



Project overview

Alterfin is a Belgian social investor created in 1994 raising capital to invest in smallholder farming in developing countries via microfinance institutions, small and medium enterprises (SMEs) and producer's organisations. Alterfin's goal is to improve the livelihoods of socially and economically disadvantaged communities, predominantly in rural areas in low and middle-income countries.

Funding objective

EDFI AgriFI's investment will allow Alterfin to:

- Provide USD 8.4 million of loans to investees each year;
- Fund between 24000 and 48000 farmers each year;
- Increase the scope of its activities mainly in Africa and Asia and contribute to portfolio diversification.

Investment rationale

- Being a cooperative gathering more than 6,000 members (of which more than 80% are individuals) Alterfin demonstrates that credit cooperatives can be a catalyst to support family farming in developing countries;
- Alterfin has a clear development impact for smallholder farmers (more than 1 million farmers benefit from the services of Alterfin) by targeting the missing middle organisations;
- Promotion of environmentally and socially sound practices (80% of SMEs and producer organisations financed are "Organic certified" and 70% "Fair trade certified");
- The company fosters improvement of smallholder livelihood by targeting areas with limited financial inclusion, partnering with organisations prefinancing farmers, financing value chains in which producers receive a price premium, and selecting organisations that supply producers with inputs;
- EDFI AgriFI can play a catalytic role by enabling Alterfin to secure its funding over a long-term period, reach its growth perspective and to collaborate with additional investors and DFIs interested in the opportunity.

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 sustainable investments in medium, small and micro agri-enterprises (MSME) that operate in developing countries, with a specific focus on smallholder's inclusiveness. AgriFI is managed by [EDFI Management Company](#) on behalf of the 15 European Development Finance Institutions (DFI).

AT A GLANCE

- **Investment/Project:**
Alterfin
- **Total AgriFI financing:**
USD 3M
- **Financial instrument:**
Debt loan
- **Regions:** Africa, Asia, Latin-America
- **Sector:** MFIs, producer organizations and Agri SMEs
- **Allocation:** AgriFI Global

ENVIRONMENTAL & SOCIAL ASSESSMENT

Based on Environmental and Social (E&S) risks/impacts the E&S risk category is **B**.

<https://www.alterfin.be/en>