



WEBINAR

How Can Impact-linked Finance Help Transform Agricultural Supply Chains

22 NOVEMBER 2022



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22 November 2022 | 5pm (CEST) | 11am (ET) | 8am (PT)

With insights from expert panelists

 **REGINA ROSSMANN**
SENIOR ASSOCIATE,
CONVERGENCE BLENDED FINANCE

 **MARIE-AIMÉE BOURY**
HEAD OF IMPACT BASED FINANCE,
SOCIETE GENERALE CORPORATE
AND INVESTMENT BANKING

 **JYOTI BANERJEE**
CO-FOUNDER,
NORTH STAR TRANSITION

 **RAPHAËL HARA**
MANAGING DIRECTOR, KSAPA



About Ksapa

- Core Services
- Team and Network
- Inbuilt Commitment to Advocacy
- SUTTI Initiative



Raphaël Hara

Managing Director



noun [Sioux language]
Discernment, Wisdom, Soundness

Ksapa is a mission-driven organization
Our purpose is to act as **catalyzer**
and **convener** for an **economy-wide shift** toward
economically, socially and environmentally-sound
operating and investment models



ADVISE



ACTIVATE



INVEST



ADVOCATE



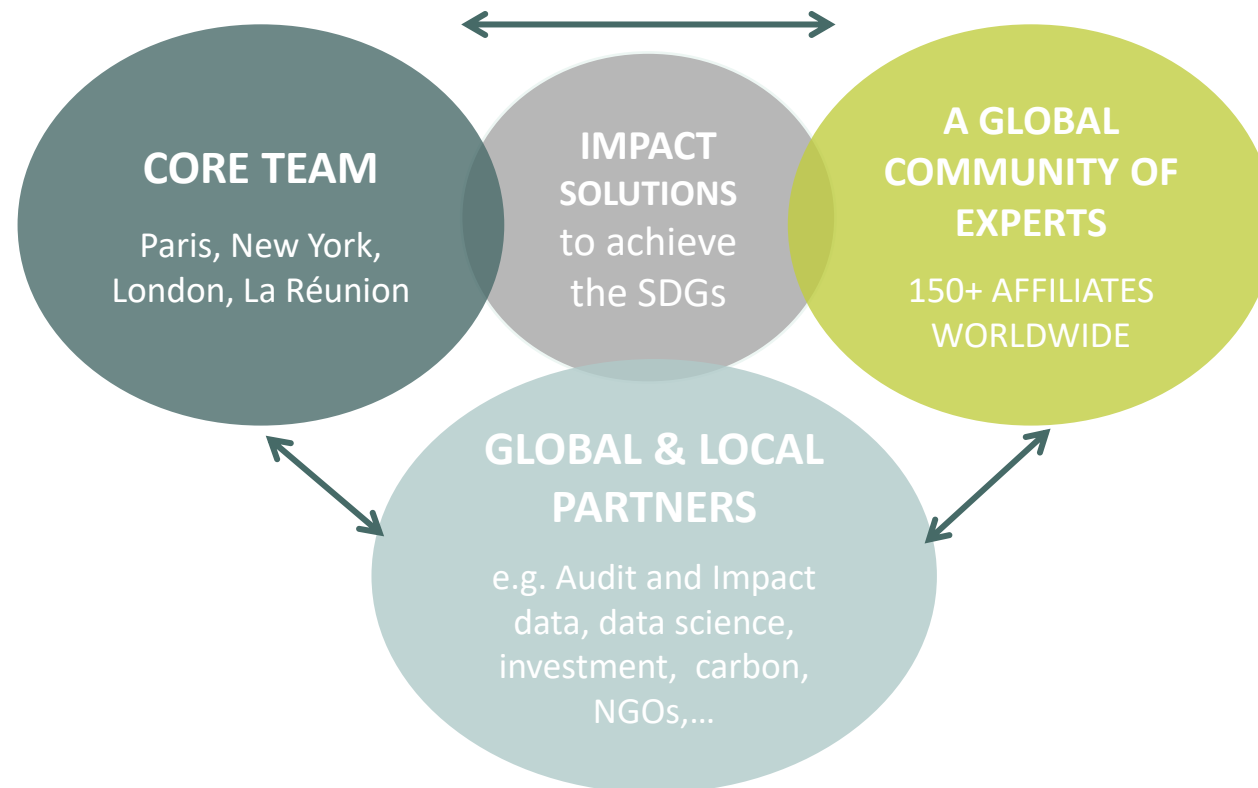
**Sustainability, Finance & Investment, IT,
Agronomy & Development expertise**
all aggregated at core team level



Mobilizing global networks for impact

Our teams are headquartered in **Paris** with Offices in **London** and **New York City**. **Ksapa** has worked with numerous Fortune 500, bilateral and multilateral organizations in consulting and collaborative formats.

Via a **global network of 150+ global and local partners**, Ksapa federates experts and leading organizations and offers close contextual and operational support



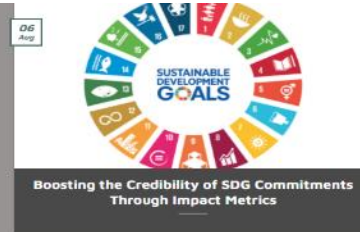


Ksapa's Inbuilt Commitment to Advocacy

REPORTS & BRIEFING PAPERS

ILLUSTRATIVE LIST OF POSTS ON SUSTAINABLE FINANCE

REGULAR WEBINARS



Mar 23 WEBINAR: Digital Training and Impact Investing Tools for Responsible Sourcing



