



Thematic Working Group Sustainable/Blended Finance Meeting minutes

Participants

Group Members

- **Brian Milder**, *Aceli/ASLC*
- **Hedwig Siewesrtsen**, *AGRA*
- **Eda Dokle**, *ASLC/CSAF*
- **Andrea Zinn**, *CSAF/Aceli*
- **Oluwadara Adekunle**, *GAC*
- **Jared Klassen**, *GAC*
- **Nnedimma Nnebe**, *GAC*
- **Isabel Szollosy**, *GAC*
- **Laura Mecagni**, *GAFFSP*
- **Philip Van der Celen**, *GAFFSP*
- **Peter Umunay**, *GEF*
- **Tuleen Alkhoffash**, *IFAD (Co-Chair)*
- **Nury Barreto**, *Incofin*
- **Franziska Salzer**, *KfW*
- **Jessica Nyman**, *Norad*
- **Tim Diphooorn**, *One Acre Fund*
- **Peter Beez**, *SDC*
- **Bruce Campbell**, *SDC*
- **Oshani Perera**, *Shamba Centre for Food and Climate*
- **Carin Smaller**, *Shamba Centre for Food and Climate*
- **Fredrika Sweno**, *UNCDF*
- **Sonia Essobmadje**, *UNECA*
- **Songbae Lee**, *USAID (Co-Chair)*
- **Sabine Desczka**, *Wageningen University*

GDPRD Secretariat

- **Maurizio Navarra**
- **Michelle Tang**
- **Alessandro Cordova**
- **Monique Amar**
- **Sierra Berardelli**
- **Carlotta Cramer**

Agenda

ISSUE	ITEM	DETAILS
1.	Welcome and Introduction	GDPRD Secretariat
2.	Process Plan and Timeline	Co-Chairs
3.	Technical Discussion on draft Catalytic Capital Framework	Agri-SME Learning Collective
4.	Framework Testing for Member and Non-member Volunteers	Agri-SME Learning Collective
5.	New Initiatives in Sustainable/Blended Finance	Co-Chairs
6.	AOB and closing	Co-Chairs

Key Highlights/Issues

1. Welcome and Introduction

- Jared Klassen, Nnedimma Nnebe, Isabel Szollosy (GAC); Jessica Nyman (Norad); and Fredrika Sweno (UNCDF) joined the call for the first time.
- The GDPRD's Annual General Assembly (AGA) will take place in Rome on **26-27 November** in a hybrid format at IFAD Headquarters and online, under the theme "*Financing Food Systems Transformation and Rural Revitalization: Opportunities and Challenges*". The AGA will focus on the implications of the 2024 [State of Food Security and Nutrition in the World \(SOFI\)](#) report for donors and the urgent need to bridge financing gaps for food systems. All members of this TWG are welcome to join the AGA. **[Maurizio Navarra]**

2. Process Plan and Timeline

PURPOSE OF SECTION:

For the Group to discuss the timeline of activities for the first year of operation and the Process Plan [\[Annex I\]](#).

ISSUES DISCUSSED:

- Following the group's establishment in April, the Co-Chairs were selected, the ToRs were finalized, and the draft Catalytic Capital Framework was introduced during the second call in July as the group's concrete output for year one. Currently, the group is collaborating with bilateral donors and organizations to test the framework, and donors who have already confirmed their participation include USAID, SDC, FCDO and GAC, and more donors are invited to join.
- A potential hybrid meeting may take place in December alongside [Building Bridges](#) in Geneva, though it is still tentative. Another hybrid meeting may take place in March 2025 in Washington, D.C., to present early findings from the framework testing alongside the group's one-year anniversary.
- The TWG's [Terms of Reference](#) (ToRs) have been finalized and will be reviewed upon the group's one-year anniversary, to incorporate any emerging priorities or requests of the members. The eventual goal is to transition to a fully-fledged technical group, where each member will have a defined role. **[IFAD]**

3. Presentation of draft Catalytic Capital Framework

PURPOSE OF SECTION:

Brian Milder, Founder and CEO of Aceli Africa & Agri-SME Learning Collective (ASLC) Steering Committee Member and Eda Dokle, ASLC Coordinator & CSAF Data & Learning Manager presented the draft Catalytic Capital Framework.

