



ssnup

Smallholder Safety Net
Upscaling Programme



DEVELOPING FINANCIAL SERVICES FOR SMALLHOLDER HOUSEHOLDS IN THE PHILIPPINES



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

CONTEXT

Agriculture in the Philippines is a major sector of the economy, ranking third among the sectors in 2022 only behind Services and Industry. Its outputs include staples like rice and corn, but also export crops such as coffee, cavendish banana, pineapple and pineapple products, coconut, sugar, and mango. As of 2022, the sector employs 24% of the Filipino workforce and it accounted for 8.9% of the total Gross Domestic Product (GDP).

The Philippines is one of the most vulnerable agricultural systems to monsoons and other extreme weather events, which are expected to create more uncertainty as climate change affects the Philippines. Nevertheless, the Food and Agriculture Organization (FAO) has described the local policy measures as some of the most proactive in risk reduction.

CURRENT STATUS OF THE BENEFICIARY ORGANISATION

Agronomika Finance Corporation (AFC) is the financing arm of the Kennemer Group, which is an organisation in the Philippines, made up of 4 entities, involved in agriculture and climate solutions through a landscape approach combining rural enterprises, forest conservation, and land restoration.

AFC itself is a small financial institution with big ambitions to develop additional financial services for clients lower down the pyramid, and especially focusing on smallholders. The institution was launched in 2016 and currently has just over 1,000 clients, a portfolio of € 3.4 million and 2 products on offer (Farm Establishment Loans & Micro and Small Enterprise Lending).

OBJECTIVE OF THE PROJECT

The project aims to develop and launch a new microfinance arm of their activities for smallholder farmers who wish to develop income-generating activities with short crop cycles.

The expected results of the project are:

- Roll-out a new loan product specifically adapted to the needs of farmers.
- Train and serve at least 7,200 clients, of which at least 80% are women.

IMPACT INVESTOR



BENEFICIARY ORGANISATION

Agronomika (MFI) – The Philippines

TARGET

7,200 smallholder households

AGRICULTURAL VALUE CHAIN

Eggplant, string beans, okra, squash, carrots, cauliflower, cabbage, bell pepper, cucumber, tomato, onion and lettuce.

STARTING DATE

January 2024

DURATION

24 months

TOTAL TA BUDGET

€ 292,462
Including € 150,014 (51%)
contribution from SSNUP

