Environmental Working Group Dialogue Series

November 2025

AMEA Environmental Working Group

Origins & Vision

- **Established:** 2024 AMEA Global Convening in Delft; 4 meetings since 2024 Convening
- **Approach:** Focused on sharing learning and connections between professional farmer organizations, ISO 18716, and environmental outcomes.

Objectives in 2025-26

Our goal is to discover how BDS providers, strengthened farmer organizations, and Agri-SMEs can lead in:

- **Carbon Markets:** Investigating durable pathways to engage in voluntary carbon markets to more effectively distribute co-benefits to communities.
- **Regenerative Agriculture:** Understanding how professionalization can accelerate the adoption of regenerative practices that build resilience and enhance soil health.
- **Green Economic Opportunities:** Identifying how to best position professionally managed agri-SMEs to meet the growing demand for sustainable goods and access high-value markets.

Underlying Assumption

- **Professionalization:** Utilizing frameworks like **ISO 18716, BDS platforms, and network learning** to strengthen governance and management is key to unlocking the potential of FOs and Agri-SMEs as effective environmental actors.

AMEA Annual Convening - Tanzania

Underlying Assumption (Report here from October 2025)
Over **80 agri-enterprise business development professionals** and supporters from Africa, Europe and the United States came together to learn, debate and agree on actions to improve support to agri-enterprises, with a specific focus on enterprises that deliver meaningful opportunities for young people. The first day was led by our hosts the AMEA Tanzania Local Network, which was followed by the AMEA Global Convening Day.

Key Themes & Insights

- Youth Empowerment in Agriculture
- From Projects to Systems
- Development Financing: Crisis or Opportunity

Summary Emerging Actions

- New BDS Markets Working Group
- Promoting Segmentation at Scale
- Continue Developing the Learning Agenda
- Explore Innovative Funding Models for BDS Delivery
- Formalize Youth and Environmental Working Group
- Revive Access to Finance Workstream

amea | ENVIRONMENTAL DIALOGUE SERIES WEBINAR

Blended Finance for Climate-Smart Agribusiness

Agri-Entrepreneur-Based Solutions Driving Resilience

Expect A Dynamic Discussion On:

- De-risking the missing middle through catalytic capital and tailored TA.
- Five high-impact plays driving climate-smart investments and local intermediaries.
- Evolving finance models that integrate climate resilience into SME lending and advisory.
- Field insights from regenerative agroforestry, organic fertilizer, and solar-powered processing.
- Next steps for scaling enterprise-based climate action.

PANELISTS

Dan Zook
Blended Finance for ClimateSmart Agrifood Systems- The five high-impact investment "plays"
ISF Advisors

Juan Taborda
Long standing climate resilient - linking smalholder resilience to ecosustem restoration
Root Capital

FACILITATOR

Casey Harrison
Chief Sustainability Officer
Nuru & AMEA

12TH NOVEMBER, 2025
14:00 GMT (60 MINS)

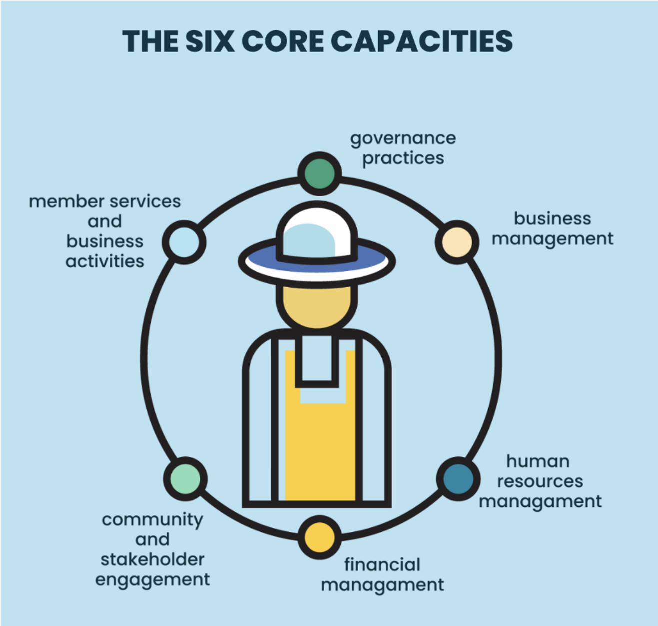
REGISTER NOW:
Be part of shaping climate-aligned BDS ecosystems

www.amea-global.com/book-edsw

Business Development Services (BDS)

<u>ISO 18176</u> – Professional Farmer Organization (FO) Guidance

Professional FOs enable increased yields, productivity, market access, financing, and partnerships, ultimately boosting the organizations' and stakeholders' profitability, creativity, and socio-economic inclusion. <u>ISO18716 aims to empower FOs to develop defined business capacities to unlock growth.</u>



Business Development Services (BDS)

BDS refer to the support targeted at MSMEs to improve their performance and overall competitiveness. Traditionally defined as encompassing non-financial services many contemporary development models integrate capacity building outcomes directly with access to finance.

