

## EDFI AgriFI and BIO contract EUR 6m with Alterfin, a Belgian cooperative, to support sustainable family farming in developing countries

- EDFI AgriFI and BIO each commit to finance the equivalent of EUR 3 million in USD to reinforce Alterfin's sustainable agriculture and microfinance portfolios.
- EDFI AgriFI and BIO's combined investment will provide Alterfin with long-term financing to support its expansion in Africa, Latin-America and Asia. The financing from BIO will likely also be accompanied by technical assistance, a first for Alterfin.

[Brussels, 17 August 2020] EDFI AgriFI (AgriFI), the Agriculture Financing Initiative funded by the EU, and BIO, the Belgian Investment Company for Developing Countries, invested the equivalent of EUR 6 million in USD in Alterfin, a Belgian social investor targeting smallholder farming in developing countries.

Alterfin aims to improve the livelihoods and living conditions of socially and economically disadvantaged communities, predominantly in rural areas of low and middle-income countries. It focuses both on the financing of the agricultural value chain via investments in SMEs and producers' organisations and the microfinance sector. To date, the Belgian cooperative involves more than 6,000 cooperative members, of which a vast majority are private individuals. The cooperative is currently active in 38 countries, supporting sustainable agriculture by financing 15 agricultural value chains. By doing so, Alterfin has a direct impact on more than 1 million smallholder farmers.

"After 25 years of operations, Alterfin has proven that credit cooperatives can be a catalyst to support smallholder farming in developing countries via investments in "missing middle organisations". *AgriFI's senior unsecured loan of EUR 3 million should enable Alterfin to grow its portfolio mainly in Africa and Asia and should allow the organisation to provide financing to more than 25,000 smallholder farmers each year,*" explained Guillaume Simões, AgriFI Investment Officer at EDFI Management Company.

*"The strengthening of the cooperation between BIO and Alterfin came very naturally. Alterfin plays such an important role in Belgium by raising awareness and involving more than 6,000 private investors to support smallholders in developing countries. The proximity of Alterfin to its partners on the field and its capacity to offer flexible financial solutions when the market cannot answer the needs have impressed us. We believe that BIO's 5-year term loan to Alterfin will provide it the necessary means to leverage its action and fully achieve its mission,"* added Harold Grisar, Investment Officer at BIO.

In addition to fostering financial inclusion, the organisation is firmly devoted to sustainable farming. Out of all the SMEs and producer's organisations supported by Alterfin 90% are certified organic and 80% have fair trade certifications.



*"AgriFI's investment will enable Alterfin to access long-term financing (over a 10-year period) in US dollars, which is essential to fuel its disbursement capacity towards SME's and producers' organisations but also to ensure a diversification of its portfolio. Alterfin is a real catalyst for these organisations and allows them to attract not only other investors but also buyers. Through this focus on sustainable agriculture in developing countries, Alterfin helps fight poverty, create jobs, increase food security and reduce gender inequalities while respecting the environment,"* added Dimitry Van Raemdonck, AgriFI Manager at EDFI Management Company.

*"We are very grateful to AgriFI and BIO-Invest for their support and very pleased with this combined long-term financing in USD which helps addressing long-term needs of our partners. But beyond this, it is also a recognition of Alterfin's role as a Belgian and European based social lender and its commitment for the last 25 years to foster global sustainable development by supporting a more sustainable agriculture that will feed local communities, reduce poverty and inequalities whilst respecting the environment. Alterfin may remain a relatively modest player in the grand scheme of things but it more than compensates by being additional, by dedicating 2/3 of its disbursements directly to agriculture, by providing smaller loans than most and by remaining true to its mission no matter how hard things are."* Added Jean-Marc Debricon, General Manager of Alterfin.

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### **About EDFI AgriFI**

EDFI AgriFI, the EU Agriculture Financing Initiative, is an impact investment facility funded by the European Union, with a mandate to unlock, accelerate and leverage investments with a value chain approach in developing countries, focusing on smallholder's inclusiveness and/or agri-business medium, small and micro enterprises (MSME).

AgriFI is managed by EDFI Management Company on behalf of the 15 European Development Finance Institutions (DFI).

[www.agrifi.eu](http://www.agrifi.eu)

### **About Alterfin**

Alterfin invests in microfinance and sustainable agriculture in Latin America, Africa and Asia. The cooperative society Alterfin was founded in 1994 and is a form of cooperation between North South organisations, financial institutions, social organisations, some companies and over 6000 private individuals.

[www.alterfin.be](http://www.alterfin.be)

### **About BIO Invest**

BIO is a Development Finance Institution that supports private sector growth in developing countries. BIO provides long-term financing to enterprises, financial institutions, and private infrastructure projects, as well as grants for feasibility studies and technical assistance programmes. BIO operates as an additional partner to financial institutions and aims to maximise both



development impact and return on investment. BIO is a member of EDFI (European Development Finance Institutions) and has more than 1 billion Euros of assets under management. For more information, please visit us at [www.bio-invest.be](http://www.bio-invest.be) or follow us on LinkedIn.

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