Huruma Action

# Interim Evaluation



COFIDES Inversión y desarrollo

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# The Huruma Action

Huruma Action (AH) is an intervention financed by the European Union and FONPRODE whose objective is to mobilize public and private capital to close the financing gap faced by smallholder agricultural producers and rural MSMEs in low- and middle-income countries.

The Action is composed of two complementary instruments: (i) the Huruma Fund, constituted as Huruma Fund, S.C.A., SICAR-EuSE, an alternative investment vehicle based in Luxembourg, accompanied by its parallel securitisation vehicle Huruma SV S.à.r.l. ("the Fund"), and (ii) the Technical Assistance Facility (Huruma TAF), financed with non-repayable funding to strengthen the capacities of investee FSPs/FIs and Agri-SMEs, as well as to facilitate their transition towards more inclusive and resilient business models.

The Action combines reimbursable and non-reimbursable financing in a blended finance scheme, set up to increase access to credit and strengthen agricultural value chains.

Note: Huruma Fund, S.C.A., SICAR-EuSE, is an alternative investment vehicle incorporated under the laws of Luxembourg and managed by GAWA Capital. The structure of the Fund includes a parallel securitization vehicle, Huruma SV S.à r.l., also domiciled in Luxembourg. Both are part of the financial component of the Huruma Action and receive contributions from the European Union, FONPRODE and other private investors, as set out in the legal documentation of the Action.

# Authors

This evaluation was conducted with the support and guidance of COFIDES and prepared by **Dalberg**. The report does not necessarily reflect the views and opinions of COFIDES or the European Union, which financed the evaluation. For further details, see the Terms of Reference for the Evaluation of the Huruma Action.

The evaluation was carried out with contributions from the following organizations:

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**Dalberg** is a strategic advisory firm that combines the best of private-sector strategic skills and rigorous analytical capabilities with deep knowledge of, and networks in, emerging and frontier markets. We work hand in hand with the public, private, and philanthropic sectors to promote inclusive growth and help our clients achieve their objectives. As part of this evaluation, **Dalberg** acted as the Lead Evaluator, leading the methodological analysis, data collection, and preparation of this report. *The technical team was led by Marcos Paya and Karen Rodríguez (Lead Evaluators), with technical support from Pablo Peña, Sofia Vanegas, Daniela Casas, and Daniela McAllister.*

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**60 Decibels** is an impact performance measurement firm. The firm makes impact measurement simple, scalable, and decision-useful. Its methodologies allow organizations to listen to the people who matter most: their beneficiaries—whether customers, suppliers, workers, or users—anywhere in the world. It turns that listening into high-quality performance data, comparable across benchmarks (both quantitative and qualitative), together with analysis that helps organizations demonstrate and manage their social performance. *The technical team was composed of Ellie Turner, Ramiro Rejas, Belén Cáceres, and Adriana Baqueiro.*



# Contents


01 Executive Summary

02 Introduction
An innovative response to an urgent problem

03 Methodology
New findings drawn from producers' perspectives

04 Value Proposition
An initiative that responds to agricultural finance needs and is coherent with the strategic priorities of Spanish and European cooperation

05 Interim Results
Interim findings, lessons learned and baseline for the final evaluation

06 Recommendations
Strategic and operational recommendations and opportunities for learning for Huruma, other funds, and the impact investing ecosystem

# Key definitions

| | |
|---|---|
| **Huruma Action (HA)** | Initiative comprising: (a) Huruma Fund, S.C.A., SICAR-EuSE, together with its parallel securitisation vehicle, HURUMA SV S.à r.l., collectively referred to as the 'Huruma Fund' or the 'Fund'; and (b) the associated Technical Assistance Facility, referred to as 'Huruma TAF' or the 'TAF', providing technical assistance (TA). |
| **Agricultural activity** | The operation carried out by a farm (or production unit) that grows plant products (temporary or permanent crops) and/or raises animals or livestock, with the aim of producing agricultural goods, according to the FAO definition: Crop Classification and Livestock Classification. For ease of reference, this report uses 'agricultural' to encompass both crop and livestock activities. |
| **Additionality** | Financial or developmental impact that would not have been generated in the absence of the intervention, whether in terms of available financing, institutional changes, or improved performance of entities and producers. |
| **Methodological adoption** | Systematic implementation of standards and metrics. |
| **Agri-SME** | SMEs in the agricultural value chain. |
| **Benchmark** | Reference values used to compare the financial and/or social performance of entities. |
| **Beneficiaries** | People benefiting from the Huruma Action, as defined under Indicator 1.2, 'Total number of beneficiaries', in the Action's Logical Framework. Estimated number of direct beneficiaries by the Programme = people with better access to services (financial services, social and economic infrastructure, etc.) + FSP employees (Financial Service Providers) + technical assistance beneficiaries who are not FSP clients = employees at FSPs/FIs (Financial Intermediaries) + FSP clients + final TA beneficiaries (non-indirect investees). |
| **Portfolio** | The set of active loans granted by investees (FSPs/FIs) to their end clients. Depending on the context, it may refer to the outstanding portfolio (outstanding principal balance) or, where applicable, to the total amount disbursed. The specific type of portfolio will be clarified in each case. |
| **Agricultural portfolio** | Total volume of active loans granted by a financial entity to individuals or legal entities engaged in activities within the agricultural value chain. |
| **Counterfactual** | Alternative scenario used to assess the impact of a program. |
| **Due diligence** | The process through which entities identify, prevent, mitigate, and account for the environmental, social, governance, and human rights risks associated with their operations. |
| **Direct outcomes** | Short- and medium-term effects of the outputs of an intervention. |

# Key definitions

| | |
|---|---|
| **Investee entities (FSPs/FIs)** | Financial institutions and financial service providers (FIs/FSPs) that receive investment from the Huruma Fund to expand their capacity to offer financial services to smallholder producers and agricultural MSMEs. |
| **Technical Assistance Facility (TAF)** | Funding used to provide technical assistance to participating financial intermediaries and beneficiary Agri-SMEs, strengthening their capabilities and expanding their impact on smallholder producers. |
| **Blended finance** | A financing approach that combines repayable and non-repayable public and private capital within an investment structure or portfolio. |
| **Global Gateway** | The European Union's strategy for developing sustainable and trusted connections that benefit people and the planet. It helps address the most pressing global challenges, from combating climate change to improving health systems and boosting the competitiveness and security of global supply chains. |
| **Impact index** | Impact index developed for this evaluation by 60 Decibels, which measures the social performance of financed entities across five key dimensions (quality of life, income, dietary diversity, first-time access to financing, gender inclusion). This index is exclusive to the evaluation and is not part of the Action's Logical Framework instruments. |
| **Financial intermediaries** | Financial institutions, including microfinance institutions, savings and credit cooperatives, local banks, or other FSPs, that receive investment from the Huruma Fund to expand access to financial services for smallholder agricultural producers and agricultural MSMEs. |
| **Impact investing** | Investment that seeks to achieve both a financial return and a positive social and/or environmental impact. |
| **Portfolio logic** | A strategic approach that considers all entities or interventions as part of a whole (portfolio), rather than evaluating them individually. |
| **Margin of error** | A statistical measure indicating how much the results of a sample may differ from the true value of the entire population. |
| **Capital mobilization** | The process of attracting additional investment. |
| ***On-lending*** | A process through which a financial institution or intermediary receives financial resources and then lends them to third parties, typically end clients such as smallholder producers, microenterprises, or SMEs. This mechanism forms part of broader financial inclusion strategies aimed at expanding access to financial services and, in some cases, non-financial services, for underserved segments of the population. |

# Key definitions

| | |
|---|---|
| ***Pari Passu*** | Two or more parties rank equally in relation to an asset, payment, or risk. |
| **Producers** | Farmers, ranchers (or agricultural producers), smallholder foresters and forest custodians, and small-scale fishers who manage holdings of up to 10 hectares, including holdings of less than one hectare according to the FAO definition: Smallholders and Family Farmers. For simplicity, in this document the term "producers" refers to "agricultural producers". |
| **Total Population** | In the producer survey, Total Population refers to the total number of agricultural producer clients of each invested entity. It does not include other types of clients of the entities. |
| **Borrower** | An individual or legal entity that receives a loan from a financial entity supported by the Fund, as part of the provision of financial services to smallholder agricultural producers. |
| **Outputs** | Products, capital goods, and services that result from an intervention. They may also include changes arising from the intervention that contribute to achieving direct effects. Outputs encompass, among other things, changes in knowledge, competencies, or skills produced by the activities. |
| **Agricultural impact score *(Rural Impact Score)*** | An agricultural impact scoring system aimed at quantifying the extent to which the Fund's social objectives are achieved. Its use is limited to the Fund and is not part of the Action's instruments. |
| **Randomised controlled trial *(RCT)*** | An evaluation design in which eligible units are randomly assigned to an intervention group or a control group, allowing differences in outcomes to be attributed to the intervention. |
| **Semi-attribution** | An approach that recognizes that a result or impact cannot be fully attributed to a single actor, program, or intervention, but is instead the joint result of multiple contributions. |
| **First-loss tranche** | A mechanism that initially absorbs losses within a financial structure, aimed at protecting other investors and facilitating access to financing in higher-risk contexts. |
| **Outlier** | A data point that is significantly distant from the rest of the observations in a dataset. |
| **Microfinance vehicle** | A specialized investment vehicle that channels capital to financial institutions serving smallholder producers, microenterprises, and other underserved groups. In this report, the term is descriptive and is not a formal Logical Framework term. |

# Key acronyms

| | |
|---|---|
| **AECID** | Spanish Agency for International Development Cooperation |
| **HA** | Huruma Action |
| **AUM** | *Assets under management* |
| **BM** | 60 Decibels Weighted Benchmark (created specifically for the Huruma Evaluation) |
| **COFIDES** | Spanish Development Finance Company |
| **ESG** | Environmental, Social and Governance |
| **EUR** | Euros |
| **FONPRODE** | Development Promotion Fund |
| **Ha** | Hectares |
| **FI / FSP** | Financial intermediaries / financial service provider |
| **MFI** | Microfinance institution |
| **KPI** | Key Performance Indicator |
| **LAC** | Latin America and the Caribbean |
| **MM** | Millions |
| **OECD** | Organization for Economic Co-operation and Development |
| **SDG** | Sustainable Development Goals |
| **SPV** | *Special Purpose Vehicle* |
| **TAF** | Technical Assistance Facility |
| **EU** | European Union |
| **USD** | US dollars |
| **60dB** | 60 Decibels |

# Objectives and scope

Section 3 of the Terms of Reference (ToR) for the Evaluation of the Huruma Action sets out the objectives, criteria, and questions to be addressed in the evaluation. The table below summarizes these aspects and indicates the section of this document and its annex where the relevant related content can be found.

| Aspect | Description | Key Section |
|---|---|---|
| **Overall Objectives** | The overall objective is to assess the extent to which the Theory of Change of **the HA is promoting a better quality of life for smallholder agricultural producers in the target countries.** The outcomes to be evaluated are grouped into four areas: (i) Increased business volume of MSMEs and agricultural producers as a result of the support received. (ii) Value added generated in the principal agricultural activities linked to the Action. (iii) Improved agricultural production and cultivated area as a result of the support received. (iv) Improved dietary diversity. The main objectives of the evaluation are: **1) Assess progress toward achieving the outcomes. 2) Assess the factors affecting the achievement of the outcomes. 3) Assess Huruma's main contributions to the outcomes.** | **Section 5:** Interim Outcomes |
| **Evaluation Criteria** | The evaluation must assess the Action's performance against the criteria of **relevance** (does the Action respond to the appropriate needs and priorities?), **coherence** (is it internally and externally consistent?), **effectiveness** (is it achieving its intended outcomes?), **efficiency** (does it make appropriate use of resources?), **impact** (what changes are observed or can be anticipated?), **sustainability** (will the benefits be lasting?) | **Section 4:** Value Proposition<br>**Section 5:** Interim Outcomes |
| **Questions to be Addressed** | The central questions that should guide the analysis include: 1) **Contribution to the well-being of smallholder producers and MSMEs**, including improvements in income, livelihoods, and resilience to crises and climate change. 2) **Progress toward the expected outcomes** of the Action, its current status, and the likely trajectory. 3) **Linkage between outputs and outcomes,** and the contribution of the Fund and the TAF to the overall objective of improving the lives of agricultural producers. 4) **Relevance of investments and TA projects to the actual needs of smallholder producers.** 5) **Lessons learned** generated by the Action that can inform future decisions. | **Section 5:** Interim Results<br>**Section 6:** Recommendations |
| **Additional Analyses** | **EU added value** (the extent to which the Action delivers additional benefits beyond those that would have been achieved without the EU's contribution); the **coherence of the intervention itself,** with the EU's strategy in the country/sector and with other EU policies. | **Section 4:** Value Proposition |
| **TAF Evaluation** | **It will assess the extent to which the capacities of FIs and Agri-SMEs have been strengthened,** using transformation/change metrics to be selected during the interim evaluation of the TAF. In the Interim Evaluation, the analysis focuses on **the relevance of the TAF design,** the likelihood that it will add value, the definition of transformation metrics, and the entities' capacity to implement the projects. | **Annex:** Interim Evaluation of the TAF |
| **Focus of the Interim Evaluation** | **The Interim Evaluation (Stage I)** is aimed at analyzing the HA's performance while the investments and TA projects are still at different stages of maturity, focusing on the **implementation processes, the effects on the institutional development of beneficiary entities, and the identification of early signs of impact on final beneficiaries, including the establishment of retrospective and/or prospective baselines and the measurement of interim values of outcome indicators**. It seeks to generate lessons learned and recommend improvement actions. | **Section 5:** Interim Outcomes<br>**Annex:** Excel Logical Framework |

Note: (1) This table summarizes the mandate established in the ToR for the Evaluation of the Huruma Action (Sections 3.1 and 3.2), including the key evaluation questions and OECD criteria. Section 3.3 indicates the evaluation stages and required deliverables.
For more details, see the Terms of Reference for the Evaluation of the Huruma Action.

01

# Interim Evaluation



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# The Huruma Action performs at or above expectations against the OECD evaluation criteria



| OECD Criterion | Rating | Summary Rationale |
|---|---|---|
| **Relevance** | High | The Huruma Action responds directly to a **structural gap in access to capital** for agricultural producers, especially in rural areas and excluded populations. **It aligns with the development priorities reflected in national and local policies** in the countries where it operates, and with the SDGs. |
| **Coherence** | High | There is **internal coherence** among the components of the Huruma Action, and with other interventions, notably the EU's Global Gateway Strategy, EU objectives in the countries of operation, and the priorities of Spain's 2025–2028 Foreign Action Strategy. **It stands out from other investment vehicles in the market** due to its broad reach, larger ticket sizess, and geographic distribution. The additionality of Huruma is notably stronger among entities with less access to sources of capital. Entities with access to alternative financing perceive that Huruma does not offer **terms that differ from other market options.** |
| **Effectiveness** | Medium-High | The Action is effective in achieving results in line with benchmarks and has **met or exceeded most of its interim targets**: At the entity level: **an increase in agricultural portfolio volume** (2X), **an increase in the number of outstanding agricultural loans and in agricultural loans as a share of the active portfolio**. However, challenges are observed in the heterogeneity of portfolio results. At the borrower level: **reported improvements in financial health, employment, and climate resilience.** |
| **Efficiency** | Medium | Although the Huruma Fund has achieved **greater private-capital mobilisation than the peer funds analyzed** (with a **3-to-1 ratio** of euros of private investment for every euro contributed by the public sector), the **deployment times of the Technical Assistance Facility have been long**, as has the **administrative burden on the investee entities.** This limits the relative effectiveness of some components, although the financial model is robust. |
| **Impact** | Medium | There are **significant improvements in living conditions, the agricultural context, and institutional capacities, with early signs of structural change in the adoption of ESG criteria and new financial products and services aimed at the agricultural sector.** However, its impact and transformational nature will depend on scale-up, whether positive effects persist beyond two years and the measurement of results in the target population, which will take place in the final phase. |
| **Sustainability** | Medium | Although **institutional capacities have been strengthened and enabling conditions have been established**, future sustainability depends on factors such as the continuity of the agricultural focus after Huruma's exit and the **financial sustainability of entities that are still fragile.** |

Notes: OECD. (2021). Better Criteria for Better Evaluation and Applying Evaluation Criteria Thoughtfully. See Annex document for a detailed breakdown by criterion and a definition of the evaluation methodology by criterion (e.g., to arrive at high/medium/low ratings). Although the Terms of Reference for the Huruma Action evaluation do not require a formal ROM mission, the Interim Evaluation has been developed in alignment with the Results-Oriented Monitoring (ROM) approach of the EU, applying the OECD/DAC criteria and analyzing progress against the logical framework. This makes it easier for the results to feed into a future ROM review.