<u>Why BDS Standards</u>?

Professional FOs are critical to economic growth. Presently, support to FOs is highly fragmented. AMEA is building a common language by which FOs, BDS providers, and investors can measure progress together.

The 2nd AMEA Environmental Webinar

with
ISF Advisors and Root Capital

Blended Finance Playbook for Agrifood systems

AMEA Network

November 2025

About the authors and sponsors

Lead Author

- ISF is an advisory group committed to transforming rural economies by delivering **partnerships and investment structures** that promote financial inclusion for rural enterprises and smallholder farmers
- ISF's primary role is to act as a **"design catalyst."** The emphasis is on mobilizing additional financing for rural enterprises and seeding replication of innovative models
- ISF's activities are backed by deep research into critical issues affecting smallholder finance

Sponsors

- **Climate Policy Initiative (CPI)** is an analysis and advisory organization with deep expertise in finance and policy. CPI help governments, businesses, and financial institutions drive economic growth while addressing climate change. CPI has seven offices, in Brazil, India, Indonesia, South Africa, the UK, and the US.
- **The ClimateShot Investor Coalition (CLIC)** is a global coalition working to accelerate and scale finance for low-carbon, climate-resilient, and nature-positive agriculture and food systems globally. CPI is the Secretariat of CLIC.

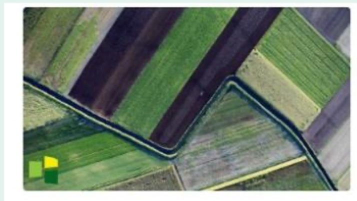
Recent ISF Publications

2025 State of the Sector Report: Beyond the Frontier: Decoding viability in smallholder finance

State of the Sector: Agri-SME Finance

State of the Sector: Agri-Insurance for Smallholder Farmers

Role of Government in rural and Agri-Finance: Building a Market-Based System to Support Sustainable Growth

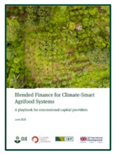


Role of Government in rural and Agri-Finance: Transitioning to private sector involvement

CLIC

CLIC's Playbook aims to help concessional investors convert insights into actionable investment strategies

Reviewed 30+ resources for desk research	❖ **Conducted desk research** to **map persistent market failures**, perceived risks and financing barriers across climate-aligned agrifood investments. ❖ **Identified gaps in capital flows**, and promising areas for blended finance interventions across the agrifood investment continuum.
Conducted 10+ interviews with stakeholders	❖ **Conducted 6 interviews with key climate finance stakeholders** to inform the Playbook insights and key investment plays *(including Climate Investment Fund, Global Environment Facility, Green Climate Fund, RTI International, TransCap Initiative, Convergence)*. ❖ **Conducted 6 interviews with fund/program managers** of innovative blended finance vehicles to identify key challenges and enablers from practice *(including Blue Alliance, FCDO-CASA, Humanity Insured, Ireme Invest, FASA)*.
Profiled 9 blended finance vehicles /programs	❖ **Developed 9 case studies on high-impact blended finance initiatives**, spanning investment funds, funds of funds, large multi-donor platforms, technical assistance programs, and hybrid models. ❖ **Identified key success factors**, enabling conditions, and replicable best practices, directly feeding into the Playbook's "investment "plays".



Access the full report: *Blended Finance for Climate-Smart Agrifood Systems: A playbook for concessional capital providers*

CLIC

The Playbook outlines 5 high-impact *"investment Plays"* to help concessional investors deploy capital more strategically

	Align system goals	Rationale
1	Deploy a localized and system-level investment approach to build climate resilience and mitigate emissions across selected geographies/landscapes	• Agrifood climate finance is fragmented, often addressing isolated issues rather than systemic transformation • Few investors align investment strategies with specific local climate risks and national climate priorities
	Strengthen and restore shared assets	
2	Support large-scale restoration of natural capital assets that build resilience across value-chains	• Natural ecosystems provide critical ecosystem services but remain underfunded due to public good nature and uncertain/limited financial returns
3	Invest in climate-smart infrastructure and services (e.g., decentralized renewable energy systems, digital platforms, cold storage) that are shared by actors across value-chains	• Climate-smart infrastructure is critical for agrifood value chains resilience but faces high costs, long payback periods, and fragmented demand
	Scale solutions and finance uptake	
4	Expand TA offerings alongside investment vehicles to support climate-resilient practices	• High costs, limited market access, and weak incentives constrain uptake of climate-smart practices
5	Incubate and scale local financial intermediaries to strengthen financial systems that facilitate uptake of climate solutions	• Climate finance remains concentrated, missing vulnerable geographies and actors • These investments often face risk-return imbalances, small ticket sizes, and high transaction costs

Selected case studies illustrate how investment strategies can be tailored to address specific systemic barriers in agrifood systems

