

SOCIAL ENTREPRENEURSHIP PROGRAM

PROJECT SUMMARY

1. **Country:** Brazil
2. **Project number:** BR-L1610
3. **Name of Project:** AGROLEND – FINANCING SMALL AND MEDIUM FARMERS WHO FEED THE WORLD
4. **Executing Agency and Borrower:** [AGL Holding](#) “Agrolend”; “the Company”
5. **IDB División:** Multilateral Investment Fund (MIF) – IDB Lab

6. Financing amounts

	<u>IDB US\$</u>	<u>Local US\$</u>	<u>Total US\$</u>
Reimbursable Financing:	2000.000	-	2000.000
Total:	2000.000	-	<u>-</u> 2000.000

7. Objective and purpose of the project:

The main objective of the financing is to help Agrolend to grow its small and medium-sized farmer's credit portfolio. This support is expected to help increase access to financing for small farmers in Brazil.

8. Project Components:

- *Reimbursable Financing*

IDB Lab's financing will support Agrolend's growth and expansion strategy geared towards increasing access to working capital financing for small and medium sized farmers in Brazil and to strengthen the ESG policies, structure, and practices to encourage farmers sustainable practices.

9. Project Beneficiaries:

Agrolend's platform directly impacts and enhances access to much needed working capital financing for small and medium-sized farmers in rural areas that are not adequately accessing financial services for their production needs. Important to mention that the platform also reaches and serves farmers that have no prior credit history or has a limited credit history, helping these farmers evolve in their positive credit history.

10. Expected results and capture of benefits:

The project's positive impact will be measured in social, economic, and environmental terms. IDB's financing will support Agrolend's growth and expansion in providing working capital financing in the agriculture sector in rural communities adding attention to social and environmental potential impact. The expected results from this project will be measuring Small and Medium Farmers as well

as SMEs ag-input retail partners benefiting from Agrolend's platform services and value proposal. The expected results in the next five years (2022-2027) are:

Increasing the amount of loans outstanding to small and medium sized farmers from US \$18 million in 2022 to US \$65 million.

Increasing reach by serving with financial access to 1,7 thousand small and mediums sized farmers within the next five years (up from 474 in 2022).

Increasing the number and the amount of loans disbursed to small and medium sized farmers: reaching 5,084 loans disbursed and US \$340 million disbursed in loans.

Increasing serving the number of small and medium sized farmers without previous credit history or limited access to credit from 0 to 25.

Increasing the number of SME credit origination partners from 65 to 165.

Strengthening ESG practices with a solid ESG internal program with actions chained to Agrolend's platform clients and partners impacting an incrementing of a) number of credit origination partners (# of retailers) with solid ESG practices (100% biological products for crop nutrition and protection) growing from 3 to 30 and increasing share of credit origination partners who promote strong ESG practices from 4% to 18%.

Increasing the number and share of credit origination partners that promote strong ESG practices (from 3 to 30).