

PRESS RELEASE — For immediate release

Switzerland and Luxembourg launch a programme to boost the resilience of smallholder farmers in the south through innovative finance

On 2 October 2020, Luxembourg's Directorate for Development Cooperation and Humanitarian Affairs, represented by Minister Franz Fayot, and the Swiss Agency for Development and Cooperation met at the House of Microfinance in Luxembourg to formalise the agreement to launch the Smallholder Safety Net Upscaling Programme (SSNUP). The programme aims to enhance the resilience of smallholder farmers in developing countries in close cooperation with impact investment funds oriented towards social and environmental sustainability. ADA, the Luxembourgish NGO specialised in inclusive finance, will be in charge of coordinating this innovative programme.

The vast majority of low-income populations live in rural areas and essentially consist of vulnerable smallholder households who practise subsistence farming. The Luxembourgish and Swiss development organisations have teamed up with ADA and Lux-Development to launch SSNUP and support these people, whose work is crucial to global food security. The first phase of the programme will run from 2020 to 2023 and have an estimated budget of EUR 18 million, EUR 12 million of which will be co-funded by Switzerland and Luxembourg, EUR 3 million will come from the private sector and EUR 3 million will be mobilised by other donors.

A unique public/private partnership to strengthen agricultural value chains

Through this partnership, the public and private sectors will co-fund technical assistance projects for actors in agricultural value chains —SMEs, cooperatives and other agricultural financial intermediaries. This joint public and private sector funding seeks to create a favourable environment to increase the productivity, revenue and resilience of smallholder farmers. Promoting and facilitating commercial transactions among farmers and stakeholders in agricultural value chains (e.g. seed purchases, harvest sales and storage and use of digital tools) are also included in the objectives. The aim is to provide a safety net for smallholder households to mitigate risks (on prices, harvests and climate). The technical assistance departments of impact investment funds will also contribute by sharing their knowledge of agricultural markets.

This programme is based on an innovative form of cooperation among leading development stakeholders from the public and private spheres, impact investors, and their technical assistance providers to improve practices and bolster agricultural markets in the South. The Grameen Crédit Agricole Foundation, Incofin, Oikocredit, responsAbility and Symbiotics are among SSNUP partner impact investors. All these partner funds, whose total assets under management range from EUR 92 million to EUR 3.5 billion, already have 10% to 100% of active investments in rural areas in their portfolios. The programme is expected to further increase total investment in smallholdings, which often have trouble accessing the funding that they need to grow.

SSNUP will contribute towards several of the Sustainable Development Goals (SDGs): generating sources of sustainable income for the families of smallholder farmers, creating jobs for young people, emancipating women in rural areas, and adopting environmentally friendly and sustainable agricultural practices to limit the negative impact on the climate. The projects co-funded by SSNUP will be rolled out in southern countries, with a particular focus on Sub-Saharan Africa.

Sharing knowledge

Finally, SSNUP focuses on sharing knowledge with the entire sector. ADA, the Luxembourgish NGO specialised in inclusive finance, will be in charge of collating the lessons learned, measuring the impact, and disseminating the results together with stakeholders such as the International Institute for Sustainable Development (IISD), the Council on Smallholder Agricultural Finance (CSAF) and the Microinsurance Network (MIN), which is also based in Luxembourg.

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Sub-Saharan Africa

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SSNUP is coordinated by:



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