	Description	Selection rationale
&Green Fund *(SAIL Investments)*	$400M debt fund (target: $500M) operating in tropical forest countries, primarily focused on mitigation through investments in deforestation-free supply chains.	Uses climate risk diagnostics to build a pipeline of context-specific adaptation investments. Anchored by permanent concessional capital, the fund blends junior equity, concessional and senior debt in a layered capital structure, mobilizing private investment in deforestation-free commodity production.
Blue Alliance Blended Finance Facility *(Blue Alliance MPAs)*	Target $65M facility financing conservation-linked businesses in large marine protected areas (MPAs), focused on adaptation and mitigation in marine ecosystems.	Illustrates how ecosystem restoration can become investable by creating revenue-generating businesses. Blue Alliance uses concessional capital to build and de-risk productive activities that create cash flows from the conservation and restoration of marine protected areas, through grants for project preparation, concessional debt to finance CAPEX, and parametric insurance to mitigate risk, reducing the cost of capital for the social enterprises.
Climate Investment Fund *(World Bank)*	Multi-donor financing program with over $11B in pledged concessional capital, working globally through MDBs to support large-scale climate infrastructure aligned with national strategies.	Demonstrates how pooled concessional donor finance, channeled through MDBs, can de-risk infrastructure investments and support national climate goals. Uses grants and concessional loans to crowd in co-investment, while aligning investments with policy reform and national development plans.
CASA Program *(FCDO)*	FCDO-funded program designed to unlock inclusive, climate-resilient investment in agrifood systems through TA, market building, and development capital.	Highlights how donor-funded technical assistance can strengthen SME bankability and support pipeline development for commercial and DFI investors. Uses targeted, market-building TA to improve agri-SME business models, resilience practices, and value chain linkages.
FASA Fund *(Investisseurs & Partenaires)*	Target $200M multi-donor fund-of-funds dedicated to unlocking financing for underserved African agri-SMEs through catalytic, intermediation strategy	Highlights how concessional investors can anchor catalytic fund-of-funds models that unlock agri-SME financing by supporting investment funds with subordinated, catalytic capital and targeted technical assistance

Root Capital

Data Driven Blended Finance:

Leverage Impact Metrics to Tailor Investment, Segment Services, and Field Build Towards Scaling Regenerative Agriculture

November 2025

Photo Credit: Beth Wangi

- John and the Batian Nuts team in action during a field test of a climate-smart pilot for smallholder farmers supplying our client.

1. A quick introduction to Root Capital

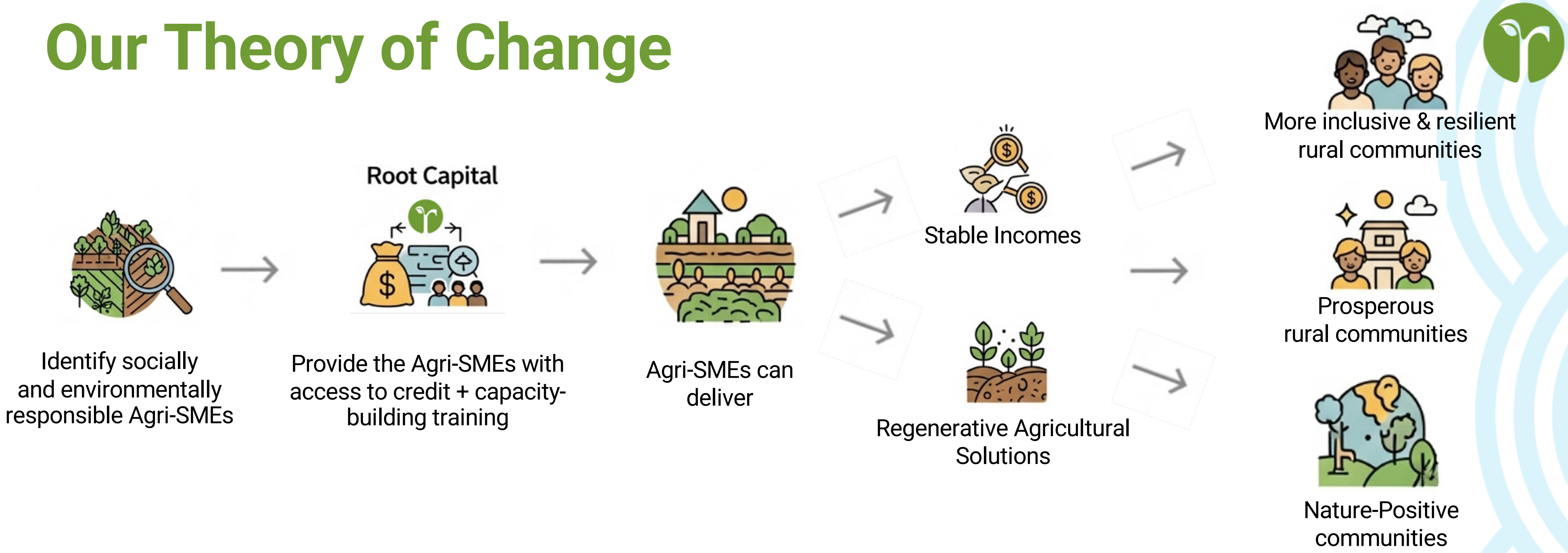
Our Model: Credit plus Capacity

Access to Finance

+

Capacity Building

Our Theory of Change



If Root Capital provides socially and environmentally responsible agri-SMEs with credit and capacity-building training, then agri-SMEs will deliver the stable incomes and regenerative agricultural solutions that make rural communities more inclusive and resilient, contributing to their prosperity and nature-positivity.

