

**Programme document  
1.7.2020 – 31.12.2023**

**Smallholder Safety Net  
Up-scaling Programme  
(SSNUP)**



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## Abbreviations and acronyms

AVC(s)	Agricultural Value Chain(s)
CFS	Committee on World Food Security
CSAF	Council on Smallholder Agricultural Finance
DFI(s)	Development Finance Institution(s)
ESG	Environment-Social-Governance
FAO	Food Agricultural Organisation
GPFS	Global Programme for Food Security
IISD	International Institute for Sustainable Development
KPI(s)	Key Performance Indicator(s)
M4P	Making Markets for the Poor
MFEA	Ministry of Foreign and European Affairs of Luxembourg
PPDP(s)	Public-Private Development Partnership(s)
RAI	Principles for Responsible Agricultural Investment in Agriculture & Food Systems
SDC	Swiss Agency for Development and Cooperation
SDG(s)	Social Development Goal(s)
SH(s)	Smallholder Households
SSA	Sub-Saharan Africa
SSNUP	Smallholder Safety Net Up-scaling Programme
TA	Technical Assistance
TAF(s)	Technical Assistance Facility(ies)

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## 1. Project Summary

Table 1: Project Summary

<b>Project Name</b>	Smallholder Safety Net Up-scaling Programme (SSNUP)
<b>Target countries</b>	Low-income, lower-middle income, and upper-middle income countries in Africa, Asia, Latin America and the Caribbean, with a focus on Sub Saharan Africa <sup>1</sup>
<b>Funding Organisations</b>	<ul style="list-style-type: none"> <li>- Swiss Agency for Development and Cooperation (SDC)</li> <li>- Ministry of Foreign and European Affairs of Luxembourg (MFEA)</li> <li>- Other bilateral or multilateral funders or DFIs that will join the programme</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>- Impact investors (Oikocredit, Symbiotics, reponsAbility, Incofin, Grameen Crédit Agricole, and potential others)</li> <li>- Technical Assistance Facilities (TAFs) of impact investors</li> <li>- Knowledge management and dissemination partners (IISD, CSAF, Microinsurance Network, potential others)</li> <li>- Programme Coordinator (ADA)</li> </ul>
<b>Project Description</b>	<p>Public and private development partnership programme, and agriculture focused organisations aiming to:</p> <ul style="list-style-type: none"> <li>- Leverage the well-established agricultural markets knowledge of TAFs of selected impact investors to fund technical assistance projects;</li> <li>- Support agricultural value chain market actors (i.e. investees or potential investees of the impact investors) by enhancing farm risk mitigation and transfer instruments;</li> <li>- Foster the adoption of more responsible and sustainable business practices by investors and of climate-smart farming practices in line with agro-ecological principles by smallholder households;</li> <li>- Increase the safety nets<sup>2</sup> of smallholder households, with emphasis on gender equality, job creation and youth employment;</li> <li>- Ensure knowledge management and dissemination</li> </ul>
<b>Expected objectives and results</b>	<ul style="list-style-type: none"> <li>- Smallholder households (SHs): ten million (three million during the first phase) SHs enhance their productivity and/or resilience thanks to improved agricultural risk mitigation and transfer solutions, as well as the use of more sustainable and climate-smart farming practices in line with agro-ecological principles;</li> <li>- Agricultural value chains: strengthened agricultural value chains adopting more sustainable environmental and social business practices generate increased income and jobs, as well as enhanced food security;</li> <li>- Investments: Increased investments and investors that finance the expansion of agricultural value chains that comply with the global responsible agricultural investment principles and adopt sustainable environmental, social, and good governance standards</li> </ul>
<b>Beneficiaries</b>	Smallholder households Agricultural value chain market actors
<b>Project Duration:</b>	Ten year plus programme Phase 1: 1 July 2020 – 31 December 2023
<b>Budget</b>	Phase 1: Total of EUR 18 million where CHF 9,5 million have been pledged by SDC and EUR 3 million by MFEA

<sup>1</sup> The list of eligible countries is a selection of the OECD/DAC list of ODA recipient countries (2020) that corresponds to the strategy of the SSNUP as well as to some priorities of its funders. It might be adjusted periodically by the Steering Committee of the Programme as detailed in Annex 1.

<sup>2</sup> Strengthening of SH safety nets comprises all suitable and affordable farm risk management and transfer instruments that helps SH to increase sustainably their farm productivity and their resilience against weather and other shocks.

## 1.1. Background

Agricultural productivity has for centuries driven improvements in living standards, however developing countries still face significant challenges such as rising undernourishment, low farming productivity and harsh climate change related events<sup>3</sup>. Smallholder Households (SHs), estimated at over 450 million people, are consequently more vulnerable to external shocks, such as extreme weather events and price volatilities that could eventually lead to famine crises. The recent COVID-19 worldwide crisis is an additional example showing the critical importance of strengthening the safety nets and resilience of smallholder farmers, their families and the markets they operate in.

Global consensus is that SHs productivity, income and resilience must increase significantly to enhance food security and to combat persistent widespread rural poverty. Innovative new risk management tools for SHs, like drought resistant seeds or index-based insurance, offer promising paths towards enhanced climate resilience. Sustainable agricultural productivity growth has the highest impact on poverty reduction of any sector<sup>4</sup>. Integrating SHs into higher-growth Agricultural<sup>5</sup> Value Chains (AVCs) through “Win-Win” business partnerships with leading agricultural value chain (AVC) companies that apply good Environmental, Social and Governance (ESG) standards, could trigger higher SF productivity.

The risk for SHs to potentially fall into the poverty trap of “low productivity - low income”, could be curbed by reinforcing business partnerships and providing cost-efficient solutions. Supporting leading growth-oriented companies in agricultural value chains of high food security relevance and high demand with technical assistance (TA) for risk mitigation and transfer instruments for themselves and their SH clients, constitutes a promising approach to generate inclusive agricultural growth. Leveraging on responsible financial instruments by impact investors, could additionally bring inclusive financial solutions to all those Small and Medium Enterprises (SMEs) and farmers organisations currently excluded from the formal financial sector.

## 1.2. Coherence with ADA's strategic framework

Since 2018, ADA has been implementing its ‘Operational Development Plan 2018 – 2021’ which aims to reinforce and develop the inclusive finance sector in southern countries through an integrated approach that focuses on the end client, in particular women and young entrepreneurs, micro and small businesses and agricultural producers.

The Plan has a total of seven objectives of which the SSNUP will contribute to four. These include the development of adapted financial and non-financial services for vulnerable populations, institutional building, investments in financial intermediary and SMEs, and knowledge management.

With regard to the focus on smallholder households and improved farming practices, reinforcing and strengthening the resilience of agricultural producers through the provision of client centric products and services using the value chain development approach is key to both ADA and SSNUP. Indeed, promoting sustainable and climate-smart farming practices in line with agro-ecological principles and local knowledge is an area in which ADA is positioned, which is perfectly in line with the practices SSNUP aims to promote.

Innovation is an aspect that is key to ADA’s strategy and will be essential for the projects of SSNUP to achieve the scale necessary for products and services to become sustainable, especially if the focus is on farm risk mitigation and risk transfer solutions offered digitally.

All these parallels confirm the coherence of the SSNUP with ADA’s strategy.

<sup>3</sup> World Bank, Harvesting Prosperity, September 2019

<sup>4</sup> UN’s Committee on World Food Security’s (CFS) High Level Panel of Experts’ agro-ecological principles, IFAD 2011

<sup>5</sup> Agriculture is defined broadly to encompass crop, livestock, and poultry production, horticulture, aquaculture, and forestry

## 2. Introduction and objective of the programme

Following a systemic agricultural market development approach<sup>6</sup>, SSNUP will leverage the well-established agricultural markets knowledge of Technical Assistance Facilities (TAF) of selected impact investors to co-fund technical assistance projects that support agricultural value chain market actors who are investees or potential investees of the impact investors.

The technical assistance (TA) projects will aim at developing, testing, and up-scaling tailor-made farm risk mitigation and transfer instruments that will reinforce existing AVC and then result in an increase of safety nets of smallholder households (SH). The emphasis is placed on Sub-Saharan Africa, but open to most developing countries; where rural people and smallholder households, including women and youth, might contribute far more than they currently do to growth and job creation, to food security resilience, and to responsible environmental and climate change practices.

The TA projects will foster the adoption of more responsible and sustainable business practices by investors and of climate-smart farming practices in line with agro-ecological principles by smallholder households. As a result, the impact investors will be likely to de-risk their investments thanks to the TA projects and thus they will further support their investees business expansion with debt and/or equity, while complying in a pragmatic way with the high-level CFS-FAO Principles for Responsible Investment in Agricultural and Food Systems (RAI)<sup>7</sup>.

In addition, the programme will also focus on knowledge management and dissemination in partnership with organisations such as the International Institute for Sustainable Development (IISD), the Council on Smallholder Agricultural Finance (CSAF) and/or the Microinsurance Network.

### 2.1 Global objective

The global goal of the first phase of SSNUP is to strengthen sustainably the safety nets of around three million SHs resulting in an improved well-being of altogether 15 million low-income and highly vulnerable people through a systemic agricultural value chain development approach.

The programme aims at making a significant and lasting contribution to the Social Development Goals (SDGs) listed below.

**Table 2: SDGs Objectives**



### 2.2 Theory of Change

The application of a systemic market development approach ensures the sustainability of commercially viable farm risk reduction and transfer instruments (developed through tailor-made TA) applied by carefully selected SH aggregators. Up-scaling of these often digital instruments over a few years will result in sustainable AVC growth. Positive demonstration effects in the form of other SH aggregators adopting (or improving existing) such instruments in the AVC markets targeted - or global market actors and development organisations replicating such instruments in other Southern countries - will ultimately lead to accelerated sustainable AVC growth by impacting on far more than three million SHs - and their household members - in terms of reduced risks, vulnerability and social exclusion as a broader SH social protection agenda.

<sup>6</sup> The Making Markets for the Poor (M4P) concept aims at strengthening the market position of low-income people in their functions as producers, consumers, and employees.

[www.shareweb.ch/site/EI/Pages/Content/Profiles.aspx?SmartID=405&item1=howto](http://www.shareweb.ch/site/EI/Pages/Content/Profiles.aspx?SmartID=405&item1=howto)

<sup>7</sup> The RAI are issued by the Committee on World Food Security (CFS): <http://www.fao.org/3/a-au866e.pdf>.

Achieving the overall goal is illustrated in more detail in *Annex 2 - Result Chain* and *Annex 3 - Logical Framework* and is summarised as follows:

**Table 3: Result Chain**

<b>Impact</b>	Strengthen sustainably and in line with high environment, social and good governance standards the safety nets of 3 million SHs (10 million SH over the entire duration of the programme) contributing to the SDGs no. 1, 2, 5, 8, 12, 13, and 15.
<b>Outcomes</b>	<ol style="list-style-type: none"> <li>1. <b>Smallholder households</b> - 3 million SHs enhance their productivity and/or resilience by using improved agricultural risk mitigation and transfer solutions, and adopting more sustainable and climate-smart farming practices in line with agro-ecological principles</li> <li>2. <b>Agricultural value chains</b> - Strengthened agricultural value chains adopting more sustainable environmental and social business practices generate increased income and jobs, as well as enhanced food security</li> <li>3. <b>Investments</b> - Increased investments and investors that finance the expansion of agricultural value chains that comply with the global responsible agricultural investment principles and adopt sustainable environmental, social, and good governance standards</li> </ol>
<b>Outputs</b>	<ol style="list-style-type: none"> <li>1. <b>Financial and non-financial services</b> - Smallholder households and agricultural value chain market actors access innovative agricultural financial services and distribution channels, as well as innovative farm risk mitigation services and improved farming practices</li> <li>2. <b>Market building and internal management</b> – Agricultural value chain actors are strengthened through enhanced market linkages and access to information on sustainable environmental and social business practices, as well as internal capacity building services</li> <li>3. <b>Knowledge management</b> - Dissemination of knowledge management tools on farm risk mitigation and agricultural finance</li> </ol>

### 3. Implementation Strategy

The implementation strategy of the SSNUP is articulated in the strategic overview, an agile governance framework, eligibility criteria for the programme implementation, and details for operational implementation.

