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DFC and USAID Launches USD \$55 Million Loan Financing Program As Part of COVID-19 Relief for Sustainable Agriculture Development in India

New Delhi: The U.S. International Development Finance Corporation (DFC) and the United States Agency for International Development (USAID) announced today that they are jointly sponsoring a \$55 million (approximately 400 crores in Indian rupees) credit guarantee to address the economic impact of COVID-19 by supporting loans to farmer producer organizations, ag-tech companies, and companies engaged in clean energy solutions for the agriculture sector. The initiative will introduce and support clean technologies for smallholder farmers, particularly women, that improve market linkages and increase incomes while having a positive impact on the environment.

Called the “India Covid Response Program for Agriculture Transition”, this eight-year program will reach more than 200,000 smallholder farmers in India and is supported by direct grants from several international foundations and the United Kingdom’s Foreign, Commonwealth and Development Office. Furthermore, the financial support will be complemented with technical assistance led by the Rabo Foundation to focus on areas of business management and help in building stronger linkages to the markets. Loans to farmer producer organizations will be provided by three Indian lenders – Samunnati Financial, Maanaveeya, and Avanti Finance.

“At USAID, we believe that providing farmers with access to cleaner, more affordable technology can improve the livelihood and climate resilience of the community. In addition, clean technologies offer a sustainable alternative to meeting agricultural demand, address food insecurity and improve nutritional outcomes. This support will address the health and economic needs of vulnerable farmer communities severely impacted by the COVID-19 pandemic,” said Warren Harray, Director, Program Support, USAID/India.

“Only by joining forces and creating valuable partnerships, can we provide smallholder farmers the space and opportunities they need to improve their livelihoods and adapt to the challenges of climate change. This not only supports the farmers who receive the direct support; it also

benefits their local communities and environment in India,” said Pim Mol, CEO, Rabo Foundation.

“We are glad to be part of this mission empowering collectives for the benefit of smallholder farmers with a transition towards more sustainable livelihoods. We strongly believe that aggregation can solve multiple problems faced by smallholder farmers and this initiative can go a long way towards scaling the collectives through encouraging participation by mainstream capital providers,” remarked Manish Thakkar from Avanti Finance.

Anil Kumar SG from Samunnati Financial mentioned “This initiative will offer customized financial solutions to entities interested in adopting climate smart and green solutions.”

“To counter COVID-19’s effects on the agricultural sector, this timely project will play a catalytic role in making smallholder farmers more climate change resilient while simultaneously directly impacting the communities we serve,” said Dr. Gouri Sankar from Maanaveeya.

About DFC: The U.S. International Development Finance Corporation (DFC) is America’s development bank. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. It invests across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs to create jobs in emerging markets.

About USAID: The U.S. Agency for International Development (USAID) is a world premier international development agency and a catalytic actor driving development results. USAID works to help lift lives, build communities, and advance democracy. USAID’s work advances U.S. national security and economic prosperity; demonstrates American generosity; and helps countries progress along their development journey.

About Rabo Foundation: Established in 1974, Rabo Foundation is the corporate foundation of Rabobank: a global leader in food and agriculture lending. Rabo Foundation invests in the self-sufficiency of farmer organizations in Africa, Asia, and Latin America, by providing finance and by sharing the cooperative banking and agricultural expertise that the Rabobank Group has built up over many years. This helps organizations achieve their goals of offering smallholder farmers access to financing, savings opportunities, knowledge, and new markets.