Root Capital's Guiding Theory of Change (2026-2030)

Root Capital partners with agricultural enterprises so that they can build more prosperous, inclusive, and resilient rural communities.

$2.06 B

disbursed to over

843 BUSINESSES

reaching

2.3M PEOPLE

2. Leveraging Our Impact Data

Why monitoring? Impact reporting

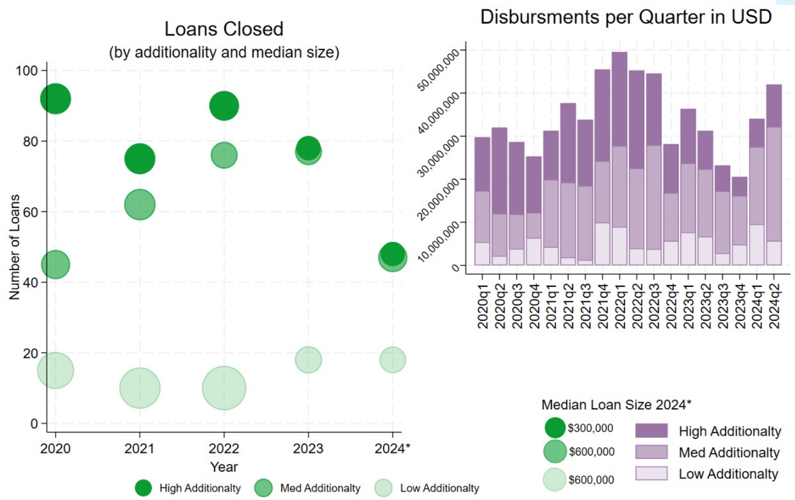
Impact Dashboard

IMPACT RESULTS THROUGH Q1		
2025	2024	
187	304	Total Businesses Reached
Advisory Program		
128	265	Businesses Served by Advisory
270	783	Days of Training Delivered
36%	39%	Women Participants
58%	48%	Participants Under the Age of 35
Lending Program		
138	140	Businesses Reached by Lending[1]
61%	64%	Women's Empowerment Businesses[2]
62%	59%	Climate Action Leaders[3]
290K	311K	Producers Reached
39%%	40%	Women Farmers
12K	14.6K	Employees Reached
57%	61%	Women Employees
$713M	$549M	Purchases From Farmers
$806M	$643M	Total Sales for the Businesses
336K	312K	Sustainable Hectares Under Management
$55.4M	$34.1M	Loan Disbursements
$33.2M	$25.8M	Disbursements to Women's Empowerment Businesses[2]
$39.7M	$21.2M	Disbursements to Climate Action Leaders[3]

But monitoring is not only about reporting!

- Our monitoring practices allows us to uphold our commitment as an impact investor and conduct rigorous Environmental, Social, and Governance ('ESG') Due Diligence for all clients receiving our services. **It ensures we are working with enterprises that have <u>positive impact</u> for their communities.**
- It allows us to collect key metrics that inform programmatic decisions for the organization

Key metrics collected through the SEMs:



*2024 data represents a year-to-date total based on Q1 and Q2 figures only. Full year data will be available in Q1 2025.

Enterprise Development Indicator (EDI)

What is the EDI?

- **Definition**: The Enterprise Development Indicator is a comprehensive tool designed to assess and characterize the businesses development of Root Capital's clients.

- **Function:** It evaluates business development from multiple perspectives (dimensions), offering a holistic assessment through a standardized framework that ensures a consistent method for understanding and categorizing our clients' development.

The purpose of the EDI

Internally

The tool aims to support operational decision-making by:

- Providing the categorization for portfolio construction and segmentation.
- Delivering a framework to determine client engagement.
- Providing guidance for Root Capital eligibility services.
- Defining and monitoring impact goals based on development categories.