#### 3.1 Strategic overview

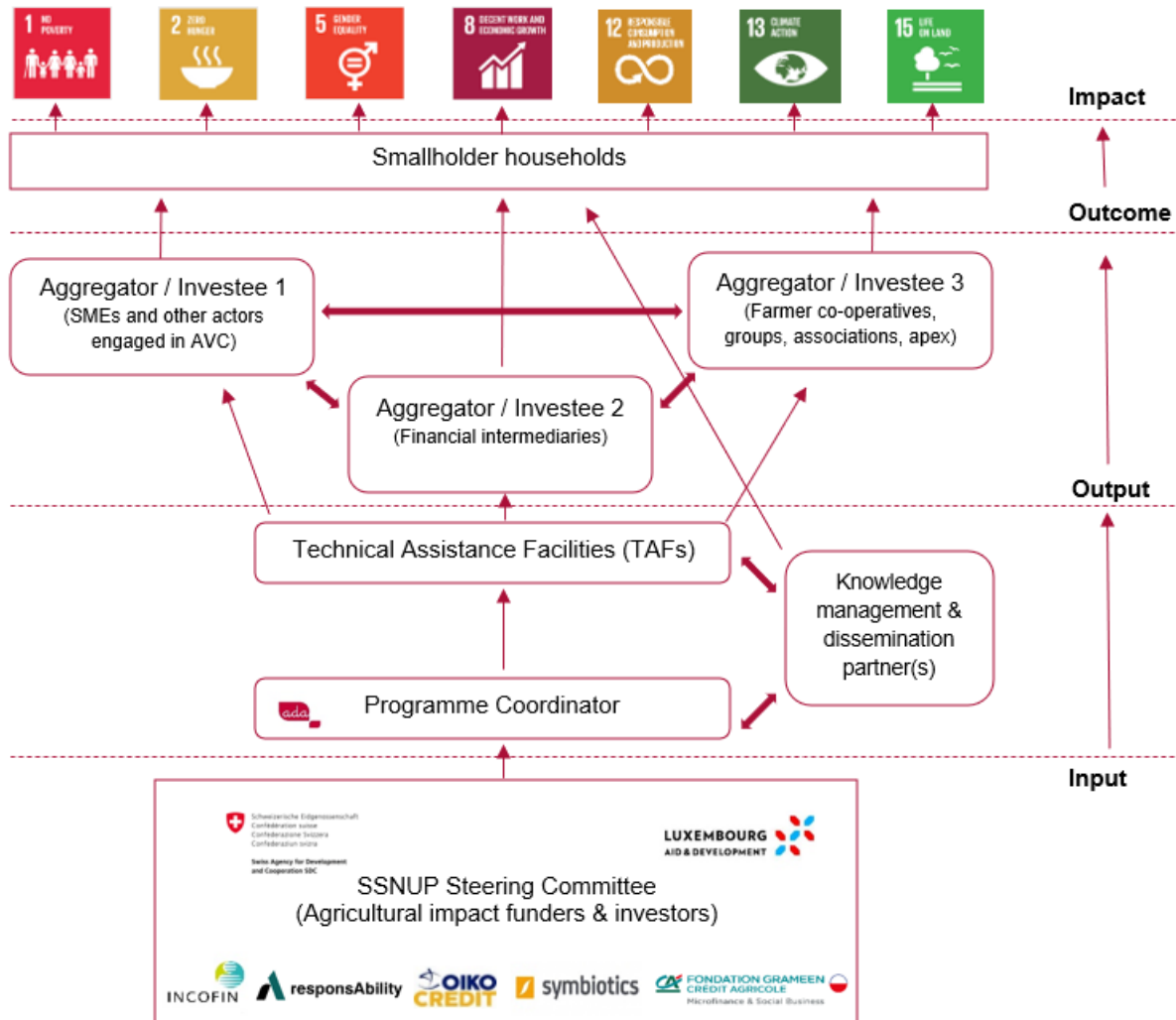
In order to strengthen the safety nets of smallholder households, the programme aims to leverage the knowledge and partnerships within the targeted agricultural value chains of the SSNUP, where the Technical Assistance Facilities (TAF) and their impact investors are active or plan to be active. The aim is to provide TA that not only strengthens the safety net of SHs, but also encourages investors to consider new investees, in new countries or regions (in particular in SSA and LDCs) and to increase investment amounts in targeted agriculture value-chains. By targeting such investees or SHs aggregators<sup>[1]</sup>, with whom the impact investors have already invested in, or have the intention to invest, the SSNUP programme can direct funding to TA projects much more efficiently without the necessity of doing a detailed due diligence beforehand. This win-win situation will not only enable more of the SSNUP funding

[1] They are called “aggregators” because they either purchase from, or sell to, many individual SHs. They can be (1) SMEs engaged in AVC (such as input producers and suppliers, off-takers of agricultural produce, processors or wholesale/export traders with large distribution/ sourcing networks), (2) farmer co-operatives, groups, associations, and apex organisations, and (3) agricultural/rural financial intermediaries.

to be directed towards TA projects which will ultimately benefit the smallholder households, but it will also in turn de-risk the investments of the impact investors and therefore contribute to the growth of responsible investments in the agricultural sector.

The implementation strategy map below (Figure 1) offers an overview of the how the programme will be set up and the relationships between the various stakeholders. For a more detail understanding of the institutional setup and roles and responsibility, please see *Annex 4 – Programme Implementation Matrix*, and *Annex 5 – Institutional Setup*

**Figure 1: Map of the implementation strategy**



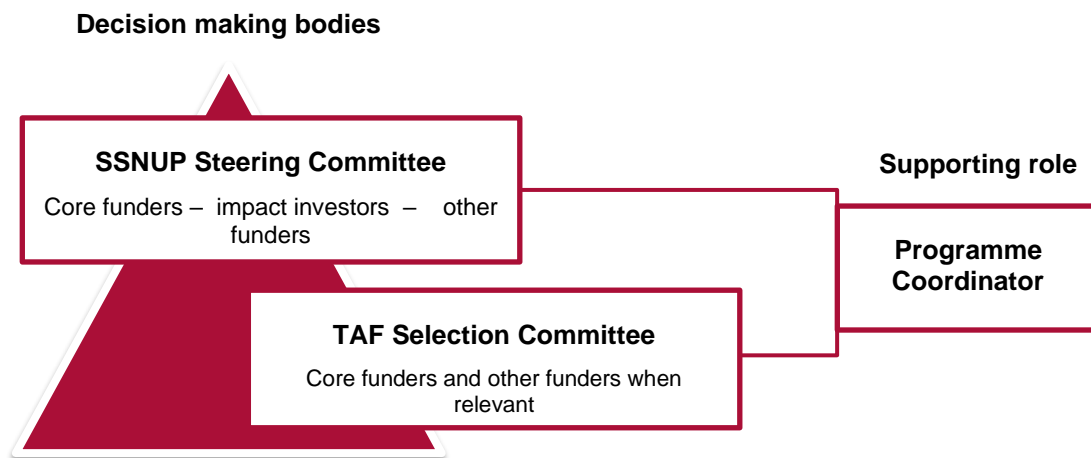
### 3.2 Governance

The SSNUP will be managed with an agile yet efficient and pro-active governance framework by building on the existing selection process of the TAFs (see Figure 2), while high-level decisions will be taken by the Steering Committee. A detailed description of the general and specific activities due to be carried out within the governance framework are described in *Annex 4 – Programme Implementation Matrix*, and in *Annex 6 – Implementation Timeline*.

The overall governance framework is made up of the following actors: Core funders (public or private bodies funding the programme as a whole), impact investors (investing in their investees to co-finance the growth of their business transactions with SHs) and other funders (joining SSNUP, but co-funding TA projects of selected impact investors only).



Figure 2: Governance framework



### SSNUP Steering Committee

The Steering Committee is the highest decision-making body of the programme and is composed of the Core funders, impact investors and other funders. It meets at least twice a year, in person if possible or via conference calls.

The Committee's primary role is to monitor the progress of the programme, its implementation and the achievement of the objectives by reviewing and approving the annual report (mainly outcome-based) prepared by the Programme Coordinator. An important function is also the steering of the knowledge management & dissemination component managed by the Programme Coordinator. It is also in charge of screening and approving additional funders, impact investors and/or TAFs who desire to be part of SSNUP in line with the selection criteria in the next section. The inclusion of additional players in the programme is crucial to ensure a viable and long-term balance between private and public sector, where funders and impact investor's objectives are aligned.

The following principles will guide the decision process of the Steering Committee:

- The final decision over the inclusion of additional funders, impact investors and TAFs into the programme, is a prerogative of the Core funders only, each one having one voting right.
- Any other decision is expected to be taken by consensus among all Steering Committee members. If a consensus is not possible, the decision will be taken by vote among the Core funders only, each one having one voting right.

### TAF Committees

The SSNUP aims at building on existing selection processes and leveraging on the TAF Committee decision making structures. For these reasons, SSNUP funders<sup>8</sup> are invited to attend the TAF Committees at the impact investors level along with other funders of the TAF, in case of co-financed TA projects. In particular, in order to receive (co-)funding from SSNUP, the TAFs send a TA proposal to all SSNUP funders as well as to ADA as SSNUP Coordinator<sup>9</sup>.

Within the next ten (10) working days, SSNUP funders can take the decision of (co-)funding the TA proposal in two ways:

<sup>8</sup> A SSNUP funder is defined as a funder who has agreed to co-finance approved TA proposals of the respective TAC within the SSNUP framework. Each SSNUP funder will nominate one or two representatives who might take part in the TAF Committee meetings. Lux-Development may represent MFEA in the TAF Committee.

<sup>9</sup> ADA, as Programme Coordinator, will provide the relevant contact details to the TAFs.

1. The representatives of at least two SSNUP funders are invited to the already established TAF Committee. The SSNUP funders approve (or not) the financial contribution from SSNUP to the project presented to the TAF Committee, taking into consideration that the project might be co-funded by other funders of the TAF.
2. If there is no other potential co-funder of the TA proposal (including where a TA proposal is linked to an investment fund with no dedicated TAF), a SSNUP TAF Committee is organised by the TAF. The representatives of at least two SSNUP funders are invited to this ad hoc committee, during which the SSNUP funders will decide whether to approve the TA proposal or not.

In both cases:

- the SSNUP funders agree internally who among their nominees are best suited to participate in the committee and inform the TAF accordingly;
- several people from the same organisation may participate in the committee to ensure the relevant expertise is available. However, each SSNUP funder organisation always retains one vote;
- the Programme Coordinator may be nominated as a representative of a SSNUP funder when the latter is not available to participate in the committee;
- the decisions about SSNUP (co-)funding should be taken unanimously;
- the Committees usually meet through a conference call<sup>10</sup>, but for simple and/or small TA projects, the approval decision could be taken via circular email;
- when an urgent decision is needed, it could be taken in less than ten working days, whether through conference call or email;
- the final decision on SSNUP (co-)funding a TA proposal is always confirmed by email to the TAF, even when the decision was made through a conference call.

### 3.3 Eligibility criteria for programme implementation

The SSNUP has identified key compulsory eligibility and selection criteria at various levels of the programme, aiming at ensuring a transparent and efficient validation process of the various stakeholders involved.

#### TAFs eligibility criteria

The Steering Committee should follow the eligibility criteria identified<sup>11</sup> in Table 4 to screen and approve additional Technical Assistance Facilities in SSNUP.

**Table 4: Steering Committee: TAFs eligibility criteria**

#	Eligibility Criteria
1	Good track record in managing TA in general, and experience or willingness to offer more specific TA to strengthen the development impact of agricultural and/or rural microfinance investments to expand their contributions to the SDGs no. 1, 2, 5, 8, 12, 13, and 15. This requires that the TAF is staffed with at least one specialist experienced in TA management, has access to expertise in agriculture and is guided by a clear policy and operational procedures.
2	The TAF is run by a 'triple-bottom' line asset manager that runs one or more investment funds that include investments in agricultural and/or rural microfinance in Southern countries listed in Annex 1, and that do not only comply with the environmental, social, and governance criteria set by the Council of Smallholder Agricultural Finance ( <a href="https://csaf.org/lending/esg-principles/">https://csaf.org/lending/esg-principles/</a> ), but also promote the adoption of sustainable farm practices and to the extent possible the agro-ecological principles of the FAO, including practices leading to higher climate resilience of SHs. GMOs are excluded.

<sup>10</sup> TAF Committees may occasionally be physical meetings around bi-annual SSNUP Steering Committee meetings.

<sup>11</sup> The eligibility criteria serve to the Steering Committee as a guiding tool to screen and assess the candidate's policy, procedures and practices completeness.

3	The 'triple-bottom' line asset manager is committed to cooperate with the International Institute for Sustainable Development ( <a href="http://www.iisd.org/">www.iisd.org/</a> ) for the latter to carry out a longitudinal case study of one of its agricultural investments to analyse the compliance with the CFS-RAI while testing a CFS-RAI scoring tool for agricultural investors.
4	Clear link of the TA operations to current or potential investments of the investment fund(s), except in the case of piloting agricultural insurance.
5	Transparent separation of TAF financing from the investment fund(s) activities, including separate decision-making committees and accounting.
6	The TAF requests self-contributions from the TA recipients to ensure ownership: At least between 10% to 20% in-kind and/or cash to the TA services received depending on their financial standing and the level of innovation (e.g. very low cost-sharing for agricultural insurance pilots) <sup>12</sup> .
7	The TAF ensures best value for money through diligent procurement to select best qualified service providers engaged in the target markets (to strengthen the service eco-system). Selection of consultants constitutes a second-best solution only.
8	The TAF monitors its TA projects effectively and cost-efficient to allow for best results and achievement of expected deliverables.
9	The TAF shall recover fully its management costs.

### Agricultural Value Chain selection criteria

The five main selection criteria for AVC are as follows and should be used by the Selection Committee to screen and decide on the TA project proposals.

**Table 5: Selection criteria for Agricultural Value Chains (AVCs)**

#	Selection Criteria
1	<u>High domestic and/or global market demand:</u> In other word, the sustainable growth of the AVCs is constrained by supply-side factors. AVCs with high demand comprise all major stable major crops (e.g. rice, potato, maize, cassava, wheat, beans, etc.), global commodities (e.g. coffee, cacao, etc.), livestock and poultry production, horticulture, aquaculture, and forestry.
2	<u>Scalable integration of SHs:</u> the AVC aggregator(s) has(ve) the potential to integrate large numbers of SHs. This depends on the degree to which the AVC is organised already in terms of SH integration. There is no specific minimum SH outreach target so as not to discourage the testing of highly innovative farm risk reduction solutions. A pre-condition is that the business model of the selected farm risk reduction solution is scalable. A general indicative outreach benchmark is set at 10.000 SHs, but the TAFC will decide case-by-case while considering the levels of replicability and innovation. The outreach target must be at least 15.000 in the case of agricultural insurance pilots because the commercial viability of insurance requires larger scale, as SSNUP will not subsidise insurance premiums even during the pilot phase.
3	<u>Agreed upon standards of sustainable farm practices</u> which include ecological, social, and economic sustainability and good governance criteria. Monitoring and reporting is also required as essential elements of the CFS-FAO RAI and as part of the ESG investment standards and guidelines for both the technical assistance providers and impact investor.