Dec 09 WEBINAR: Scaling Sustainable Farming thanks to Innovation Tech



Ksapa's SUTTI Initiative

Transforming the 1st mile of Agricultural Supply Chains

Meet Ari, a smallholder and head of a family-run 2 Ha farm



Sutti



Impact Investors

Development institutions

Governments

Corporates

Local industrial companies

NGOs

Experts & Partners



SUTTI, an integrated Solution

Scale Up Training Traceability Impact

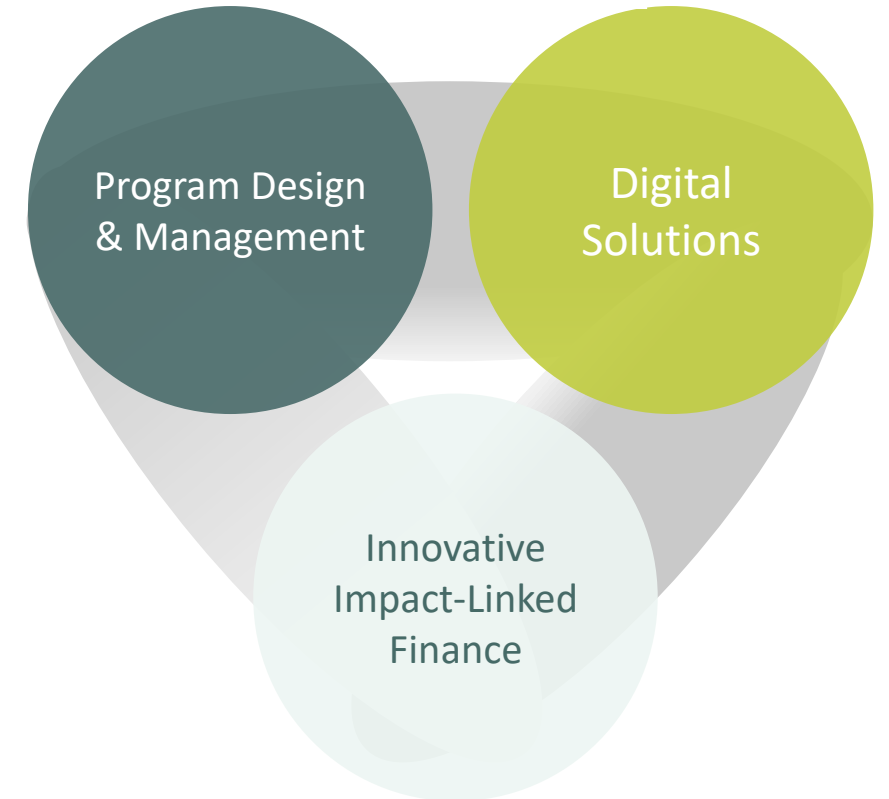
Sutti

Disseminate best practices and diversify farmer activities at scale

to build sound, fair, diversified, resilient cultures

Structurally improve the revenue and livelihood of smallholders in fragmented agricultural supply chains

Boost impact and strengthen value chains for the benefit of the many, for the long run

