **Miro Forestry**, a sustainable forestry and timber business with plantations in Ghana and Sierra Leone. BII has invested \$ 32 million in Miro since 2015 alongside Finnfund, the EIB, FinDev Canada, the Dutch Entrepreneurial Development Bank (FMO), and other investors. The company has prioritised improving women's access to jobs through targets, mentorship and upskilling. At its Ghana site, Miro is working to increase the number of women in the workforce, with an upskilling programme that provides progression opportunities for women and unconscious bias training to senior management to promote a more inclusive work culture⁴⁰.

Digital technology can help women in agriculture access information, conduct transactions, and navigate social norms. In Nigeria, **AgroMall's** proprietary mobile and web application called AgroMall Digital Agriculture Platform (ADAP) is used by over 1.3 million smallholders to access loans for farm inputs, agronomic information, produce aggregation services, and connect with produce buyers. In 2021, the app launched a pilot service to make it easier for women to access credit. Recognising that a lack of land rights was a key barrier to women accessing financing on ADAP, AgroMall developed "Transform Score", a credit scoring algorithm that uses alternative data – such as adoption of agronomic practices, production outcomes, and transaction histories – to offer loans without the need for land as collateral.

In Kenya, **DigiFarm** is an end-to-end digital platform that connects smallholder farmers with inputs, financing, training, insurance and buyers through a market linkage service and digital marketplace. DigiFarm has worked with Mercy Corps AgriFin Accelerate to understand and address the barriers women face in accessing the platform.

Despite these exciting examples, gender-smart agribusiness lending remains a rarity. Of the examples discussed above, only one in five institutions had a gender and diversity inclusion policy. Among the institutions that had a gender policy, the overall ratio of women beneficiaries of agribusiness loans was below 30 per cent. However, within the specific gender-disaggregating programmes, women accounted for between 40 and 56 per cent of lending portfolios. This suggests the low overall ratio is not due entirely to differences in women and men's agri-entrepreneurship.

Similarly, climate finance for the sector remains far short of what is needed. Although global climate finance flows reached almost \$ 1.3 trillion in 2021/2022, AFOLU (agriculture, forestry, and other land use) received less than 4 per cent of this, of which most was for mitigation (to reduce emissions of greenhouse gases), rather than for adapting to the impacts of climate change. Most of the climate finance in Sub-Saharan Africa to date is from public sources (including MDBs, DFIs as well as Multilateral Climate Funds such as the Green Climate Fund)⁴¹. Increasing domestic and private finance is essential to increase total climate finance available. The use of blended finance models (using instruments such as guarantees, concessional debt, grants, and TA) is suggested as a means of achieving this⁴².

An example of this is the **Acumen Resilient Agriculture Fund (ARAF)**, into which the Green Climate Fund invested \$ 23 million equity into the first loss pool to de-risk the investment for private sector investors. The Fund provides equity and quasi equity to agribusinesses serving smallholder farmers in Nigeria, Ghana, Kenya, and Uganda to improve their climate resilience through increases in agriculture productivity and income⁴³.



6

Recommendations: Actionable practice changes for FSPs

To translate these opportunities into specific and achievable practical changes for FSPs to undertake, the tables below incorporate specific measures that would contribute to the strengthening of SME agribusiness lending. This includes an approach to indicate possible trade-offs related to cost, implementation time, and potential impact (both financial and non-financial).

SME agribusinesses are not necessarily an appropriate target market for all FSPs, as different banks apply distinct business strategies that may or may not include a focus on SMEs. For FSPs that are serving the more broadly defined SME market, the agriculture sector, and/or the SME agribusiness market, the actions below can provide a pathway to new or improved commercial opportunities. Together with the resources in this report, FSPs that are already looking at climate and gender enhancements within their operations, as well as those considering incorporating such recommendations, will find actionable options for advancing their efforts.