ISSUES DISCUSSED:

- The session began with a poll to members regarding the prominence of food systems, agriculture investments, and Agri-SMEs now versus five years ago, and the confidence level in institutional mandates to invest in agriculture initiatives that deliver both high impact and cost-effectiveness. [\[Annex II\]](#)
- [The Council on Smallholder Agricultural Finance](#) (CSAF), established in 2012 by seven impact lenders, now has 19 members investing nearly \$700 million annually to support 7 million smallholder farmers in Africa, Latin America, and Southeast Asia. Members share best

practices and data to address challenges in agricultural SME lending. [Aceli Africa](#) was created to incentivize lenders in East Africa by sharing risks and improving returns. It has mobilized \$220M so far, with a goal of \$1.6B by 2023. An [Evidence Review for Agricultural SME Finance](#) by IGC and CSAF highlighted the lack of rigorous third-party evaluations of agri-SME finance interventions. No peer-reviewed studies link donor-funded interventions to measurable impacts on enterprise performance, livelihoods, or environmental practices.

- In reaction to the evidence review and discussions, CSAF, Aceli, a group of practitioners, donors, and research organizations have formed the **Agri-SME Learning Collective (ASLC)**, with the goal of accelerating learning in the agri-SME sector, influencing practitioners, donors, and policymakers toward a more inclusive and sustainable market. The collective has grown to 20 members, with plans for further expansion, and operates three working groups: Catalytic Capital, Business Development Services (BDS)/Technical Assistance (TA), and Livelihood & Environment. These working groups recently collaborated to create the draft Catalytic Capital Framework, focusing on harmonized standards and benchmarks. During the 03 July TWG meeting, the draft Catalytic Capital Framework was presented to the group for the first time (details can be found in [03 July 2024 meeting minutes](#)). Since then, refinements were made based on feedback from both members and non-members.
- The framework assesses capital additionality and blended finance instruments impact, focusing on how funds are allocated from providers to intermediaries and from intermediaries to agri-SMEs. The impact extends beyond SMEs to improving farmer and worker livelihoods. The additionality and impact of catalytic capital are influenced by broader factors such as economic conditions, political stability, and climate vulnerability, which vary by region.

4. Framework Testing for Member and Non-member Volunteers

PURPOSE OF SECTION:

To decide on a cohort of donors who will test the Catalytic Capital Framework during the first phase.

ISSUES DISCUSSED:

- The Catalytic Capital Framework testing will take place through two parallel cohorts: one for practitioner members of the Agri-SME Learning Collective (5-6 participants with diverse capital archetypes such as funds, guarantees, and incentives) and another for donors (5-6 donors, each contributing at least three initiatives), from October to March, and the primary aim is to refine and strengthen the framework rather than solely collect data.
- The testing process will be managed by a small coordination team partially funded by the GDPRD and will include bilateral engagement with donors and practitioners to determine which aspects of the framework can be completed using public or non-sensitive data, and how to address any sensitivity concerns around submitting nonpublic information. While donors may not currently have all the necessary information included in the framework Excel file readily available, the testing will help identify feasible steps and future areas for improvement.
- In recent weeks, the Co-Chairs and ASLC have had bilateral conversations with donor members to identify an initial cohort to test the framework, which currently includes USAID, GAC, SDC and FCDO. Other donors who are interested in joining the testing cohort are encouraged to complete [this form](#) by October 24th, allowing the ASLC to gather initial commitments for the first cohort by mid-October. **[ASLC]**
- KfW will consider testing the framework in October, due to current workload constraints. Although a DFI, KfW would be considered for the donor cohort testing due to its portfolio of

several different investment vehicles and the donor funding it receives from BMZ. **[ASLC, KfW]**