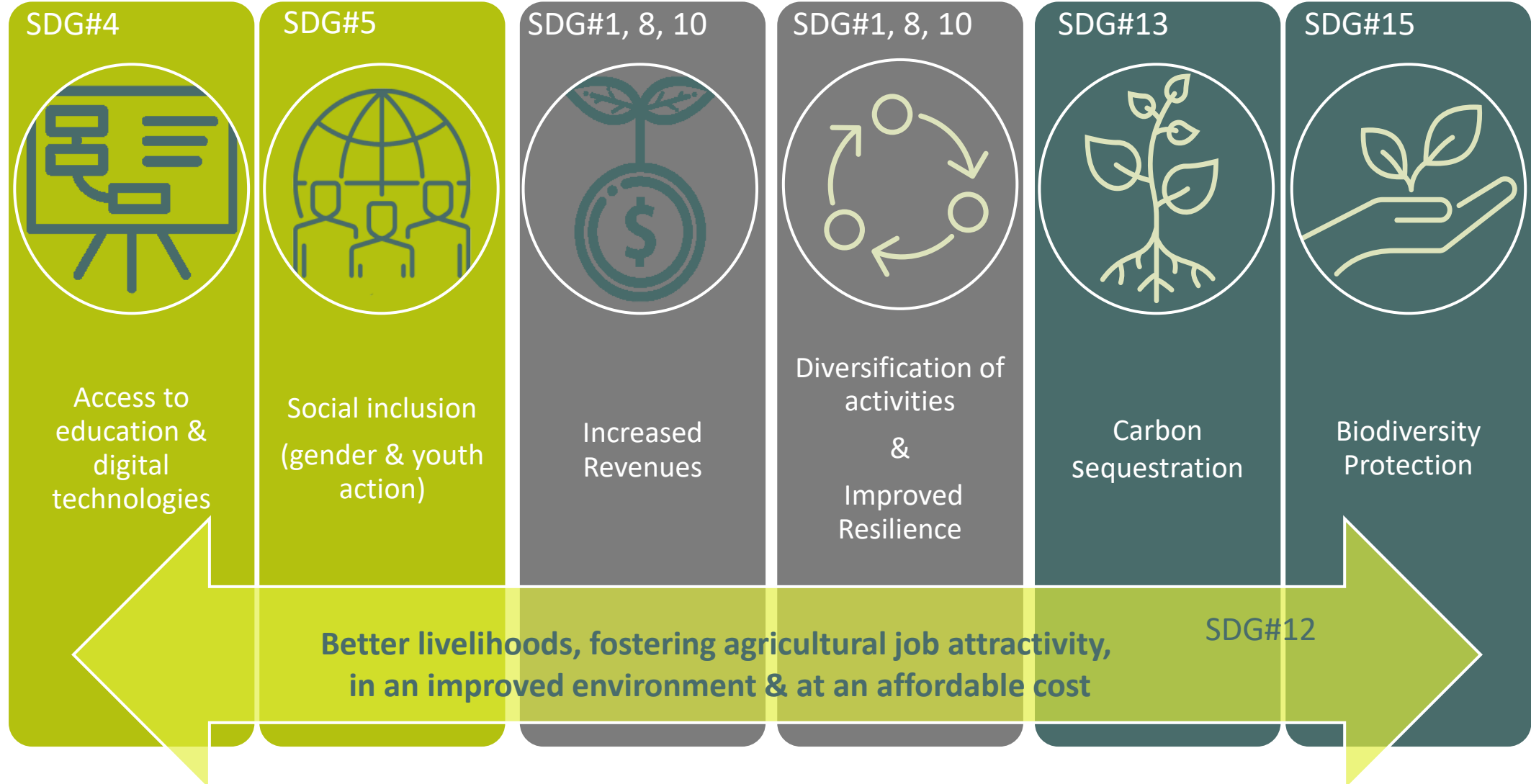


3 Complementary Services in 1 Single Solution



Sutti Impacts

Acting at Supply Chains' First Mile, for Smallholders

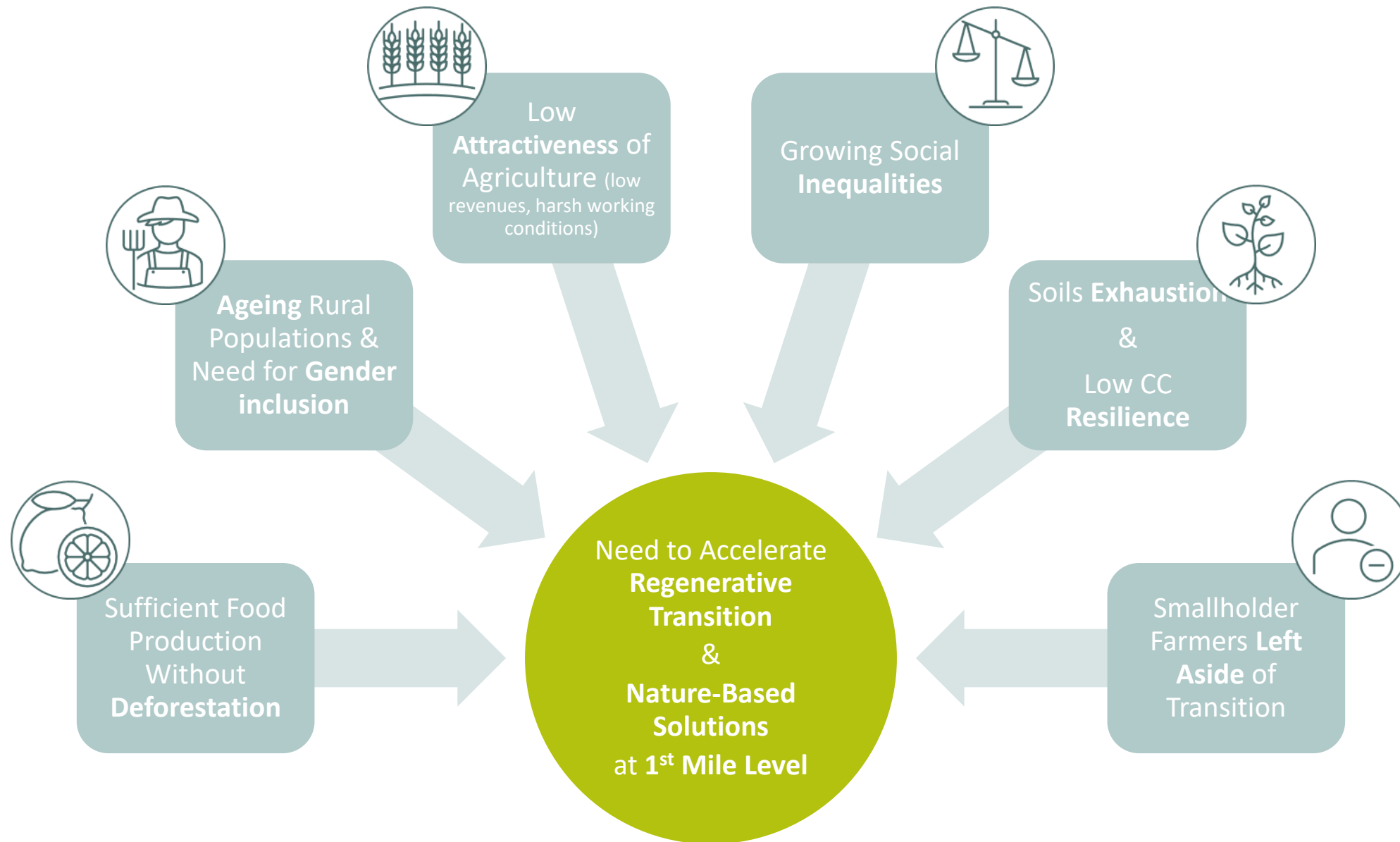




How Impact-linked Finance Can Help Transform Agricultural Supply Chains



Transition Towards Regenerative Agriculture: Necessary But Hardly Reaching the 1st Mile





Transition of Agricultural Value Chains Remains Insufficiently Funded

Agricultural value chains combine **multiple social, environmental, and economic challenges** which can be tackled by transitioning to regenerative practices

But transformation of agricultural & food systems remains **insufficiently funded!**

Funding Food & Agriculture SDGs

- Investment needs estimated at **\$480b annually** in developing countries
- With actual investment at \$220b
- Leaving a **\$260b annual funding gap!** (UNCTAD,2019)

Financing Transformation Shifts

- Financing needs for **shifting** practices, technology & business model
- Estimated at **\$350b annually** (FOLU, 2019)

Supporting Smallholders

- **\$14b a year until 2030** is needed from donor governments to **double incomes** of 545 million smallholders (CERES2030)
- Smallholders have financing needs ranging **from \$50 to \$10,000**



Innovative Impact-Linked Finance Has the Potential to Scale Regenerative Agriculture



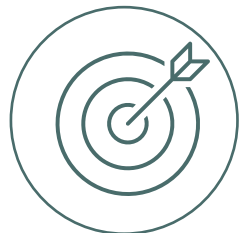
Growing SDG Funding Gap

- **Mobilizing** commercial finance to multiply development finance's impact is necessary
- Pre-COVID SDG **funding gap** is estimated between \$2.5-4 trillion / year



Inclusive Transition

- Fragmented supply chains heavily rely on **smallholder farmers**: their inclusion in RA transition is key for material impact
- No transition possible if it is not **fair & inclusive!**