Externally

The EDI provides the inputs for sharing a narrative about the evolution of our clients' development over time. It is designed to track changes at:

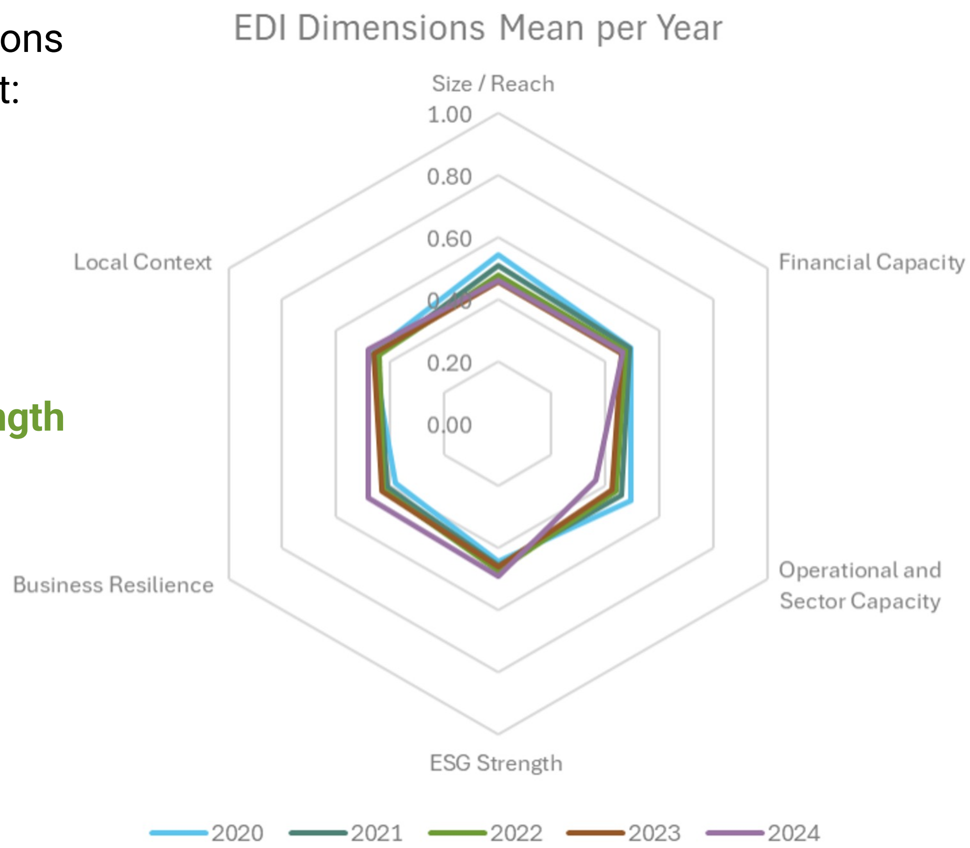
- The client level.
- An aggregated portfolio level, either globally or regionally.
- It contributes to our field building efforts

How does the EDI work

The tool takes into consideration 6 components/dimensions that represent different aspects of business development:

- **Size / Reach**
- **Financial Capacity**
- **Operational & Sector Capacity**
- **Environmental, Social, and Governance (ESG) Strength**
- **Business Resilience**
- **Local Context**

Note:
Extensive external and internal research informed the selection of these categories and the decision to create a multi-dimensional index. See the methodology document for more details.