- USAID will include United States International Development Finance Corporation (DFC) guarantees sponsored by USAID as part of its initiatives used for testing. Similarly, KfW may consider including activities funded by BMZ for testing. **[KfW, USAID]**
- Norad is currently developing various financial instruments, including the FASA initiative, making it a good fit for testing the framework. However, it would like to better understand how the testing process would work for bilateral donors that have existing agreements in place; would it be an add-on or would partners be asked to test? **[Norad]**
 - The framework is relevant for all stages of capital deployment, including capital that has been committed but not yet deployed (like FASA). Currently, the testing will be on existing or completed projects. However, the aim will be to use the framework as a tool for future impact project design. The goal is to benchmark capital structures across initiatives, examine the variations in investments and how they relate to market challenges. Each donor can determine whether to request additional information from their partners/initiatives or not, recognizing and not increasing the reporting burden that exists. Ultimately, the objective is to identify gaps in how funds translate into livelihoods and increase transparency around challenges. **[ASLC]**
- The group should determine what information can be shared beyond its membership and decide on a communication strategy for the outcomes of this work, for both a general audience and the working group members. This is essential for transparency, as the effort is public in nature. **[Maurizio Navarra]**

Discussion and Q&A:

- Does KfW use its own balance sheet to provide guarantees? **[IFAD]**
 - KfW does not provide guarantees but provides low market-rate loans through its own funding and uses BMZ funding for interest rate subsidies and grants. **[KfW]**
- Is there a deadline for donors not already included in the cohort to express interest? Also, is it possible for donors to join the cohort after October? **[Maurizio Navarra]**
 - The goal is to have a few more donors on board for the first cohort by mid-October. Once the initial results and learnings are gathered from this cohort, it can expand to include other participants, including MDBs. **[ASLC, IFAD]**
- Lessons from the testing phase could potentially be incorporated or guide updates to existing monitoring and evaluation frameworks, even though room for experimentation is limited. **[GAFSP]**
- SDC will contribute to testing and encourages other donors of the working group to as well, as it believes this exercise is highly relevant and beneficial to institutions as a whole, beyond the agriculture sector. **[SDC]**
- Transparency is important, but there needs to be a safe space for open dialogue about challenges and failures. How can we strike a balance between openness and confidentiality? **[Shamba Centre]**
 - Participants can sign NDAs to ensure confidentiality, with only the coordination team able to access this sensitive data. Data shared will be anonymous and aggregated and then discussed within the cohort, while broader findings will be selectively shared with the working group and the public. Separate cohorts will be formed for donors and practitioners, with occasional interaction between the groups. **[ASLC, IFAD]**
- Will the lessons learned from the initial work with donors be applied when collaborating with

MDBs in the next phase, considering that MDBs often include sovereign entities as shareholders? **[IFAD]**

- There will be some common ground in the lessons learned from donors that may be applied. **[ASLC]**
- The goal is to move beyond simply reporting the headline figures of capital mobilized by donor-funded initiatives to assess additionality and impact, while minimizing complexity. Many initiatives lack detailed information on additionality and practitioners may define additionality differently based on their specific contexts, making it difficult for donors to evaluate funding effectiveness. This data gap should guide future initiative design and reporting requirements, leading to a more nuanced evaluation of the impact of donor investments. **[ASLC, USAID]**
- Regarding the value of money, additionality and impact are static indicators, and understanding the relationship between inputs, outputs, outcomes is needed, rather than the absolute numbers, to assess efficiency. A holistic view of all costs—legal, administrative, and others—is essential to capture the full picture of what goes into an investment and what results from it. **[AGRA]**
 - The value for money section hasn't fully been developed yet. Over time, testing will provide more insights, and indicators for comparing value for money across different funds can be developed. **[ASLC, IFAD]**
- How much effort, both qualitative and quantitative, will be required for testing? **[GAC]**
 - The aim is to minimize the burden on donors as much as possible. The process will involve 3-4 structured calls (1 to 1.5 hours long) per donor. Each donor will have two representatives: one with investor relations knowledge and another with impact expertise. The framework will first be filled with publicly available or non-sensitive information, followed by addressing sensitive data via NDA or alternative methods. The consultants will help in collecting and inputting data, providing support to the donors, rather than just gathering the information. **[ASLC, IFAD, USAID]**
- The GEF are interested in being contacted for testing, and the ASLC/Co-Chairs will reach out for further discussions. **[GEF]**

ACTION POINTS:

- Members to share their expression of interest in testing the framework by filling out [this form](#) by 24 October.
- ASLC to reach out to KfW in October to understand their availability for testing.
- ASLC to reach out to the GEF for testing.