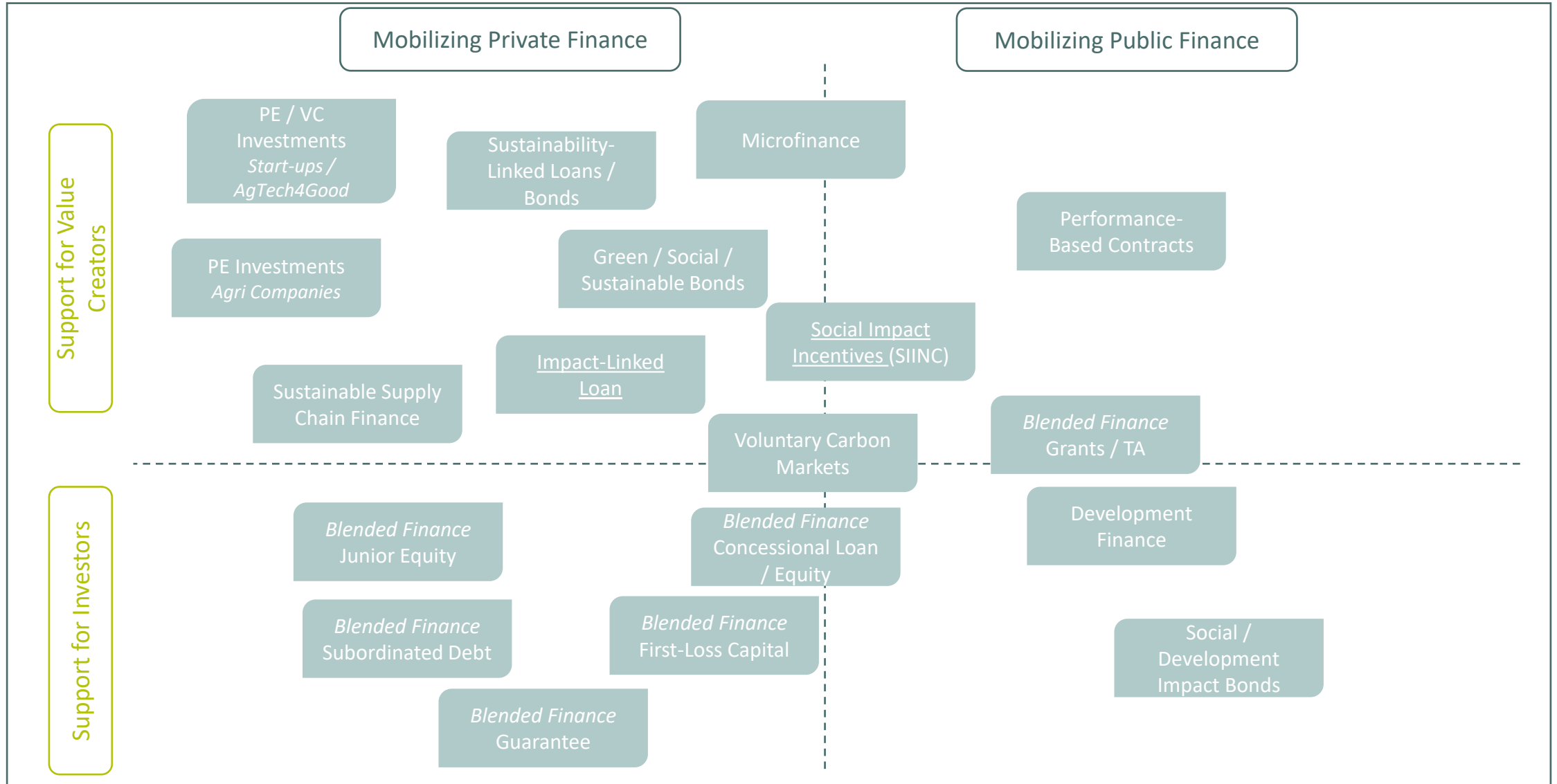


Rewarding Impact

- Implementing **effective delivery** systems is key to **scale impact**
- Impact-linked finance inherently incentivizes positive outcomes thus **rewarding** most **impactful** solutions



Impact-Linked or Impact-Driven Finance Instruments: a real arsenal!



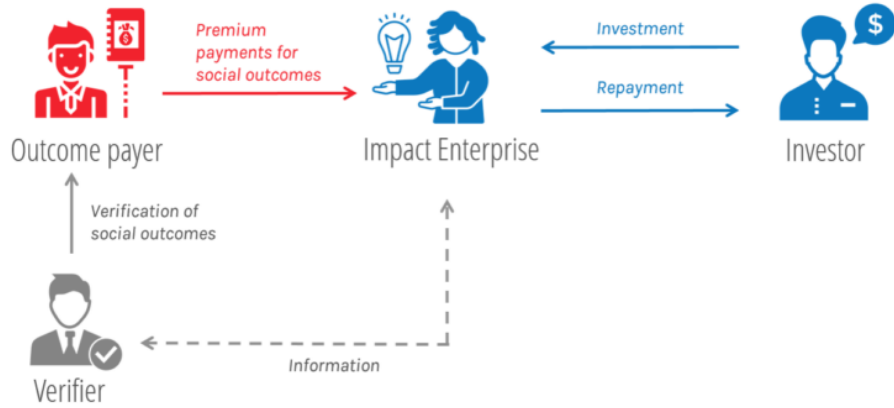


Example of New Instruments Tailored for Impact

Results-Based Finance

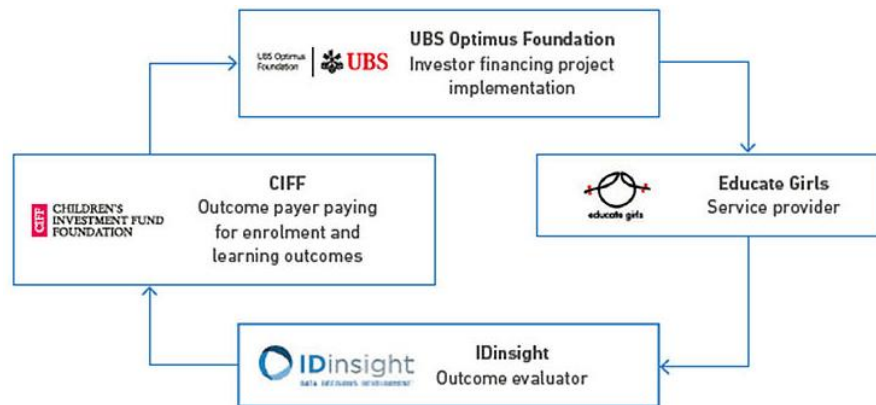
Social Impact Incentives (SIINC) by SDC

Funding instrument that rewards high-impact enterprises with time-limited premium payments for achieving social impact