Initiatives	Potential practice changes	Cost	Time	Impact
Design of climate and gender smart SME agribusiness loan products	<ol style="list-style-type: none"> 1 Collaborate with organisations specialised in gender training and climate risk management 2 Explore blended finance options for reducing risk 3 Develop product prototype and set metrics for new borrows, loan volumes etc. 4 Pilot outreach and three-month review of customer feedback 5 Advertising and publicity 			
Targeted geographic outreach	<ol style="list-style-type: none"> 1 Shortlist districts with high priority agri value chain activity 2 Communications and training for staff in branch offices that will pilot new CGS SME agribusiness product 3 Roll out of pilot in selected areas 4 Six-month and 12-month review and assessment of lending volume 			
Co-sourcing partnerships	<ol style="list-style-type: none"> 1 Identify investment funds with agriculture focus, or agribusiness ventures in portfolio 2 Prepare an offer (e.g., revolving working capital loan) and an ask (referral of diligence companies) 3 Develop working relationships and agree on mutual objectives 4 Pilot for three months and changes based on lead activation 			
Business development partnerships	<ol style="list-style-type: none"> 1 Meet with business associations and SME development organisations to assess their strategies and understand their competencies 2 Develop business propositions appropriate for potential partners, e.g., origination, borrower monitoring activities, financial training for borrowers, climate resilience practices training for borrowers, etc. 3 Reassessment of terms and conditions of partnership after six-month pilot 			
Gender sensitisation and climate risk assessment/management trainings	<ol style="list-style-type: none"> 1 Collaborate with organisations specialised in gender training and climate risk management 2 Internalise and institutionalise training practices 3 Set priorities for training rollout (voluntary or mandatory); consider offering incentives for completion 4 Develop metrics for evaluating training impact and outcomes 5 Annual feedback assessment and review 			

Low Medium High

Table 9a: Practice change opportunities for banks and local financial service providers

Initiatives	Potential practice changes	Cost	Time	Impact
Internal policy changes	<ol style="list-style-type: none"> 1 Ensure that internal HR policies are gender sensitive 2 Ensure that internal portfolio policies incorporate climate risk assessment and review requirements 3 Discuss policy frameworks with diverse groups of employees and managers 			
Use of insurance products at portfolio or borrower level	<ol style="list-style-type: none"> 1 Explore options for climate and credit risk insurance at portfolio and/or borrower level 2 Consider fintech enabled insurance options as well as traditional insurance services 3 Model cost of insurance against expected loss in the absence of insurance, considering historic default rates and increased climate risk events 4 Set metrics and targets for insurance rollout and subsequent assessment 			
Value-added service offerings	<ol style="list-style-type: none"> 1 Market survey of borrowers and non-borrowers to explore the products and services they need and value 2 Review of potential demand, ability to meet this demand in-house and potential for partnering to meet demand (i.e., with a mobile payments provider or an e-commerce platform) 3 Select geographic areas and/or market segments for test-offering of value-added services. Establish targets and metrics for six-month pilot, then assess results 4 Support borrowers in developing climate and gender lens awareness using checklists and simple metrics as entry points 			
Changes in underwriting practices	<ol style="list-style-type: none"> 1 Consider the use of alternative credit data 2 Review the customer journey for SME agribusinesses and determine how to reduce burden on borrower 3 Assess terms and credit of products and services offered to target market and refine to meet operational realities of SME agribusinesses as needed 4 Equip systems or loan officers to evaluate the lifetime value of a new customer 			

Low Medium High

Table 9b: Practice change opportunities for banks and local financial service providers



7

Conclusion

Increasing local financing for SME agribusinesses is a challenging proposition. However, this research has identified distinct strategies for FSPs to increase funding flows to this segment, seeking to empower local FSPs to develop new strategies and data sources that enable them to tap into the largely underserved SME agribusiness market. Intentionally bringing climate, gender and social inclusion considerations into credit and risk screening methodologies can help to identify potential risks which the adoption of innovation tools and techniques can help mitigate, reducing the overall risk profile presented by borrowers. Although there are internally focused changes that can and should be made, externally focused changes involving collaboration can benefit the performance of individual organisations and contribute to strengthening the economy as a whole.

The size and scope of the opportunity for commercial banks is limited by existing financial sector realities. All of the countries reviewed show a high level of asset concentration in local financial markets, with the top four or five commercial banks holding the majority of total financial sector assets. Given the capital constraints these banks face, truly unlocking credit for SME agribusinesses will need to go beyond the efforts of individual banks and commercial banking in general.

The more complex strategy to sustainable increases in local SME agribusiness lending requires a conscious and collaborative market shaping effort. This requires different stakeholders to address specific challenges in a way that ensures collective efforts can build an improved financial systems infrastructure. Technical assistance and grants that support financial sector ecosystem development, including innovative credit programs, have a place within market shaping activities. Regulatory measures and credit facilities that prioritise lending in secondary cities and rural areas can also enhance the enabling environment for SME agribusiness lending. Not only are financial assets highly concentrated in a small number of commercial banks, but these banks operate primarily in major urban centres. As most agribusinesses are located in secondary cities and rural areas, it is difficult for commercial banks to develop agribusiness portfolios even if they build new partnerships with sectoral business associations. Market shaping work can address these gaps and in doing so, support new commercial lending strategies.