# From the outset, it was designed with a highly relevant and coherent value proposition



## The Huruma Action responds to an urgent financing need in the agricultural sector…

**~70%** of **financing needs** of agricultural producers remain **underserved** globally, equivalent to **USD 170 billion**[1]

…through a structured investment fund where a first-loss tranche covered by public capital mobilizes EUR 90M in private investment, reducing perceived risk and offering moderate returns in a sector with high perceived risk…

## … aligning coherently with the Spanish and European cooperation agenda and with the SDGs[2]

Cooperación Española

Directly contributes to the objectives of the **Master Plan for Spanish Cooperation for Sustainable Development and Global Solidarity 2024–2027**[3] and to the priorities of the **Spain's Foreign Action Strategy 2025–2028**[4]

Global Gateway

Supports the objectives of the European Union's **Global Gateway** strategy and the Global Investment Agenda to **mobilize private investment** towards achieving the SDGs and **strengthen cooperation with Latin America and the Caribbean** through strategic investments[5]

Proposes an **innovative and replicable model** that contributes to generating lessons within the **impact investing ecosystem** and strengthens the capacities of **investee entities**

Sources[1] Small Foundation, MasterCard Foundation, USAID. (2019), Pathways to Prosperity. [2] For more detail on these findings, see the section 4. [3] Ministry of Foreign Affairs, European Union and Cooperation. (2024). Master Plan for Spanish Cooperation for Sustainable Development and Global Solidarity 2024–2027.[4] Ministry of Foreign Affairs, European Union and Cooperation. (2025). Foreign Action Strategy 2025–2028. [5] European Commission. EU-LAC Global Gateway Investment Agenda.

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The MFI on-lending model paired with Huruma's blended finance demonstrates that **strengthening local financial institutions multiplies impact on producers**

## Under an inclusive finance approach focused on agriculture, Huruma operates through 16 financial institutions and two agribusinesses that work with smallholder farmers in Latin America, Africa, and Asia

## Huruma financing substantially improves borrowing producers' living conditions and employment outcomes [2]

**66%** of surveyed producers report a **greater ability to save and meet unexpected expenses**, with only 6% considering repayment a heavy burden – notwithstanding the long periods that some producers must wait before harvesting and generating sufficient sales to repay their loan

**80%** **increased their income**, and producers directly attribute an annual income increase of USD 468 to the financing

**50%** **improved their dietary diversity**, in a sample where only 25% of households have high dietary diversity

**33%** believe **climate change is the greatest risk to their business**; no other risk is mentioned as frequently. 50% of farmers believe the financing improved their climate resilience, as it allowed them to invest in modern machinery and new plantations suited to their climate conditions

These effectiveness results are in line with ***benchmarks*** from microfinance institutions comparable to Huruma's investee entities[1]

Notes: [1] The Benchmark used considers organizations focused on financial inclusion, including those providing microloans with different approaches to SMEs and MSMEs. It includes entities that provide financial services to companies across different sectors, including the agricultural sector, agricultural input companies, and training, advisory, technology, and/or market-access solution providers for agriculture. For more details on the Benchmark methodology, see section 3 or the Annex. [2] For more detail on the producer survey results, see section 5.

Huruma has helped **expand the availability of agricultural finance,** although portfolio growth is **concentrated among a small number of entities and remains uneven.**

## Investee entities operate in a challenging macroeconomic context

- The **real interest rates increased in every country where Huruma** operates, and some countries introduced regulatory changes in the wake of the pandemic
- However, portfolio **results** vary between entities in the same country, and statistically, cross-country macroeconomic differences explain only a small share of the variation in investees' portfolio trajectories.

## Despite this, together they have achieved growth in their agricultural portfolio and reached more clients…

- Relative to the baseline[1], the **total volume of the agricultural portfolio doubled** growing from EUR 1,653 million to more than EUR 3,360 million, and the number of loans in the **agricultural portfolio grew by almost 80%**[2]
- Since the baseline, the aggregate portfolios of investee FIs recorded an increase of **more than 561,000 clients.** Of these, **more than 337,000 were female clients (60%)**
- Portfolio variables show no short-term change in trend following the investment, suggesting that positive impacts may occur progressively

## …with differentiated and uneven trajectories, pointing to specific needs

- **Two entities account for more than 95% of the total increase in loans in the agricultural portfolio**, while **seven entities reduced this number** and another three remained at similar levels[3]
- This suggests the need for **segmented approaches** based on capacities and context, to strengthen **management capabilities among entities whose portfolios have not grown**

Notes: [1] Each entity has a different baseline corresponding to the year-end prior to disbursement, unless disbursement occurs in December, in which case the year-end of the disbursement year is used. For more detail, see the Annex. [2] The percentage change is the difference between the indicator (Number of loans in the agricultural portfolio) as of December 2024 (final value) and the indicator at baseline (initial value), divided by the initial value and multiplied by 100. For more detail, see the formulas and calculations sheet in the Annex. [3] For more detail on portfolio results, see section 5 of this document.

Its main operational strength is its **quality of its engagement with investee entities** and its focus on institutional transformation

## Huruma stands out for the quality of its engagement with investees and its demonstration effects

**~80%** of the investees entities consider that their experience of working with Huruma is better than with other impact investment funds

**~70%** considers that Huruma's participation was a decisive factor in other investors participating in the same transaction

**~100%** believes that Huruma has an equal (50%) or stronger (50%) focus on impact than other investors

## Investees attribute concrete development outcomes to their relationship with Huruma

**>90%** of entities attributed at least one **institutional change to Huruma**, including:

Development of new capacities (about 40% of entities)

Launch of a new financial product or credit line (about 30%)

Improved impact measurement (about 25%)

**17%** of the entities **lowered interest rates** for agricultural producers, in a macroeconomic context of rising rates in all the countries of action



Its future challenge is to complete the implementation of **technical assistance aimed at strengthening the operational management** of financed entities – a factor that emerges as decisive in generating impact…

## Producers served by entities that have increased their lending in moderate-risk agricultural segments report greater improvements in living and employment conditions…

- The TA facility improves **entities' capacity to generate and sustain impact**, especially when it enables them to develop agricultural products, reduce arrears, or improve measurement systems
- TAF effectiveness depends on projects **having measurable objectives** and being **adapted to entities' institutional maturity and teams' operating capacity**

…making it essential that the technical assistance projects yet to be implemented focus on actions that strengthen the operational capabilities and financial soundness of each institution.

## The Action already incorporates good practices to achieve long-term impact…

- Strong alignment with the strategies of investee institutions
- Impact objectives and baseline metrics agreed with each institution prior to investment
- Technical assistance tailored to the local context, focused on strengthening institutional capacities
- Tracking of common and disaggregated metrics across all participating institutions
- Trusted relationships and close support provided to institutions
- Publication of an annual management and performance report

## …with opportunities for improvement in TA deployment, impact measurement, and knowledge management

- Simplify and streamline TA processes, clarifying operational needs, timelines, and expected results upfront so entities have the visibility to implement their projects
- Segment technical support according to each entity's maturity and performance
- Strengthen the measurement of environmental impact and financial additionality
- Systematize and share lessons learned —not just successes— through knowledge-exchange spaces

…and in reaching financial institutions and producers **without prior access to capital or financing alternatives,** with whom it demonstrates greater additionality

## Despite filling a financing gap in the agricultural sector in emerging markets and having a differentiated structure and strategy, Huruma does not necessarily offer different financial terms

**~70%** of the entities Huruma invests in already had an investor similar to Huruma (international impact investor)

**~70%** report that Huruma's interest rates are broadly in line with market rates, while 80% report that terms are broadly in line with market terms

To measure financial additionality, it is recommended to more systematically document how Huruma's terms differ from market alternatives

## One way to improve the additionality of future funds is to prioritize entities without access to external financing that serve unbanked populations

**~100%** of entities that received foreign investment for the first time attribute to Huruma the attraction of additional capital from other international investors, compared to 11% of entities that already had other financing options

**74%** of borrowers from investee entities who accessed credit for the first time report greater improvements in financial resilience, compared to 67% with prior access

Demonstrating greater additionality could increase the direct and indirect private capital mobilization potential of Huruma Action[1]

Notes: [1] BII, FCDO, "Private Capital Mobilisation: Concepts and Definitions". Indirect private capital mobilization refers to financing from private entities linked to a specific activity, without direct involvement of a development finance institution in securing the financing commitment.

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02

# Introduction

An innovative response to
an urgent problem



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# The Huruma Action channels EUR 120M to expand access to financial services tailored to the needs of smallholder farmers

**Huruma Action combines, through its Investment Fund, public and private capital to maximize its reach and impact[1]**

- The European Union provides a first-loss tranche of EUR 10 M
- FEDES contributes EUR 20M in subordinated debt
- Private investors contribute EUR 90M, resulting in a 3:1 ratio of private to public capital

**Additionally:**

- Provides financing through debt (at least 70% of its total size) and, in some cases, equity investments (up to 30%)
- Has a global reach spanning Latin America (70%), Africa, and Asia (minimum 30%)
- The Action has a Technical Assistance Facility (TAF) of EUR 7.8M, funded through non-reimbursable EU contributions



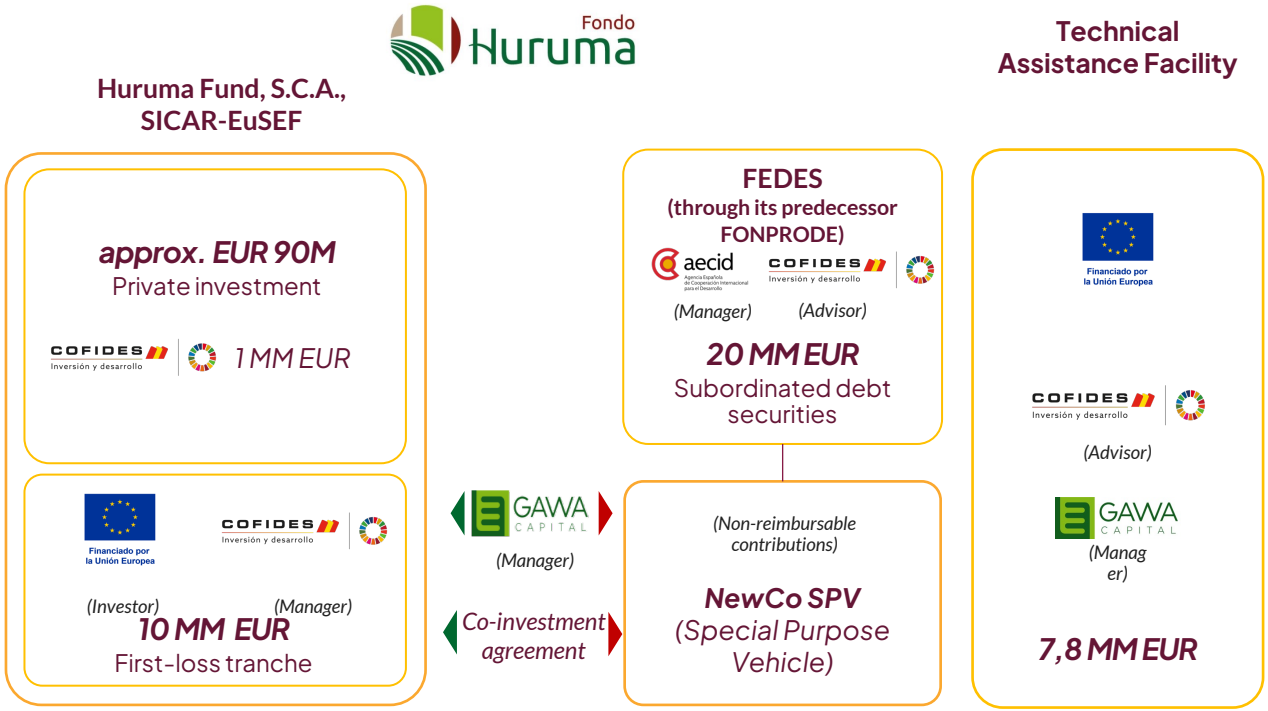

Sources: [1] COFIDES. (2023). Huruma Fund. [2] Two or more parties hold the same level of priority or claim over an asset, payment, or risk. Notes: [1] The Fund's legal form is a corporate partnership limited by shares (S.C.A.), established as a risk capital investment vehicle (SICAR) and registered as a European Social Entrepreneurship Fund (EuSEF), under the name 'Huruma Fund, S.C.A., SICAR-EuSE'.

# The structure of Huruma Action allows it to combine investment capacity at scale with technical assistance



**The European Union plays a catalytic role** intended to mobilize private investment and take a more risk-tolerant position, which enables greater impact at scale, especially where competitive conditions do not exist locally.

The Action's structure is designed to facilitate offering competitive financial terms and technical support to entities with less access to external financing, expanding the Fund's reach into segments with greater impact potential[1].




Sources: [1] OECD. (2021). Making blended finance work for Agri-SMEs: Lessons learned from selected case studies. [2] The Fund's legal form is a corporate partnership limited by shares (S.C.A.), established as a risk capital investment vehicle (SICAR) and registered as a European Social Entrepreneurship Fund (EuSEF), under the name 'Huruma Fund, S.C.A., SICAR-EuSEF'.

# Huruma is part of a nascent impact investment sector where the lack of documented lessons learned hinders learning and scalability



## Learning barriers in the impact investment sector



**Lack of coordination, results reporting and effectiveness**
>40% of blended finance transactions do not publicly report their impact results[1]

→ **Limits the generation of collective learning and the dissemination of findings**



**Absence of common standards to measure and compare impact**
76% of investors consider that the inability to compare impact with peers represents a significant or moderate challenge[2]

→ **Hinders the identification of best practices**



**Perceived risk of *'impact washing'***
2 out of 3 investors believe that the lack of rigorous evaluations increases the risk of unproven impact[3]

→ **Hinders the large-scale mobilization of private capital**

**The lack of rigorous findings and shared standards represents a serious obstacle to mobilizing the capital needed at the scale required**

Notas: [1] Convergence. (2020). State of Blended Finance. [2] GIIN. (2023). Impact Measurement & Management Survey. [3] GIIN. (2020). Annual Impact Investor Survey.

# This evaluation helps close the knowledge gap with lessons for Huruma and the impact investment ecosystem



## Three key areas of insight provided by the Huruma Action Midterm Evaluation



### Lessons for Huruma

- Strengthen the coordination between technical assistance and financing according to the entity's profile
- Simplify and modularize the technical assistance offered to entities to speed up its deployment
- Improve internal systems for financial risk assessment and monitoring of the fund's and technical assistance's additionality



### Baseline towards 2027

- As required by the ToR, establish a baseline with quantitative and qualitative indicators to measure progress towards 2027
- Apply the six OECD evaluation criteria as the base framework for the Action's ongoing monitoring and evaluation
- Validate a standardized methodology to measure changes in access to financing and the transformation of investees entities



### Lessons for the ecosystem

- Generate and share lessons on common challenges in blended finance schemes applied to financial inclusion with agricultural reach
- Provide practical recommendations for financial risk management and the additionality of the Fund and the Technical Assistance Facility in other funds and initiatives
- Contribute to the standardization of measurement and learning practices in the impact investment ecosystem

Immediate lessons

Foundation for the future[1]

Notes: [1] For more details on the recommendations, see section 6 of this report. [2] For more details, see the Terms of Reference for the Evaluation of the Huruma Action

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# The evaluation analyzes each stage of Huruma's Theory of Change against the OECD criteria



## We structure the analysis around Huruma's Theory of Change defined in the ToR, using its selected outcomes and impacts

**Communities** *(Long-term impacts[1] / Targets)*

- **Development** and inclusive economic and social growth
- Greater **inclusive employment**[2] direct and indirect

**Producers** *(Outcomes)*

- Greater **financial inclusion**
- Higher **income and business volume**
- Improved **dietary diversity**[3]
- Greater **climate resilience**[4]

*(Outputs)*

- **Greater access to financing** for agricultural producers
- **Better financial health and sustainable practices** among agricultural producers

**Entities** *(Outputs)*

- More **available financing**, with better terms[5]
- Strengthened **employment** at FIs and Agri-SMEs[6]
- More **agricultural financial solutions** that are more diverse and appropriate
- Adequate processes for **due diligence and governance**[7]

**Huruma Action** *(Activities)*

- **Invest** in debt and equity in financial intermediaries (FIs) and Agri-SMEs
- Provide **technical assistance** on agricultural business models to FIs and Agri-SMEs…
- … and on agricultural practices to smallholder farmers and Agri-SMEs

Mobilize **repayable/non-repayable public and private capital to close the financing gap** for smallholder farmers in low- and middle-income countries

## … following the OECD[8] criteria associated with each stage

- **Impact:** *What changes have occurred or are expected to occur?*
- **Effectiveness:** *Is the Action achieving its objectives?"*
- **Efficiency:** *Are resources being used appropriately?*
- **Sustainability**: *Will the benefits be lasting?*
- **Relevance:** *Is the Huruma Action doing the right thing?*
- **Coherence**: To what extent is the Action coherent, both internally and externally?