<sup>12</sup> Some cash contribution to meet local costs, like accommodation and in-country travel is required. Staff costs are not acceptable to count as self-contribution, if staff time is used within the range of their main business operation (staff of a financial intermediary being trained in testing and introducing new financial services). They can be considered, if spent for additional value added services for their client (e.g. staff of a financial intermediary offering financial literacy training to clients).

4	<u>Gender relevance</u> in terms of the leading roles of female SH members as producers, traders, and consumers in their double function as micro entrepreneurs and caretakers.
5	<u>Relevance for food security</u> defined as the production, processing or distribution of SH produced stable crops (given that these crops are not used for biofuel production), livestock, and poultry production, horticulture, and aquaculture.

### SH aggregator selection criteria

The selection of aggregators is also governed by five main selection criteria listed below, and these criteria are as well used by Selection Committee to screen the TA projects received.

**Table 6: Selection criteria for SH aggregators**

#	Selection Criteria
1	Engaged in a targeted AVC, incl. rural financial intermediaries lending to SHs, farmer organisations, and companies involved in the targeted AVCs
2	Financial and institutional self-sufficiency with a significant market share to be capable of scaling up business operations with large numbers of SHs.
3	Good ESG business practices - as promoted by the Council of Smallholder Agricultural Finance - that have resulted in benefits for the SHs in terms of fair prices, support in adopting sustainable farm practices, women and youth inclusiveness, etc. In addition, SH aggregators that are ready to improve currently unsatisfactory ESG business practices are also eligible.
4	Capacity and commitment to deepen and expand business transactions with SHs
5	Readiness to test new or improve agricultural risk reduction and transfer solutions and, if successful, introduce and up-scale them as part of their business transactions with SHs.

### Eligible Areas of TA Interventions

The TAFs can offer four non-exclusive categories of TA support to the SH aggregators and their business partners as detailed below:

Category	Areas of TA interventions	TA clients	Cost contribution of the investee
Development of non-financial services for SHs	Technical support for the adoption of sustainable farm practices (e.g. <i>climate-smart practices, agro-ecological practices, organic farming, renovation and rehabilitation methods, productivity &amp; quality improvements, technology adoption, etc.</i> )	SHs (as beneficiaries) <sup>13</sup> . Investees / AVC actors and/or local/global service providers (who offer services to SHs)	> 10%
	Certification support (e.g. <i>organic, fair trade, etc.</i> )		> 20%
	Financial literacy trainings		> 10%

<sup>13</sup> Strict targeting of SHs only is not required as long as the SH outreach targets are met.

<b>Development of agricultural insurance and other financial services</b>	Agri insurance feasibility study with dry runs in a specific country <sup>14</sup> where there is not yet an agricultural insurance market	Investees / AVC actors and/or local/ global service providers	> 10%
	Conception of client-centric of agri. insurance and other financial products <sup>15</sup> ( <i>including market study, design, testing/piloting, review, and refinement</i> )		>10 to 50%
	Distribution of client-centric financial products, from launch to up-scaling ( <i>including innovative delivery mechanism like mobile &amp; agent banking, product manual, adaptation of management systems (IT/MIS, internal control &amp; audit, HR), conception/provision of trainings for staff and clients, responsible marketing</i> )		depending on the type of financial service (less for agri insurance) and financial standing of the TA client
<b>Market building</b>	Enhancement of market linkages between AVC actors ( <i>e.g: to reduce food waste, to improve input sourcing, etc.</i> )	SHs, Investees / ACV actors, and/or local/ global service providers	> 20%
	Digitalization of access to information, communication and business transactions between AVC actors ( <i>e.g: information on weather data, market prices, market linkages, sustainable farm practices; digital payments; pre-financing arrangements; tracking of data &amp; geo location; to facilitate transactions such as input purchase, sales, etc.</i> )		> 25%
<b>Internal management</b>	Business development / planning	Investees / AVC actors	> 20%
	Digitalization of internal processes and client-facing solutions		> 30%
	Improvement of financial management		> 20%
	Improvement of risk management ( <i>e.g: foreign exchange, price, credit, climate, etc.</i> )		> 25%
	Improvement of ESG performance		> 10%
	Improvement of resource management ( <i>ex: by improving energy efficiency or through access to renewable energy</i> )		> 20%

The majority of the TA interventions shall fall into the first two categories entitled “development of non-financial services for SHs” and “development of agricultural insurance and other financial services”. TAFs may propose other types of TA support to the TAF Committee (T AFC) and the details of the eligible areas of TA interventions presented above might be adjusted from time to time. The exact cost-contribution shall be decided by the respective T AFC on a case-by-case basis against the principle of how much private versus public good can be achieved. It takes also the financial standing of the TA recipient into account.

Considering the recent COVID-19 worldwide crisis, SSNUP will also consider, temporarily, TA interventions that include responses to such crisis. The Steering Committee will therefore validate specific

<sup>14</sup> The SSNUP funders will establish with advice from the insurance partners some criteria to define the minimum enabling insurance regulatory framework so as to identify the countries where the testing of agricultural insurance solutions may seem opportune. The feasibility study may include the development of national weather data grid systems in terms of precipitation, temperature, moisture, wind speed, water levels, etc. and the development of agronomist yield and other data for selected crops. Based on the minimum regulatory standards, the investors may then identify their most mature current or planned investees with which to exchange about a testing of agricultural insurance solutions.

<sup>15</sup> All types of client-centric financial services for SHs, like working capital and investment loans, leasing, warehouse receipts, savings, life & accident insurance, and so forth that financial intermediaries can offer commercially sustainably to SHs. In the case of agricultural insurance, it is likely necessary that the investees would purchase insurance group policies under which their SH clients are covered. They would preferably manage the insurance administration so as to minimise administrative costs. They will price in the premium cost into their financial transactions with their SH clients.

guidelines which can evolve along with the global context. Such TA proposals submitted by the TAF will be analysed on a case by case basis.

As the TA shall be tailor-made, demand-driven and within the policies and procedures of the TAFs, SSNUP expects rather shorter-term TA projects below two years that are designed efficiently without the need of 'inception phases' and regular project adjustments as required by longer-term TA projects.

### 3.4 Operational Implementation

The public private development partnership aims to bring together the majority of stakeholders of the most promising AVCs through direct and indirect action and financing. The table below describes in details the stakeholders included in the programme.

**Table 7: Programme stakeholders**

<b>Target beneficiaries</b>	<ul style="list-style-type: none"> <li>- Smallholder farmers and their families (Smallholder Households)</li> <li>- SH aggregators / Impact investor investees including:               <ol style="list-style-type: none"> <li>1) SMEs<sup>16</sup> and other actors engaged in agro value chain</li> <li>2) Rural financial intermediaries</li> <li>3) Farmer co-operatives, groups, associations, and apex organisations</li> </ol> </li> </ul>
<b>TA providers</b>	<ul style="list-style-type: none"> <li>- Entities providing expertise to support AVC players</li> <li>- Agricultural risk mitigation and risk transfer business facilitators</li> <li>- Insurance related service providers (incl. insurers and reinsurers)</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>- Impact investors (Oikocredit, Symbiotics, reponsAbility, Incofin, Grameen Credit Agricole and potential others)</li> <li>- Technical Assistance Facilities (TAFs) of impact investors</li> <li>- Programme Coordinator (ADA)</li> <li>- Knowledge management and dissemination partners (IISD, CSAF, Microinsurance Network and/or potential others)</li> </ul>
<b>Funders</b>	<ul style="list-style-type: none"> <li>- Ministry of Foreign and European Affairs of Luxembourg (MFEA) as Lead Donor and supported by Lux-Development<sup>17</sup></li> <li>- Swiss Agency for Development and Cooperation (SDC)</li> <li>- Others funders that will later join SSNUP</li> </ul>

### Programme Coordinator Role

ADA is nominated by the core funders as Programme Coordinator, and therefore is required to accomplish the following tasks:

1. Overall coordination:
  - (i) relationship with the different partners involved including the conclusion of standard implementation agreements with each SSNUP investor;
  - (ii) communication on the programme vis-à-vis the general public, responding to the specific information needs of the different funders, incl. the management of the SSNUP webpage;
  - (iii) advise the TAFs on all the processes, documentation and eligibility criteria to access SSNUP funding,
  - (iv) organisation of bi-annual meetings of the Steering Committee;
  - (v) provide the required information for an independent external evaluation, which will be coordinated by Lux-Development in Q2-3 2023;

<sup>16</sup> A SME meets two of the three indicators: (1)  $10 < X < 300$  employees, (2)  $€80.000 < X < €13.230.000$  total assets, and (3)  $€80.000 < X < €13.230.000$  total annual sales.

<sup>17</sup> Lux-Development will be mandated by the MFEA to channel its funding contribution to the SSNUP as well as the funding provided by SDC. Lux-Development will also represent MFEA in the TAF Committees.

2. Monitor the TA operations of the TAFs/investors and manage the SSNUP reporting process (i.e. by collecting relevant information from the TAFs and investors, prepare the annual SSNUP report);
3. Manage the knowledge management component of SSNUP (for more details see the section below on the SSNUP TA project Implementation process);
4. Provide strategic-technical advice to the SC members on the overall strategy of SSNUP, its impact framework, its eligibility criteria for TA projects, the identification and selection of TAFs/investors, its priorities for the knowledge management component and policy dialogue partners, and so forth;
5. Assume the financial and administrative management of SSNUP by managing the SSNUP disbursements to the TAFs, monitoring the fund utilization of the TAFs, preparing annual financial reports for the funders, organising external audit of escrow account for SSNUP, and so forth;
6. Represent, on request, a funder in selected TAF Committees to ensure the representation of at least two SSNUP funders.

### **SSNUP TA project implementation process**

The day-to-day operational deployment of the SSNUP aims at an agile structure (see graphs below and Annex 4 and 5) where the partner impact investor will first identify the investees and potential investees that could benefit from TA projects, including SMEs engaged in AVC, rural financial intermediaries, farmer co-operatives, groups, associations, and apex organisations, and share their due diligence along with the TAF project proposal with the SSNUP funders and Programme Coordinator.

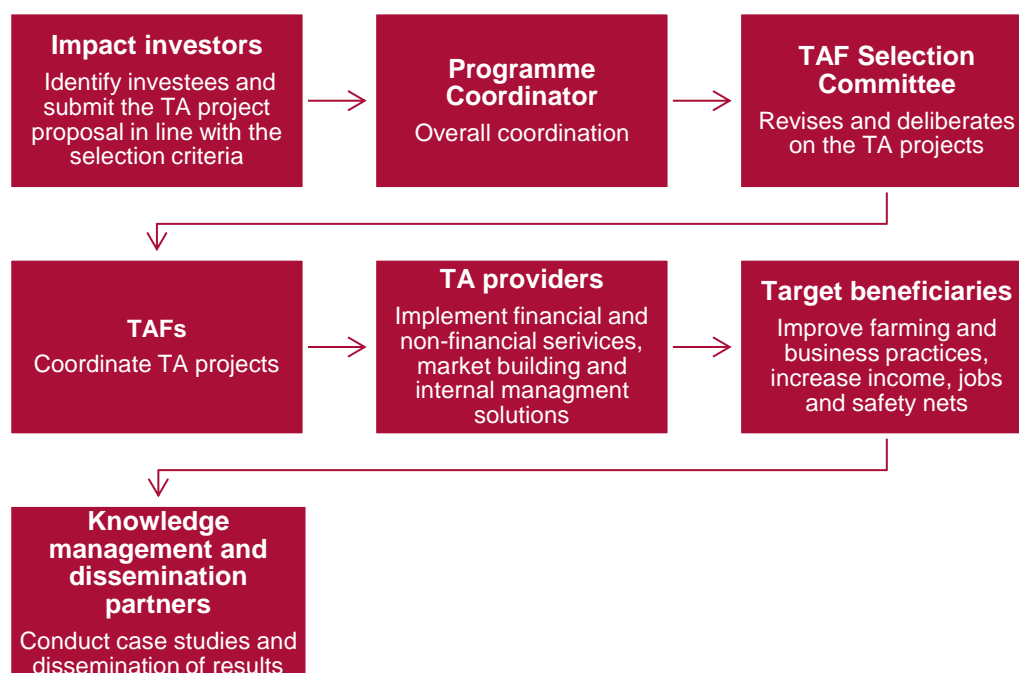
As mentioned above, the role of the Programme Coordinator is to liaise with the investors and funders to ensure a constant and efficient flow of information and resources among the parties.

Once a TA project proposal is completed, it is sent by the TAF to SSNUP funders as well as to the Programme Coordinator. The TAF Committee, at the impact investors level, and following the rules described in the governance section 4.2, deliberates over the allocation of funds to the specific TA projects. The TAFs coordinate the implementation of their TA projects and report on their progress to the TAF Committees concerned and the SSNUP Programme Coordinator.

In terms of funding, the TAFs will receive upfront bi-annual disbursements on their dedicated SSNUP account which they will use to cover all expenses related to the approved TA projects. The amount of such bi-annual advance payments will be estimated by the Programme Coordinator based on the pipeline provided by the TAF, its track record as well as its alignment with SSNUP criteria. Every six months, the TAFs will provide an updated pipeline of its TA projects as well as the TA annual and biannual reports and account statements in order to follow-up the use of the advance payment and to adjust it if needed.