Increasingly, climate finance is looking at agriculture and agribusiness as critical elements of adaptation and resilience, which will attract new resources for agribusinesses, both internationally as well as at the local level. As climate risk management methodologies and best practice develop to encompass more than physical and transition risk, considering wider system impacts, the importance of integrating gender and social inclusion across all sectors of the economy is more evident, and the urgency of doing so is elevated.

With food security, climate adaptation and resilience and social stability all of increasing concern, we hope to see improved local financing for SME agribusinesses as a strategic decision by local financial institutions, alongside new collaborative efforts to address the distinct pain points of local financial systems to enable the FSPs to scale up their gender- and climate-smart SME agribusiness lending programmes.

Annex 1: Stakeholder interview list

Organisation	Interviewee	Country
Agricultural Bank of Burkina Faso	Cyrille Ouédraogo (General Manager)	Burkina Faso
Orabank	Aristide Ouédraogo (Director)	Burkina Faso
MicroAid	Elisée Ouédraogo (CEO)	Burkina Faso
UBA Burkina	Wenceslas Kola (Auditor)	Burkina Faso
Rural Development Fund	Yaw Oppong (CEO – Finance and Debt Economist)	Ghana
Ecobank Ghana	Michael Boake (Head of Agriculture Department)	Ghana
Ecobank Ghana	Kingsley Adofo-Addo (Head of SME Department)	Ghana
Amenfiman Rural Bank	Dr. Alexander Asmah (CEO)	Ghana
Republic Bank	Baffour Asare-Wiredu	Ghana
First City Monument Bank	Kudzai Gumunyu (Divisional Head Agriculture Business)	Nigeria
Premium Trust Bank	Bukola Awosanya (Executive Director)	Nigeria
Direct Investment Africa	Gwen Abiola-Oloke (CEO)	Nigeria
Direct Investment Africa	Felix Ezeh (Finance Director)	Nigeria
Equator Bank	Frank Kennedy (Former Executive Director)	Nigeria
Liberia Bank for Development and Investment	Akwenah Nyeamene (CEO)	Liberia
Diaconia MDI	Mwenda Kazadi (Board member)	Liberia
Cofina	Babacar Ndiaye (Account Manager)	Senegal
LOCAfrique	Ibrahima Diakhoumpa	Senegal
Fonds d'Impulsion de la Microfinance	Ndjamé Ndiaye (Director)	Senegal
La Banque Agricole	Malick Ndiaye (General Manager)	Senegal
Apex Bank	Alimamy Conteh (Managing Director)	Sierra Leone
ACTB	David Kamara (CEO)	Sierra Leone
UBA Sierra Leone	Mohamed Alhajie Samoura	Sierra Leone
Société Générale Côte d'Ivoire	Axel Fortunat (Business Manager – SME/SMI)	Côte d'Ivoire
NSIA	Constant Krioua (Business Manager)	Côte d'Ivoire