Notes: [1] Impact statements according to the ToR of the Huruma Evaluation and the EU results framework: Explanatory Note on the EFSD+ Results Measurement Framework, ReMF. [2] Meets the mandatory EFSD+ReMF indicator "Employment indirectly supported". [3] Meets the mandatory FAO indicator "Minimum Dietary Diversity for Women (MDD-W)". [4] Greater use of resource-efficient and climate-smart technologies and processes. Measured through the number of SMEs/FIs with climate-smart practices. [5] For Agri-SMEs and FIs. Meets the mandatory EFSD+ReMF indicator "Leverage effect" and "Multiplier effect". [6] Meets the mandatory EFSD+ReMF indicator "Employment directly supported". [7] Meets the FAO indicator "Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)". [8] OECD. (2021). Better Criteria for Better Evaluation.

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03

# Methodology

Novel findings drawn from the voices of producers



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# The evaluation combines quantitative and qualitative methods to interpret Huruma's results



Qualitative Quantitative Both

| Source | Method[1] | Type of result[4] |
|---|---|---|
| I Producer survey | **1,716 phone surveys with producers** who are clients of Huruma Fund investee entities, across nine countries | Producers' direct experiences of changes in access to financing, well-being, access to employment and climate resilience. Validation of views disaggregated by gender, prior experience and territorial context |
| II Portfolio analysis of entities | Assessment of historical portfolio indicator series for all investees entities, including agricultural portfolio, arrears, producers reached and breakdown of total clients by gender | Evolution of the agricultural portfolio following investment, changes in volume, composition, arrears and financial risk patterns. Identification of trends and gaps |
| III Entity survey | **14 entities** responded to the structured survey on their experience and the results of their collaboration with Huruma (80% of all entities) | Perceptions of Huruma's value proposition, additionality, client experience and effects on positioning and attracting other investors |
| IV Key stakeholder interviews | **22 in-depth remote interviews** with entity managers, the Huruma team, COFIDES, GAWA and external experts | Validation of qualitative findings related to entities' institutional evolution, operational barriers and perceptions of technical assistance |
| V Document and secondary data analysis | Review of internal fund manager documents (due diligence, annual reports, operational risk)[2] and external documents (macroeconomic indicators, sector best practices, World Bank data)[3] | Analysis of the external context, systemic risks, market trends, international comparability, and analysis of regulatory and macroeconomic conditions |
| VI Secondary data from tameo and peer fund research[5] | Quantitative benchmark comparing Huruma against the universe of agricultural funds (n=88) and microfinance funds (n=134). Selection of a sample of 10 funds comparable in thematic and geographic focus | Relative performance comparison: Huruma's positioning relative to the sector average/median, identification of differential advantages in scale, ticket size/structure, capital mobilization and reach to end clients, technical assistance and population reach |

Although the Terms of Reference for the evaluation of the Huruma Action do not require a formal Results-Oriented Monitoring (ROM) mission, this midterm evaluation is fully consistent with the principles of the EU's ROM system. In particular, the OECD/DAC criteria used by ROM were applied and results were analyzed against the Action's official logical framework (detailed in the Annex of this document). In this way, the findings and recommendations can be used by the EU as input for a future ROM review or for results-oriented monitoring of the Huruma Action.

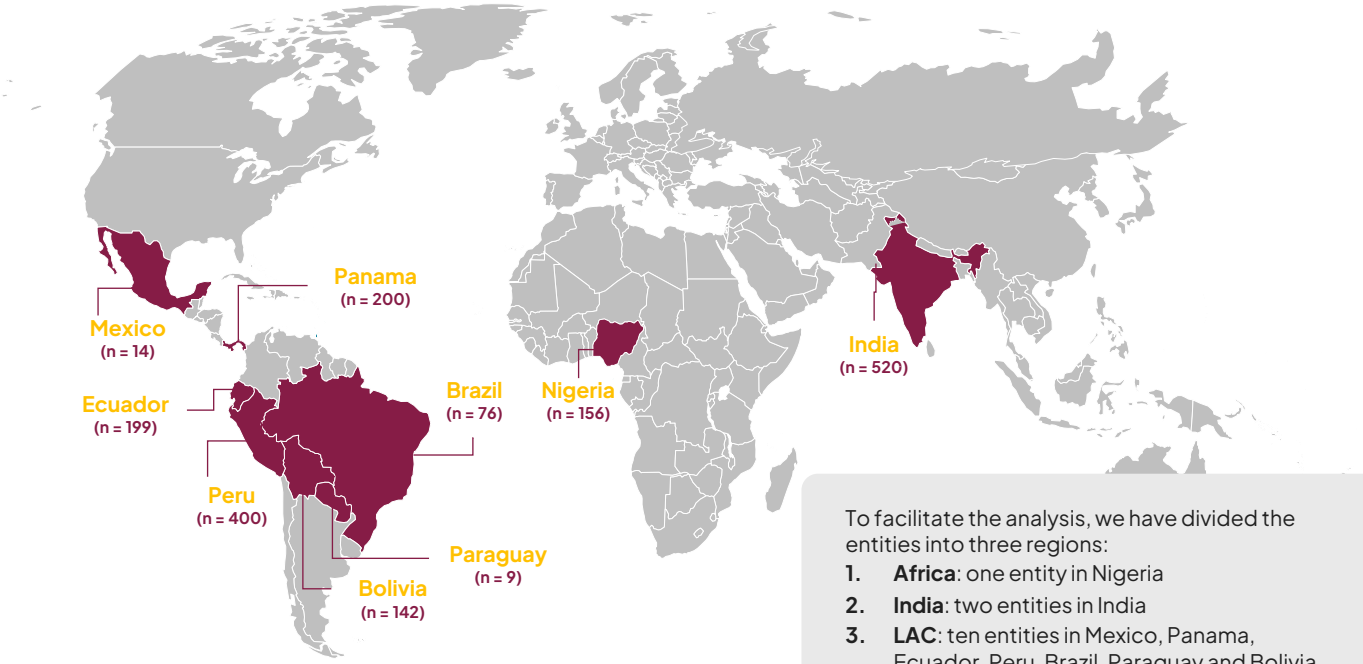
Notes: [1] For more details on the methodology used for each information source, see the Annex. [2] For more details on the documents consulted, see the Annex. [3] World Bank. (2025). World Development Indicators. [4] For more details on the results, see section 5 of this report. [5] Tameo Private Asset Impact Fund Report 2024. Peer fund data collection through research, interviews and emails.

# Entities and borrowers from thirteen entities financed by the Action were interviewed in nine countries, mostly in Latin America



**The sample is representative of borrowers who have received financing facilitated by the Huruma Action,** following a standard data collection methodology:

- Method: phone interviews
- Period: January – April 2025
- Total population: 853,450 producers, from which a sample of 1,716 beneficiaries was selected for interview
- Average response rate: 32%
- Call duration: 24 mins
- Languages: Spanish, Portuguese, Tamil, Telugu, Odia, Hindi and Hausa




To facilitate the analysis, we have divided the entities into three regions:

1. **Africa**: one entity in Nigeria
2. **India**: two entities in India
3. **LAC**: ten entities in Mexico, Panama, Ecuador, Peru, Brazil, Paraguay and Bolivia

Notas: Para más detalles de la estrategia de muestreo véase el Anexo

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# 1,716 interviews were conducted with borrowers; the sample size guarantees a 90% confidence level



**The sample was calculated based on the agricultural producers served by the entities,** considering the percentage that each represented **at the regional level** to obtain a proportional sample[1]. The sample was then adjusted based on the number of available contacts —in some cases limited— while keeping the desired margin of error[2] at the regional level[3]

The difference between the proposed and adjusted sample is due to a low response rate combined with few contacts received. The sample was adjusted by selecting entities that provided sufficient contacts to increase the sample and reach the target of 1,700 responses

| Entity | Producers relative to regional population[1,4] (%) | Regional proportional sample (n)[1,5] | Proposed sample (n)[6] | Adjusted sample (n)[7] |
|---|---|---|---|---|
| Crecer | 30,7% | 522 | 100 | 100 |
| Cresol Baser | 6,0% | 101 | 100 | 60 |
| Cresol Sicoper | 34,1% | 579 | 100 | 16 |
| FACES | 11,8% | 200 | 100 | 199 |
| Norandino | 9,3% | 157 | 100 | 200 |
| Microserfin | 4,6% | 79 | 79 | 200 |
| Edpyme Alternativa | 1,6% | 28 | 40 | 200 |
| Zeta Banco | 1,5% | 25 | 40 | 9 |
| Procrédito | 0,1% | 2 | 40 | 14 |
| ProMujer | 0,4% | 7 | 40 | 42 |
| **LAyC** | **100%** | **1.700** | **739** | **1.040** |
| Babban Gonna | 100% | 1.700 | 200 | 156 |
| **Africa** | **100%** | **1.700** | **200** | **156** |
| Pahal Financial Services | 47,8% | 812 | 250 | 254 |
| Sindhuja Microcredit | 52,3% | 888 | 250 | 266 |
| **India** | **100%** | **1.700** | **500** | **520** |
| **Total** | | | **1.439** | **1.716** |

Aligned sample
Reduced sample
Increased sample

Notes:
[1] Proportional sample = (% of producers of each entity in the region's Total Population) x (target sample). The Total Population is the number of agricultural producers who are clients of the entities. For more details on the sampling strategy, see the Annex.
[2] Statistical measure indicating how much a sample's results may differ from the true value of the entire population.
[3] The margin of error was calculated at the regional level considering a 90% confidence level and a margin of error of 3% (LAC), 4% (India) and 7% (África).
[4] This column calculates the percentage of producers (borrowers) of each entity as a percentage of the Total Population of producers reported in each region: India: 664,553; Africa: 44,009; LAC: 144,888.
[5] Takes the result from the previous column and applies it to the desired sample of 1,700 to provide representativeness by region.
[6] Based on the calculated proportional sample, the proposed sample was established with the goal of reaching the total sample size. If an entity's proportional sample was greater than 40 and less than 200, it was kept as is. If the proportional sample was below 40, it was increased to a minimum of 40, ensuring adequate representativeness for all entities. If the proportional sample exceeded 200, it was reduced to 200 to align with the target sample.
[7] Final sample after adjustments for data availability and participation. The following entities did not participate in the study for internal reasons: Way Cool (India); Caurie (Senegal); Insotec (Ecuador); CFE (Panama); and MEGA (Paraguay)

# These phone surveys were conducted through the network of locally trained enumerators from 60 Decibels



**The group currently has more than 1,600 enumerators in more than 95 countries.** These enumerators are residents of the countries where operations take place, ensuring relevant language skills, cultural understanding and contextual knowledge.

**Enumerators receive comprehensive training** that prepares them to listen critically, adapt to diverse situations and facilitate effective interviews that go beyond simple data recording, prioritizing both data quality and integrity and the respondent experience



**Data through listening**

Who knows their impact best? The people who experience it. That's why we listen to them directly to understand what they say is happening in their lives



**By phone, by real people**

Nothing gets to the heart of impact better than a direct conversation. Our enumerators speak, by phone, in local languages



**With quick, standardized surveys**

An effective and scalable methodology: standardized surveys aligned with global frameworks, designed to be replicable and comparable



**To verify impact, comparing it against *Benchmarks***

The end result? A report highlighting the key impact metrics, comparing results against our global impact database

# To provide points of comparison, the evaluation leveraged 60 Decibels' Weighted Benchmark for Financial Inclusion



**Throughout this section, the results of the Huruma Action are compared against this Benchmark[1], where data is available by metric.** It indicates whether results are above, equal to, or below the Benchmark (BM), considering a margin of error of 5%[2].

Icon guide:*

- Result above the Benchmark
- Result aligned with the Benchmark
- Result below the Benchmark

## The *Benchmark* provides a reference value when evaluating entities' results

- **60 Decibels** has more than 10 years of experience collecting impact data and has conducted more than **361,000 interviews with end clients** globally across multiple sectors
- Asking the same questions across different projects **makes it possible to generate reference values that help contextualize results**
- These reference values (or *benchmarks*) **make it possible to compare the financial and social performance** of entities offering similar products
- In this evaluation, the *Benchmark* for **Financial Inclusion, which includes comparable financial entities, was used.** A large proportion of borrowers in this *Benchmark* are also agricultural producers

## For this evaluation, an additional weighting was applied based on the geographic distribution of Huruma

- The **60 Decibels** Benchmark is a global reference that brings together entities from different parts of the world
- Given that a significant proportion of the entities included in the Benchmark come from Africa (56%) and Asia (20%)—regions that do not fully represent the context of the Huruma Action—, **a weighted Benchmark** was built for this report
- The LAC, India and Africa Benchmarks were used, **weighted according to the geographic distribution of the Huruma Action:** 60% for LAC, 30% for India and 9% for Africa. The total size of the reference sample is 133,254 clients
- Hereinafter, this will be referred to as the ***60 Decibels Weighted Benchmark (WB)***

Notes: [1] For more details on the methodology and composition of the Benchmark, see the Annex [2] Sample results may vary up to 5 percentage points above or below the true population value (*) The direction of the arrow indicates the position of the survey result relative to the 60 Decibels Benchmark: below (↓), equal to () or above (↑) the reference value

# Borrowers of investee entities attributable to the Huruma Action have a diverse profile

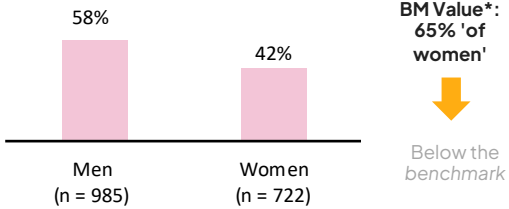


**Female outreach is lower than in the 60 Decibels Weighted Benchmark, but average age matches and it serves larger households.** In terms of regional diversity, India has a higher proportion of women (54%) compared to Latin America (37%) and Africa (40%). It also has a younger population, with an average age of 35, versus 42 in LAC and 40 in Africa. Household size is also substantially larger in India (5.9) than in LAC (4.1)

## Demographic profile of clients attributable to Huruma[1]

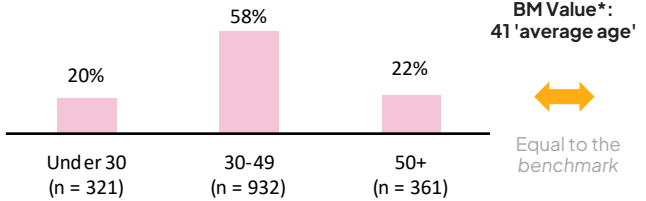
- **42%** of the sample are women and the average age is 40
- **73%** used the entities' services mainly for agricultural activities

### Gender

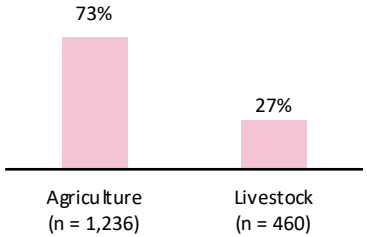



### Age

Average = 40

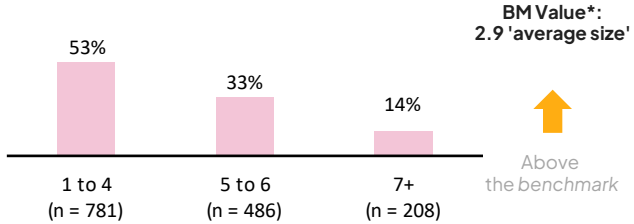



### Main Activity[2]




### Household Size[3]

Average = 4.7




Notes: [1] For more details on the methodology, see the Annex [2] Activity to which financing was primarily directed. [3] Information not available for Africa due to the type of entities surveyed (*) The direction of the arrow indicates the position of the survey result relative to the 60 Decibels Benchmark (BM): below (↓), equal to () or above (↑) the reference value.