Once a year, the Programme Coordinator will prepare an annual report, mainly outcome-based, to be published on the SSNUP webpage.

Figure 3: SSNUP TA project Implementation process



The SSNUP aims at leveraging the knowledge base built on the TA project results by creating a robust knowledge management and dissemination scheme managed by the Programme Coordinator with support of the knowledge management partners. This scheme will be the following:

Table 8: Knowledge Management: activities and stakeholders

Activities	Stakeholders
<b>Knowledge creation</b>	
<b>Regular monitoring and reporting on each TA project</b>	TAFs
<b>Perception surveys for a selection of TA projects (refer to section 6)</b>	Design by TAFs, with the support of Programme Coordinator, if necessary conducted by external parties to be identified (ex: local consultants, 60decibels, etc.)
<b>Development of knowledge management tools (with multiple communication medias)</b>	Managed by Programme Coordinator
<b>Longitudinal case studies on agricultural investments compliance with CFS-RAI principles (refer to section 6)</b>	International Institute for Sustainable Development
<b>Knowledge dissemination</b>	
<b>Centralization, selection and dissemination of the knowledge created on a dedicated webpage</b>	Programme Coordinator
<b>Dissemination of knowledge management tools created through other relevant networks</b>	Council on Smallholder Agricultural Finance, Microinsurance Network, other networks active in agriculture, insurance, etc.
<b>Organisation of workshops to share best practices on a specific topic</b>	Coordination by ADA, with participation of the TAFs, investees and/or TA providers concerned
<b>Participation and intervention in conferences</b>	Programme Coordinator



## 4. Risks, mitigation factors and opportunities

The programme might be exposed to different risks that can be considered contextual, institutional and also programmatic. The table below shows the main risks the programme could be exposed to and the mitigation strategies suggested.

**Table 9: Risk, mitigation factors and opportunities**

#	Project risks	Mitigation factor <sup>18</sup>	Opportunities
1	Identify mature AVC companies and cooperatives with good ESG standards and market potential to expand their business operations with SHs	<ul style="list-style-type: none"> <li>- Select only AVCs with the highest potential for sustainable growth,</li> <li>- Conduct in-depth financial and ESG due diligences for selecting the 'most qualified' SH aggregators/ investees</li> </ul>	<ul style="list-style-type: none"> <li>- Availability of highly innovative farm risk reduction and transfer solutions that have been tested successfully,</li> <li>- New digital distribution channels that bring down administrative costs substantially</li> </ul>
2	Governance challenges with local market partners may constrain the effectiveness of the intended 'Win-Win'. It could lead to reputation risks for the SSNUP funders and impact investors.	<ul style="list-style-type: none"> <li>- Assess and monitor closely the business framework and the risk exposure of SFs in the countries concerned.</li> </ul>	<ul style="list-style-type: none"> <li>- Forming and monitoring smart development partnerships among market players and between public and private sector to leverage complementary expertise and resources.</li> </ul>
3	Absorption capacity of the TAFs	<ul style="list-style-type: none"> <li>- Selection criteria</li> </ul>	<ul style="list-style-type: none"> <li>- Mainstream TA within the impact investing ecosystem</li> </ul>
4	Global macro-economic uncertainties and potential fall out	<ul style="list-style-type: none"> <li>- Demand for food products and agricultural commodities is likely to remain strong</li> </ul>	<ul style="list-style-type: none"> <li>- Reinforce the perception/need for a sustainable and environmental conscious agricultural and human development model</li> </ul>

## 5. Monitoring and Reporting KPIs

Monitoring and reporting is one of the requirements to ensure the objectives of the programme are achieved. KPIs are set at different levels of the programme and for different stakeholders.

The Programme Coordinator will request information from impact investors at TA project proposal stage. If the TA project is approved, the impact investors will then report to the Programme Coordinator every six months and at the end of the TA project. With the collected information, the Programme Coordinator will prepare, by end of June each year, an annual mainly outcome-based report based on the requested KPIs from all TAFs, as depicted in the table below.

<sup>18</sup> Strategies are for the investors - and the funders through their final approval of the TA packages.

Table 10: List of KPIs

Level	KPIs (all of them will be disaggregated by region)	Targets (end of 1 <sup>st</sup> phase)
<b>Impact</b>	Strengthen sustainably and in line with high environment, social and good governance standards the safety nets of smallholder households contributing to the SDGs no. 1, 2, 5, 8, 12, 13, and 15	
<b>Outcomes</b>	<b>1. Smallholder households:</b>	
	<ul style="list-style-type: none"> <li>Number of smallholder households benefiting from/using a new/improved insurance, financial or non-financial product or service, by type of product/service</li> </ul>	<ul style="list-style-type: none"> <li>3 million SH using one of these solutions</li> </ul>
	<ul style="list-style-type: none"> <li>Number of smallholder households having enhanced their production, farming area or yield (with average increase rate), and/or perceiving an improvement in their resilience</li> </ul>	<ul style="list-style-type: none"> <li>2 million SH (66% of those using a solution) with positive outcome</li> </ul>
	<b>2. Agricultural value chains:</b>	
	<ul style="list-style-type: none"> <li>Total number of permanent jobs created, by gender</li> </ul>	<ul style="list-style-type: none"> <li>300 permanent jobs (50% for women)</li> </ul>
	<ul style="list-style-type: none"> <li>Number of agricultural value chain actors having increased their turnover (with average increase rate)</li> </ul>	<ul style="list-style-type: none"> <li>30 AVC actors with increased turnover</li> </ul>
	<ul style="list-style-type: none"> <li>Number of agricultural value chain actors having improved their ESG practices</li> </ul>	<ul style="list-style-type: none"> <li>30 AVC actors with improved practices</li> </ul>
<b>Outcomes</b>	<b>3. Investments:</b>	
	<ul style="list-style-type: none"> <li>Annual variation (amount and growth rate) in the outstanding agricultural and rural microfinance investment portfolio of the SSNUP investors and number of new investees, by AVC</li> </ul>	<ul style="list-style-type: none"> <li>+15% of total agricultural and rural microfinance portfolio compared to end 2019</li> <li>+4 investees per year per investor</li> </ul>
	<ul style="list-style-type: none"> <li>Compliance score of the agricultural investments of the partner impact investors with the CFS-RAI (on a sample basis)</li> </ul>	<ul style="list-style-type: none"> <li>70% of compliance for each investment</li> </ul>
<b>Outputs</b>	<b>1. Financial and non-financial services:</b>	
	<ul style="list-style-type: none"> <li>Number and type of new/improved insurance, financial and non-financial products and services available in the market/offered to smallholder households</li> </ul>	<ul style="list-style-type: none"> <li>20 financial services</li> <li>3 insurance products</li> <li>50 technical support/certification packages</li> </ul>
	<b>2. Market building and internal management:</b>	
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number and type of agricultural value chain actors strengthened through trainings or development of a new service, by AVC</li> </ul>	<ul style="list-style-type: none"> <li>50 AVC actors supported</li> </ul>
	<b>3. Knowledge management and dissemination:</b>	
<b>Activities</b>	<ul style="list-style-type: none"> <li>Number of case studies or other knowledge management tools on innovative farm risk mitigation solutions published and set-up on a web base resource centre</li> </ul>	<ul style="list-style-type: none"> <li>10 knowledge management tools disseminated</li> </ul>
	<ul style="list-style-type: none"> <li>Number of impact investors part of SSNUP</li> </ul>	<ul style="list-style-type: none"> <li>6 impact investors</li> </ul>
	<ul style="list-style-type: none"> <li>Number of TA projects funded by SSNUP</li> </ul>	<ul style="list-style-type: none"> <li>150 TA projects</li> </ul>
	<ul style="list-style-type: none"> <li>Number and type of investees supported, by area of intervention</li> </ul>	<ul style="list-style-type: none"> <li>150 investees supported with TA</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>Amount of funding disbursed (total and average by project and investee)</li> </ul>	<ul style="list-style-type: none"> <li>8 EUR million disbursed for TA projects</li> </ul>

Two types of studies will be carried out to deepen the knowledge and report on specific outcome KPIs:

- *Perception surveys*: These case studies will aim to collect information on the behavioural changes and perceptions of the SHs and will be conducted on a limited number of TA projects only (5%-10% of all TA projects), depending on their innovative and/or large-scale nature. These case studies will be included in the TA project proposal from the TAFs, which will then be validated during the Selection Committee. The Programme Coordinator will support the TAFs from the design of the case study proposal to its implementation. The case studies may be conducted by specific service providers or by one of the SSNUP knowledge management partners.
- *Longitudinal agricultural investment case studies*: These case studies will analyse the agricultural investment compliance with CFS-FAO RAI of selected investors. 4 to 5 of these case studies are envisaged during the first phase and will be carried out by IISD in cooperation with the Steering Committee, on the basis of the information provided by each investor and following a methodology defined by IISD

In addition, Lux-Development will coordinate an external evaluation during the third quarter of 2023 as an important input for the design of the second phase of SSNUP.

## 6. Budget

The SSNUP is planned to unfold over a ten-year plus period for an estimated budget of EUR 55 million. The funding across the programme is envisioned as a combination of public and private sectors funders. For the first phase, SDC is committing CHF 9,5 million and MFEA EUR 3 million. They are committed to broaden the multi-donor initiative of SSNUP by mobilising other funders from the public and private sector.

The first phase of the programme is planned to start in July 2020 and end by December 2023. The estimated budget for Phase 1 amounts to EUR 18 million, as depicted in the table below (and detailed in Annex 7).

**Table 11: Phase 1 Budget 2020-2023 (EUR)**

<b>SSNUP Global Budget (Estimated)</b>	<b>% Total Budget</b>	<b>Total</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Technical assistance projects	80,5%	14.481.000 €	1.728.000 €	4.311.000 €	4.341.000 €	4.101.000 €
TA Facilities Management fees	7,1%	1.274.328 €	152.064 €	379.368 €	382.008 €	360.888 €
Knowledge management & Dissemination	4,6%	828.200 €	45.025 €	293.225 €	193.225 €	296.725 €
Evaluation and financial audit	0,4%	75.500 €	3.500 €	3.500 €	3.500 €	65.000 €
Programme coordination	5,8%	1.040.972 €	174.767 €	284.775 €	290.715 €	290.715 €
LuxDev Support to Lead Donor	1,7%	300.000 €	15.000 €	130.000 €	130.000 €	25.000 €
<b>TOTAL BUDGET</b>		<b>18.000.000 €</b>	<b>2.118.356 €</b>	<b>5.401.868 €</b>	<b>5.340.448 €</b>	<b>5.139.328 €</b>
Co-funding from investees	16%	2.896.200 €	345.600 €	862.200 €	868.200 €	820.200 €
Co-funding from SSNUP	84%	15.103.800 €	1.772.756 €	4.539.668 €	4.472.248 €	4.319.128 €
Additional direct investments by SSNUP Impact Investors		14.481.000 €	1.728.000 €	4.311.000 €	4.341.000 €	4.101.000 €

As shown in the table above, the amount related to technical assistance projects, which represents 80,5% of the total budget, corresponds to all eligible costs incurred at the investee level and/or at the technical assistance provider's level. It does not include the costs incurred at the TAF level, which are indicated under the "TA Facilities Management fees" budget item.

The TA projects will initiate new/improved risk mitigation and transfer instruments for the AVCs, enabling the growth of their operations and creating a cascade effect on their SH clients/members. The SSNUP leverage capacity in terms of additional agricultural investments by the SSNUP investors is estimated to be significant exceeding a tenfold leverage of TA resources in the longer run. However, table 11 indicates a very conservative 1:1 leverage factor of the TA initially over the period of the first phase showing that the total TA worth of 14.481.000 € will trigger the same amount of additional investments by the SSNUP investors. The 3 to 4-times capital crowding-in leverage factor of the SSNUP investors vis-à-vis other investors and self-financing by the investees is not considered here. This underscores the high cost-effectiveness of the programme.