How does the EDI work - Dimensions and Indicators

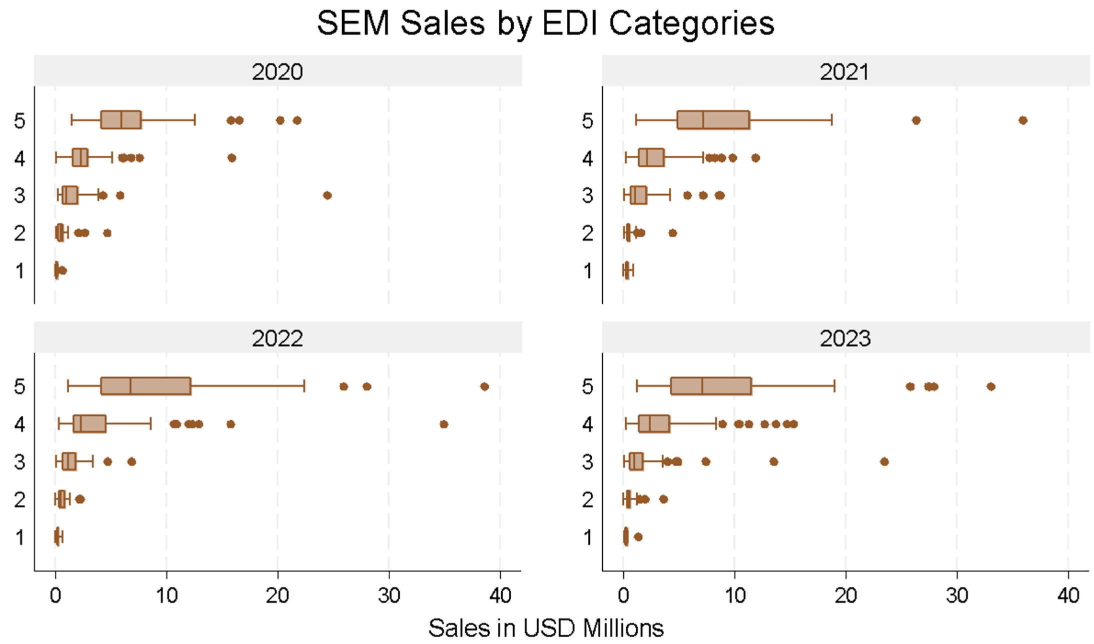
Dimension	EDI	Source
Size / Reach: Measures the ability to reach individuals within its community and its influence on the broader operating environment.	Number of Producers	SEMs
	Full-time Equivalent Employees	SEMs
	Total Hectares	SEMs
Financial Capacity: Evaluates the enterprise's ability to effectively manage its financial resources and maintain financial health.	Total sales	SEMs
	FF overall score	DGX
	Total sales - Payment to producers	SEMs (calculation)
	Access to credit	SEMs
	Risk Rating (worst in last 2y)	Borrower Risk Rating
Operational & Sector Capacity: Assesses efficiency, adaptability, and competitiveness within the enterprise's industry.	Years in operation	Account Information
	Total sales / Full-time employees	SEMs (calculation)
	Audited statements	nCino/DGX
	Percentile of sales per industry per country	Offline calculation
	Certifications	SEMs
ESG Strength: Reflects enterprise's commitment to sustainable, ethical, and community-benefiting practices.	Percentile of ratio agronomists- producers per industry per country	SEMs (calculation)
	Years since client first reached	Account information
	Gender Inclusive	SEMs
	Relevant certification available	SEMs
Business Resilience: Measures the ability to adapt to, recover from, and mitigate financial, environmental, and organizational shocks.	5% of sales > sales - payments to producers. (Proxy for access to emergency cash)	SEMs (calculation)
	RC only lender	SEMs
	DGX overall score	DGX
	Provision of agronomic extension services	DGX & EIR
Local Context: Considers country-level contextual factors, including agricultural exports, rule of law and social and environmental contexts.	Exports of agricultural products	WTO Stats
	Multidimensional poverty index (MPI)	ESG DD Reference sheet
	ND GAIN Exposure Score	ESG DD Reference sheet
	WB rule of law	WB Stats

EDI for client segmentation – Client characteristics

SEMs Sales 2023 Data

Category	Client Sales Mean (Millions of $)	Client Sales Median (Millions of $)	Likely Range of Values Median (Millions of $)*
5	$18.1	$7.2	$5.0 – $10.1
4	$3.6	$2.4	$2.0 – $2.6
3	$1.9	$1.0	$0.7 – $1.4
2	$0.6	$0.5	$0.4 – $0.6
1	$0.3	$0.2	$0.1 –$0.4

*95% confidence interval for median



* Excluding four Category 5 clients who have sales over $40 M

Category description

Category	Category 1	Category 2	Category 3	Category 4	Category 5
Overall description	Suggests a very early business stage, limited in all dimensions.	Developing across most dimensions, focusing on building capacity.	Solid financial capacity, business resilience, and ESG strength. Size/reach and operational capacity are likely moderate and consistent, with the potential to be augmented if aligned with organizational objectives.	Financial capacity, business resilience and ESG strength are optimized. Shows potential for larger size/reach and operational capacity due to increased output and efficiency gains from scaling.	Demonstrates significant size/reach, high financial and operational capacity due to economies of scale, a complex understanding of local context, and the capacity to manage a global network. Business resilience and ESG continue to augment due to increased resources and capacity are available.

Key:
The current portfolio segmentation is that **Categories 1, 2, and 3 are designated as accelerator** clients and **Categories 4 and 5 are designated as growth** clients.

Measuring our impact: Root Capital tracks how our financing spurs additional financing for our clients

In 2024, our clients in received $250M in financing—49% of which came from other sources of financing

Financing Flowing to Root Capital clients in 2024

Our tools collect information of other sources of finance our clients receive from local commercial banks, social financiers, government/development banks, and buyer advances.

With this, we measure the amount of financing our clients are **accessing from other sources as their operations mature through our consistent lending and business management training** (i.e., “follow-on financing”).

We do not directly attribute follow-on financing to Root Capital’s interventions. However, we **establish a more robust causal claim** by only reporting follow-on financing from clients that received a Root Capital loan or business management training in the prior year.