5. New Initiatives in Sustainable/Blended Finance

PURPOSE OF SECTION:

For the Group to select initiatives to be presented in future meetings [\[Annex III\]](#).

ISSUES DISCUSSED:

- Several organizations have expressed interest in presenting their projects to the TWG, and a two-page summary was shared with members providing a 100-word overview of each organization. Participants voted on their top three organizations of interest to present in a future call. As the TWG meets quarterly, more organizations will have the chance to present over the next two years.

- **Concessional Capital Report by ISF:** Despite donor awareness of concessional capital's role in agriculture finance, its allocation is often inconsistent. USAID's MSP engaged ISF Advisors to create a guide on best practices and trade-offs for deploying this capital in agriculture investment funds. ISF reviewed literature, analyzed 14 agriculture-focused funds, and consulted investors to understand their decision-making and concessional capital structures.
- **60 Decibels Social Performance Data:** 60 Decibels, a leader in social impact customer insights, has interviewed over 400,000 low-income consumers across 90+ countries, building the largest social performance database. Their platform, 60dB Signal, helps investors assess deals, compare social performance, and identify risks and opportunities for maximizing impact returns.
- **BIFT by World Bank:** The Business Investment Financing Track (BIFT), a new blended finance initiative under the Global Agriculture and Food Security Program (GAFSP), will pilot in October 2024 with \$75 million. It aims to enhance access to private and climate finance for underserved food system segments in low-income countries through partnerships with governments, investors, and civil society.
- **FAO Investment Centre:** The FAO Investment Centre provides advisory support to public donors and DFIs on blended finance in the agrifood sector. Services include strategy development, fund design, investment monitoring, and fund manager support. Key partners include the European Commission, World Bank, and Cassa Depositi e Prestiti.
- **Tameo:** Tameo is developing a data-driven platform to attract private sector capital into food and agriculture funds. The platform will host up to 300 data points per fund, offering insights on fund performance, risk, and impact. Launching in Q4 2024, the project requires \$280k for data collection and ecosystem building over 1.5 years. **[USAID]**

ACTION POINTS:

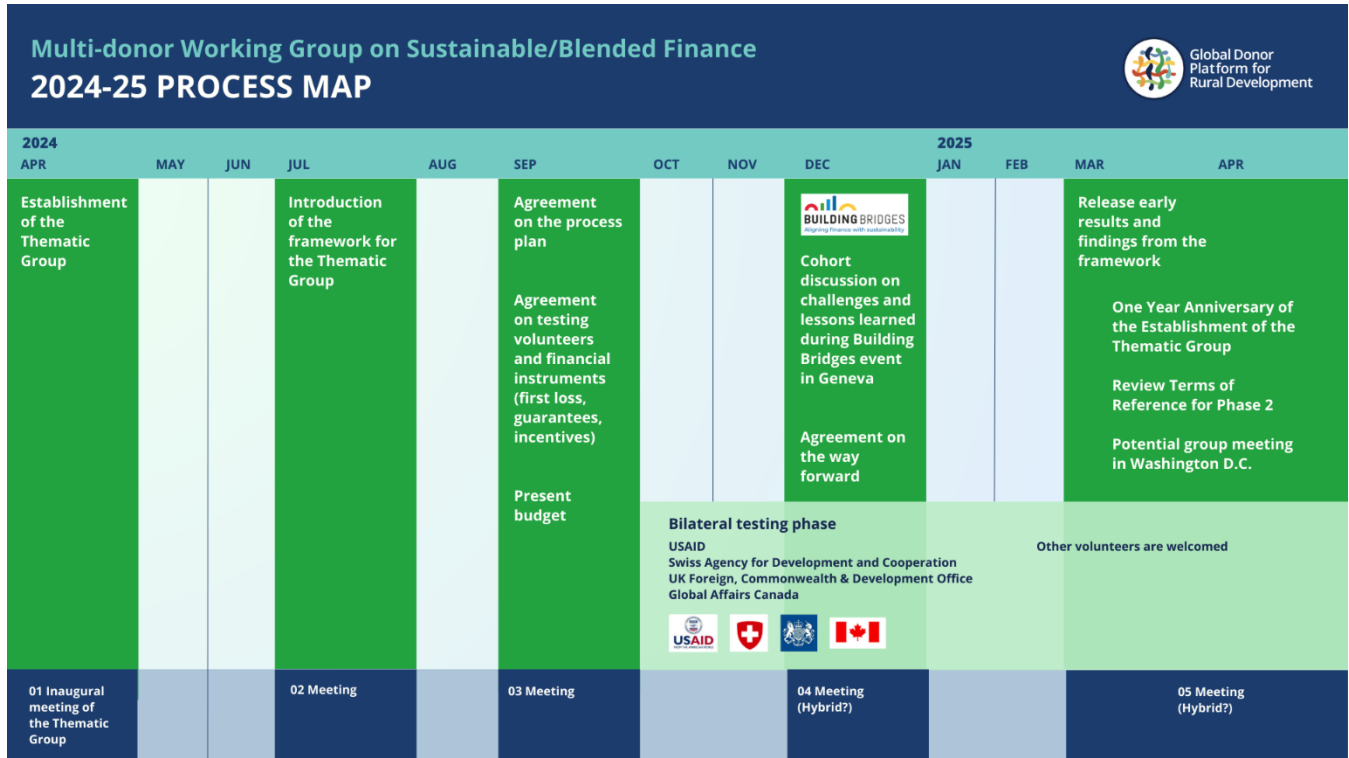
- The Co-Chairs will contact the organizations to present in future working group calls.