## Annex 1. List of eligible countries

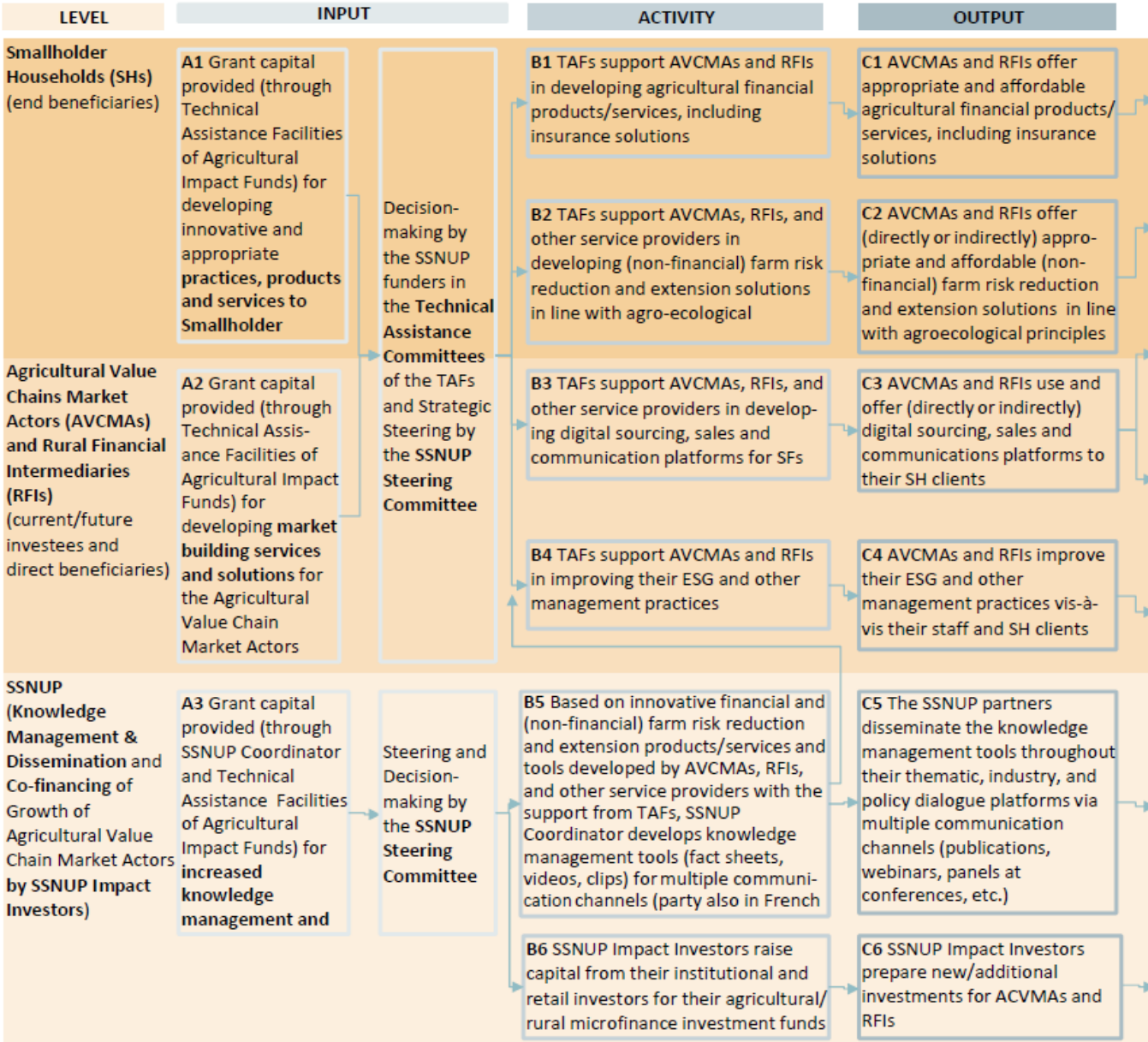
The list of eligible countries is a selection of the OECD/DAC list of ODA recipient countries (2020) that corresponds to the strategy of the SSNUP as well as to some priorities of its funders. It might be adjusted periodically by the Steering Committee of the Programme.

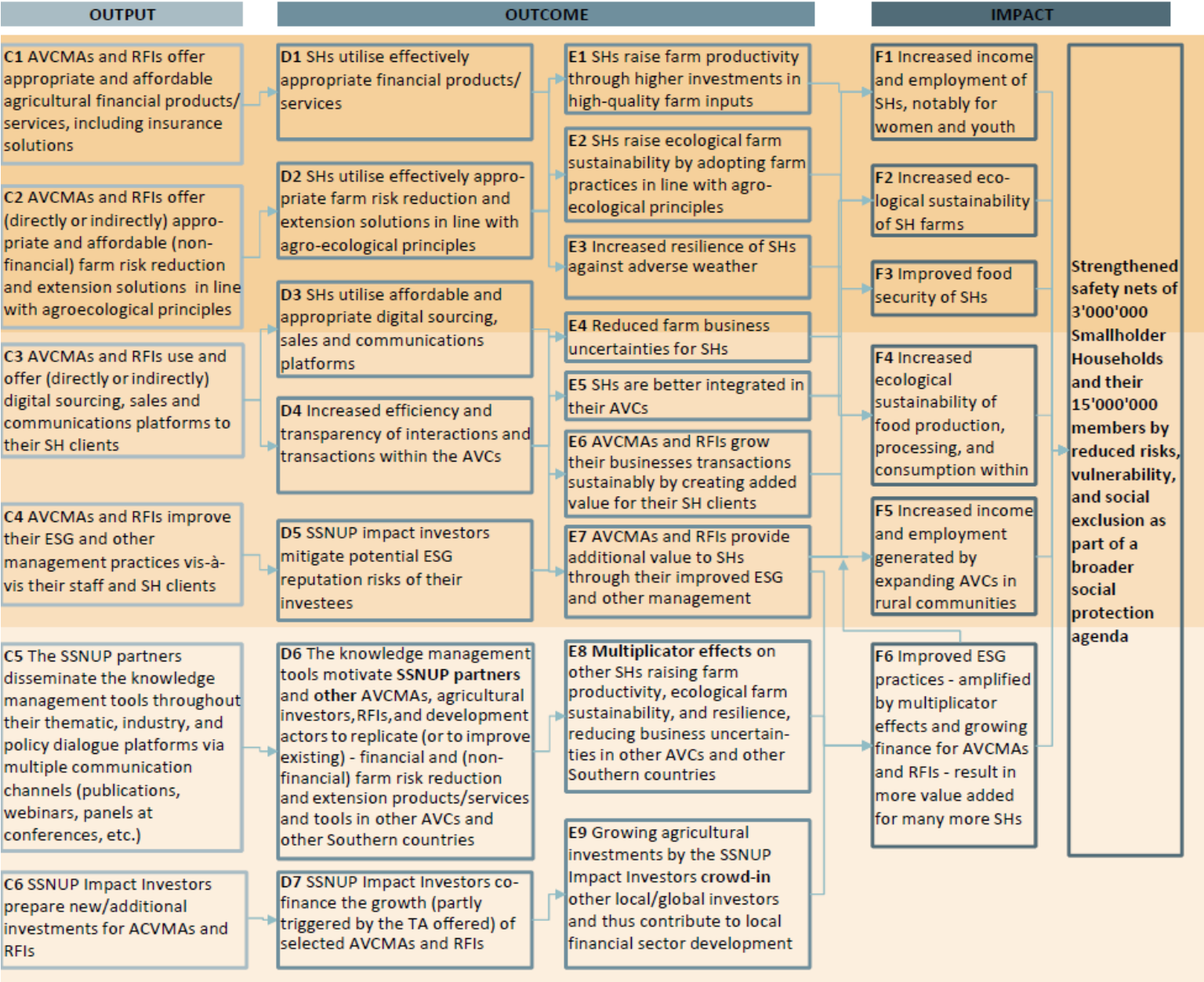
*Sub-region classification is not from the OECD/CAD website, but serves to meet ADA internal reporting needs*

<b>DISTRIBUTION BY REGION, SUB-REGION AND INCOME</b>			
<b>Country</b> (in english language)	<b>Region</b>	<b>Sub-region</b>	<b>Income</b> (OECD source)
Afghanistan	South Asia	South Asia	Low income
Algeria	Middle East and North Africa	MENA	Upper-middle income
Angola	Sub-Saharan Africa	Central Africa	Lower-middle income
Argentina	Latin America and the Caribbean	South America	Upper-middle income
Bangladesh	South Asia	South Asia	Lower-middle income
Benin	Sub-Saharan Africa	West Africa	Low income
Bhutan	South Asia	South Asia	Lower-middle income
Bolivia	Latin America and the Caribbean	South America	Lower-middle income
Botswana	Sub-Saharan Africa	South Africa	Upper-middle income
Brazil	Latin America and the Caribbean	South America	Upper-middle income
Burkina Faso	Sub-Saharan Africa	West Africa	Low income
Burundi	Sub-Saharan Africa	East Africa	Low income
Cambodia	East Asia and Pacific	South East Asia	Lower-middle income
Cameroon	Sub-Saharan Africa	Central Africa	Lower-middle income
Cape Verde	Sub-Saharan Africa	West Africa	Lower-middle income
Central African Republic	Sub-Saharan Africa	Central Africa	Low income
Chad	Sub-Saharan Africa	Central Africa	Low income
China	East Asia and Pacific	South East Asia	Upper-middle income
Colombia	Latin America and the Caribbean	South America	Upper-middle income
Comoros	Sub-Saharan Africa	East Africa	Lower-middle income
Congo, Dem. Rep.	Sub-Saharan Africa	Central Africa	Low income
Congo, Rep.	Sub-Saharan Africa	Central Africa	Lower-middle income
Costa Rica	Latin America and the Caribbean	Central America	Upper-middle income
Cuba	Latin America and the Caribbean	Central America	Upper-middle income
Djibouti	Sub-Saharan Africa	East Africa	Lower-middle income
Dominican Republic	Latin America and the Caribbean	Central America	Upper-middle income
Ecuador	Latin America and the Caribbean	South America	Upper-middle income
Egypt	Middle East and North Africa	MENA	Lower-middle income
El Salvador	Latin America and the Caribbean	Central America	Lower-middle income
Equatorial Guinea	Sub-Saharan Africa	Central Africa	Upper-middle income
Eritrea	Sub-Saharan Africa	East Africa	Low income
Eswatini	Sub-Saharan Africa	South Africa	Lower-middle income
Ethiopia	Sub-Saharan Africa	East Africa	Low income
Gabon	Sub-Saharan Africa	Central Africa	Upper-middle income
Gambia	Sub-Saharan Africa	West Africa	Low income
Ghana	Sub-Saharan Africa	West Africa	Lower-middle income
Guatemala	Latin America and the Caribbean	Central America	Upper-middle income
Guinea	Sub-Saharan Africa	West Africa	Low income
Guinea-Bissau	Sub-Saharan Africa	West Africa	Low income
Haiti	Latin America and the Caribbean	Central America	Low income
Honduras	Latin America and the Caribbean	Central America	Lower-middle income
India	South Asia	South Asia	Lower-middle income
Indonesia	East Asia and Pacific	South East Asia	Lower-middle income
Iran	Middle East and North Africa	MENA	Upper-middle income
Iraq	Middle East and North Africa	MENA	Upper-middle income
Ivory Coast	Sub-Saharan Africa	West Africa	Lower-middle income

Jordan	Middle East and North Africa	MENA	Upper-middle income
Kenya	Sub-Saharan Africa	East Africa	Lower-middle income
Lao PDR	East Asia and Pacific	South East Asia	Lower-middle income
Lebanon	Middle East and North Africa	MENA	Upper-middle income
Lesotho	Sub-Saharan Africa	South Africa	Lower-middle income
Liberia	Sub-Saharan Africa	West Africa	Low income
Libya	Middle East and North Africa	MENA	Upper-middle income
Madagascar	Sub-Saharan Africa	East Africa	Low income
Malawi	Sub-Saharan Africa	South Africa	Low income
Mali	Sub-Saharan Africa	West Africa	Low income
Mauritania	Sub-Saharan Africa	West Africa	Lower-middle income
Mexico	Latin America and the Caribbean	Central America	Upper-middle income
Mongolia	East Asia and Pacific	South East Asia	Lower-middle income
Morocco	Middle East and North Africa	MENA	Lower-middle income
Mozambique	Sub-Saharan Africa	East Africa	Low income
Myanmar	East Asia and Pacific	South East Asia	Lower-middle income
Namibia	Sub-Saharan Africa	South Africa	Upper-middle income
Nepal	South Asia	South Asia	Low income
Nicaragua	Latin America and the Caribbean	Central America	Lower-middle income
Niger	Sub-Saharan Africa	West Africa	Low income
Nigeria	Sub-Saharan Africa	West Africa	Lower-middle income
Pakistan	South Asia	South Asia	Lower-middle income
Peru	Latin America and the Caribbean	South America	Upper-middle income
Philippines	East Asia and Pacific	South East Asia	Lower-middle income
Rwanda	Sub-Saharan Africa	East Africa	Low income
Sao Tome and Principe	Sub-Saharan Africa	Central Africa	Lower-middle income
Senegal	Sub-Saharan Africa	West Africa	Lower-middle income
Sierra Leone	Sub-Saharan Africa	West Africa	Low income
Somalia	Sub-Saharan Africa	East Africa	Low income
South Africa	Sub-Saharan Africa	South Africa	Upper-middle income
South Sudan	Sub-Saharan Africa	East Africa	Low income
Sri Lanka	South Asia	South Asia	Upper-middle income
Sudan	Sub-Saharan Africa	East Africa	Lower-middle income
Syrian Arab Republic	Middle East and North Africa	MENA	Low income
Tanzania	Sub-Saharan Africa	East Africa	Low income
Thailand	East Asia and Pacific	South East Asia	Upper-middle income
Timor-Leste	East Asia and Pacific	South East Asia	Lower-middle income
Togo	Sub-Saharan Africa	West Africa	Low income
Tunisia	Middle East and North Africa	MENA	Lower-middle income
Uganda	Sub-Saharan Africa	East Africa	Low income
Venezuela	Latin America and the Caribbean	South America	Upper-middle income
Vietnam	East Asia and Pacific	South East Asia	Lower-middle income
West Bank & Gaza	Middle East and North Africa	MENA	Lower-middle income
Yemen	Middle East and North Africa	MENA	Low income
Zambia	Sub-Saharan Africa	South Africa	Lower-middle income
Zimbabwe	Sub-Saharan Africa	South Africa	Lower-middle income