Annex 2: End notes

- 1 According to 2021 data from the World Bank, OECD, BCEAO, and the Central Banks of Ghana, Liberia, Nigeria, and Sierra Leone
- 2 Based on analysis for Sub Saharan Africa
- 3 ISF Advisors (2022). *The State of the Agri-SME Sector – Bridging the Finance Gap*. CASA
- 4 ISF Advisors (2022). *The State of the Agri-SME Sector – Bridging the Finance Gap*. CASA. <https://www.casaprogramme.com/wp-content/uploads/2022/03/the-state-of-the-agri-sme-sector-bridging-the-finance-gap.pdf>.
- 5 Private Sector Credit and Private Credit for Agriculture, World Bank (2021 GDP Data), OECD (2021 Agri Sector Data), BCEAO, Central Banks of Ghana, Liberia, Nigeria and Sierra Leone
- 6 Shakhovskoy, M. (2021) *Rethinking our Understanding of Agri-SMEs: A comprehensive taxonomy*, ISF Advisors. Available at: <https://isfadvisors.org/rethinking-our-understanding-of-agri-smes-a-comprehensive-taxonomy/#:~:text=Agricultural%20small%2D%20and%20medium%2D%20sized,and%20retail%20of%20food%20products>.
- 7 Some enterprises will combine sub-segments into a single business model.
- 8 See Pathways to Prosperity report for full overview of sub-segments: Cooperatives and Farmer Organisations included in Farming category but provide services beyond production.
- 9 Some enterprises will combine sub-segments into a single business model.
- 10 Micro-enterprises listed are illustrative only and not meant to be collectively exhaustive.
- 11 Prato, B. and Shakhovskoy, M. (2021) Learning Brief: Agri-SME Taxonomy. rep. ISF Advisors; SAFIN. Available at: https://mcusercontent.com/526e141898f0d31c506a5ad75/files/eof62f6b-e1a1-4798-ae3-1bfb475a3ca7/Learning_brief_AgriSME_taxonomy_SAFIN_ISFAdvisors.pdf.
- 12 Prato, B. and Shakhovskoy, M. (2021) Learning Brief: Agri-SME Taxonomy. rep. ISF Advisors; SAFIN. Available at: https://mcusercontent.com/526e141898f0d31c506a5ad75/files/eof62f6b-e1a1-4798-ae3-1bfb475a3ca7/Learning_brief_AgriSME_taxonomy_SAFIN_ISFAdvisors.pdf.
- 13 Prato, B. and Shakhovskoy, M. (2021) Learning Brief: Agri-SME Taxonomy. rep. ISF Advisors; SAFIN. Available at: https://mcusercontent.com/526e141898f0d31c506a5ad75/files/eof62f6b-e1a1-4798-ae3-1bfb475a3ca7/Learning_brief_AgriSME_taxonomy_SAFIN_ISFAdvisors.pdf.
- 14 See for example: Value for Women, Gender Inclusion for Climate-Smart Agribusinesses, 2018 and GIZ, diving into the gap: Gender dimensions of Climate Risk Management, “Since gender norms are a precondition for both specific vulnerabilities and adaptive capacities to the impacts of climate change, it is essential to include a critical perspective on these social factors while planning or implementing Climate Risk Management measures to secure a just allocation of support and resources”.
- 15 Nguyen, H. (2018) Sustainable food systems: Concept and framework. rep. Food and Agriculture Organisation of the United Nations (FAO). Available at: <https://www.fao.org/3/ca2079en/CA2079EN.pdf>.
- 16 Suttie, D. (2019) *Migration, agriculture and Food Systems – understanding links to achieve better outcomes*, IFAD. Available at: <https://www.ifad.org/en/web/latest/-/blog/rethinking-mobility-how-to-respond-to-opportunities-in-a-changing-wor-1> (Accessed: 10 April 2024).
- 17 Root Capital. (2022a). Inclusion Pays: The Returns on Investing in Women in Agriculture.
- 18 Aceli Africa and Dalberg Advisors. (2020). *Bridging the Financing Gap: Unlocking the Impact Potential of Agricultural SMEs in Africa*. <https://aceli africa.org/bridging-the-financing-gap-unlocking-the-impact-potential-of-agricultural-smes-in-africa/#:~:text=This%20report%20synthesizes%20our%20journey,and%20demand%20for%20agri%2DSMEs>.
- 19 Although macro climate risk events can impact all producers in a given geography, micro climate realities suggest that agribusinesses can reduce their risks by sourcing from producers in multiple geographies. Thus, even if climate risks reduce yield for some smallholder farmers, the agribusiness processor can still obtain inputs from others that are still able to harvest their crops. Diversified input sources can mitigate some physical climate risks for agribusinesses. This is not an option for most smallholder farmers.
- 20 Note that banks in general focus on SME borrowers whereas microfinance lenders are, by definition, limited to micro and very small businesses. This has implications for loan size, loan profitability and portfolio development.
- 21 New Climate Economy. (2018). *Unlocking The Inclusive Growth Story of the 21st Century: Accelerating Climate Action in Urgent Times*. New Climate Economy. https://newclimateeconomy.report/2018/wp-content/uploads/sites/6/2018/09/NCE_2018_FULL-REPORT.pdf.
- 22 Braun, P. (2010). *Going Green: Women Entrepreneurs and The Environment* (pp. 245–259). Federation University Australia. https://www.researchgate.net/publication/235261850_Going_green_Women_entrepreneurs_and_the_environment.
- 23 European Investment Bank. (2020). *Why Are Women Entrepreneurs Missing Out on Funding? Reflections And Considerations - Executive Summary*. European Investment Bank. <https://www.eib.org/en/publications/why-are-women-entrepreneurs-missing-out-on-funding-executive-summary>.
- 24 Vyzaki, M., et al. (2021). *2X Climate Finance Taskforce Sector Notes: Investing in Financial Services, 2021*. CDC, EIB, EBRD, CIF. https://static1.squarespace.com/static/60d997f2ecd20831960869e0/t/61891a5e4b33cd39c06ec322/1636375135874/2X_ClimateTaskforce_FinancialServices_v8.pdf.
- 25 <https://documents1.worldbank.org/curated/en/629951621316569954/pdf/IFC-Banking-on-Women-Business-Case-Update-Number-Three-Lower-NPLs-for-Women-Owned-SMEs.pdf>.
- 26 https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf and <https://www.ebrd.com/news/2023/multilateral-development-banks-deliver-record-climate-finance-report.html>
- 27 <https://www.2xchallenge.org/criteria>
- 28 Vyzaki, M., et al. (2021). *2X Climate Finance Taskforce Sector Notes: Investing in Financial Services, 2021*. CDC, EIB, EBRD, CIF. https://static1.squarespace.com/static/60d997f2ecd20831960869e0/t/61891a5e4b33cd39c06ec322/1636375135874/2X_ClimateTaskforce_FinancialServices_v8.pdf.