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# The study incorporates mitigation measures for the main methodological limitations (1/3)



| Source | Methodological limitations[1] | Mitigation approach |
|---|---|---|
| I Producer survey | • **Sample size of the *Benchmark*:** The reference sample may be insufficient to adequately represent local realities, since each country and region has specific characteristics | • Weighting of results by region to give a weight consistent with the distribution of respondents and the distribution of Huruma's clients |
| | • **Attribution of results:** Attribution of the observed impact to the investees individually, rather than attributing it directly to Huruma | • Interviews with users who received a loan following Huruma's intervention at each entity |
| | • **Institutional performance differences:** The entities that participated in the evaluation show a wide range of operational capacities and differences in their intervention history | • Each client reports their perceived impact, allowing comparison between entities and understanding which offerings generate better results |
| | • **Absence of baseline:** Absence of a clear, established baseline against which to compare the data | • Use of questions that allow the respondent to compare their current situation with the period before the intervention |
| | • **Willingness to respond:** Clients less likely to answer the phone may end up being excluded | • Make three call attempts on different days and times to ensure everyone has an equal chance of responding |
| | • **Response bias:** There is a risk that the collected data may be biased if questions are not phrased in a completely impartial way or if beneficiaries do not fully understand the context | • Ensure that surveys and interviews are carefully designed to minimize bias<br>• Conduct pilot tests to refine the data collection process |
| *Confidence*: Medium/High* | • **Representativeness:** Seeks to align the total sample of borrowers | • Ensure that the sample aligns with the population through quotas, in this case, of the total number of borrowers |

Qualitative Quantitative Both

Notes: *Confidence: Degree of robustness and credibility of the data supporting the result. [1] For more details on the limitations, see the Annex.

# The study incorporates mitigation measures for the main methodological limitations (2/3)



| Source | Methodological limitations[1] | Mitigation approach |
|---|---|---|
| II Producer portfolio data | • **Absence of a counterfactual:** It is not possible to know what would have happened at the entities without Huruma's financing | • Analysis of variation within the sample to identify financial and social performance patterns<br>• Adoption of a semi-attribution[2] approach, recognizing Huruma as a relevant actor, without quantifying its exact contribution |
| | • **Risk of selection bias**: Both the investees entities and the surveyed producers may differ systematically from those not included in the intervention, introducing selection bias | • Heterogeneity analyses that identify variations in results based on the characteristics of entities and end clients<br>• Consideration of contextual and institutional variables in the analyses |
| | • **Self-reported data:** The analysis of impact perceived by producers is based on self-perception surveys, which introduces possible biases from social desirability, imperfect recall or subjective interpretation of changes | • Triangulation with portfolio data and institutional performance to strengthen the interpretation of findings |
| | • **Institutional heterogeneity and aggregation of results:** The wide diversity among investees entities limits direct comparability | • Consideration of lessons learned from previous follow-up visits conducted by GAWA |
| *Confidence*: Medium* | • **Attribution:** It is not possible to establish with certainty what part of the observed change in results is due exclusively to Huruma's intervention | • Analysis focused on identifying patterns consistent with a plausible contribution from the fund, without direct attribution<br>• Use of indicators of perceived added value by entities, as well as segmentation exercises by prior experience or type of financial instrument<br>• Triangulation across sources |

Qualitative Quantitative Both

Notes: *Confidence: Degree of robustness and credibility of the data supporting the result. [1] For more details on the limitations, see the Annex. [2] Semi-attribution is an approach used in contexts where multiple actors contribute to the same result. Rather than attributing the impact exclusively to one of them, their role is recognized as part of a collective effort

# The study incorporates mitigation measures for the main methodological limitations (3/3)



| Source | Methodological limitations[1] | Mitigation approach |
|---|---|---|
| III Entity survey<br>*Confidence*: High* | • **Positive response bias**: Entities tend to moderate their responses because they have received funding from the Fund, in order to preserve a positive relationship | • Use of anonymous surveys and interviews to encourage honest responses |
| | • **Lack of knowledge of the starting point:** There is limited information on the entities' initial situation before receiving financing | • Conducting qualitative interviews that make it possible to explore aspects less visible in aggregated data |
| | • **Focus on perception rather than verifiable results**: The survey is based on entities' self-assessment and perception, which may not reflect tangible or measurable impacts | • Triangulation with entities' operational and financial performance data |
| | • **Turnover of key staff:** If there have been team changes since Huruma's investment, knowledge of the starting point may be diluted | • Cross-validation with Huruma's fund manager team |
| V Analysis of Huruma's activities<br>*Confidence: Medium/High* | • **High level of customization of support:** The tailored approach of Huruma involves highly personalized processes for each entity, which makes cross-entity comparison and standardization of results difficult | • Conducting interviews with the fund manager team and entity representatives<br>• Review of framework documents, including standard agreements (e.g. via ReMF) with the European Union<br>• Access to internal operational data that make it possible to reconstruct and analyze the intervention logic |

Qualitative Quantitative Both

Notes: *Confidence: Degree of robustness and credibility of the data supporting the result. [1] For more details on the limitations, see the Annex.

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# The portfolio monitoring methodology provides useful lessons, but does not establish impact attribution



## Output tracking (*outputs*) among producers/entities[1]

Complexity

**Monitoring against baseline**
*Methodology: time series study, comparing the "before and after" of each variable*

ADVANTAGES: Simplicity, speed of execution and learning
DISADVANTAGES: Does not allow attribution to be established (no causality)
**LEARNINGS** on how to improve in the future

**Comparison with non-random control group**
*Methodology: "Difference-in-differences" comparing trends between the control group and investees entities*

ADVANTAGES : Medium rigor to approximate attribution
DISADVANTAGES: difficulty defining a valid control group
**LEARNINGS** useful for improving and prioritizing investments

**Comparison with random control group**
*Methodology: Randomized Controlled Trial (RCT[2]) selecting entities to collaborate with randomly*

ADVANTAGES : High rigor to establish attribution and cost-effectiveness
DISADVANTAGES: Management cost, complexity for entities
**LEARNINGS** strategic for capital allocation and TA

***The current approach focuses on monitoring against the baseline; however, it is also compared with the performance of other funds***

Attribution



Notes: [1] For more details on the limitations, see the Annex. [2] RCT = Randomized Controlled Trial is a rigorous impact evaluation method that compares outcomes between a treatment group (which receives the intervention) and a control group (which does not), with participants randomly assigned to each group

04

# Value proposition

An initiative that responds relevantly to the needs of agricultural finance and is coherent with the strategic priorities of Spanish and European cooperation



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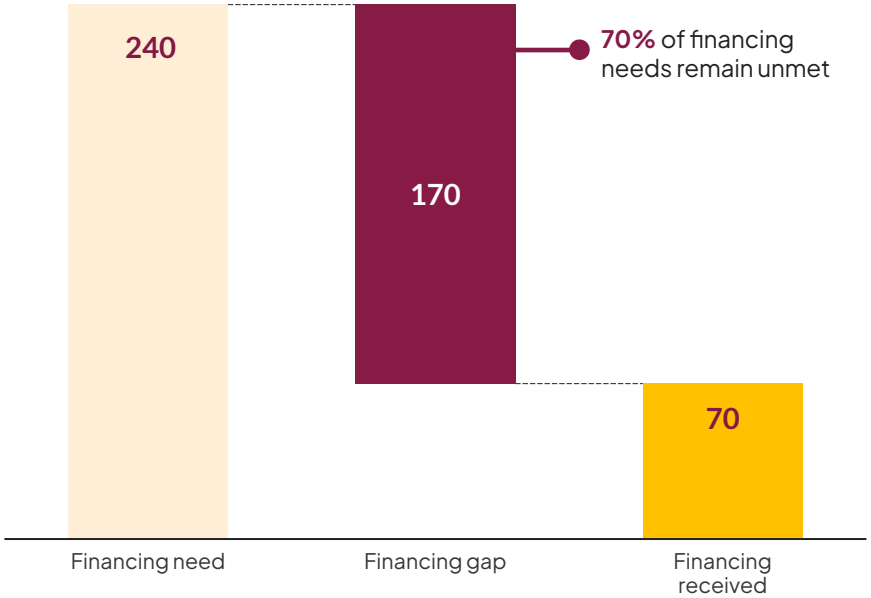
# Global financing levels for the agricultural sector level barely reaches those who need it most



OECD Relevance

## Estimated global financing gap for smallholder producers[1]

*Billions, financing to smallholder producers (USD)*




## Producers need to:

- Adapt to climate change and protect against inflation and economic volatility that negatively impact their income and increase production, financial, and personal risks[1]
- Have flexible loan conditions suited to their productive and economic reality, since traditional banking requirements often exclude them from the formal financial system[2]
- Invest in management capacities and financial tools, such as financial education, bookkeeping, and crop planning, to improve their profitability and sustainability[3]
- Overcome distrust of the financial system through tailor-made products and accessible processes that reduce perceived risk and fear of rejection[3]

Notes: [1] Small Foundation, MasterCard Foundation, USAID. (2019). Pathways to Prosperity. [2] European Commission. (2023). Access to finance remains insufficient for farmers and agri-food SMEs. [3] European Commission. (2020). Financial needs in the agriculture and agri-food sectors in the European Union. (*) For more detail on the OECD criteria, see the Annex

# This challenge is even greater across Huruma's core markets of operation



OECD Relevance

## The financing gap in some of the regions where Huruma operates is especially high[1,2]…

- In LAC, access to agricultural credit remains very limited:
  - In Peru only **4% of agricultural producers access agricultural credit** and in Paraguay, the country with the highest formal credit coverage, **the figure barely reaches 14%[3].** In Ecuador, **only 4% have access to bank credit[4]**
  - Rural populations[5] also face barriers to using institutional credit in countries such as Mexico (6.2%), Panama (9.8%), Brazil (10.1%), and Bolivia (14.6%)[6]
- In Senegal, the agricultural sector **receives less than 3% of total bank credit[7]**
- In Nigeria, **78% of small rural agricultural producers are financially excluded**, and only 25% use formal financial services[8]
- In India, **only 30% of total agricultural financing demand is covered** by institutional credit

## …and is perceived by agricultural producers as a critical obstacle to their productivity and quality of life

- Agricultural production faces a growing combination of production and market risks, including droughts, floods, pests, and high price volatility. Globally, **the agricultural sector absorbs nearly 23% of the economic damage caused by climate disasters**, with disproportionate impacts on smallholder producers[9,10]
- In addition, **agricultural income is inherently seasonal and volatile**, creating significant mismatches between income flows and spending needs. In the absence of adequate financial instruments, **rural households resort to informal savings, asset sales, or high-cost borrowing** to smooth consumption and investment[11,12]
- **The lack of credit history, formal collateral, and adequate insurance mechanisms** leaves most producers outside the formal financial system, forcing them to **rely on informal financing and bear the full production risk**[9]
- Agricultural insurance coverage and other risk-transfer instruments remain limited in low- and middle-income countries, meaning a significant share **of producers facing losses from climate events receive no formal compensation, deepening their vulnerability** and reducing their capacity to reinvest[9,13]

Notes: [1] Small Foundation, MasterCard Foundation, USAID. (2019). Pathways to Prosperity. [2] The study estimates this figure for Latin America, Sub-Saharan Africa, and South and Southeast Asia. [3] GSMA. (2022). Reinventing rural financial inclusion in Latin America: Highlights from Foromic. [4] Sparkassenstiftung Alemana Latinoamérica. (2023). Analysis of the supply and demand for financial products and services for MSMEs rural agricultural producers in Ecuador. [5] Agricultural producers are a key subset of rural populations, since a large share of those living in rural areas depend on agriculture for their livelihood. [6] CEPAL. (2017). Financial inclusion of small rural producers. [7] Green Climate Fund. (2025). Green Climate Finance Facility for Fostering Climate-Smart Agriculture in Senegal. [8] Adegbite, O. (2021). Revisiting the measurement of financial inclusion of rural smallholder farmers in Nigeria. [9] FAO (2023). The Impact of Disasters on Agriculture and Food Security 2023. [10] IPCC. (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. (AR6 WGII). [11] World Bank. (2022). Global Findex Database 2021. [12] IFAD. (2023). Rural Development Report 2023. [13] World Bank. (2021). Factsheet #1: Climate and Disaster Risk Financing for Agriculture. (*) For more detail on the OECD criteria, see the Annex

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# Huruma is relevant through how it aligns with public and private sector policies and priorities in the markets where it operates (1/2)



OECD Relevance

| Country | Priorities |
|---|---|
| Bolivia | • The government has **strongly promoted low-cost credit for the agricultural sector, "SIBOLIVIA credits" at a 0.5% rate,** as part of its post-COVID strategy[1]<br>• Under regulatory incentives, **commercial banks have increased their agricultural lending**, making the sector the second-largest recipient of bank productive credit[2] |
| Brazil | • The plan driven by the current government, New Industry Brazil – Mission 1 (NIB), is an initiative of **public-private collaboration involving a total investment of USD 90,300M to boost agriculture and sustainable agro-industrial development**[3] |
| Ecuador | • Under the 2024-2034 Public Agricultural Policy, the government has supported agricultural producers with inputs, education, and the promotion of deforestation-free agriculture to **strengthen agricultural production and food security**[4]<br>• For its part, **the private financial sector significantly increased its agricultural portfolio**, with 30% year-on-year growth and USD 3,168M in new loans in 2022[5] |
| India | • Under the *Kisan Samman* scheme, the government has **promoted the prosperity of agricultural producers** while transforming the agricultural sector[6]<br>• At the same time, **banks have innovated to expand access to agricultural credit**, launching the Kisan Rin Portal in 2023, which streamlines interest subsidy applications and speeds up the delivery of financing to producers[7] |
| Mexico | • The new government reaffirmed its commitment to the Producción para el Bienestar program (Prioduction for Well-Being Program), which **provides direct financial support to improve crop and agricultural production**[8]<br>• Financial products tailored to the needs of the agricultural sector have been developed, such as Banorte's agro-packages and SOFOMs. In addition, rural cooperatives have expanded their credit unions[9] |

Notes: [1] Ministry of Productive Development and Plural Economy (2021). Government expands coverage of SIBOLIVIA productive loans to the agricultural sector at 0.5% interest: Government expands coverage of SIBOLIVIA productive loans to the agricultural sector at 0.5% interest, May 23, 2021. [2] Financial System Supervisory Authority. (2022). MAIN FINANCIAL INDICATORS OF BOLIVIA. [3]. Presidency of the Republic. (2024). President Lula announces BRL 546.6 billion to boost sustainable agro-industrial chains. [4] Ministry of Agriculture and Livestock. (2024). Proposal for the 2024-2034 Agricultural Public Policy. [5] Association of Banks of Ecuador. (2023). Credit Overview – Agriculture, Forestry and Fishing. [6] All India Radio News. (2025). PM Modi reaffirms govt's commitment to welfare of farmers as NDA marks 11 Years in Office. [7] Ministry of Agriculture & Farmers Welfare of the Republic of India. (2025). Transforming Agricultural Finance. [8] Well-being Programs. (2025). Production for Well-being. [9] La Jornada. (2025). Agricultural workers face various barriers to accessing credit: ABM. (*) For further details on the OECD criteria, see the Annex

# Huruma is relevant through how it aligns with public and private sector policies and priorities in the markets where it operates (2/2)