Educate Girls Development Impact Bond w/ UBSOF

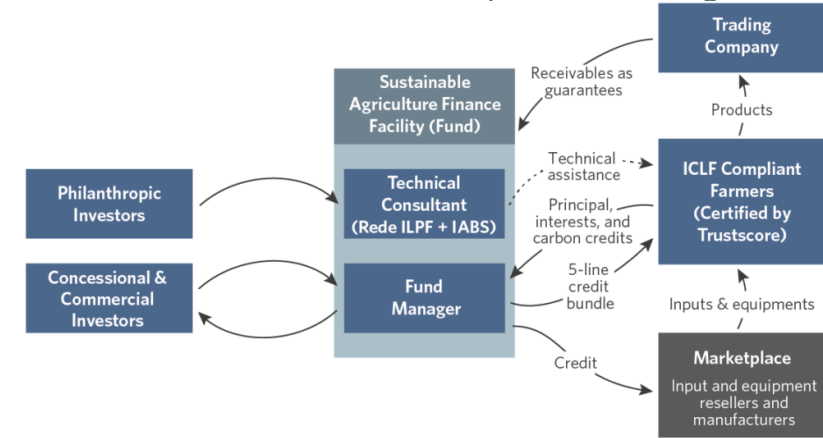
Payment-by-results model: with a budget of \$270,000, it reach 7,300 children in India



Derisk - Blended Finance

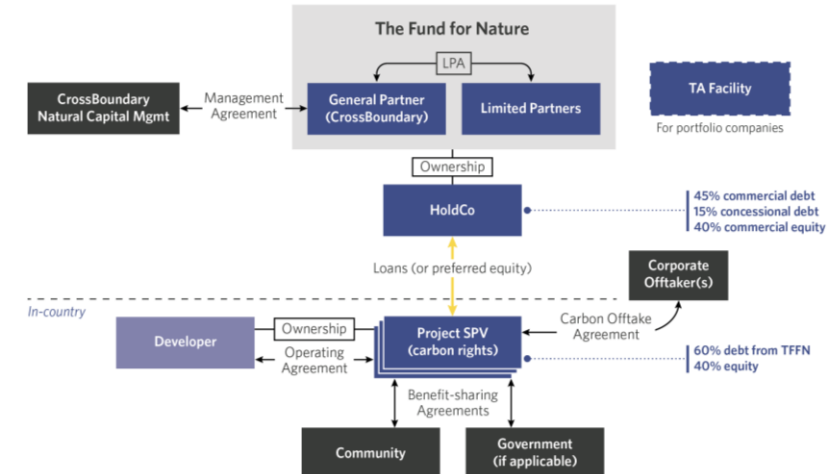
Sustainable Agriculture Finance Facility (SAFF)

Credit facility focusing on Integrated Crop-Livestock-Forest (ICLF) adoption in Brazil: bundled loans adapted to ICLF stages



The Fund for Nature

African debt fund for high-integrity nature-based carbon projects





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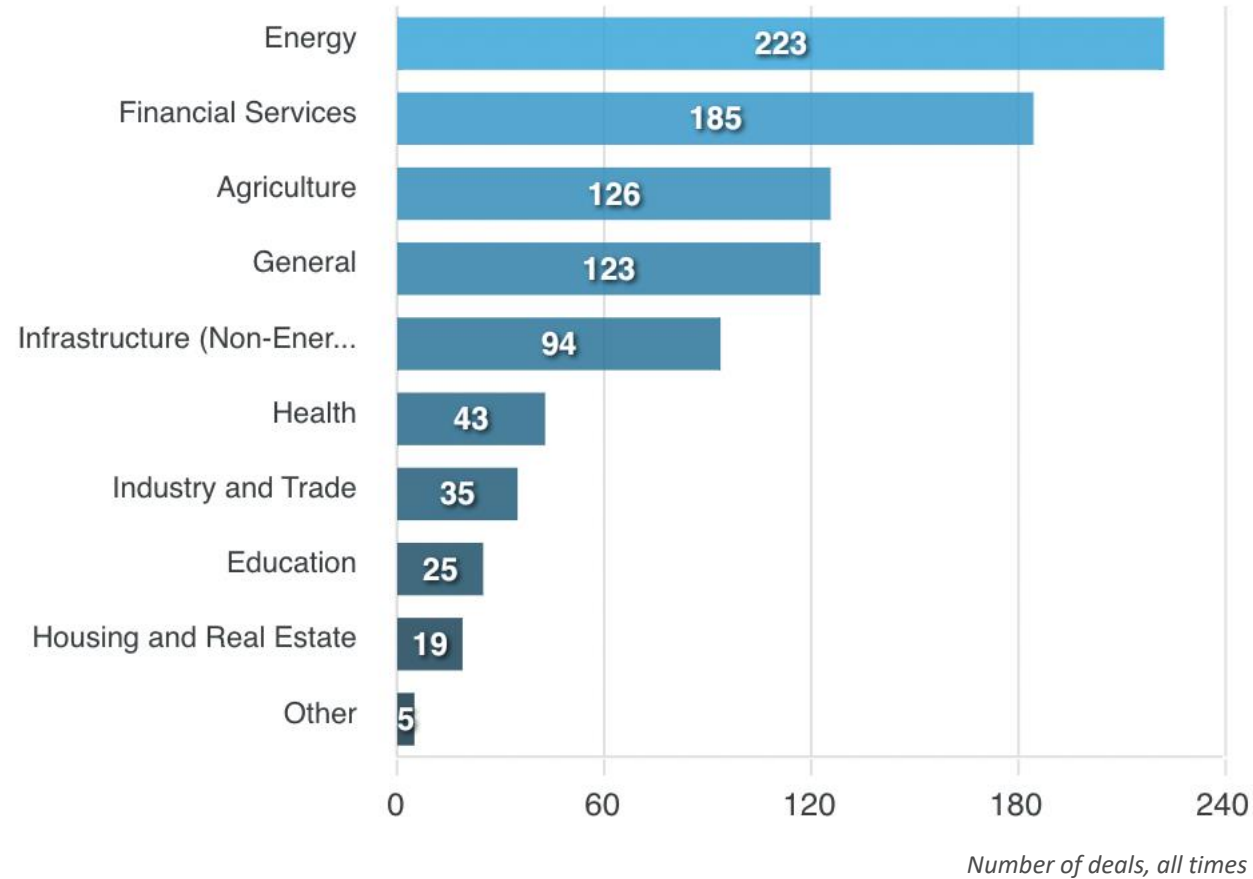
Regina Rossmann