6. AOB and Closing

ISSUES DISCUSSED:

- The total cost of the framework [\[Annex IV\]](#) is between \$90,000 and \$125,000, until March 2025, and this funding will cover the coordination of the collective, framework drafting, testing with practitioners, and future management of the practitioners' cohort. The Small Foundation has already committed funding to draft the Catalytic Capital Framework, coordinate the Collective and the practitioners' cohort. In-kind time is already being provided by ASLC Steering Committee members. The GDPRD will contribute between \$20,000-25,000 (exact amount TBD) to support the donors' cohort. Additional funding sources are still needed, and total costs may vary based on the number of practitioners engaging in the testing. **[ASLC]**
- The [group's new webpage](#) has been launched, which includes group [documents](#) such as the TORs and meeting minutes, as well as a [resource section](#) on sustainable/blended finance. Members can add to the content by emailing Michelle Tang (michelle.tang@donorplatform.org) with events, news and publications relevant to the group. **[Michelle Tang]**
- The next meeting will be scheduled in December 2024; date and time to be announced in due course.

Annex I: TWG Sustainable/Blended Finance 2024-25 Process Map



Annex II: ASLC Poll to Members: Results

ASLC Poll 1

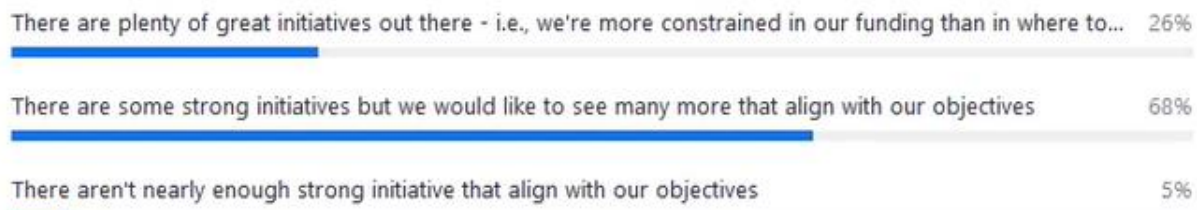
1. As you return from summer holiday and prepare for upcoming events like UN Climate Week, 2X, and COP, how would you compare the prominence of food systems, agricultural investments, and agri-SMEs now relative to [5] years ago? (Single Choice) *



You did not answer this question

2. How confident are you in taking the mandate in your institution related to agricultural investments and channeling it to initiatives that are both high impact and cost-effective (ie, deliver value for money)?