OECD Relevance

| Country | Priorities |
|---|---|
| Nigeria | • The government, in partnership with development organizations, **committed to the Propcom+ program to foster inclusive growth through strategic investments in the agricultural sector,** and plans to expand access to subsidized inputs and financing for smallholder farmers[1]<br>• At the same time, the private sector launched a Large-Scale Agribusiness Financing Program aimed at transforming **the agricultural sector and strengthening food security**[2] |
| Panama | • As part of its commitment to the Agroecology Coalition, the government has **granted various subsidies to strengthen the agricultural sector**[3]<br>• Banco Nacional de Panamá reported an agricultural portfolio of USD 710M in early 2025 **and organizes annual Agricultural Meetings to train and finance hundreds of producers**[4] |
| Paraguay | • The government **has facilitated more than 29,000 agricultural loans through state-owned banks** as part of its plan to "provide strong support to rural areas"[5]<br>• **In early 2025, agriculture led bank lending in Paraguay, with** 25% year-on-year growth, reflecting the financial industry's expansion of financing to the sector[6] |
| Peru | • The government **is committed to "bringing public services closer to rural areas" and strengthening financial inclusion for the benefit of smallholder** farmers. It recently set a target of reaching 120,000 smallholder farmers in 2025 through bank loans[7] |
| Senegal | • By aligning its climate objectives with food sovereignty policies, Senegal is advancing its agricultural adaptation targets, seeking **to improve production, strengthen resilient value chains, and address the impacts of climate change**[2] |

Notes: [1] Federal Ministry of Finance. (2025). FG, PROPCOM+ Join Forces to Transform Nigeria's Agricultural Sector, Economic Growth. [2] MSME Africa. (2025). Private Sector Unveils Agribusiness Fund to Boost Nigeria's Food Security. [3] Ministry of Agricultural Development. (2025). Panama promotes sustainable agriculture in response to climate change with international support. [4] Panama News. (2025). Banco Nacional de Panamá's agricultural portfolio reaches USD 710.3 million. [5] Office of the President of the Republic of Paraguay. (2024). President orders stronger efforts to support producers. [6] Infonegocios. (2025). Lending on the rise: Agriculture, consumption, and commerce drive bank financing in Paraguay. [7] Ministry of Agricultural Development and Irrigation. (2025). Government reaffirms its commitment to rural areas at the opening of an Agrobanco branch in Chepén. [8] FAO. (2025). Senegal adopts its National Adaptation Plan to climate change for the agricultural sector. (*) For further details on the OECD criteria, see the Annex

# Huruma tailors its design and implementation to the markets and entities in which it invests



OECD Relevance

| Huruma approach | Added value for entities[1] |
|---|---|
| **Strategic choice of currency** | • **Huruma provides financing in both local and foreign currency** and has restructured loans to change their currency when doing so helps improve outcomes and reduce risk.<br>• This flexibility is key because, when a borrower earns revenue in local currency, taking **on hard-currency debt can significantly increase financial risk in the** event of a devaluation[2]<br>• Of the 18 financed entities, 5 received local-currency financing or changed the currency of their loan. On average, **these entities recorded a larger increase in new loans disbursed (+92 vs. +16) and active clients (+29 vs. +5)**[3] |
| **Tailored technical assistance** | • **Technical assistance is designed based on specific assessments conducted with each entity, allowing** interventions to be aligned with its strategic priorities and operational capabilities, such as improving agricultural products, governance, or digitalization<br>• **Its implementation is supported by local stakeholders,** facilitating a deeper contextual understanding and a more trusted relationship with the entities[2]<br>• **67%5 of the entities receiving technical assistance indicated that it had been useful** both for their organization and for improving their social performance measurement systems. As some TA projects were ongoing or had only recently been completed at the evaluation cut-off date, the full range of benefits for the entities may not yet have materialized. This hypothesis will be revisited in the final evaluation |
| **Contextualized due diligence** | • **The Huruma Fund conducts comprehensive social due diligence alongside the financial assessment, enabling a holistic understanding of each entity before financing is provided**<br>• **It includes field visits and direct interviews,** providing an in-depth understanding of each entity's operating context, specific challenges, and actual capabilities<br>• **This approach enables tailored technical and financial support to be designed and** more strategic relationships with entities to be established from the outset |

Notes: [1] For further details on the results, see Section 5 of this document; for further details on the methodology used, see the Annex. [2] FAO. Financing Agricultural Term Investments. [3] Only 5 of the 18 entities received local-currency financing; these results may therefore be influenced by the sample-composition effect. For further details on portfolio results, see Section 5 of this document. [4] OECD. (2024). Valuing and Sharing Local Knowledge and Capacity: Practical approaches for enabling locally led development co-operation. [5] According to a survey of entities financed by Huruma; for further details, see Section 5 of this document. (*) For further details on the OECD criteria, see the Annex

# Various external factors have prompted Huruma to work closely with affected entities to safeguard financial sustainability



OECD Relevance

## Macroeconomic factors, pandemics, and climate disasters can affect investee entities' repayment capacity and place pressure on their ability to repay

**Bolivia maintained an increasingly unsustainable fixed exchange rate amid declining reserves and commodity price volatility,** which has driven up inflation and placed pressure on local entities' operating costs relative to foreign-currency debt[2]

**Ecuador has faced its worst drought in recent years,** resulting in power rationing that affects agro-industrial production and, in particular, the liquidity of small businesses[3]

**Unforeseen factors in Peru have reduced the availability of financing and GDP growth,** forcing smallholder farmers to redirect income originally intended for loan repayments to cover production losses[4]

## The Fund's close engagement and participation in restructuring agreements have been viewed positively, even when the financial terms do not fully adapt to each country's circumstances[1]:

- The Fund's contractual structure includes clauses **allowing financial terms to be adjusted in response to significant external** shocks, including revisions to maturities or other terms when required by the macroeconomic situation
- Several investee entities highlighted the strategic value of having Huruma as an investor during the COVID-19 pandemic, noting that **the Fund's stability and willingness to engage** in dialogue enabled operations to continue **amid high economic uncertainty and liquidity constraints**

"Having ***an ally like Huruma during difficult times, such as the pandemic, was of significant value to the institution and*** *contributed to fulfilling our institutional mission and vision"*

"Given ***the position of our currency against the dollar, we need 70% more funds than before to service the debt. It appears*** *that we will have to allocate all our profits solely to repaying it"*

Notes: [1] For further details on the results of the survey of financed entities, see Section 5 of this document; for details on the methodology used, see the Annex. [2] World Bank. (2025). Bolivia: Overview. [3] World Bank. (2025). Ecuador: Overview. [4] Martínez, J., & Rodríguez, G. (2021). Macroeconomic effects of loan supply shocks: Empirical evidence for Peru. (*) For further details on the OECD criteria, see the Annex

# Huruma is consistent with the Spanish Cooperation strategy by aligning with institutional objectives and policies



OECD Coherence

## Huruma contributes directly to the objectives of the 2024–2027 Global Master Plan[1]…

The Fund's primary objective is to foster the financial inclusion of agricultural producers[2], thereby contributing to:

- **Poverty eradication and inequality reduction:** Facilitating access to financing for smallholder farmers in rural areas promotes inclusive economic development
- **Promotion of food security and nutrition: Supporting** sustainable agriculture improves the availability, quality, and accessibility of food
- **Promotion of gender equality and human rights: By prioritizing** investments that benefit women, young people, and vulnerable groups in rural areas
- **Sustainable development and the fight against climate** change: Investments in sustainable agricultural practices contribute to climate-change mitigation and adaptation

## …and to the priorities of Spain's 2025–2028 External Action Strategy[3]

- The strategy establishes the advancement of a social, ecological, and economic "triple transition" as a cross-cutting objective:
  - **Social transition:** Huruma promotes the financial inclusion of underserved agricultural populations
  - **Ecological transition:** Huruma promotes sustainable and climate-resilient agricultural models
  - **Economic transition:** Huruma helps channel resources toward sectors with strong productive and job-creation potential
- **Huruma's financial model is also aligned with the pillar of mobilizing private resources for development** by offering an innovative structure that mitigates investor risk, attracts private capital, and generates relevant lessons for the impact-investing ecosystem
- Huruma focuses its investments on LAC, Africa, and Asia—regions where Spain has distinctive capabilities—thereby **strengthening the territorial reach of its international cooperation**

Notes: [1] Ministry of Foreign Affairs, European Union and Cooperation. (2024). Master Plan for Spanish Cooperation for Sustainable Development and Global Solidarity 2024–2027. [2] Huruma Fund. Impact. [3] Ministry of Foreign Affairs, European Union and Cooperation. (2025). 2025–2028 External Action Strategy. (*) For further details on the OECD criteria, see the Annex

# Huruma contributes coherently to EU cooperation objectives, specifically those of Global Gateway



OECD Coherence

## Huruma aligns with key Global Gateway priorities[1]

- **Huruma channels resources from the EU's AgriFI[2]** instrument, which promotes sustainable agricultural investment through blended-finance structures
- **It contributes to the resilience of agricultural production systems** by expanding the supply of agricultural credit and financial services in both Latin America[3] and Africa[4]
- **Its objectives are consistent with initiatives such as the Better *Futures Programme*,** which uses guarantees to mobilize private investment in agriculture and other sectors and seeks to catalyze private capital in high-risk markets[5]
- **It complements EU-supported** blended-finance instruments such as LACIF, which prioritizes sustainable infrastructure investments across strategic sectors including rural development[6]

## Huruma contributes to the objectives of EU Delegations

- It channels financing to rural financial institutions serving smallholder **farmers and groups defined as eligible under the EU contribution agreement, including smallholder** farmers, women, and young people[7]
- **It reviews all Huruma investment opportunities** with the teams of the member countries' local EU Delegations
- **It aligns with EU-promoted approaches to strengthening sustainable agricultural value chains, in line** with the analytical and value-chain strengthening frameworks used by the EU[8]
- It supports interventions consistent with EU-promoted value-chain analyses, such as the Value Chain **Analysis for Development (VC4AD) approach,** which identifies bottlenecks and impacts in priority agri-food value chains[9]

## Huruma brings a differentiated approach to the ecosystem of EU-supported agricultural instruments

- **It prioritizes producers through direct investment** in the financial infrastructure that channels capital to agricultural producers, **strengthening local financial intermediaries capable of originating** rural credit as a structural channel for sustainably scaling access to agricultural finance
- **It supports agricultural producers in LAC, Africa, and** India, extending the reach of financing sources such as EDFI-AgriFI10, a facility focused primarily on Sub-Saharan Africa
- It complements other facilities such as EAFRD[11] and EAGF[12], agricultural support instruments under the EU Common Agricultural Policy that finance rural-development programs within the EU, **by channeling resources to markets perceived as high risk**

Notes: [1] Global Gateway (GG) is the European Union's strategy to promote sustainable and secure global connections in the digital, energy, transport, health, education, and research sectors. [2] AgriFI[3] European Commission. EU-LAC Global Gateway Investment Agenda. [4] EU-Africa: Global Gateway Investment Package European Commission. (2025). [5] EU-IFC Better Futures Programme. [6] Latin America and Caribbean Investment Facility. [7] European Commission, Commission priorities. [8] SASI. The Sustainable Agricultural Supply Chains Initiative. [9] European Union (2025) Value Chain Analysis for Development. [10] EDFI-AgriFI, Agriculture Financing Facility.[11] European Commission, European Agricultural Fund for Rural Development (EAFRD). [12] European Commission. European Agricultural Guarantee Fund (EAGF). (*) For further details on the OECD criteria, see the Annex

Dalberg

# Huruma is positioned within a broad universe of funds with a partial or exclusive focus on agriculture



OECD Coherence

**Illustrative, non-exhaustive list of impact-investment funds focused on financial inclusion and agriculture[1]**




## Opportunistic focus on agriculture

*Funds whose primary mandate centers on financial inclusion or broader economic development. They invest occasionally in agriculture as a means of diversification, without prioritizing the sector*

## Partial focus on agriculture

*Funds that prioritize climate objectives and address agriculture primarily as a channel for promoting climate-change adaptation and resilience in agricultural contexts*

## Direct focus on agriculture

*Funds specifically designed to support sustainable agriculture and agricultural financial inclusion. They have an explicit mission to support stakeholders across the agricultural value chain*

Source: Tameo Private Asset Impact Fund Report 2024; Dalberg analysis, 2025.
Notes: [1] The chart includes traditional microfinance funds and funds with broader financial instruments for the rural and agricultural sector. The fund logo is shown when available; otherwise, only the fund name is displayed. The list is illustrative and non-exhaustive. (*) For further details on the OECD criteria, see the Annex

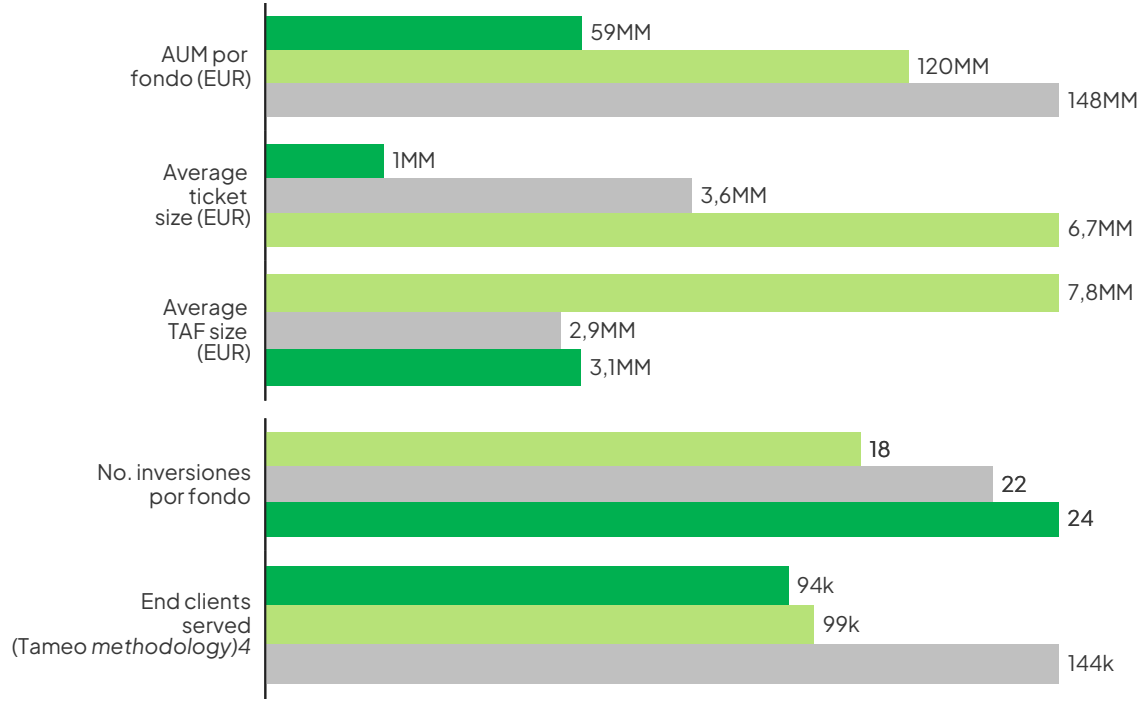
Dalberg

# Huruma is larger than the average agricultural fund but reaches fewer beneficiaries than microfinance funds



OECD Coherence

## Huruma vs. agricultural funds[1] and microfinance funds[2] in the Tameo universe[3]




- **Huruma manages twice as much capital as the average agricultural fund and has ticket sizes seven times larger.** Compared with the microfinance sector, its equity and debt investment tickets are 75% larger, although its total assets under management are slightly lower
- **Huruma's TAF is approximately 2.5 times larger than the average TAF across both groups.** 72% of agricultural funds have a TAF, compared with 30% of microfinance funds. At Huruma, this higher level reflects additional EU AgriFI resources for TA and the Fund's willingness to manage the greater operational complexity of a broad TAF—something other funds do not always prioritize
- **Huruma reaches a slightly larger population than agricultural funds, serving** nearly 99,000 clients. However, its reach is lower than that of microfinance funds, possibly because it focuses on microfinance institutions specializing in agriculture and on agri-SMEs

Source: Tameo Private Asset Impact Fund Report 2024; Dalberg analysis, 2025. Notes: [1] Funds primarily focused on the agricultural and food sector (n=88). 40% are private-debt funds, another 40% are private-equity funds, and the remaining 20% are mixed funds. [2] Funds primarily focused on microfinance (n=134). 60% are private-debt funds, 26% are private-equity funds, and the remaining 14% are mixed funds. [3] Analysis based on the average of all agricultural funds registered by Tameo. [4] Tameo estimates the number of end clients by applying, for debt investments, the loan's share of the investee entity's assets and, for equity investments, the ownership share. *Given several* outliers—mainly equity funds that finance more end clients—Tameo uses the sample median. (*) This method differs from the portfolio-attribution calculation used elsewhere in the analysis and is the only instance in which this methodology is applied.

