

A photograph showing several farmers in a rural setting. Three men are standing on a large pile of harvested hay, while two women in colorful saris are loading more hay onto a tractor. The tractor is a red and black model with large rear wheels and a smaller front wheel. The background shows a dry, open field under a clear sky.

# Innovate

## Adoption of Agricultural Innovations through Non-Traditional Financial Services

To achieve the second Sustainable Development Goal by 2030, “End hunger, achieve food security and improved nutrition, and promote sustainable agriculture,” a large percentage of the 1.5 billion smallholder farmers in the world, responsible for half of the world’s food supply, will need to increase the productivity of their production systems. Many of these farmers, particularly women, are trapped in a vicious cycle of low productivity and low earnings that limit their capacity and willingness to adopt innovations.

Non-Traditional Finance (NTF) can be an effective vehicle to incentivize the large-scale adoption of innovations among smallholder farmers. Non-traditional finance includes approaches, products and services that go beyond lending and savings services to engage with smallholder farmers, private investors and entrepreneurs, offering a broader range of bundled services. They are often nested within value chains, connect farmers to input and product markets, and involve multiparty interactions over longer periods of time.

## About INNOVATE

INNOVATE is a three-year initiative, implemented by MEDA with funding from the International Development Research Centre (IDRC) and contributions from MEDA. The project seeks to assess the potential of Non-Traditional Finance to enable large-scale adoption of agricultural innovations among women and men smallholder farmers in Southern Asia, Latin America and East Africa, and use the lessons and results to inform policymaking and programming on agricultural development.

Eleven selected companies and organizations have been awarded matching grants to implement a series of pilot studies and case studies in the three target regions. Over the next 12 to 18 months, these initiatives will test new products or services targeted towards smallholder farmers, or document lessons and learnings from ongoing or completed NTF projects and initiatives.

Read more about the selected projects on the following page and on our website [www.meda.org/innovate](http://www.meda.org/innovate)