**Annex 2: Result Chain**





### Annex 3: Logical Framework - Phase 1 (2020 - 2023)

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources / Means of Verification	
<b>Impact (Overall Goal)</b>	<b>Impact Indicators</b>	<b>Data Sources / Means of Verification</b>	<b>Sustainability</b>
Resilience and safety nets of around 3 million smallholder households (SHs) and altogether 15 million low-income and highly vulnerable people strengthened sustainably in Southern countries (with focus on Sub-Saharan Africa) by reduced risks, vulnerability, and social exclusion as part of a broader social protection agenda	<ul style="list-style-type: none"> <li>- Social change in terms of income, employment, food security, gender equality, sustainable farm practices, resilience against adverse weather events, and other farm household livelihood indicators.</li> <li>- Positive change manifests itself as contributions to the SDGs no. 1, 2, 5, 8, 12, 13, and 15.</li> </ul>	<ul style="list-style-type: none"> <li>- Sample SH impact &amp; outcome perception surveys of 5-10% of the TA projects and the corresponding results-based TA case studies.</li> <li>- SH surveys as part of 4-5 longitudinal agricultural investment case studies on CFS-RAI compliance.</li> <li>- Annual SSNUP progress report.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	SHs strengthen their safety nets within a minimum stable political and economic environment by using effectively client-centric financial and non-financial services to adopt more sustainable farm practices (in line with agro-ecological principles) offered responsibly and benefiting from sustainable growth of their agricultural value chain.
<b>Outcomes</b>	<b>Outcome Indicators</b>	<b>Data Sources / Means of Verification</b>	<b>External Factors (Assumptions &amp; Risks)</b>
<b>Outcomes at the level of smallholder households (end beneficiaries):</b>			
<b>2<sup>nd</sup> level outcome (behavioural change):</b> Enhanced farm productivity, agro-ecological sustainability and/or resilience against adverse weather events of around 3 million SHs by applying more sustainable funding strategies and/or adopting more sustainable farm practices in line with agro-ecological principles and/or being better integrated in their AVCs via improved digital sourcing, sales and communications platforms.	<ul style="list-style-type: none"> <li>- ~2.000.000 SHs trained on sustainable farm practices (in line with agro-ecological principles) increased their production volume and/or yield.</li> <li>- ~200.000 SHs trained on climate-smart farm practices experienced less losses in the case of adverse weather than before.</li> <li>- ~1.000.000 SHs financed their cash-flow effectively with client-centric financial services to increase production volume and/or yield.</li> <li>- ~100.000 SHs received timely pay-outs under their agricultural insurance covers.</li> </ul>	<ul style="list-style-type: none"> <li>- Sample SH impact &amp; outcome perception surveys of 5-10% of the TA projects and the corresponding results-based TA case studies.</li> <li>- Sample SH surveys as part of 4-5 longitudinal agricultural investment case studies on CFS-RAI compliance.</li> <li>- Information from investees and/or SSNUP investors captured by the annual SSNUP progress report.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced farm productivity leads to more income and jobs, if SHs do receive fair prices, reduce lower post-harvest losses, and market demand remains strong.</li> <li>- Improved climate-smart farm practices lead to higher SH resilience against adverse weather events only, if not hit by major natural disasters.</li> </ul>
<b>Outcome no 1:</b> Around 3 million SHs use effectively client-centric and affordable financial products/ services and farm risk reduction and extension solutions in line with agro-ecological	<ul style="list-style-type: none"> <li>- ~1.000.000 SHs invest more into high quality farm inputs supported by affordable financial services offered responsibly.</li> <li>- ~2.000.000 SHs apply more sustainable farm practices in line with agro-ecological principles</li> </ul>	<ul style="list-style-type: none"> <li>- Sample SH impact &amp; outcome perception surveys of 5-10% of the TA projects and the corresponding results-based TA case studies.</li> <li>- Sample SH surveys as part of 4-5 longitudinal agricultural investment case studies on CFS-RAI compliance.</li> </ul>	<ul style="list-style-type: none"> <li>- SHs access high quality and affordable farm inputs at the right time.</li> <li>- SHs apply correctly the more sustainable farm practices and</li> </ul>



Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources / Means of Verification	
principles offered responsibly and affordably through innovative and cost-efficient (mostly digital) distribution channels.	<ul style="list-style-type: none"> <li>- ~1.200.000 SHs apply innovative farm risk mitigation tools.</li> <li>- ~75% of SHs understand how their agricultural insurance cover functions.</li> <li>- ~900.000 SHs access farm advisory and financial services via their mobile phones.</li> </ul>	<ul style="list-style-type: none"> <li>- Annual SSNUP progress report.</li> <li>- Short results-based TA completion reports.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- farm risk mitigation tools they were trained in.</li> <li>- SHs access timely information and advice via cost-efficient distribution channels.</li> </ul>
<p><b>Outcome no 2:</b> Around 1,5 million SHs benefit from integration into their ACVs through responsible market building and more efficient transactions of, and with, their main ACV market actors who have improved their ESG standards.</p>	<ul style="list-style-type: none"> <li>- ~1.200.000 SHs benefit from new/improved farm input sourcing and/or sales systems with their key AVC business partners.</li> <li>- ~400.000 SHs communicate digitally with their key AVC business partners.</li> <li>- ~300.000 SHs benefit from new/improved digital input sourcing and sales platforms of their key AVC business partners.</li> </ul>	<ul style="list-style-type: none"> <li>- Sample SH impact &amp; outcome perception surveys of 5-10% of the TA projects and the corresponding results-based TA case studies.</li> <li>- Sample SH surveys as part of 4-6 longitudinal agricultural investment case studies on CFS-RAI compliance.</li> <li>- Annual SSNUP progress report.</li> <li>- Short result-based TA completion reports.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- SHs secure reliable farm input sourcing systems at fair prices.</li> <li>- SHs secure reliable sales systems at fair farm gate prices.</li> <li>- SHs reduce farm business uncertainties through longer-term 'Win-Win' transactions with key AVC business partners who apply high ESG standards.</li> </ul>
<b>Outcomes at the level of the agricultural value chain market actors and rural financial intermediaries (current/future investees and direct beneficiaries):</b>			
<p><b>2<sup>nd</sup> level outcome (behavioural change):</b> Around 200 AVC market actors and rural financial intermediaries grow their businesses transactions sustainably by creating added value for their SH clients/members while applying more sustainable environmental, social, and good governance practices in line with the CFS-RAI.</p>	<ul style="list-style-type: none"> <li>- Average 10% increase in annual (or seasonal) turnover of AVC market actors.</li> <li>- Average 5% increase in annual (or seasonal) change in number of SH clients.</li> <li>- Average 10% increase in annual (or seasonal) agricultural/rural loan portfolio outstanding of rural financial intermediaries.</li> <li>- Average 5% increase in annual deposits and insurance portfolio of SH clients of rural financial intermediaries.</li> <li>- Average 5% increase in annual direct employment broken down by gender and age.</li> </ul>	<ul style="list-style-type: none"> <li>- Information from investees and/or SSNUP investors captured by the annual SSNUP progress report.</li> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- 4-5 longitudinal agricultural investment case studies on CFS-RAI compliance.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- A minimum stable political and economic environment enables AVC market actors and financial intermediaries to grow their business transactions with SHs.</li> <li>- Investees mobilise further debt/equity from SSNUP investors and others to finance their growth.</li> <li>- Demand for the respective AVC products remains strong.</li> <li>- Potential investees' ESG reputation risks are mitigated effectively.</li> </ul>
<p><b>Outcome no 3:</b> Around 200 rural financial intermediaries and AVC market actors offer to around 3 million SH clients - directly or indirectly -</p>	<ul style="list-style-type: none"> <li>- ~1.000.000 SH clients are offered responsibly and cost-efficiently new/improved innovative and client-centric agricultural insurance and other financial services by the investees or others.</li> </ul>	<ul style="list-style-type: none"> <li>- Information from investees and/or SSNUP investors captured by the annual SSNUP progress report.</li> </ul>	<ul style="list-style-type: none"> <li>- The management of the investees can devote sufficient time in steering the service offer to SH clients.</li> </ul>

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources / Means of Verification	
new/improved innovative and affordable financial products/services and farm risk reduction and extension solutions in line with agro-ecological principles on a 'win-win' basis.	- ~2.000.000 SH clients are offered responsibly and cost-efficiently new/improved innovative and client-centric farm risk reduction and extension services by the investees or others.	- (In-depth and short) results-based TA completion reports. - TA project monitoring reports. - 4-5 longitudinal agricultural investment case studies on CFS-RAI compliance. - External mid-term review in Q3 2023.	- The investees and/or their sub-contractors can retain qualified staff to deliver effectively the services to the SH clients.
<b>Outcome no 4:</b> Around 100 AVC market actors offer to around 1,2 million SH clients - directly or indirectly - new/improved innovative and affordable farm input sourcing and/or sales systems and/or digital platforms on a 'win-win' basis.	- ~1.200.000 SH clients are offered responsibly and cost-efficiently new/improved innovative and client-centric farm input sourcing and/or sales systems by the investees or others. - ~300.000 SH clients are offered responsibly and cost-efficiently new/improved digital client-centric farm input sourcing and/or sales systems by the investees or others. - ~400.000 SH clients communicate via digital channels with their AVC market actors.	- Information from investees and/or SSNUP investors captured by the annual SSNUP progress report. - (In-depth and short) results-based TA completion reports. - TA project monitoring reports. - 4-5 longitudinal agricultural investment case studies on CFS-RAI compliance. - External mid-term review in Q3 2023.	- The management of the investees can devote sufficient time in steering the service offer to SH clients. - The investees and/or their sub-contractors can retain qualified staff who deliver effectively the services to the SH clients.
<b>further Outcomes at the level of SSNUP:</b>			
<b>2<sup>nd</sup> level outcome (behavioural change):</b> Value added for many more SHs through the replication of new/improved innovative and affordable financial and non-financial services as well as improved ESG practices by other AVC market actors and rural financial intermediaries.	- Annual change in the outstanding agricultural and rural microfinance investment portfolio of local and global investors in selected AVC markets or regions. - Changes of the ESG practices of AVC market actors and rural financial intermediaries in selected AVC markets or regions.	- Financial market studies and ESG studies in selected AVC markets or regions by development organisations (outside SSNUP). - Information from the SSNUP investors and SSNUP knowledge management partners (like CSAF) to be captured by the annual SSNUP progress report. - External mid-term review in Q3 2023.	- As other AVC market actors and rural financial intermediaries replicate the new/improved innovative and affordable financial and non-financial services additional SH clients benefit from the improved services and ESG practices of their business partners in their AVCs.
<b>Outcome no 5:</b> The dissemination of knowledge management tools leads to the adaptation and imitation of the new/improved innovative and affordable financial and non-financial services by other AVC market actors and rural financial intermediaries.	- Demonstration effects in selected AVC markets where other AVC market actors and rural financial intermediaries introduce similar financial and non-financial services developed through SSNUP funded TA either in the targeted AVC markets or in the AVC markets of other countries.	- Communications and publications by the SSNUP 'knowledge management' component and selected thematic platforms and fora. - Selected AVC market studies by development organisations. - Information from the TAFs/investors captured by the annual SSNUP progress report. - External mid-term review in Q3 2023.	- The investees are market leaders and demonstrate the successful market introduction of the financial, farm risk reduction and extension services that are tailor made and affordable for their SH clients.

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources / Means of Verification	
<b>Outcome no 6:</b> Increased agricultural and rural microfinance portfolios of the SSNUP investors with high ESG standards (complying with the CFS-RAI) triggered by the 'de-risking' of the TA interventions.		<ul style="list-style-type: none"> <li>- Annual change in the outstanding agricultural and rural micro-finance investment portfolios of the SSNUP investors broken down by region and AVC.</li> <li>- Compliance of the 4-5 sample agricultural investments of the SSNUP investors with the CFS-RAI.</li> </ul>	<ul style="list-style-type: none"> <li>- Direct information from SSNUP investors captured by the annual SSNUP progress report.</li> <li>- 4-5 longitudinal agricultural investment case studies on the compliance with the CFS-RAI.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The SSNUP investors co-finance the TA supported growth of their existing/new investees.</li> <li>- The investment case studies offer lessons for investors on how to enhance the CFS-RAI compliance of their investments.</li> </ul>
Outputs (per outcome)		Output Indicators	Data Sources / Means of Verification	External Factors (Assumptions & Risks)
<b>for outcome no.1 at the level of smallholder households (end beneficiaries):</b>				
<b>Output no. 1</b>	Around SHs trained effectively in applying innovative sustainable farm practices (in line with agro-ecological principles) and farm risk mitigation tools.	<ul style="list-style-type: none"> <li>- ~2.000.000 SHs trained - in-person and via aggregators - in innovative sustainable farm practices and farm risk mitigation tools.</li> <li>- Training satisfaction of 85% of SH members.</li> <li>- ~150.000 SHs become certified for organic, fair-trade or other farm production labels.</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- Sample SH satisfaction surveys on training in innovative sustainable farm practices and farm risk mitigation tools.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The training of SH members is effective in terms of contents/ applicability, methodology, and follow up mechanisms.</li> <li>- SHs can access conveniently comprehensible and affordable advice in applying the sustainable farm practices trained in.</li> </ul>
<b>Output no. 2</b>	Innovative and affordable agri. insurance and other financial services are offered responsibly to around 1 million SHs through cost-efficient distribution channels.	<ul style="list-style-type: none"> <li>- ~1.5000.000 SHs aware of the offer of innovative and affordable financial services through cost-efficient distribution channels.</li> <li>- ~250.000 SHs trained in financial literacy.</li> <li>- ~100.000 SHs covered by agricultural insurance group policies of their business partners.</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- Sample SH satisfaction surveys on training in financial literacy.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The new/improved agri. insurance &amp; other financial services meet SH needs.</li> <li>- SHs are in a position to compare financial services from different providers.</li> </ul>
<b>for outcome no. 2 at the level of smallholder households (end beneficiaries):</b>				
<b>Output no. 3</b>	Access to new/improved farm input sourcing and/or sales systems offered to around 1,4 million SHs by their main AVC business partners.	<ul style="list-style-type: none"> <li>- ~1.400.000 SHs are informed about new/improved farm input sourcing and/or sales systems.</li> <li>- Satisfaction of 85% of SHs with offered new/improved farm input sourcing and/or sales systems.</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- Sample SH satisfaction surveys on offered new/improved farm input sourcing and/or sales systems.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The new/improved farm input sourcing and sales systems meet well SH needs.</li> <li>- The new/improved farm input sourcing and sales systems offer value added to SHs.</li> </ul>

