



ALIDE Annual Assembly Third Plenary Session:

Food Security and Agricultural Financing: Strengthening Resilience through Innovation

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Some words about IFAD



The International **Fund for Agricultural Development (IFAD)** is the only IFI and specialized UN agency dedicated exclusively to ending rural poverty and transforming food systems.

Since 1977, we have **delivered over 25 million dollars of investments** through loans and grants to governments in developing countries across all regions.



We currently work in **over 80 countries**, reaching small-scale farmers and rural communities through a combination of sovereign and, increasingly, also private sector focused projects.

In Latin America and the Caribbean, we have a portfolio of 26 projects for around 1.8 billion US\$, covering climate adaptation, sustainable agricultural productivity growth, market development and market access, and strengthening rural governance and institutions.

Framing the question at issue

Why we need to keep innovating in finance

- ❗ Significant **agri-food system vulnerabilities**: climate, environment, market/trade-related shocks
- ❗ **Rural poverty and inequalities**, affecting in particular small family farmers and agricultural workers
- ❗ A **fragmented financial ecosystem** with limited capacity/incentives to serve family farmers and agri-food SMEs

What can be harnessed to accelerate innovative solutions

- ✅ **Dynamic agri-food systems**, new business models and opportunities for investors across the business cycle
- ✅ **Digitalization** driving down costs, enhancing KYC processes, facilitating financial product diversification and delivery
- ✅ **Significant development finance community** with capacity for intermediation, tapping financial markets, connecting policy agenda to agri-finance solutions, growing interest in working on an ecosystem basis

How does this come together? 3 key areas of innovation



Finance to nurture innovative business models, with a focus on inclusion, green models, capacity for last mile delivery



Digital finance, and finance for digital



Beyond financing – walking the “ecosystem” talk

Some examples: financing new business models



- ✓ \$152 million multilateral initiative using **Pay-for-Results (PfR) prize competitions** to incentivize private sector solutions in agri.
- ✓ Aims to **overcome market failures** by fostering innovation that benefits smallholders.
- ✓ Operates as an **experiential learning initiative**, building on innovation for sustainable market change.



- ✓ **March 2025** Lol with IFAD
- ✓ **Initial focus on driving innovative business solutions** in Mexico, Honduras, Colombia, El Salvador

Digital finance and finance through digital (1/2)



Through the platform, users strengthened their **financial capabilities** in an environment that incorporates gamification, microlearning, and behavioural economics.

Once users complete the training, they can apply for **financial products offered by formal financial institutions**.

Achivements

- ✓ **Adapted its content for rural Salvadoran users** and integrated with the Customer Relationship Management of Banco Hipotecario.
- ✓ **Developed three monetisation models:** active user fees, white-label platforms for financial institutions, and educational modules.
- ✓ **Built long-term partnerships with financial actors** including SAC Integral and Banco Hipotecario
- ✓ **Gained recognition as a key actor** in El Salvador's financial system

Benefits for the Target Group

- 41%** **Of users are women**, supported by partners like the Women in Coffee Association, promoting women-led inclusion.
- 26%** **Of users are under 35**, reflecting efforts to promote youth employment and accessible tools, though challenges remain in engaging youth in agriculture.
- 32%** **Of users belong to indigenous communities**, reached through field outreach with *Rural Adelante project* to ensure platform access in indigenous areas.

Digital finance and finance through digital (2/2)

Objective: Scale up digital financial solutions and promote financial inclusion among smallholder farmers and rural communities in **six countries:** Bolivia, Guatemala, El Salvador, Honduras, Peru, and Bangladesh.

Direct Beneficiaries: 17,000 households of vulnerable small-scale farmers - **50%** women, **50%** youth, **10%** indigenous people



Digital Training and Capacity Building:

- ✓ Provided training in **IT and programming** to rural youth, equipping them with skills to use digital finance.
- ✓ Developed tailored **digital solutions for agroecological practices**, integrating local knowledge with modern technology.



Partnerships with Startups:

- ✓ Collaborated with **AgTechs and FinTechs** to develop user-friendly apps and platforms
- ✓ Supported **15 startups** through mentoring and business model adaptation for rural contexts.



Financial Innovations:

- ✓ Implemented digital **financial literacy programmes** using mobile applications and gamification.
- ✓ Introduced **financial risk management tools** and **credit scoring algorithms** adapted to smallholder needs.
- ✓ Promoted the use of **neo/digital banking solutions** for easy access to financial services.



Walking the ecosystem talk: partnering with PDBs in LAC



Grant: Inclusive Financial Ecosystem for Food Systems Transformation (IFE4FST) - *Approved in November 2024*

Partnership with PDB

COSOP Colombia
(April)

Partnership with PDB

COSOP Brazil
(September)

Partnership with PDB

CSN Ecuador (June)

Partnership with PDB

COSOP Argentina
(November)

Co-financed with
BAGRICOLA + CABI

Dominican Republic
New Project



Bilateral meetings
with PDB already
stated

COSOP Mexico
(September)



EiF: PCRP – Brazil
Co-financer: BNDES
(June)



2023

2024

2025

Continuous coordination with the PDB platform (IFAD)

SMEs forum
(PDB round
table – 8
banks)



Participation in
FICs 2023

Sign MoU with
ALIDE

IFAD became
Associate
Member of ALIDE

4th. Meeting of Chief
Economists LAC

54th Ordinary Meeting of the
General Assembly of ALIDE

Bilateral
meetings PDB
Ecuador and
Bolivia

Asia Pacific and Latin America Banking
Meeting: Financial Cooperation for
Sustainable Development: Connecting Latin
America and Asia-Pacific through
Development Financial Institutions

FICs-G20
meeting in Rio
2024

IFAD to present
IFE4FST at General
Assembly ALIDE



Fourth International Conference
on Financing for Development

5th. Meeting of Chief Economists
of Development Banks of Latin
America and the Caribbean





Thank you

Contacts

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