Dalberg

# Within a limited sample of peer funds, Huruma stands out for its focus on financial inclusion and small-scale agriculture



OECD Coherence

| Fund name[2] | Manager | Objective | Geography | Beneficiary entities | TA |
|---|---|---|---|---|---|
| Hivos-Triodos Fund[2] | Hivos & Triodos IM | Support **smallholder farmers and enable** their access **to clean energy** | LAC, Africa, Asia | Agri-SMEs and FIs | No |
| Agri-Business Capital Fund[3] | Bamboo Capital Partners | Support **sustainable and inclusive agricultural** value chains | LAC, Africa | Agri-SMEs and FIs | Yes |
| Africa Agriculture and Trade Investment Fund (AATIF)[4] | Deutsche Bank | Promote **investment** across the agricultural **value chain** | Africa | Agri-SMEs and FIs | Yes |
| AgRIF Fund[5] | Incofin Investment Management | Improve financial **inclusion in the** agricultural sector | LAC, Africa, Asia | Agri-SMEs and FIs | Yes |
| Huruma Fund | GAWA Capital | Improve **financial inclusion and the livelihoods** of smallholder farmers | LAC, Africa, Asia | Agri-SMEs and FIs | Yes |
| IDH Farmfit Fund[6] | IDH Investment Management B.V. | Increase **the incomes** of smallholder farmers | LAC, Africa, Asia | Agri-SMEs and FIs | Yes |
| Rabo Rural Fund[7] | Rabo Foundation / Rabobank | Improve the **livelihoods** of smallholder farmers | LAC, Africa, Asia | Agri-SMEs and FIs | No |
| Fairtrade Access Fund[8] | Incofin Investment Management | Support development **of the agricultural sector** | LAC, Africa, Asia | Agri-SMEs and FIs | Yes |
| Agri-Finance Liquidity Facility (ALF)[9] | Incofin Investment Management | Support **sustainable agri-food value** chains | LAC, Africa | Agri-SMEs and FIs | No |
| MCE Empowering Sustainable Agriculture (MESA) Fund[10] | MCE Social Capital | Improve **the resilience** of smallholder farmers | LAC, Africa | FIs | No |
| FEFISOL II[11] | Inpulse | Promote investment **across** the agricultural **sector** | Africa | FIs | Yes |

FundHuruma  Attributes comparable or similar to the Huruma Fund within the sample

Notes: [1] Tameo Private Asset Impact Fund Report 2024; Dalberg analysis, 2025; virtual interviews with fund managers to validate descriptive attributes. [2] Hivos-Triodos Fonds celebrates 30-year milestone. [3] ABC Fund Impact Report 2023, 2023 [4] CONCESSIONAL CAPITAL FOR AGRI-SME FUNDS: Donor & Investor Guidance Document, 2025; Annual Reports, 2025 [5] agRIF Press Release, 2023; Case Study agRIF, 2021 [6] IDH FarmFit Fund Case Study (Financing Transition Community), 2024 [7] Rabo Rural Fund Approach (Invest for Impact), 2025; Rabo Rural Fund: Working together for growth & sustainability (Approach), 2025; Rabo Rural Fund Key Figures 2020 (Annual Impact Report 2020), 2020 [8] Incofin FAF Impact Report 2024, 2025 [9] Impact Report 2024, 2024 [10] Validation with the fund manager [11] FEFISOL2 Rapport social & environnemental 2023, 2024; FEFISOL2 Rapport social & environnemental 2022, 2023

Dalberg

# It shares similar instruments and average size, but is one of the few funds in its sample with a high share of mobilized private capital



OECD Coherence

| Fund name[1] | Size (EUR)[2] | Instruments | Funding[3] | Ticket size *(EUR)* | End clients |
|---|---|---|---|---|---|
| Hivos-Triodos Fund[4] | 300MM | Debt and equity | approximately 50% private / 50% public | 1,0–3,0 MM | 0,3 MM |
| Agri-Business Capital Fund[5] | 200MM | Debt and equity | approximately 40% private / 60% public | 1,0–2,0 MM | 0,7 MM |
| Africa Agriculture and Trade Investment Fund (AATIF)[6] | 170MM | Debt | approximately 37% private / 63% public | 4,3–26,0 MM | 0,4 MM |
| AgRIF Fund[7] | 130MM | Debt and equity | approximately 60% private / 40% public | 5,0–10,0 MM | 7,0 MM |
| Huruma Fund | 120MM | Debt and equity | approximately 75% private / 25% public | 2,0–10,0 MM | 0.1 MM[14] |
| IDH Farmfit Fund[8] | 100MM | Debt and equity | approximately 50% private / 50% public | 1,0–10,0 MM | 3,0 MM |
| Rabo Rural Fund[9] | 58MM | Debt | approximately 90% private / 10% public | 0,3–3,0 MM | 0,2 MM |
| Fairtrade Access Fund[10] | 47MM | Debt | approximately 40% private / 60% public | 0,5–1,5 MM | 0,5 MM |
| Agri-Finance Liquidity Facility (ALF)[11] | 40MM | Debt and equity | approximately 0% private / approximately 100% public | 0,1–2,7 MM | 0,6 MM |
| MCE Empowering Sustainable Agriculture (MESA) Fund[12] | 36MM | Debt | approximately 52% private / 48% public | 0,4–3,6 MM | 1,5 MM |
| FEFISOL II[13] | 23MM | Debt and equity | approximately 30% private / 70% public | 0,5–1,0 MM | 1,2 MM |

FundHuruma  Attributes comparable or similar to the Huruma Fund within the sample

Notes: [1] Tameo Private Asset Impact Fund Report 2024; Dalberg analysis, 2025. [2] Exchange rate used: USD 1 = EUR 0.867 (June 2025 average, ECB). [3] Public funding includes bilateral donors, development finance institutions, multilateral banks, and governments. Validated with each fund manager. (*) For further details on the OECD criteria, see the Annex. [4] Hivos-Triodos Fonds celebrates 30-year milestone. [5] ABC Fund Impact Report 2023, 2023 [6] CONCESSIONAL CAPITAL FOR AGRI-SME FUNDS: Donor & Investor Guidance Document, 2025; Annual Reports, 2025 [7] agRIF Press Release, 2023; Case Study agRIF, 2021 [8] IDH FarmFit Fund Case Study (Financing Transition Community), 2024 [9] Rabo Rural Fund Approach (Invest for Impact), 2025; Rabo Rural Fund: Working together for growth & sustainability (Approach), 2025; Rabo Rural Fund Key Figures 2020 (Annual Impact Report 2020), 2020 [10] Incofin FAF Impact Report 2024, 2025 [11] Impact Report 2024, 2024 [12] Validation with the fund manager [13] FEFISOL 2 Rapport social & environnemental 2023, 2024; FEFISOL 2 Rapport social & environnemental 2022, 2023. [14] Calculated using the difference between the number of active end clients and the baseline, weighted by Huruma's investment amount in each entity.

Dalberg

# Despite this positioning, its external coherence is limited by varying levels of differentiation from other entities in the ecosystem



## Entities recognize that Huruma's added value is based on credibility and close engagement1…

**~70%** agree that Huruma generated a demonstration effect that encouraged similar investors in the market and attracted new sources of capital

***100% of entities receiving*** *foreign investment for the first time credit Huruma with attracting additional capital from other international investors,* ***compared with*** *11% of entities that already had other financing options*

**~60%** report that Huruma was a determining factor in other investors' participation in similar transactions

**~80%** of TA recipients highlight it as a differentiating factor, and 50% say that the non-financial support exceeds that offered by other investors

*"We have an excellent relationship;* ***they are great partners, and the funds help us expand the*** *portfolio, create new lending products, and avoid relying solely on other resources"* –Huruma investee entity

*"We see many alternatives to Huruma as a financing fund, but at present* ***we see no alternative to the technical assistance"***
–Huruma investee entity

## …but they do not perceive Huruma as offering terms that differ from other financing options in the ecosystem

**~70%** report having previously received financing similar to that offered by Huruma

**~60%** consider the interest rates offered by Huruma similar to those of other investors

**~80%** say that the terms offered by Huruma do not differ from those of similar sources of capital

*"We* ***do not see much difference between Huruma and*** *other funds in terms of what they help us do; they all offer similar services"*
–Huruma investee entity

*"We have more than twenty sources of capital; my perception is that* ***their terms are around the group average"***
–Huruma investee entity

Sources: [1] For further details on the entity survey results, see Section 5 of this document; for details on the methodology used, see the Annex.

# 05

# Interim results

Interim learnings and baseline
for the final evaluation



Dalberg

# This section follows the core stages of the Theory of Change of the Huruma Action

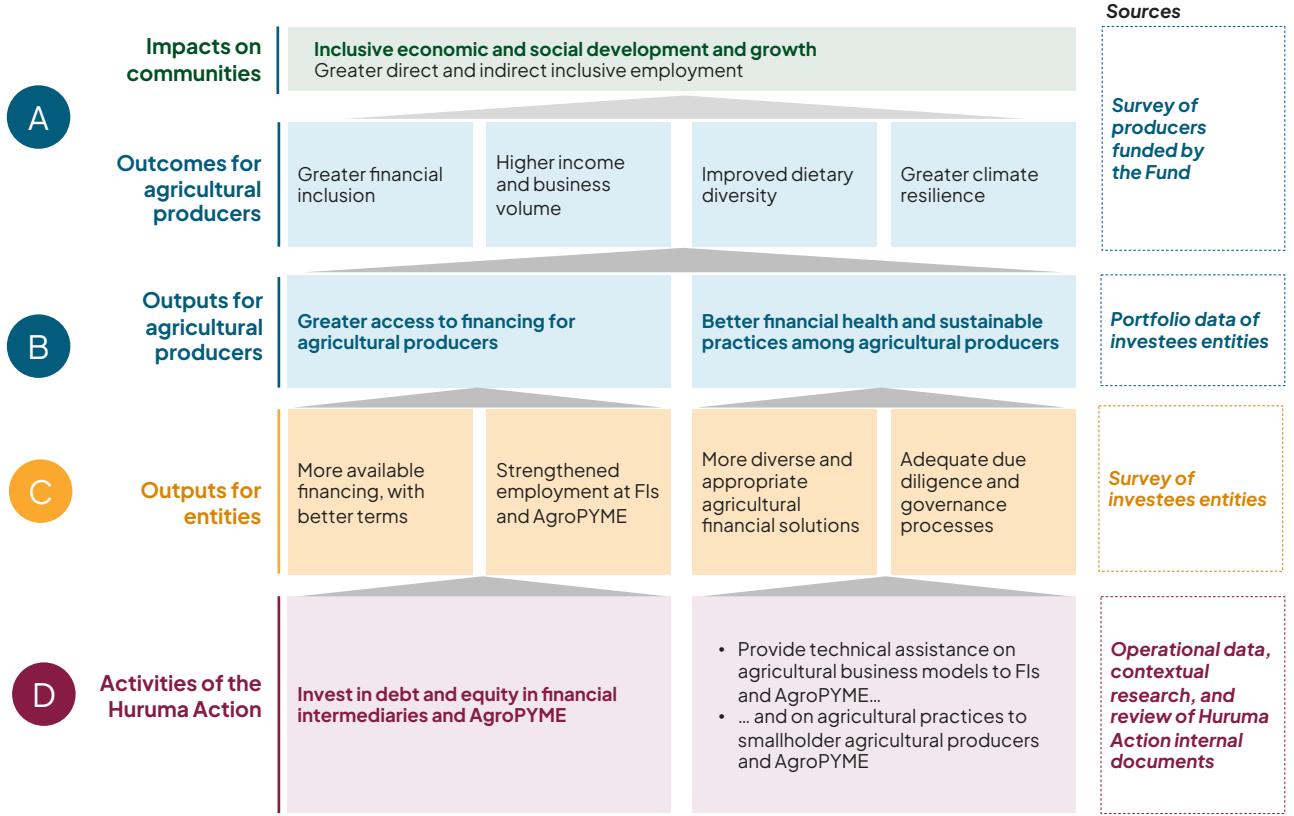


**In each section we assess the performance of the Huruma Action against the corresponding OECD criteria:**

- Impact
- Effectiveness
- Effectiveness
- Sustainability
- Relevance
- Coherence

The detailed logical framework of the Huruma Action can be found at the end of this document

It includes the baseline and outcomes of the key indicators established to assess whether the Theory of Change objectives were achieved. For each indicator, an independent estimation exercise was carried out using the sources mentioned.




Notes: OECD. (2021). Better Criteria for Better Evaluation.

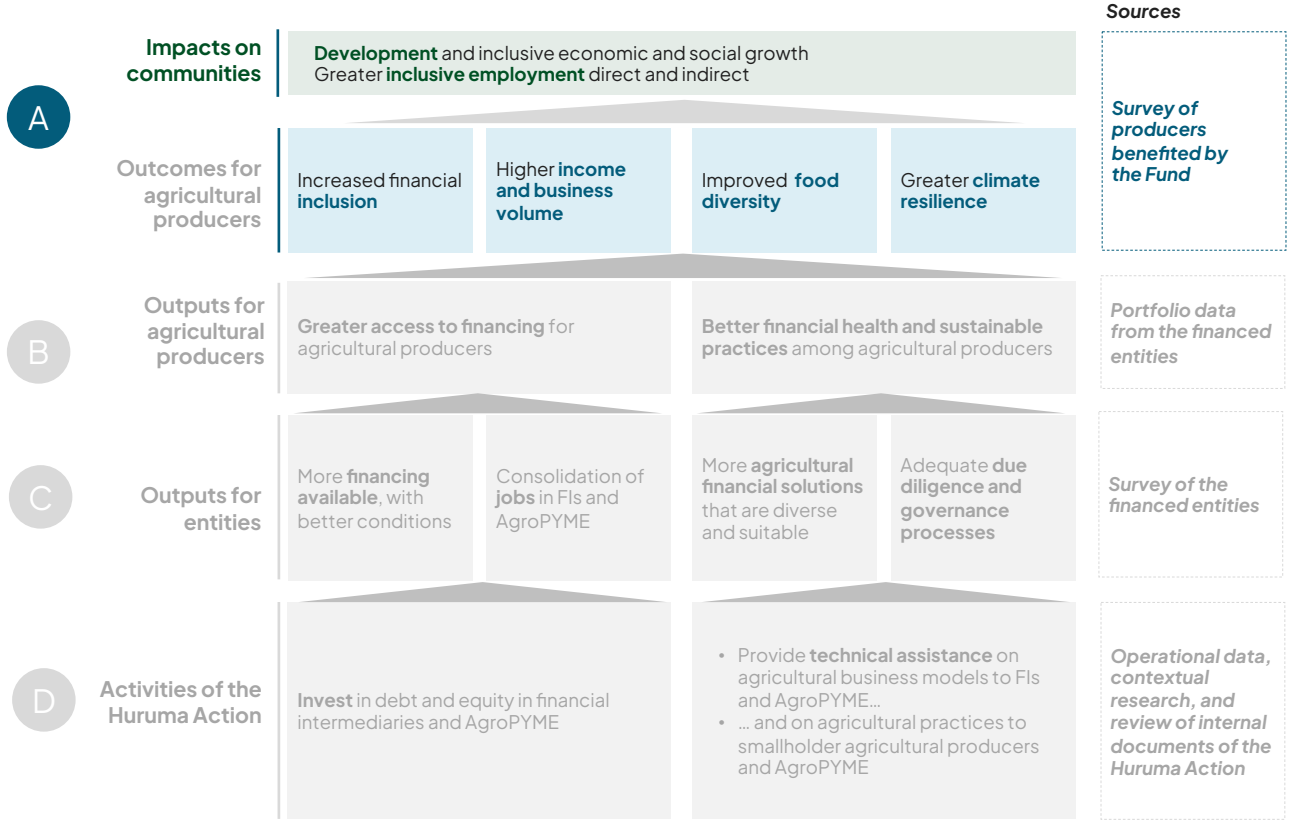
Dalberg

# This subsection analyzes the effectiveness of financing in achieving results and impacts for agricultural producers



**A** **Portfolio results with agricultural producers**

**Sources**: *The Results evaluation for producers is based on the* ***phone survey of 1,716 producers*** *financed by the Huruma Action*




Notes: OECD. (2021). Better Criteria for Better Evaluation.