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources / Means of Verification	
<b>Output no. 4</b>	Access to new/improved digital farm input sourcing and/or sales platforms as well as digital communication channels offered to around 0,4 million SHs by their main AVC business partners.	<ul style="list-style-type: none"> <li>- ~400.000 SHs are informed about new/improved digital farm input sourcing and/or sales platforms.</li> <li>- Satisfaction of 85% of SHs with offered digital farm input sourcing and/or sales platforms.</li> <li>- ~400.000 SHs are informed about digital communication channels with their key AVC business partners.</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- Sample SH satisfaction surveys on offered new/improved digital farm input sourcing and/or sales platforms.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The new/improved digital farm input sourcing platforms meet well SH needs offering them added value.</li> <li>- SHs have reliable internet access to use the digital platforms and to communicate with their key AVC business partners.</li> </ul>
<b>for outcome no. 3 at the level of the agricultural value chain market actors and rural financial intermediaries (current/future investees):</b>				
<b>Output no. 5</b>	Around 100 rural financial intermediaries and AVC market actors use effectively TA to design new/improved innovative and affordable agricultural insurance & other financial services and their cost-efficient distribution channels for SH clients.	<ul style="list-style-type: none"> <li>- Number and types of new/improved innovative and affordable agricultural insurance products and their corresponding cost-efficient distribution channels designed for SH clients.</li> <li>- Number and types of new/improved innovative and affordable lending, deposit and insurance services and their corresponding cost-efficient distribution channels designed for SH clients.</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The new/improved agricultural insurance and other financial products are approved by the insurance/ banking regulators.</li> <li>- The staff of the investees and/or of their partners are well-trained to launch the new/improved financial products for SH clients.</li> </ul>
<b>Output no. 6</b>	Around 200 ACV market actors use effectively TA to design new/improved innovative and affordable farm extension and information services and their cost-efficient distribution channels for SH clients.	<ul style="list-style-type: none"> <li>- Number and types of new/improved innovative and affordable farm extension services and their corresponding cost-efficient distribution channels designed for SH clients.</li> <li>- Number and types of new/improved innovative and affordable farm information services and their corresponding cost-efficient distribution channels designed for SH clients.</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The staff of the investees and/or of their partners are well-trained to launch the new/improved farm extension and information services for SH clients.</li> </ul>
<b>for outcome no. 4 at the level of the agricultural value chain market actors and rural financial intermediaries (current/future investees):</b>				
<b>Output no. 7</b>	Around 100 AVC market actors use effectively TA to design new/improved innovative and affordable farm input sourcing and/or sales systems for their SH clients.	<ul style="list-style-type: none"> <li>- Number and types of new/improved innovative and affordable farm input sourcing and/or sales systems designed for SH clients.</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> <li>- TA project monitoring reports.</li> <li>- External mid-term review in Q3 2023.</li> </ul>	<ul style="list-style-type: none"> <li>- The staff of the investees and/or of their partners are well-trained to launch the new/improved farm input sourcing and sales systems for SH clients.</li> </ul>
<b>Output</b>	Around 40 AVC market actors use effectively TA to	<ul style="list-style-type: none"> <li>- Number and types of new/improved innovative and affordable digital platforms for farm input</li> </ul>	<ul style="list-style-type: none"> <li>- (In-depth and short) results-based TA completion reports.</li> </ul>	<ul style="list-style-type: none"> <li>- The staff of the investees and/or their partners are well-trained to</li> </ul>

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources / Means of Verification	
<b>no. 8</b>	design new/improved innovative and affordable digital platforms for farm input sourcing and/or sales for their SH clients.	sourcing and/or sales platforms designed for SH clients. - Around 50 AVC market actors designed digital communication channels for SH clients.	- TA project monitoring reports. - External mid-term review in Q3 2023.	launch the new/improved digital platforms for farm input sourcing and sales for SH clients - SH clients are digitally literate to understand the digital services.
<b>for outcome no. 5 at the level of SSNUP:</b>				
<b>Output no. 9</b>	The development and dissemination of knowledge management tools on innovative and sustainable farm practices and farm information services.	- Number and quality of knowledge management tools on innovative sustainable farm practices and farm information services developed and disseminated on relevant thematic platforms/fora.	- Communications and publications by the SSNUP knowledge management component and selected thematic platforms and fora. - Annual SSNUP progress report. - External mid-term review in Q3 2023.	- High-quality production of the knowledge management tool. - Identification of the most relevant thematic platforms and fora for dissemination.
<b>Output no. 10</b>	The development and dissemination of knowledge management tools on innovative agricultural insurance and other financial services.	- Number and quality of knowledge management tools on innovative agricultural insurance and other financial products developed and disseminated on relevant thematic platforms/fora.	- Communications and publications by the SSNUP knowledge management component and selected thematic platforms and fora (like the Council for Smallholder Agricultural Finance (CSAF)). - Annual SSNUP progress report. - External mid-term review in Q3 2023.	- High-quality production of the knowledge management tool. - Identification of the most relevant thematic platforms and fora for dissemination.
<b>for outcome no. 6 at the level of SSNUP:</b>				
<b>Output no. 11</b>	The SSNUP impact investors prepare new and/or additional investments for AVC market actors and rural financial intermediaries for their agricultural/rural microfinance investment funds.	- Number of investment proposals prepared for AVC market actors and rural financial intermediaries - amounting to a total investment amount of € X - over the reporting period.	- Direct information from impact investors. - Annual SSNUP progress report. - External mid-term review in Q3 2023.	- The SSNUP investors raise sufficient capital from their institutional and retail investors for their agricultural/rural microfinance investment funds.
<b>Activities (per output)</b>		<b>Input Indicators</b>		
TA used for (1) developing non-financial services for SHs, (2) developing agricultural insurance and other financial services for		Altogether around CHF 15,3 million (~85% of total budget) broken down by: - € 12 million from bilateral donors (SDC, MAEE and possibly AFD).		- SSNUP will likely mobilise additional bilateral donors and DFIs, if the 1 <sup>st</sup> phase takes off successfully.

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources / Means of Verification	
SHs, (3) market building of AVC, and (4) development of management systems of investees, including a 11% TA management fee.	<ul style="list-style-type: none"> <li>- € 1 from DFIs, like BIO and FMO.</li> <li>- € 2,9 million self-contributions from investees.</li> <li>- € 0,1 million from SSNUP investors.</li> </ul>		<ul style="list-style-type: none"> <li>- DFIs already fund TA of some TAFs and will join SSNUP by contributing additional TA resources to selected TAFs.</li> </ul>
Knowledge Management comprising (1) development & dissemination of knowledge management tools on innovative services for SHs, (2) 4-5 longitudinal RAI agricultural investment case studies, (3) know-ledge management events, (4) publications, and (5) SSNUP webpage.	Around € 828.000 (~4,6% of total budget) funded by the bilateral donors.	<ul style="list-style-type: none"> <li>- Semi-annual financial SSNUP reports.</li> <li>- Annual SSNUP progress reports.</li> <li>- Annual audits of all SSNUP accounts held by Lux-Development, ADA, and each TAF.</li> </ul>	<ul style="list-style-type: none"> <li>- SSNUP will likely mobilise additional bilateral donors, if the 1<sup>st</sup> phase takes off successfully.</li> <li>- DFIs are likely not to contribute financially to coordination and reporting costs, but may be willing to contribute to knowledge management &amp; dissemination expenses.</li> </ul>
SSNUP coordination and reporting comprising (1) thematic backstopping of Steering Committee and TAFs, (2) overall monitoring of the TAFs, (3) aggregate reporting, incl. preparation of the annual outcome-based progress report, (4) financial administration and reporting, and (5) independent mid-term review.	Around € 1.039.000 (~5,8% of total budget) funded by the bilateral donors.		
Co-financing of growth of SH aggregators by SSNUP impact investors and crowding-in of other capital.	<ul style="list-style-type: none"> <li>- At least €14,4 million additional investments by the SSNUP impact investors.</li> <li>The above investments crowd-in €43,2 million in terms of self-financing and other capital raised.</li> </ul>	<ul style="list-style-type: none"> <li>- Information from the SSNUP investors to be captured by the annual SSNUP progress reports.</li> </ul>	

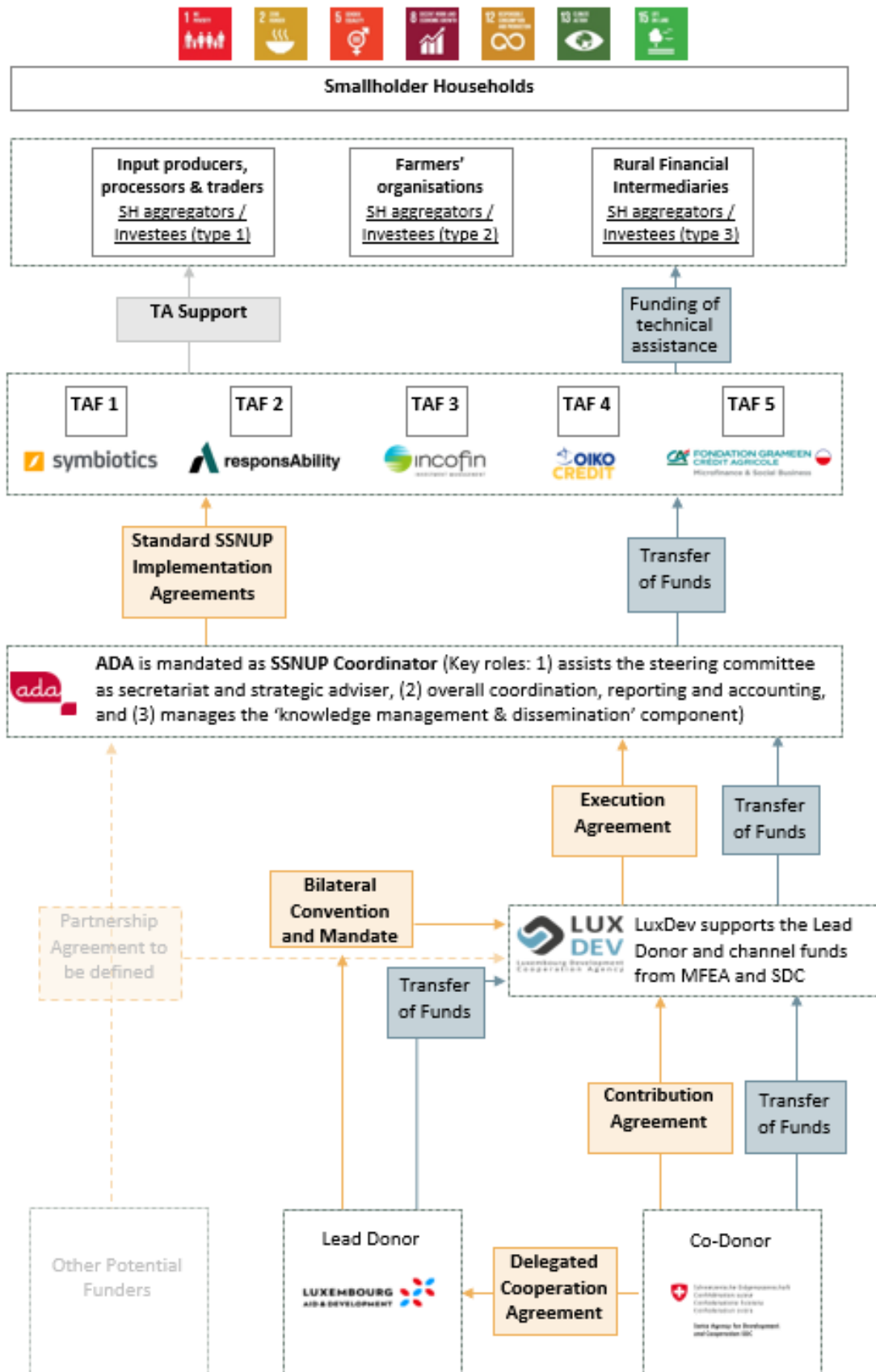
## Annex 4: Programme Implementation Matrix