- 29 Gender bonds have also been issued by Banco Pichincha in Ecuador, Guaranti Bank in Turkey, Bank of Ayudhya in Thailand, and MiBanco in Colombia. Additionally, IIX Singapore has both issued gender bonds and also launched an Orange Bond initiative.
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- 31 Hallegate, S., Vogt-Schlib, A., Bangalore, M., & Rozenberg, J. (2017). *Unbreakable: Building Resilience of the Poor in the Face of Natural Disaster (Climate Change and Development)*. World Bank. <https://openknowledge.worldbank.org/bitstream/handle/10986/25335/2110030vEN.pdf>.
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- 33 Vyzaki, M., et al. (2021). *2X Climate Finance Taskforce Sector Notes: Investing in Agriculture, Food and Forestry, 2021*. CDC, EIB, EBRD, CIF. https://static1.squarespace.com/static/60d997f2ecd20831960869e0/t/60e086e4f5551016f147a43b/1625327333075/2X_ClimateTaskforce_Agri_v8.pdf.
- 34 IFC. (2016). *Climate Investment Opportunities in Emerging Markets*. IFC. https://www.ifc.org/wps/wcm/connect/59260145-ec2e-40de-97e6-3aa78b82b3c9/3503-IFC-Climate_Investment_Opportunity-Report-Dec-FINAL.pdf?MOD=AJPERES&CVID=IBLd6Xq.
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- 36 Advisors. (2022). *The State of the Agri-SME Sector – Bridging the Finance Gap*. CASA. <https://www.casaprogramme.com/wp-content/uploads/2022/03/the-state-of-the-agri-sme-sector-bridging-the-finance-gap.pdf>.
- 37 Vyzaki, M., et al. (2021). *2X Climate Finance Taskforce Sector Notes: Investing in Agriculture, Food and Forestry, 2021*. CDC, EIB, EBRD, CIF. https://static1.squarespace.com/static/60d997f2ecd20831960869e0/t/60e086e4f5551016f147a43b/1625327333075/2X_ClimateTaskforce_Agri_v8.pdf.
- 38 OECD. (2021). *Women and SDG 2 – Promoting Sustainable Agriculture*. OECD. <https://www.oecd-ilibrary.org/sites/35ec6754-en/index.html?itemId=/content/component/35ec6754-en>.
- 39 Vyzaki, M., et al. (2021). *2X Climate Finance Taskforce Sector Notes: Investing in Agriculture, Food and Forestry, 2021*. CDC, EIB, EBRD, CIF. https://static1.squarespace.com/static/60d997f2ecd20831960869e0/t/60e086e4f5551016f147a43b/1625327333075/2X_ClimateTaskforce_Agri_v8.pdf.
- 40 Vyzaki, M., et al. (2021). *2X Climate Finance Taskforce Sector Notes: Investing in Agriculture, Food and Forestry, 2021*. CDC, EIB, EBRD, CIF. https://static1.squarespace.com/static/60d997f2ecd20831960869e0/t/60e086e4f5551016f147a43b/1625327333075/2X_ClimateTaskforce_Agri_v8.pdf.
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- 42 <https://www.convergence.finance/resource/state-of-blended-finance-2023/view>
- 43 <https://www.greenclimate.fund/sites/default/files/document/case-study-fp078.pdf>

For further information:

► **British International Investment**

Kerry Hamilton,
Technical Director,
khamilton@bii.co.uk

Laura Gravini Rodriguez
Project Coordinator
lgrodriguez@bii.co.uk
bii.co.uk/insight

