



# ssnup

Smallholder Safety Net  
Upscaling Programme



## IMPROVING ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS (ESMS) IN AFRICA



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

### CONTEXT

An Environmental and Social Management System (ESMS) is the core foundation element of AgDevCo's ESG requirements for its investees and is a key requirement for companies to become 'ESG bankable' and to attract further DFI-aligned investment capital. The ESMS acts as a platform for wider good practice management and impact creation across matters such as gender equality, climate risk, food safety, and animal welfare. Few portfolio companies have the financial, human, or technical resources to develop the required ESMS without support and this is commonly provided through technical assistance from DFIs and impact investors.

### CURRENT STATUS OF THE INVESTEE

The 11 companies that are participating in this ESMS programme operate in value chains with high domestic and (growing) global market demand, such as macadamia, coffee, organic cotton, and sesame. Although the intervention is at the investee level, there are wider value chain benefits as companies are able to improve their engagement with and visibility of smallholder farmers and their households through the ESMS framework. These companies source from and/or sell to over 290,000 smallholder farmers.

### OBJECTIVE OF THE PROJECT

A strong ESMS is widely acknowledged to support improved commercial performance and investment readiness, while also having wider value chain benefits. This project consists of a programme of capacity building and management systems implementation, enabling portfolio companies to transition from national legal compliance to alignment with good international industry practice. This project is expected to de-risk and catalyse further investment in the agriculture sector, which in turn will help these companies to provide market linkages to more smallholder households, within a framework that puts environmental and social considerations at the forefront.

The expected outcomes of this project are:

- Improved ESG performance for 11 investees, with over 100 core processes implemented and incorporated in the core business function.
- Improved ESG capacity for around 20 people, of which 50% are women, with management responsibilities.
- Improved transparency across value chains, including through improved procurement processes.

### IMPACT INVESTOR

AgDevCo<sup>®</sup>

### AGGREGATOR / INVESTEE

11 investees, all SMEs, in Uganda, Kenya, Rwanda, Tanzania, Mozambique, and Zambia serving a total of 290,000 farmers.

### AGRICULTURAL VALUE CHAIN

Multiple including pork, poultry, coffee, macadamia, cotton, sesame, aquaculture, maize, seed potato.

### STARTING DATE

09/05/2022

### DURATION

2 years

### TOTAL BUDGET

€ 177,100  
including € 101,400 (57%)  
Contribution from SSNUP



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