Hierarchy of results	Stakeholders and partners	General Activity /Tasks	Specific Activity /Description of the tasks
IMPACT	Smallholder households (SHs)		
	Programme Coordinator	ADA	- Consolidate the information received from investors and reports to the funders
OUTCOMES	Investors/TAF	responsAbility Incofin Symbiotics OikoCredit Fondation Grameen Crédit Agricole Others	- Annually and line with KPIs, reports on the TAFs outcomes to the Programme Coordinator
	Knowledge management and dissemination partners	IISD and CSAF	- Conducts case studies to confirm impact of the programme
	AVCs and SFs	Smallholder households (10 million) Agricultural value chains	- Receive TAFs services
	Investors/TAF	responsAbility Incofin Symbiotics OikoCredit Fondation Grameen Crédit Agricole Others	- Regularly and in line with KPIs, reports on the TAFs outcomes to the Programme Coordinator
OUTPUTS	Programme Coordinator	ADA	- Gathers outcome information from investors - Consolidate the information received from investors and reports to the funders
	TAFs Beneficiaries	Financial Intermediaries Farmer cooperatives / Association SMEs engaged in agro value chain	<i>Access one or a combination of Tas:</i> - Development of non-financial services for SHs - Development of agricultural insurance and other financial services (i.e. credit, saving, digital solutions, etc.) - Market building - Internal management
OUTPUTS	Investors/TAF	responsAbility Incofin Symbiotics OikoCredit Fondation Grameen Crédit Agricole Others	- Deploy the TAFs in line with their internal TA facility framework - Regularly and line with KPIs, reports on the TAFs outcomes to the Programme Coordinator

ACTIVITIES	Investors/ TAF	responsAbility	- Identify type of investees that could benefit of TAFS among SMEs engaged in AVC, Financial Intermediaries, Farmer co-operatives, groups, associations, and apex organisations	- In line with the Eligible Areas of TA Interventions
		Incofin		
		Symbiotics		
		OikoCredit	- Design the TAF and fill in the application form with the selected investee	- Submits the TA proposal for review to the TAF Selection Committee
Programme Coordinator	ADA	Fondation Grameen Crédit Agricole	- Regularly develop a TAF pipeline and promote the programme among investees	
		Others	- TAF Committees	- Present the TAF proposal to the Selection Committee
			- Project management and reporting	- Ensures the flow of activities among the stakeholders - Facilitates the flow of funds from the donors to the investors - Manages the budget and administrative side of the project - Maintains the interaction among the core and potential funders active and frequent to ensure long term fund raising - Communicating the programme to external stakeholders - Provides annual aggregated outcome report to the Funders on the project implementation
			- TAF Committees	- Receives TA proposals from TAFs - Participates in the Committee - May be nominated as representative of a SSNUP funder when the latter is not available to participate in the Committee - Collects the TAF pipeline from investors
Knowledge management and dissemination partners	IISD, CSAF and Microinsurance Network	- Knowledge management and dissemination	- Ensure gathering, storage and dissemination of the lesson learned from TAFs deployment	
INPUTS	Core funders	MFEA Luxembourg, Lead Donor, supported by Lux-Development Swiss Development Cooperation (SDC) Other funders that will later join SSNUP	- Steering Committee members - TAF Committee members	- Revises and approves the TAF proposals submitted by the investors - Approves the TAF - Provides funding for the project
	Other funders	Funders that will contribute to specific parts of the SSNUP		- Decides to open to project to other funders - Decides and approves on the inclusion of additional investors - Gets annual aggregated outcome report from the Programme Coordinator on the project implementation



## Annex 5: Institutional Setup



## Annex 6: Implementation timeline - Phase 1 (2020 - 2023)

The timeline proposed is tentative and for Phase 1 of the programme.

### Phase 1 - June 2020 - December 2023

Activity	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	
Kick off of the programme*																				
Steering Committee																				
Selection Committee																				
Investors Reporting																				
Annual report																				

\*Tools set-up, TAFs agreement signature, etc.

Activity	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	12/23	
Steering Committee																									
Selection Committee																									
Investors Reporting																									
Annual report																									

## Annex 7: Budget

<b>SSNUP Global Budget (Estimated)</b>	<b>% Total Budget</b>	<b>Total</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Technical assistance projects	80,5%	14.481.000 €	1.728.000 €	4.311.000 €	4.341.000 €	4.101.000 €
TA Facilities Management fees	7,1%	1.274.328 €	152.064 €	379.368 €	382.008 €	360.888 €
Knowledge management & Dissemination	4,6%	828.200 €	45.025 €	293.225 €	193.225 €	296.725 €
Evaluation and financial audit	0,4%	75.500 €	3.500 €	3.500 €	3.500 €	65.000 €
Programme coordination	5,8%	1.040.972 €	174.767 €	284.775 €	290.715 €	290.715 €
LuxDev Support to Lead Donor	1,7%	300.000 €	15.000 €	130.000 €	130.000 €	25.000 €
<b>TOTAL BUDGET</b>		<b>18.000.000 €</b>	<b>2.118.356 €</b>	<b>5.401.868 €</b>	<b>5.340.448 €</b>	<b>5.139.328 €</b>
Co-funding from investees	16%	2.896.200 €	345.600 €	862.200 €	868.200 €	820.200 €
Co-funding from SSNUP	84%	15.103.800 €	1.772.756 €	4.539.668 €	4.472.248 €	4.319.128 €
Additional direct investments by SSNUP Impact Investors		14.481.000 €	1.728.000 €	4.311.000 €	4.341.000 €	4.101.000 €

<b>SSNUP Total Contributions (Estimated)</b>	<b>% Total Contributions</b>	<b>Total</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Donors contributions</b>	<b>46%</b>	<b>15.103.800 €</b>	<b>1.772.756 €</b>	<b>4.539.668 €</b>	<b>4.472.248 €</b>	<b>4.319.128 €</b>
MFEA (EUR)	9%	3.000.000 €	330.000 €	910.000 €	910.000 €	850.000 €
SDC (EUR) Taux 1 CHF = 0,93 EUR	27%	8.824.080 €	1.439.880 €	2.604.000 €	2.418.000 €	2.362.200 €
<i>SDC (CHF)</i>		<i>9.500.000 CHF</i>	<i>1.560.000 CHF</i>	<i>2.800.000 CHF</i>	<i>2.600.000 CHF</i>	<i>2.540.000 CHF</i>
SSNUP Funding to be mobilised	10%	3.279.720 €	2.876 €	1.025.668 €	1.144.248 €	1.106.928 €
Investees contributions	9%	2.896.200 €	345.600 €	862.200 €	868.200 €	820.200 €
Investors contributions	45%	14.481.000 €	1.728.000 €	4.311.000 €	4.341.000 €	4.101.000 €
<b>Total contributions</b>		<b>32.481.000 €</b>	<b>3.846.356 €</b>	<b>9.712.868 €</b>	<b>9.681.448 €</b>	<b>9.240.328 €</b>

<b>Detailed budget (estimated)</b>											
<b>Technical Assistance</b>	Per-unit price	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>2023</b>		<b>Total first phase</b>	
		units/rate	total amount	units/rate	total amount	units/rate	total amount	units/rate	total amount	units	total amount
Technical Assistance Projects (including 6 perception surveys per year in 2021, 2022 and 2023) <sup>*1</sup>	60.000	28,8	1.728.000	70,5	4.311.000	71	4.341.000	67	4.101.000	237,3	14.481.000
<i>Co-funding from investees (10-20%)</i>		20%	345.600	20%	862.200	20%	868.200	20%	820.200		2.896.200
<i>Co-funding from SSNUP</i>			1.382.400		3.448.800		3.472.800		3.280.800		11.584.800
Management Fees for TA Facilities (11% of SSNUP co-funding)		11%	152.064	11%	379.368	11%	382.008	11%	360.888		1.274.328
<b>Total Technical Assistance</b>			<b>1.880.064</b>		<b>4.690.368</b>		<b>4.723.008</b>		<b>4.461.888</b>		<b>15.755.328</b>
<i>Sub-total from SSNUP Funders</i>			<i>1.534.464</i>		<i>3.828.168</i>		<i>3.854.808</i>		<i>3.641.688</i>		<i>12.859.128</i>

*\*1: As part of the Technical Assistance Projects, this budget line include as well six perception surveys of final beneficiaries every year for the year 2021, 2022 and 2023. The estimated costs for each perception survey is estimated at 13.500 €.*

<b>Knowledge management &amp; dissemination</b>	Per-unit price	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>2023</b>		<b>Total first phase</b>	
		units	total amount	units	total amount	units	total amount	units	total amount	units	total amount
Subcontracted work to IISD and others on preparing and disseminating knowledge management (KM) tools <sup>*2</sup>		-	-	-	150.000	-	50.000	-	150.000	-	350.000
Working days by ADA (KM Senior Staff and Information Dissemination Senior Staff) on preparing and disseminating KM tools and coordinating all the KM activities. <sup>*3</sup>	655	55	36.025	55	36.025	55	36.025	55	36.025	220	144.100
Publications and translation <sup>*4</sup>	540	-	-	55	29.700	55	29.700	55	29.700	165	89.100
Organisation of KM workshops and participation to panels in major global/regional events <sup>*5</sup>		-	-	-	54.000	-	54.000	-	54.000	-	162.000
SSNUP webpage creation & maintenance (English-French-Spanish)			9.000		6.000		6.000		6.000		27.000
<b>Total</b>			<b>45.025</b>		<b>293.225</b>		<b>193.225</b>		<b>296.725</b>		<b>828.200</b>

\*2: Specialized entities like IISD (Institute for International Sustainable Development) as well as others will be subcontracted to perform studies like in-depth case studies and other specific studies as well as to develop knowledge management tools facilitating knowledge dissemination.

\*3: The knowledge management and dissemination activities will be driven by ADA. This includes the coordination of studies and some dissemination activities by subcontractors, the coordination of the perception surveys that will be performed by the Technical Assistance Facilities as well as the implementation of the activities related to workshops and events, publications, etc. This budget line is based on 55 working days per year (from 2020 until 2023) at 655€/day for a Senior Staff with expertise in knowledge management and impact measurement as well as 55 working days per year (during 2021, 2022 and 2023) at 540€/day for a Senior Staff specialized in information dissemination and event organization.

\*4: This budget line covers the edition of the annual report as well as one or two specific studies publication per year in three languages (English - French - Spanish).

\*5: Three workshops per year will be organized in 2021, 2022 and 2023 (costs estimated at 15.000 €/workshop) and SSNUP team will also participate to 3 panels per year at major global / regional events (costs estimated at 3.000 €/event).

Evaluation and Financial Audit	Per-unit price	2020		2021		2022		2023		Total first phase	
		units	total amount	units	total amount	units	total amount	units	total amount	units	total amount
Programme Evaluation	60.000	-	-	-	-	-	-	1,00	60.000	1,00	60.000
Financial audit of the programme			3.500		3.500		3.500		5.000	-	15.500
<b>Total</b>			<b>3.500</b>		<b>3.500</b>		<b>3.500</b>		<b>65.000</b>		<b>75.500</b>

Programme Coordination	Per-unit price	2020		2021		2022		2023		Total first phase	
		units	total amount	units	total amount	units	total amount	units	total amount	units	total amount
Coordination fees *6			154.850		264.775		270.715		270.715		961.055
1) Overall coordination: Relationship with partners, external communication, information to TA facilities, organization of steering committee meetings, coordination of the evaluation, etc.	655	66	43.230	110	72.050	110	72.050	110	72.050	396	259.380
2) Monitoring of TA facilities and preparation of the annual report	540	44	23.760	165	89.100	165	89.100	165	89.100	539	291.060
3) Strategic technical advice to the Steering Committee members	655	55	36.025	55	36.025	55	36.025	55	36.025	220	144.100
4) Financial and administrative support to the programme	540	22	11.880	33	17.820	44	23.760	44	23.760	143	77.220
5) Representation of SSNUP funders in the TA facilities selection committees (when requested)	655	6	3.930	11	7.205	11	7.205	11	7.205	39	25.545
Expenses related to Steering Committee meetings, travels, administration and miscellaneous *7			19.917		20.000		20.000		20.000		79.917
<b>Total</b>			<b>174.767</b>		<b>284.775</b>		<b>290.715</b>		<b>290.715</b>		<b>1.040.972</b>

Provision Lead Donor support	2020		2021		2022		2023		Total first phase	
	units	total amount	units	total amount	units	total amount	units	total amount	units	total amount
LuxDev support to the Lead Donor <sup>*8</sup>	-	15.000	-	130.000	-	130.000		25.000	-	300.000
<b>Total</b>		<b>15.000</b>		<b>130.000</b>		<b>130.000</b>		<b>25.000</b>		<b>300.000</b>

*\*6: As programme coordinator, ADA will ensure to provide the necessary human resources in order to cover the following functions:*

- Overall Coordination will be ensured by a Senior Expert Staff at 655€/day for 66 working days/year in 2020 and 110 working days/year during the subsequent years as well as a Senior Support Staff at 540€/day for 44 working days in 2020 and 165 working days/year during the subsequent years.*
- Monitoring of TA Facilities will be ensured by a Senior Expert Staff at 655€/day for 55 working days in year 2020 and 65 working days/year during the subsequent years.*
- Strategic technical advice and support to the Steering Committee will be ensured by a Senior Expert Staff at 655€/day for 55 working days/year from 2020 until 2023.*
- Financial and administrative support to the programme will be ensured by a Finance and Accounting Senior Expert at 540€/day for 22 working days in 2020, 33 working days in 2021 and 44 working days in 2022 and 2023.*
- Upon punctual request from SSNUP funders, a Senior Expert Staff of ADA might represent a donor at a specific Projects Selection Committee of the Technical Assistance Facilities when needed. This budget line is based on 6 working days in 2020 and 11 working days during the subsequent years.*

*\*7: This budget line will be dedicated to cover the costs related to the organization of the Steering Committee meetings (estimated between 5.000 and 10.000€/year), travels when needed (estimated between 3.000 and 7.500€/year) as well as administration and miscellaneous expenses (estimated at less than 5.000€/year).*

*\*8: This budget item will be used to cover the costs related to the support from LuxDev to the Lead Donor. It will remain with LuxDev and potential leftovers will flow back into the SSNUP facility.*