1. Root Capital makes a loan or delivers business management training to a business

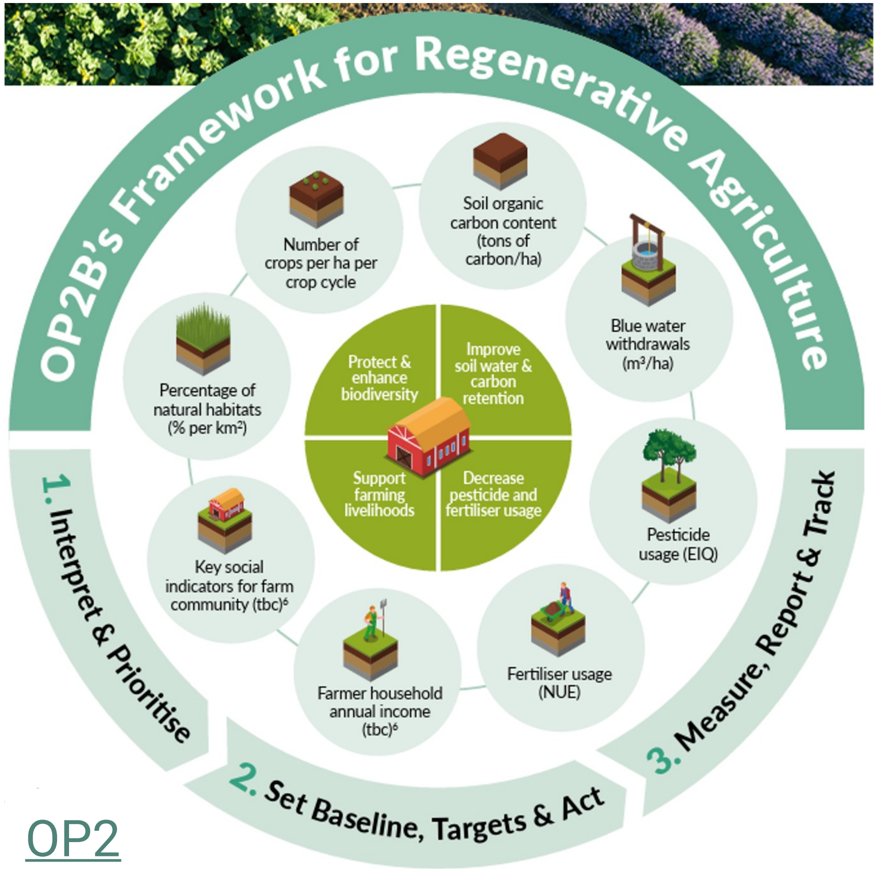
2. Our clients build their bankability

3. With subsequent Root Capital loans or training, we attribute other sources of financing to our clients’ increased bankability

3. Our Regenerative Framework

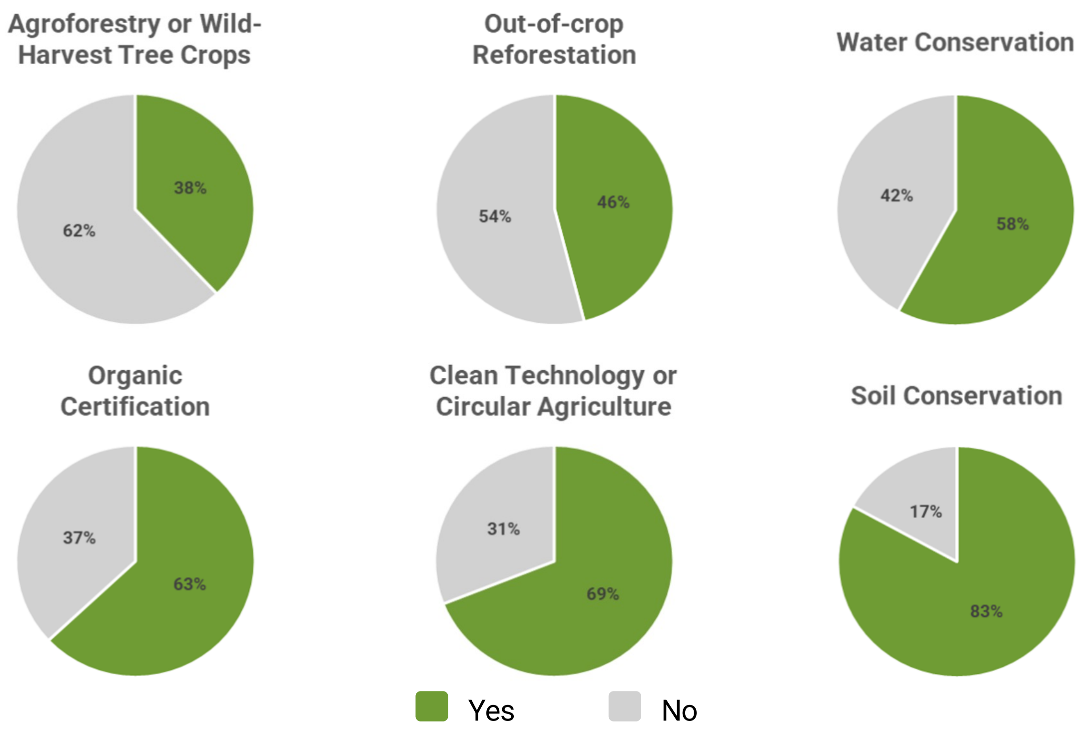
Across different definitions and frameworks, a core set of regenerative principles and practices has emerged.