Senior Associate

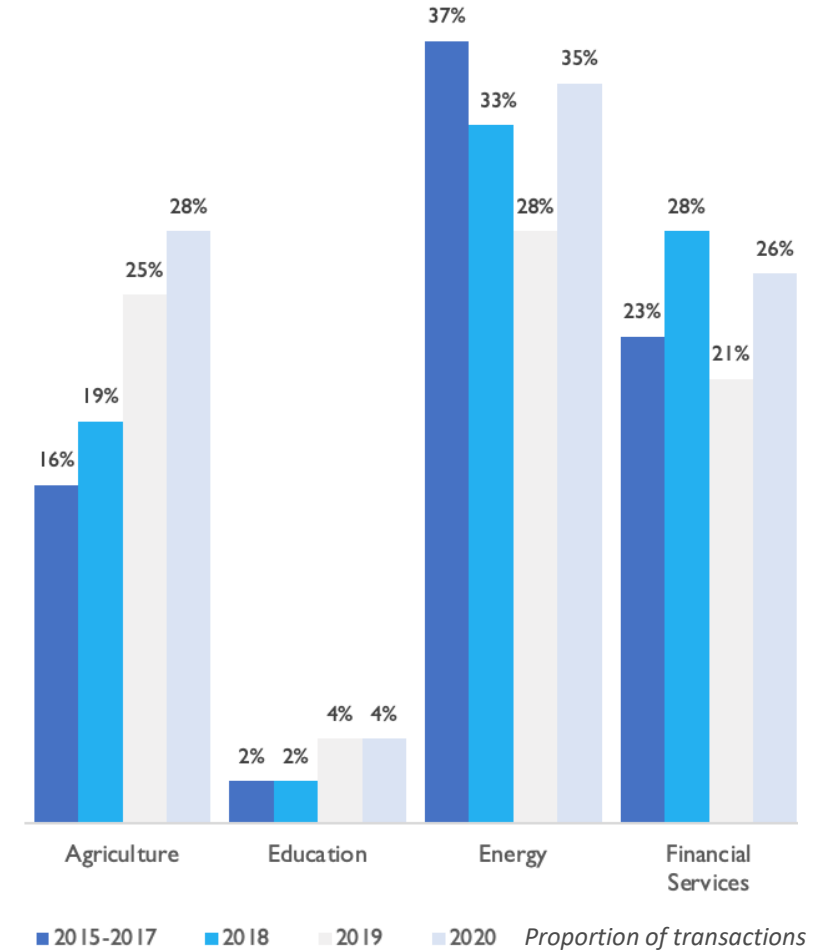
Convergence Blended Finance

AGRIBUSINESSES ARE A KEY RECIPIENT OF BLENDED CAPITAL

BLENDED FINANCE DEALS BY SECTOR



BLENDED FINANCE SECTOR TRENDS

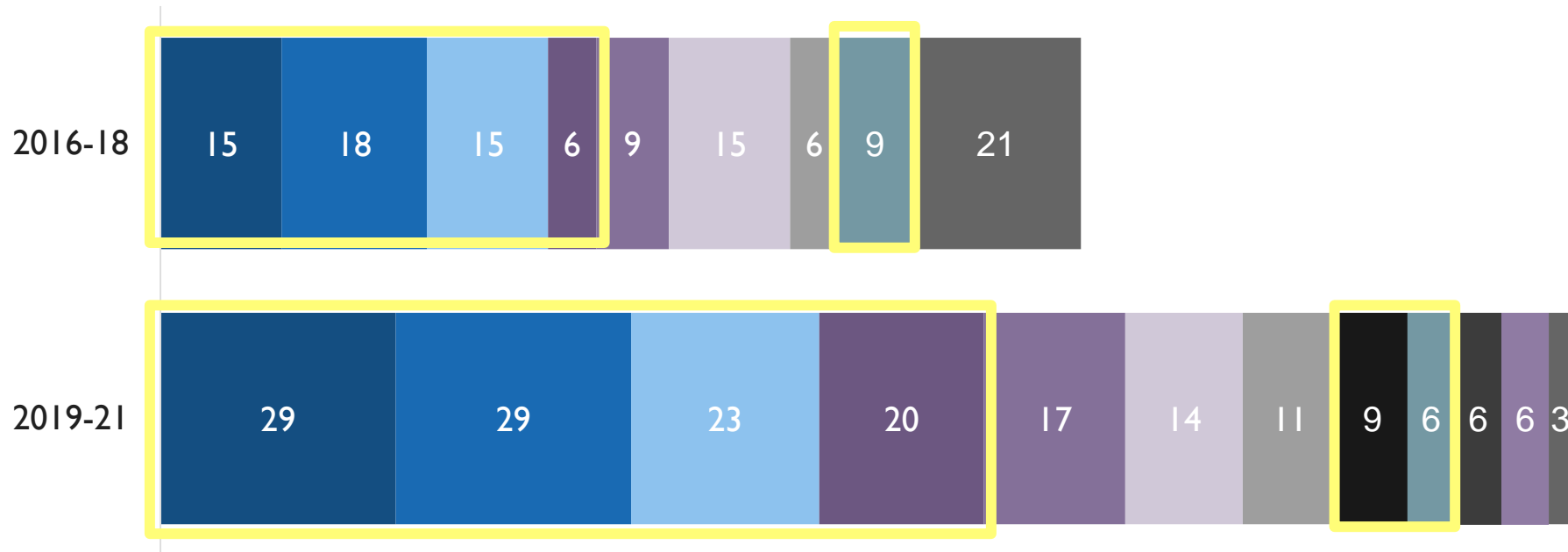


Source: Convergence 2022

AGRICULTURE IS THE LEADING ADAPTATION SUB-SECTOR IN BLENDED FINANCE

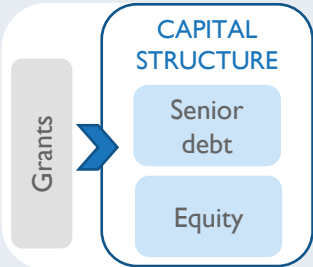
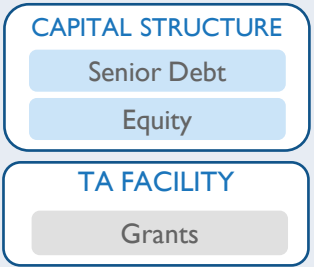
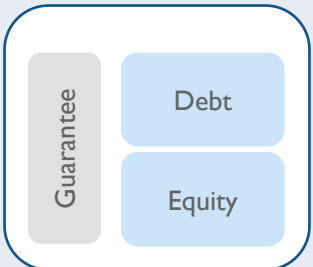
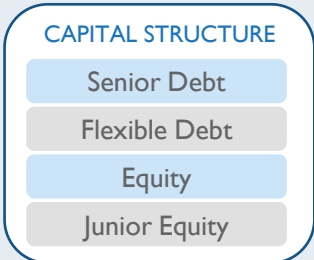
% of adaptation & hybrid (mitigation & adaptation) blended finance transactions by sub-sector, 2016-18 vs 2019-21

