

Unpacking Agri Rural Reach and Impact

From Investment Flows to Transformative Livelihoods

FMO

Entrepreneurial
Development
Bank

ECORYS



Answering
tomorrow's
challenges
today

Overview

MASSIF is a public fund program that FMO manages on behalf of Dutch Ministry of Foreign Affairs, with the aim of reaching out to end-beneficiaries through financing local financial intermediaries. MASSIF investments primarily focus on supporting several groups:

- **The unbanked**
- **Agriculture and rural livelihoods**
- **Women-owned businesses and youth entrepreneurs**
- **Innovations in inclusive business**

To understand **the extent to which MASSIF is supporting Agri-rural beneficiaries, the nature and reach of its portfolio and how actual impacts compare with expectations**, FMO commissioned Ecorys to conduct this evaluation.

Methodology

Desk review

Review of CCRs, FPs, MASSIF ToC and other documents

Quantitative analysis

Review of portfolio data and impact indicators

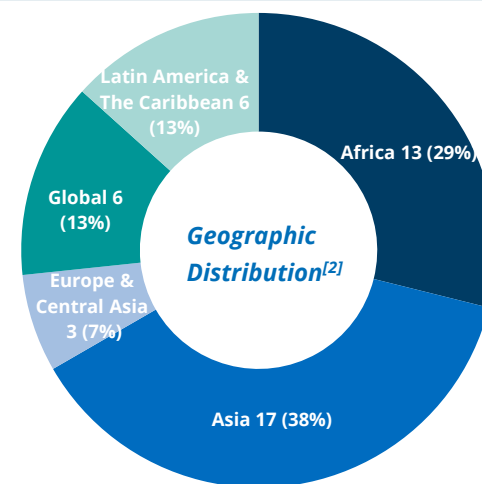
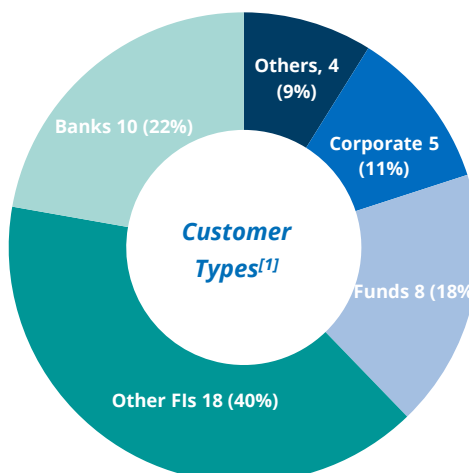
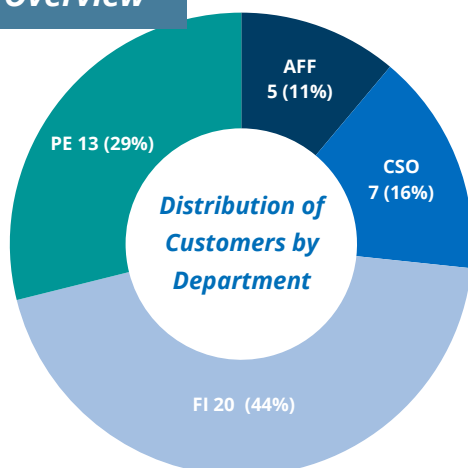
Interviews

With FMO staff (Financial Institutions, Impact, and Impact Measurement)

Three case studies

Review of CCRs, customers websites, FPs, TA documents, and other documents

Portfolio Overview



Impact overview

- Out of 143 MASSIF customers, **45 (31%)** are assessed to support the Agriculture and Rural Livelihoods theme
- **11 (24%)** customers are **in FCS**.
- Agri-rural customers reportedly support approximately **2.1 million smallholders** and facilitate **€976 million** in rural micro-loans.
- At least **360,000 direct jobs** and **36,000 value chain and induced jobs** are supported through micro and SME loans in the agricultural sector.
- One of the **factors contributing towards reaching Agri-rural clients is the use of Development Contributions** to improve customers' knowledge about target beneficiaries, which is received by **31% (14)** of the evaluation sample.

Impact Assessment



FMO's impact indicators provide feasible proxies to monitor several higher-level outcomes, such as production, employment and income generation, including for women and youth, using methods like the JIM.



Several impacts mentioned in the FPs are less clearly linked to these indicators: these include rural productivity, poverty reduction, innovation, and broader access to financial services. Case studies provided evidence on some of these impacts.

***[1] Customers types:** fund ('investment fund debt', 'investment fund equity' and 'investment fund other'), bank ('licensed commercial bank'), other FI ('other financial institution', which include for example MFIs) corporate ('corporate'), and Other customers ('holding companies', 'special purpose vehicles', and 'portfolio').

***[2] Customers by country income category:** Almost half (49%) of customers are from a Lower middle-income country. Customers in LICs represent 22% of the customers, while only 4 customers are in UMIC (9%). 9 customers (20%) have "Global" or a region as "country" focus and thus have not been assigned an income category.