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International Development Research Centre  
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Company/ Organization	Profile	Project Summary
Agronomy Technology Ltd (ATL) <ul style="list-style-type: none"> <li>Malawi</li> <li>Case Study</li> </ul>	ATL is a Malawi-based company founded in 2011 with customers in private and non-profit sectors in seven African countries and Southeast Asia. ATL is committed to the development of sustainable smallholder value chains and has a comprehensive suite of data collection management tools to achieve this objective.	ATL will field test an existing contract-based farming model called "Chithumba" based on: access to quality inputs (seeds and inoculant), access to quality extension services, and access to fair markets. The case study will capture lessons from past and current seasons to further analyze and understand how to maximize the impacts of the model.
Bidhaa Sasa <ul style="list-style-type: none"> <li>Kenya</li> <li>Case Study</li> </ul>	Bidhaa Sasa is a rural retailer and finance company in Kenya. The company strives to improve the quality of life of rural families by making technology and household goods accessible and affordable using women-centered direct selling techniques. Bidhaa Sasa also offers credit in the form of payment plans to make these impactful foods more affordable to low-income and the un-banked.	Bidhaa Sasa will test whether its distribution and finance model works for the adoption of agricultural tools and goods, amongst rural women farmers. If successful, this project will assist Bidhaa Sasa to expand its current agricultural offering from canvases to dry grain to other goods such as water pumps, storage bags, wheelbarrows, chicken incubators.
CARE Bangladesh <ul style="list-style-type: none"> <li>Bangladesh</li> <li>Pilot Study</li> </ul>	CARE Bangladesh has 70 years' experience working with vulnerable groups across the country and has partnered with over 30 national NGOs, 17 INGOs and 23 civil society platforms to reach millions of beneficiaries through a diversified portfolio of projects that prioritize, health, women's economic empowerment, humanitarian response and civil society strengthening.	CARE Bangladesh and Krishi Utsho (KU) seek to increase the capacity of last mile farmers and women excluded from formal market systems with the goal of improving productivity and protecting assets. This pilot will integrate agent banking and insurance services into KU's existing business model in two Sub-districts where KU is already in operation.
CIDRE IFD <ul style="list-style-type: none"> <li>Bolivia</li> <li>Pilot Study</li> </ul>	CIDRE (Centre of Research & Regional Development) is a Bolivian financial and research institution. CIDRE's mission is to contribute to the development and growth of the economic initiatives of the agriculture and livestock sectors and the micro and small industrial enterprises, particularly in rural areas, by providing financial products and services that correspond to their needs and requirements.	CIDRE in partnership with BDP will pilot an innovative scheme for the registration and management of non-conventional collateral and develop a nation-wide registration system. If successful, this project will enable over 500 million in new capital lending operations could become available through new financial services for smallholder farmers in Bolivia.
COIN22 b.v. <ul style="list-style-type: none"> <li>Pilot Study</li> <li>Kenya</li> </ul>	COIN22 is a virtual currency administrator located in the Netherlands, offering NGOs and corporations a virtual currency platform and services. COIN22 developed an education wallet in Uganda in collaboration with World Vision and an agriculture wallet in collaboration with Dodore Kenya Ltd.	COIN22 will test if smallholder farmers in Kenya are interested to open a mobile Innovation-wallet account to save funds and borrow funds restricted and earmarked for the purchase of innovation that will help them increase their agriculture production and income.
Global Canopy Programme <ul style="list-style-type: none"> <li>Peru</li> <li>Case Study</li> </ul>	Global Canopy is an innovative environmental organisation that targets the market forces destroying tropical forests. Its mission is to accelerate progress towards a deforestation-free global economy - through improved transparency, innovative finance and strategic communications.	Global Canopy seeks to build capacity and understanding of financial institutions that provide rural credit to smallholders on what conditions of finance are viable to incentivize the uptake of credit by smallholders for sustainable agriculture. In turn, the case study will enable financial institutions to design green credit products that are appropriate and attractive to smallholders.
Grameen Foundation <ul style="list-style-type: none"> <li>Tanzania</li> <li>Case Study</li> </ul>	Grameen Foundation, USA is a global nonprofit organization that helps the world's poorest people achieve their full potential by providing access to essential financial services and information on health and agriculture that can transform their lives. Founded in 1997, it delivers solutions that respond to the needs of the poor, as well as tools that help poverty-focused organizations become more effective.	Grameen Foundation in partnership with Positive International Ltd. will develop a case study from an ongoing pilot of a digital layaway plan for the purchase of high-quality agricultural inputs. The layaway program provides financial education to farmers in advance for the upcoming season, and at the same time offers small shop owners an additional source of short-term credit facility.
iDE <ul style="list-style-type: none"> <li>Nepal</li> <li>Pilot Study</li> </ul>	iDE is a global development organization that co-creates with foundations, governments, individuals, for-profits, and nonprofits to develop lasting solutions to poverty. We design and deliver market-based solutions in Agriculture and WASH in 11 countries across Asia, Africa, and Central America. The bottom line is improving the lives of clients: the rural farmers, families, and small businesses that are among the world's poorest.	iDE in partnership with Muktinath Bank will pilot a new model of finance to reach rural farmers by utilizing an extensive network of community aggregation centres, technical support, and product sales agents who will manage and distribute agricultural loans. In order to appropriately support uptake and security of agricultural loans, this initiative will be partnered with a pilot crop insurance program to protect the farmer's investments and finance.
I-DEV International <ul style="list-style-type: none"> <li>Peru</li> <li>Pilot Study</li> </ul>	I-DEV International is a global management strategy and financial advisory firm that grows, strengthens, and finances commercially viable Base-of-the-Pyramid dependent value chains in emerging markets. Established in 2009 in Peru, and with offices in San Francisco, Peru and Kenya, I-DEV has developed deep, first-hand expertise through on-the-ground experience working to strengthen smallholder agriculture and find market opportunities in diverse value chains.	I-DEV will develop and implement a mobile money enabled Pay-as-you-go ("PAYG") model to adapt and scale precision drip irrigation and other agricultural technologies ("AgTech") to smallholders in Peru. Drawing on the success of mobile-enabled PAYG models for off-grid solar products in Africa, and initial tests in Latin America, I-DEV will adapt PAYG from energy to agriculture, and leverage BIM, a Peruvian mobile money platform for rural markets, to develop a new model and make AgTech solutions accessible to smallholders for the first time.
Pakistan Microfinance Network <ul style="list-style-type: none"> <li>Pakistan</li> <li>Case Study</li> </ul>	The Pakistan Microfinance Network (PMN) is the national association for retail players in the microfinance industry, established by industry practitioners in 1997. It works towards advancing the industry through policy advocacy, capacity building and information provision. Currently the network strength stands at 44 Microfinance Providers including Microfinance Banks (regulated by SBP) and Non-Bank Microfinance companies (regulated by SECP).	PMN plans to study a Warehouse Receipt Financing (WRF) pilot that was introduced by the State Bank of Pakistan (SBP) to address credit issues in agriculture. Habib Bank Limited, with assistance from SBP piloted this initiative, however, the pilot only involved medium and large farmers. PMN will identify opportunities and challenges to implement this innovation for smallholder farmers in Pakistan.
World Relief <ul style="list-style-type: none"> <li>Burundi</li> <li>Case Study</li> </ul>	World Relief stands with the vulnerable and partners with local churches to end the cycle of suffering, transform lives and build sustainable communities. World Relief's initiatives focus on disaster response, health and child development, refugee and immigration services, economic development and peacebuilding.	World Relief seeks to develop a case study to investigate the Village Savings and Loans Associations (VSLA) model and linkage to adoption of improved agriculture inputs and agricultural innovation by smallholder farmers (mostly women) engaged in nutrition-sensitive Farmer Field Schools.