- Agricultural Inputs / Farm Productivity
- Agriculture Finance
- Critical Infrastructure
- Insurance
- Climate Resilient / Sustainable Agriculture
- Housing Finance
- Agro-Processing
- Tourism
- Agro-Forestry
- Water Infrastructure
- Fisheries and Aquaculture
- Transportation Infrastructure



Source: Convergence Historical Data. Note: Data snapshot as of September 2022.

COMMON BLENDED FINANCE INSTRUMENTS IN AGRICULTURE

DESIGN / PREPARATION FUNDING	TECHNICAL ASSISTANCE	GUARANTEES & RISK-SHARING MECHANISMS	CONCESSIONAL DEBT OR EQUITY
<p>Supports costs and activities that lead to investment</p> <p>Examples: IDH Sustainable Trade Initiative, Aceli Africa</p> 	<p>Funding to build the capacity of investees and maximize quality of project implementation</p> <p>Ex. Huruma Fund, Agri3 Fund</p> 	<p>Protects investors against capital losses or provides credit enhancement</p> <p>Ex.: Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL plc.); Private Agricultural Sector Support (PASS) Trust Tanzania</p> 	<p>Subordinate and/or junior terms compared to co-investors</p> <p>Ex.: Incofin Fairtrade Access Fund, InsuResilience Investment Fund</p> 

Source: Convergence 2022



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Marie-Aimée Boury

Head of Impact-Based Finance
Société Générale CIB



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Jyoti Banerjee

Co-Founder
North Star Transition

Wales Transition Lab

Ambitions for country-scale shift

IECHYD
Healthy

Healthy land, air & water, which support nature, community and carbon sequestration

HIRAETH
Longing

The Welsh food system is optimised for the wellbeing of citizens, community & nature

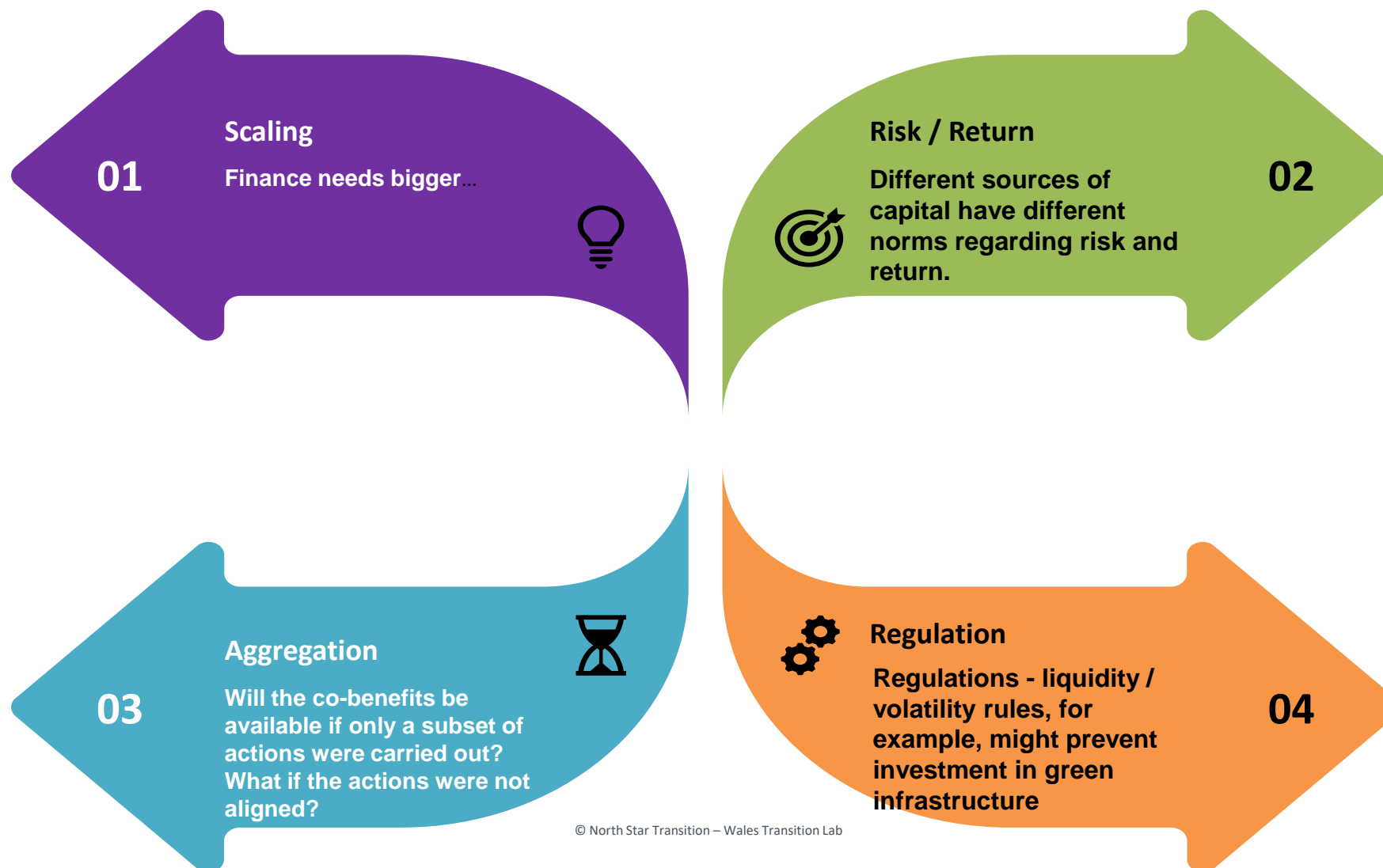
LLAIS
Voice

The hidden voices of nature & future generations are present at the decision table, across government and business

LLIF
Flow

Community, food and nature are woven into wellbeing solutions

Finance hurdles to landscape transformation



How can we catalyse a regenerative market system?