Dalberg

# The Huruma Action stands out for an effective deployment of financing that fulfills the objectives defined in its theory of change



## Summary of producer survey outcomes

### Entities are reaching underserved populations and markets with return potential, contributing to their financial resilience

50% of respondents are accessing this type of service[1] for the first time through the funded entity and have no access to a good alternative in the market. This suggests that entities are reaching underserved populations in markets with return potential. In addition, 66% of respondents report an improvement in their savings and financial resilience thanks to the entity's financing.

### Financing is substantially increasing income, with a multiplier effect on employment access at financial entities

80% of respondents report an increase in their income, and most attribute this change to the services obtained through the entity. On average, they quantify an average annual income increase of USD 468 thanks to the financing. In addition, 25% of AgroPYMEs report an increase in employees, both full-time and part-time. This suggests that financing is having a multiplier effect on employment.

### Producers' dietary diversity is relatively low, but financing is helping to improve it

Only 25% of respondents live in households with high dietary diversity, according to the corresponding international standard[2]. This indicates that most households are at risk of nutritional deficiencies or face difficulties accessing a varied diet. Thanks to the financing, 25% of respondents reported an increase in the number of foods consumed by their household.

### Financing is helping producers improve their climate resilience, which they consider a critical factor

More than 30% of respondents consider climate change the main risk threatening the growth of their income. This factor is heightened by the increased land use due to the financing, because of business growth. In any case, financing is increasing climate resilience for more than 50% of producers.

### People under 50 who received training, and those without prior access, report a higher positive impact

The analysis shows that younger age is associated with higher levels of financial inclusion and climate resilience. Those who received training and previously lacked access report significant improvements in employment, income, and climate resilience. Finally, women outperform men in financial inclusion, while men report greater access to employment and income.

> *"[Thanks to the credit] I have been able to increase my production, which has helped me cover my family's expenses. I can pay my bank installment without any problem, and it allows me to save a little money for any emergency"*

Notes: [1] Same or similar service to the one offered by the entity funded by Huruma. [2] FAO. Household Dietary Diversity Score.

# Producers served by Huruma value its offering and service ecosystem, creating new life opportunities



## Borrowers' voices

### Impact stories

"Now ***I have more opportunities***, because I have the equipment I need to plant beans. At home, I was able to buy a washing machine and build a porch. Also, ***I have grown as a person*** by taking on greater responsibility for managing my loans."

"***My quality of life has improved***, because now I have a bigger plot to grow coffee, and with the profits I was able to build a small house."

"I bought a cow and a buffalo for my dairy business, which ***increased my production***. As a result, ***my income has grown***."

"***I was able to complete planting on time*** because I managed to buy fertilizer, seeds, and hire labor without delays. ***I didn't have the stress of borrowing money*** from other people, and with the loan amount I was also ***able to cover most of my other household needs***."

"***Now I've been able to save more money***. I no longer have trouble buying fertilizer and seeds. Before, it was even hard to get food, but ***now the quality of our diet has improved***."

### Opinions on the value proposition

"The ***loan is approved quickly and the terms and interest rates are affordable***. The institution is always available and responds quickly."

"The loan process is good and ***all the services are satisfactory***. It doesn't take long to get the loan. (...) We pay our installments on time."

### Opportunities for improvement

"***They require a guarantor***, even though they are not a financial institution and are offered as an assistance program (...) Without that requirement, the process would be even faster, since ***nowadays it's hard to find a guarantor***."

"There were ***many delays in disbursement***."

# The survey responses align with the *Benchmark* responses on most metrics



Effectiveness

| Dimension | Metric | LAC (n = 1,040) | India (n = 520) | Africa (n =156) | Huruma Performance (n = 1,716)[1] | 60dB *Benchmark* Weighted | Performance relative to *Benchmark** |
|---|---|---|---|---|---|---|---|
| Financial Inclusion and Health | **Prior Access**<br>% 'accessing for the first time' | 52% | 42% | 88% | **52%**[2] | 55% | ⟷ |
| | **Access to Financial Alternatives**<br>% 'does not have access to a good alternative' | 49% | 45% | 87% | **51%** | 50% | ⟷ |
| | **Savings**<br>% 'increased a lot' | 11% | 11% | - | **11%** | 12% | ⟷ |
| | **Coping with an Unexpected Expense**<br>% 'improved a lot' | 17% | 17% | 62% | **21%** | 17% | ⟷ |
| Income and Employment | **Income**<br>% 'increased a lot' | 16% | 15% | 81% | **21%** | 21% | ⟷ |
| | **Employment**<br>% 'increased' full-time employment | 15% | 5% | 49% | **15%** | -[3] | - |
| | **Employment**<br>% 'increased' part-time employment | 37% | 27% | 72% | **37%** | - | - |
| Food Diversity | **Food Consumption**<br>% 'increased a lot' | 10% | 8% | - | **9%** | - | - |
| | **Food Diversity**<br>% 'high' | 31% | 20% | - | **27%** | - | - |
| Climate Resilience | **Ability to Cope with Climate Events**<br>% 'increased a lot' | 11% | 11% | 49% | **14%** | 12%[4] | ⟷ |

Notes: [1] Performance of the Huruma Action, using as reference the universe of 853,450 clients (Total Population) and 1,716 respondents surveyed by 60dB. For more details on the methodology, see section 3 in this document or the Annex. [2] Given the sample size of the Benchmarks for this metric, they maintain a margin of error of ±2.5% [3] Where there is a '-', it means there is no comparable Benchmark due to a lack of studies that have asked this question. [4] The current Benchmark includes only projects in Africa, since 60dB has not asked this question in other regions. For reference, the Benchmark (not weighted by region) for this metric is 12%. (*) The direction of the arrow shows the position of the survey result relative to the 60 Decibels: below (↓), equal () or above (↑) the reference value

# At the regional level, LAC and Africa show better results compared to the *Benchmark* for India



Effectiveness

| Dimension | Metric | LAC (n = 1,040) | Performance of LAC vs. *Benchmark*[1] | India (n = 520) | Performance of India vs. *Benchmark* | Africa (n =156) | Performance of Africa vs. *Benchmark** |
|---|---|---|---|---|---|---|---|
| Financial Inclusion and Health | **Prior Access**<br>% 'accessing for the first time' | 52% | BM Value*: 52% ↔ | 42% | **48%** | 88% | BM Value*: 67% ↑ |
| | **Access to Financial Alternative**<br>% 'does not have access to a good alternative' | 49% | BM Value*: 46% ↑ | 45% | **54%** | 87% | BM Value*: 63% ↑ |
| | **Savings**<br>% 'increased a lot' | 11% | BM Value*: 7% ↑ | 11% | **16%** | [2] | - |
| | **Coping with an Unexpected Expense**<br>% 'improved a lot' | 17% | BM Value*: 14% ↑ | 17% | **19%** | 62% | BM Value*: 35% ↑ |
| Income and Employment | **Income**<br>% 'increased a lot' | 16% | BM Value*: 17% ↔ | 15% | **22%** | 81% | BM Value*: 39% ↑ |
| | **Employment**<br>% 'increased' full-time employment | 15% | - | 5% | - | 49% | - |
| | **Employment**<br>% 'increased' part-time employment | 37% | - | 27% | - | 72% | - |
| Food Diversity | **Food Consumption**<br>% 'increased a lot' | 10% | - | 8% | - | [2] | - |
| | **Food Diversity**<br>% 'high' | 31% | - | 20% | - | [2] | - |
| Climate Resilience | **Ability to Cope with Climate Events**<br>% 'increased a lot' | 11% | - | 11% | - | 49% | BM Value*: 12% ↑ |

Notes: [1] This comparison was based on the 60 Decibels Regional Benchmark, which is different from the Weighted Benchmark used previously, although the latter is derived from the former. For more details on the methodology, see section 3 in this document or the Annex. [2] Information not available for Africa due to respondent type. (*) The direction of the arrow shows the position of the survey result relative to the 60 Decibels: below (↓), equal (↔) or above (↑) the reference value

Dalberg

# **Financial inclusion:** 50% of people are accessing financing for the first time thanks to the entity supported by Huruma



OECD | Effectiveness

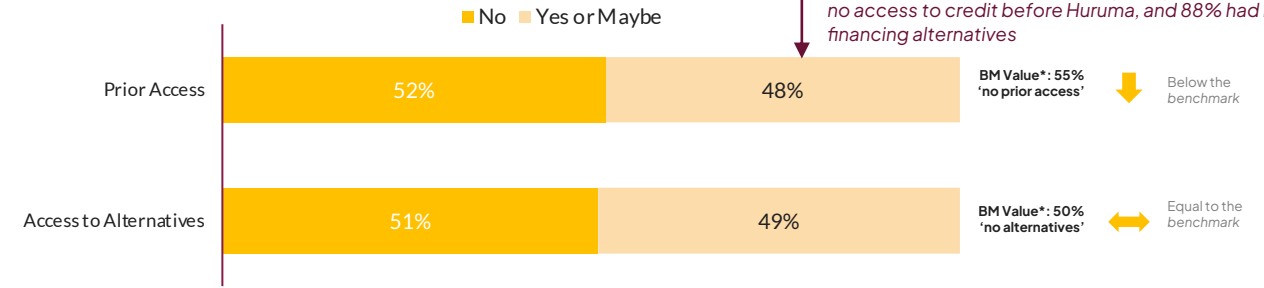
**The access results suggest that the entities are reaching moderately underserved populations and operate in markets with potential to generate returns.**

When asked about their ability to cope with an unexpected expense, 53% say it would be easy, while 28% consider it would be difficult, showing a mixed financial situation within the sample. Likewise, 71% of respondents say that loan repayment is not a financial burden; by contrast, 23% see it as a moderate burden and 6% as a heavy burden.

## Half of the sample had no prior access or access to other alternatives

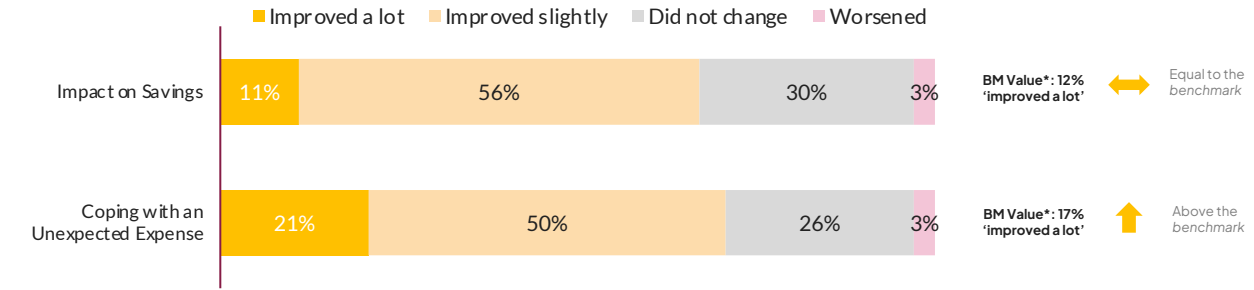
*Prior access before becoming a client of the financed entity (n = 1,716)*
*Easy access to good alternatives in the market (n = 1,716)*

*Within the sample corresponding to AgroPYMEs[1], 90% had no access to credit before Huruma, and 88% had no prior financing alternatives*




## 66% report an improvement in savings and financial resilience[2]

*Impact on the amount of money saved thanks to the entity that received financing from Huruma (n = 1,716)*
*Impact on the ability to cope with an unexpected expense in an emergency[3] (n = 1,550)*




Notes: [1] The AgroPYMEs sample corresponds to 9% of the total sample. [2] The ability to cope with an unexpected expense is considered an indicator of financial resilience. [3] Main activity the financing was used for. (*) The direction of the arrow shows the position of the survey result relative to the benchmark of 60 Decibels: below (↓), equal or above (↑) the reference value

Dalberg

# **Greater inclusive employment:** 80% of respondents perceive an increase in their income, with positive effects on access to employment



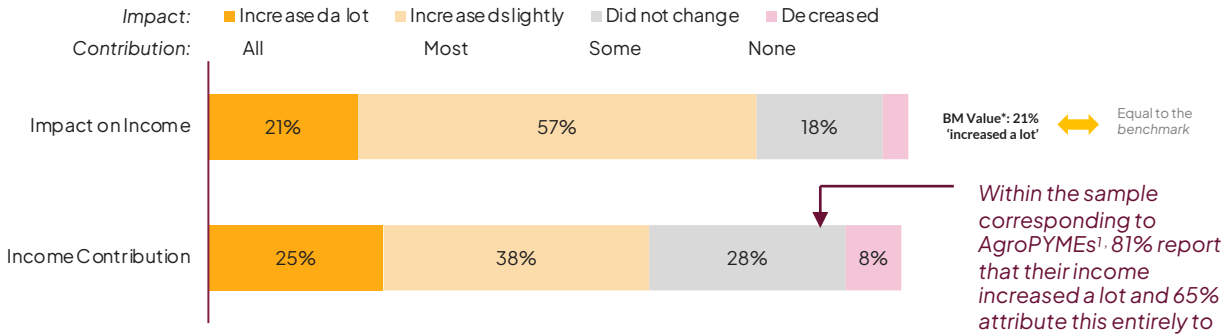
OECD Effectiveness

**The impact on income is in line with the benchmark weighted by 60dB. When asked about changes in their quality of life, 22% of respondents spontaneously indicate that the increase in their income has been a determining factor.**

The absolute change in income was also examined, meaning the specific amounts before and after financing (see results on the following page). Income contributions are calculated from this variation. The positive impact on employment, both full-time and part-time, shows that the benefits of the intervention generate additional impacts.

