

Fairtrade Access Fund

April 2019



Project overview

The Fairtrade Access Fund is an impact fund created in 2012 to address the financial needs of smallholder farmers by providing better access to financing. The fund is active in 19 countries with a fund size of EUR 51m (2019).

The Fund invests in Fairtrade or sustainable certified smallholders by providing loans and offering technical assistance. As a result, the Fund contributes to the development of a fair and sustainable agriculture, with a strong commitment to sustainable development.

Funding objective

EDFI AgriFI will invest up to EUR 5 M in Class A equity (long term investor, +7 years) in order to:

1. increase the size and scope of the Fund in order to impact a larger number of smallholder farmers engaged through their organizations in sustainable agriculture, with a special development focus in Africa
2. attract more senior finance by securing the Fund financial stability thanks to increased equity in the Fund: both private investors, subscribing to more liquid B-Shares, as well as long term lenders.

Investment rationale

The Fund has a clear development impact for smallholder farmers, by enabling them to invest in their land to raise crop yields, improve quality and get a fair return.

AT A GLANCE

- **Investment/Project:**
Fairtrade Access Fund
- **Total AgriFI financing:**
EUR 5M
- **Financial instrument:**
Equity
- **Regions:** Latin & Central America, the Caribbean and Africa
- **Sector:** Agri multi crops/ lending products
- **Allocation:** AgriFI Global

ENVIRONMENTAL & SOCIAL ASSESSMENT

Based on Environmental and Social (E&S) risks/impacts the E&S risk category is **B**. The overall portfolio risks include a limited number of business activities that have potential medium level adverse environmental or social risks or impacts that are few in number, generally site specific, possibly reversible, and readily addressed through mitigation measures.

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Beyond the certifications' advantages, including the premium, having the FAF as a trade financing partner, greatly improves the bargaining power of the investees, mainly producer's organisations.