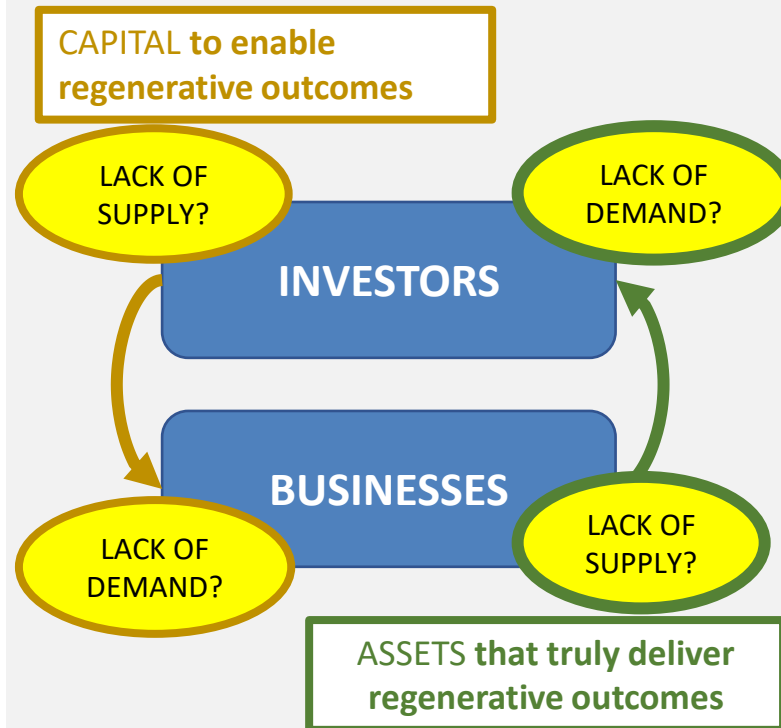
THE CONTEXT

Our current business and financial system, for all its success in creating wealth, cannot carry on as it is indefinitely.

The resources we depend upon are finite - squeezing them ever further has led to a biodiversity crisis, a water crisis, a climate crisis, an inequalities crisis, and so on.

Our current market system is degenerative by design

THE CHALLENGE



THE RESPONSE

How can we create change?

- A SAFE SPACE: Stakeholders often appear to have conflicting interests and misaligned incentives. To overcome this we need a space to identify the changes needed, break deadlocks and cooperate.

- 6 FOCUS AREAS: In previous dialogues, participants identified six domains where change is needed:

- Governance,
- Strategy and capital allocation,
- Performance and measurement,
- Policies and regulations,
- Business skills and culture,
- New markets and products.

Introducing the Regenerative Investment Lab - a “do” tank

Background: In 2021 North Star Transition’s Finance Transition Lab conducted research across the capital chain and established that the ideas needed to reshape business and finance cannot be crafted solely by people from finance.

That Lab is now morphing into the Regenerative Investment Lab, launching in October 2022 with a broader range of participants from the worlds of business, finance, academia and civil society.

Approach: The Lab’s executive resource comprises North Star Transition, Preventable Surprises, UCL’s Climate Action Unit and Forum for the Future.

To get the Lab going, we intend to use a tried and tested approach: invite a broad group of system-wide participants and create a safe space where we can together explore, learn, and co-create the future.





Panel Discussion

Facilitation: Raphaël Hara, Managing Director, Ksapa

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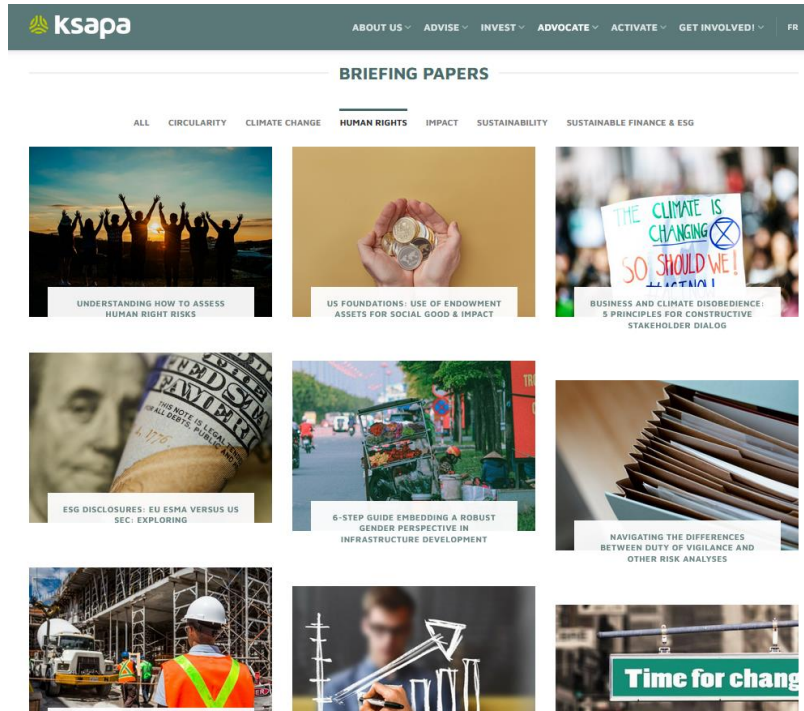
- Ensuring a fair & inclusive transition to regenerative agriculture for smallholder farmers
- Towards regeneration: Accounting for potential negative externalities and foster a holistic, multi-dimensional impact approach
- Reaching scale: how & when?!

Please share your questions to the guest speakers through the chat!



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Upcoming webinar!



Join the community and register to our monthly [newsletter](#) to keep abreast of the latest practical insights in amplifying the transformation of finance and business, ultimately building a more resilient, inclusive and competitive economy



Getting in Touch

Ksapa.org – contact@ksapa.org





Advise
Activate
Invest
Advocate