- **Agroforestry** (farming with trees)
- **Farm diversification**
- **Minimal soil disturbance** (i.e., low- or no-till agriculture); maintaining a living soil cover (i.e., planting perennial crops or a cover crop, using green mulch)
- **Organic fertilization**
- **Living income/wages** for farmers and workers



OP2B

Initial assessment portfolio demonstrates high-prevalence of regenerative agriculture principles



Over **98% of our 2024 Lending portfolio** (209 out of 213 clients) is implementing at least 1 regenerative practice according to our Monitoring data.

KPIs for a regenerative monitoring framework

Outcomes	Example business-level KPIs* (~50 qualitative measures)	Example farm- and community-level KPIs (~15 quantative measures)
Improving and enhancing biodiversity	• Provides native seedlings • Financial incentivizes for agroforestry	• % of hectares under agroforestry management • # of shade trees planted by farmers
Improving soil, water, and carbon retention	• Provides inputs to support soil regeneration • Promotion of living solil covers	• % / # of producers receiving support on approaches to soil regeneration • % of hectares under organic management
Reducing emissions from agriculture	• Incentivizes circular farming practices • Utilizes deforestation mitigation mechanisms • Utilization of clean energy technology	• % / # of producers incoporating low-emission approaches to production • % of hectares verified deforestation-free
Improving agricultural livelihoods	• Higher incomes and wages • Farming resilience programs (E.g. crop insurance, TA, disaster relief) • Climate resilience inputs (resilient crop seedlings, efficient H2O technology)	• % / # of producers receiving a price premium for product. • % / # of farmers accessing resilience programs

**Business level KPIs may underpin more than one outcome*

Our new Regen Data Collection Tool

Client Profile

Name of Business:	
RC Account Number:	
RC Opp Number:	
Client in ESG Compliance?	Compliant

Country:	Uganda			
Region:	Western	click arrow	click arrow	click arrow

Industry(s) Financed:	Coffee (Arabica)	Coffee (Robusta)	click arrow	click arrow

Does the client hold any of the following certifications with good standing and more than 3 months from expiration?

Certification	Yes/No?
Fairtrade International	No
Fair Trade USA	No
Organic (EU, NOP, JAS, BioSuisse, etc.)	No
Rainforest Alliance	No
Regenerative Organic Certified (ROC)	Yes
Smithsonian Bird-Friendly	No

Qualitative Impact Write-Up *(please use this space to provide any additional information on the client's positive impact)*:

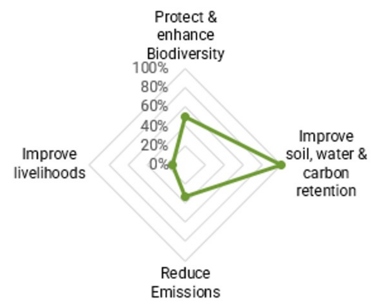
Enter here

Sourcing or Selling to other Clients:	Yes/No
Is the enterprise sourcing product from another Root Capital Client, current or past?	click arrow
If yes, please list all clients.	
Is the enterprise supplying product to another Root Capital Client, current or past?	click arrow
If yes, please list all clients.	

Regenerative Agriculture

Regenerative Status:	Regen Business
Build prosperous & resilient livelihoods:	1 out of 7 core practices
Protect & enhance biodiversity:	2 out of 4 core practices
Improve soil & water health:	3 out of 3 core practices
Reduce greenhouse gas emissions:	1 out of 3 core practices

Regenerative Performance Profile



Expected Impact Rating

Environmental Vulnerability	Extreme Vulnerability
Social Vulnerability	Moderate Poverty

Environmental	Yes/No
Agroforestry	Yes
Clean energy	No
Climate-resilient inputs & infrastruct	No
Forest Protection	No
Land conservation and restoration	Yes
Living Soil Cover	No
Low-emissions production	Yes
On-farm diversification	No
Soil Regeneration	Yes

Social	Yes/No
Community Programs	No
Living Income for Farmers	No
Worker Livelihoods & Benefits	No
Resilience Enablers	No
Women's Inclusion & Participation	Yes
Youth Inclusion & Participation	No

Governance	Yes/No
Governance	No

Photo Credit: Abigail Bok

- We continue working to crowd in others and convince them that investing in businesses like Batian Nuts is essential for driving regenerative and climate outcomes.

Thank you.

For further information, please contact
jtaborda@rootcapital.org

Questions

Discussion:

- Can we **unpack High Impact Play #4 “Expand TA offerings”** a bit more? Can you share experiences and anecdotes to challenges outlined by ISF Advisors that include high costs, limited market access, and weak incentives constrain uptake of climate-smart practices?

- How do Business Development Services and Enterprise Development training and assessment programs overlap with the type of Technical Assistance needed in Blended Finance Funds or Facilities?

- What type of innovations can be shared amongst TA providers and BDS providers working with agri-MSMEs? *For example, leveraging digital tools.*