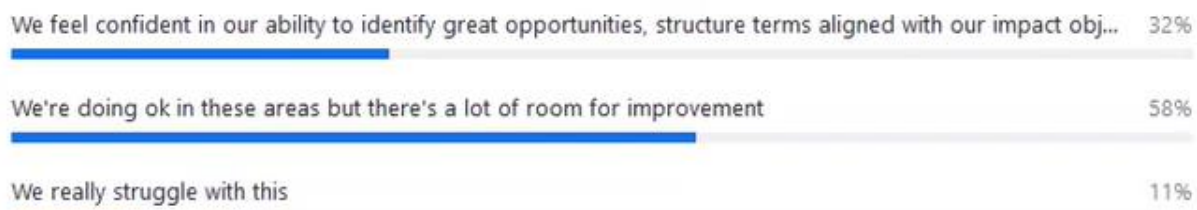
1) With regards to the number of high quality initiatives in the market: (Single Choice)



You did not answer this question

3. How confident are you in taking the mandate in your institution related to agricultural investments and channeling it to initiatives that are both high impact and cost-effective (i.e., deliver value for money)?

With regards to your institution's ability to identify the ones that are best aligned with your objectives and structure agreement terms and reporting to achieve your intended results. (Single Choice) *

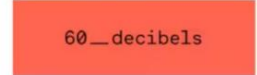
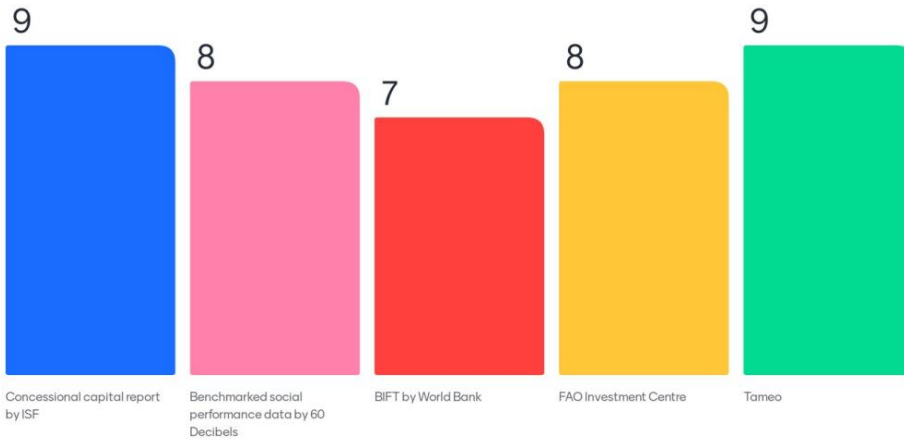


You did not answer this question

Annex III: Mentimeter Poll to Members for Future Presentations: Results

Mentimeter

Select 3 presentations of interest:



Annex III: Proposed budget for testing Catalytic Capital Framework February 2024 – March 2025

Proposed Budget for Testing

February 2024 – September 2024	Roles	Sources*	Status
<ul style="list-style-type: none"> Coordinate the Collective Draft the Catalytic Capital Framework Initial testing with 2-3 practitioners 	ASLC Coordinator & CSAF Director	<ul style="list-style-type: none"> Small Foundation (~\$35,000) 	<ul style="list-style-type: none"> Secured

October 2024 – March 2025	Roles	Sources	Status
<ul style="list-style-type: none"> Coordinate the Collective & practitioners' cohort 	ASLC Coordinator & CSAF Director	<ul style="list-style-type: none"> Small Foundation (~\$28,000) 	<ul style="list-style-type: none"> Secured
<ul style="list-style-type: none"> Manage the donors' cohort Engage bilaterally with donors 	ASLC Coordinator & External Consultant	<ul style="list-style-type: none"> GDPRD (\$20,000-\$25,000) Additional sources (\$15,000-\$20,000) 	<ul style="list-style-type: none"> In progress To be secured
<ul style="list-style-type: none"> Bilateral engagement with practitioners 	ASLC Coordinator & CSAF Director	<ul style="list-style-type: none"> Additional sources (\$25,000-\$50,000) <i>(depending on the number of practitioners)</i> 	<ul style="list-style-type: none"> To be secured

* in-kind time is already being provided by ASLC Steering Committee members