## Most respondents perceive higher income and attribute this change to the financing provided by the entity

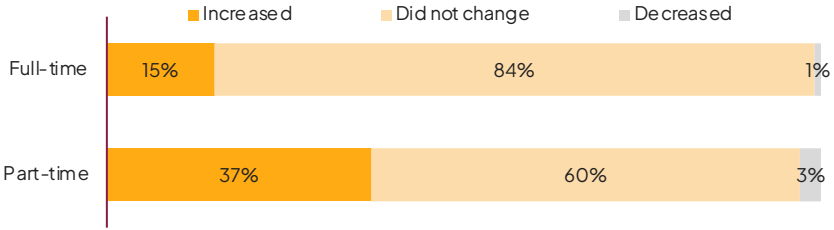
*Impact on income thanks to financing from the entity (n = 1,716)*
*Contribution of financing to the change in income (n = 1,367)*




*Within the sample corresponding to AgroPYMEs[1], 81% report that their income increased a lot and 65% attribute this entirely to Huruma*

## On average, 25% report an increase in access to employment[2]

*Change in the number of full-time employees before and after financing (n = 1,678)*
*Change in the number of part-time employees before and after financing (n = 1,682)*




Notes: [1] The AgroPYMEs sample corresponds to 9% of the total sample. [2] A benchmark for employment was not included because there were not enough observations. (*) The direction of the arrow shows the position of the survey result relative to the benchmark of 60 Decibels: below (↓), equal () or above (↑) the reference value

Dalberg

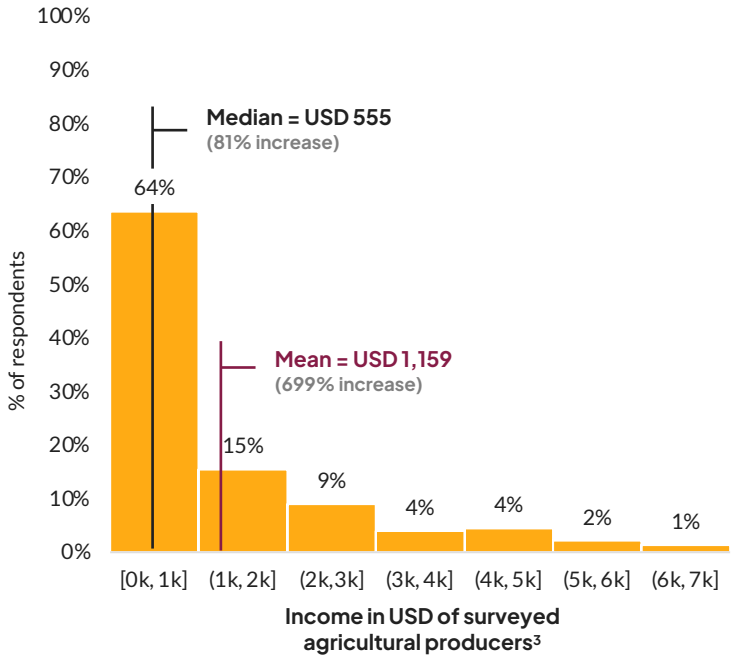
# **Higher income:** Producers attribute an annual income increase of USD 468 to the financing



OECD Effectiveness

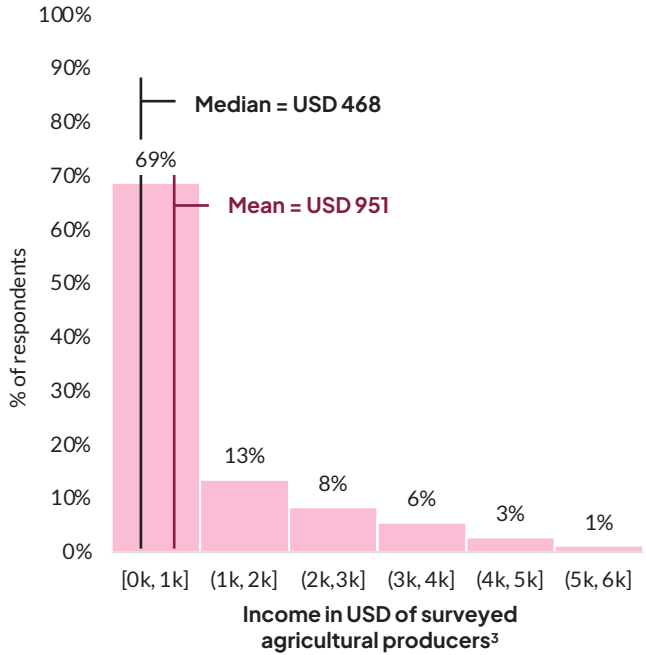
## Change in annual income[1] before and after financing from the entity

*Histogram of differences between reported annual income (n = 1,322). Data reported in local currency and USD equivalent[2].*




## Change in annual income[1] directly attributed[4] to the entity's financing

*Histogram of differences between reported annual income (n = 1,161) Data reported in local currency and USD equivalent[2].*




Notes: [1] Given the variability of responses, 10% of responses were trimmed, removing the lowest 5% and the highest 5% of values. [2] The histogram represents the proportion of respondents who reported a change in their income. The median and mean are calculated for the total group; for more details on the results for each question, see the Annex. [3] K = x1,000 USD. [4] Attribution was determined assuming the following weighting: all (100%), most (75%), some (50%), none (0%). Percentage differences were not calculated because, in some cases, attribution to the change is zero; in addition, the calculation is performed at the individual level

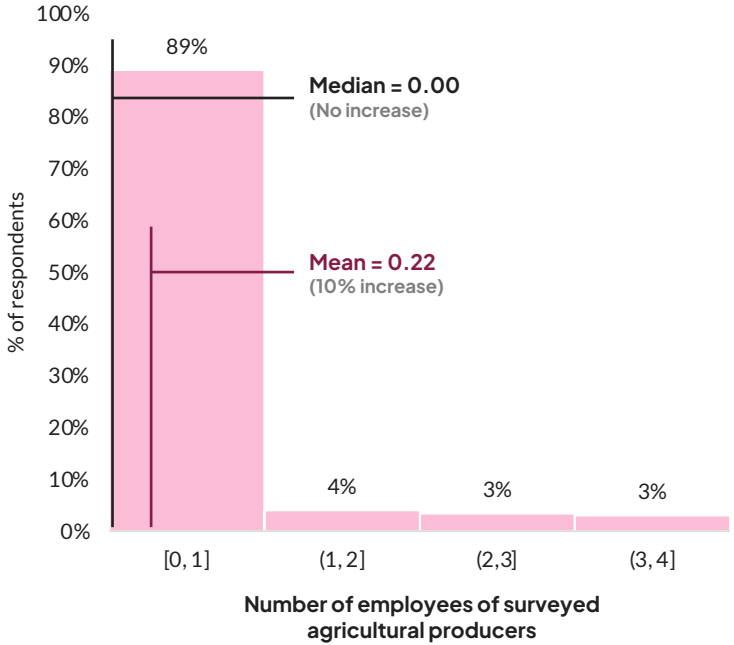
Dalberg

# **Greater inclusive employment:** Producers report an increase of 0.22 full-time employees and 1.52 part-time employees



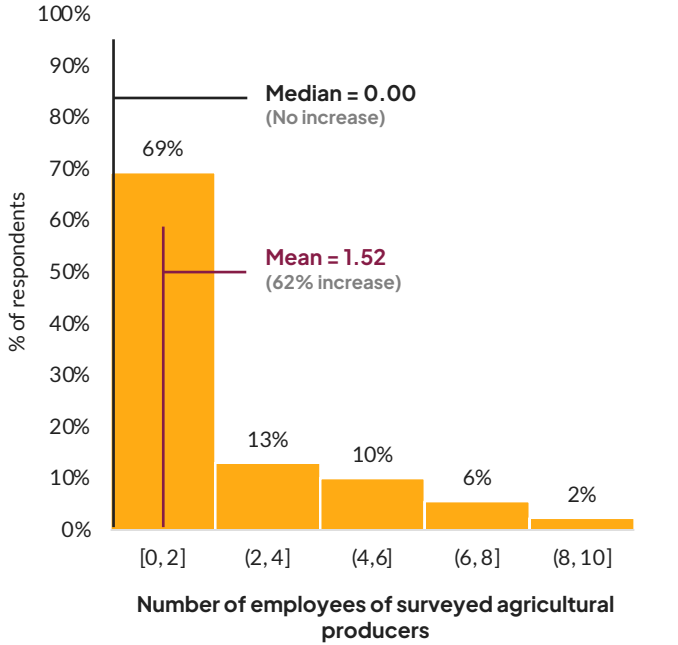
## Change in full-time employees[1] before and after financing from the entity

*Histogram of differences between reported full-time employees (n = 1,678)*




## Change in part-time employees[1] before and after financing from the entity

*Histogram of differences between reported part-time employees (n = 1,678)*




Notes: [1] Given the variability of responses, 10% of responses were trimmed, removing the lowest 5% and the highest 5% of values.

# **Food diversity:** Only 25% of people have high food diversity, but almost 50% report improvements in their diet



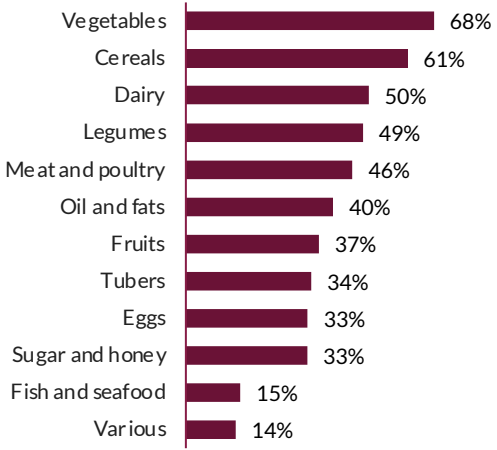
OECD Effectiveness

**To assess food diversity, the Household Dietary Diversity Score (HDDS) was used, which measures food diversity in households.**

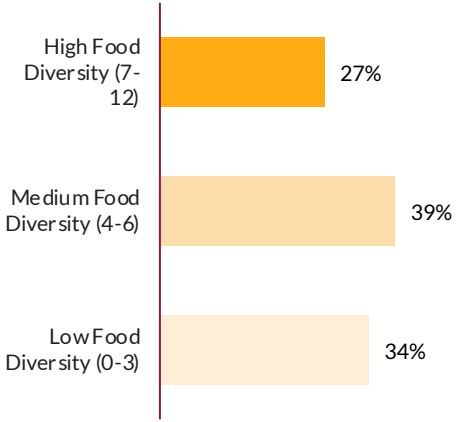
Based on the responses, each person was classified into one of the following diversity categories: high (7–12 food groups), medium (4–6) and low (0–3). The fact that most are classified as medium or low diversity suggests that some households are at risk of nutritional deficiencies and may have difficulty accessing a varied diet.

## The sample's food diversity is mostly medium or low

*Food groups consumed by the household in the last 24 hours (n = 1,550)*[1]

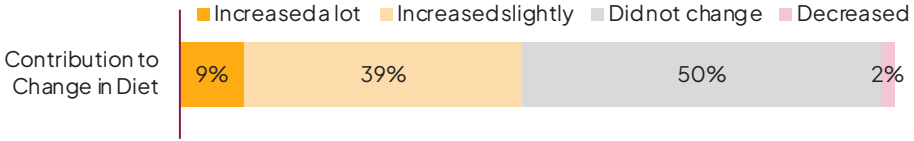



*Classification of people based on the number of food groups in the household (n = 1,550)*




## 50% attribute improvements in dietary diversity to the financing

*The entity's contribution to changes in the number of food groups consumed (n = 1,550)*
*Follow-up question to the food groups question*




Notes: [1] According to guidelines from the Household Dietary Diversity Score (HDDS). Groups 3, 4, and 5 are considered vegetables

Dalberg

# **Climate resilience:** Climate change is the biggest risk and challenge, but the financing is contributing to climate resilience



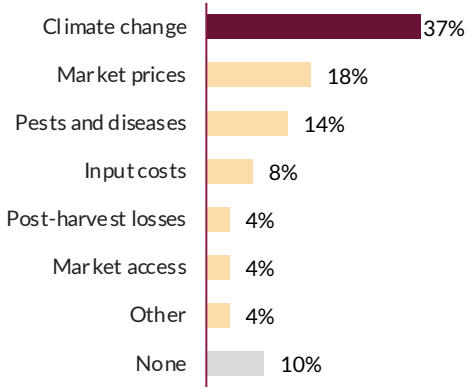
OECD Effectiveness

**Despite being a long-term factor and a less tangible concept, climate change is the most relevant factor for producers.**

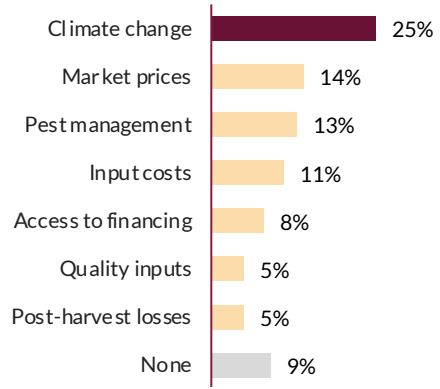
On the other hand, access to markets or financing is significantly less relevant. This climate challenge becomes more pronounced when analyzing the impact on land use, as more than half of respondents indicate that the financing allowed them to increase the cultivated area (see next page).

## Climate change is perceived as the main risk, followed by market price fluctuations

*Greatest risks to agricultural production income in the next season (n = 1,716)*

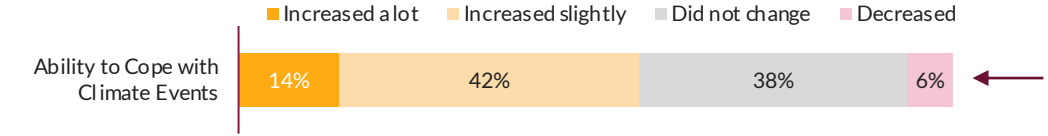



*Greatest challenges faced in increasing profits from agricultural production (n = 1,716)*




## More than half have increased their climate resilience

*Change in the ability to cope with an unexpected climate event (n = 1,716)*
*Question based on a hypothetical climate event*




*In the sample corresponding to AgroPYMEs[1], 49% indicate that their climate resilience increased significantly, while 21% report no change*

Notes: [1] The AgroPYMEs sample corresponds to 9% of the total sample

Dalberg

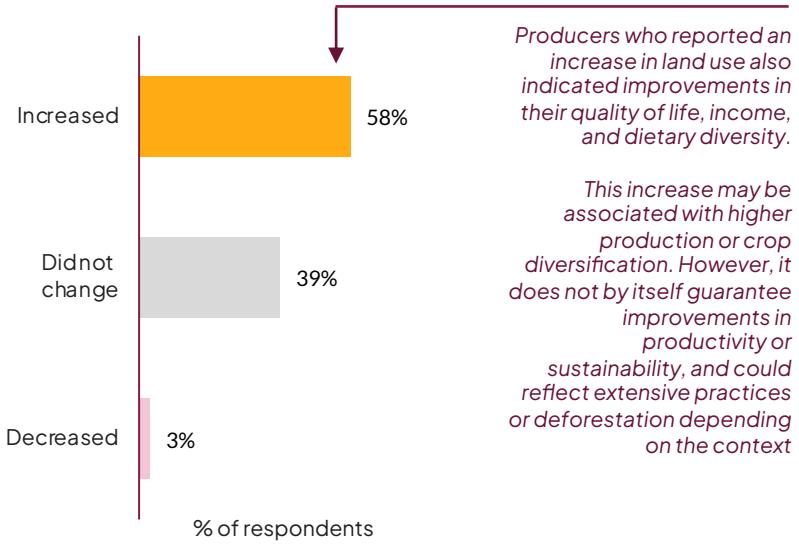
# **Climate resilience:** More than half report an increase in land use, with an average increase of 0.67 hectares per producer



OECD Effectiveness

## Relative change in land use before and after financing from the entity

*Impact on the change in land use thanks to the entity (n = 1,492)[1]*

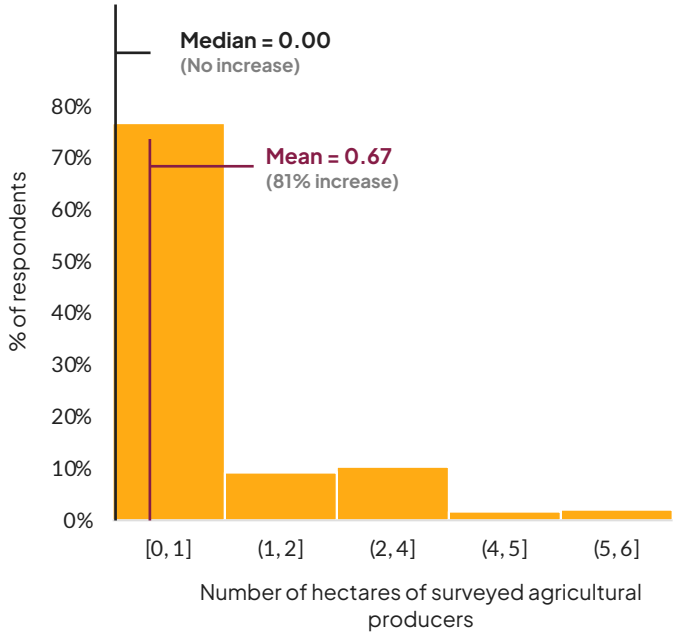



*Producers who reported an increase in land use also indicated improvements in their quality of life, income, and dietary diversity.*

*This increase may be associated with higher production or crop diversification. However, it does not by itself guarantee improvements in productivity or sustainability, and could reflect extensive practices or deforestation depending on the context*

## Absolute change in land use[2] before and after financing from the entity

*Histogram of differences between reported land use (n = 1,482)*




Notes: [1] Excluding 58 respondents who did not answer the question because they could not identify the change. [2] Given the variability of responses, 10% of responses were trimmed, removing the lowest 5% and the highest 5% of values.

Dalberg

# **Quality of life:** Notable improvements as a result of greater access to investment, increased income, and access to education



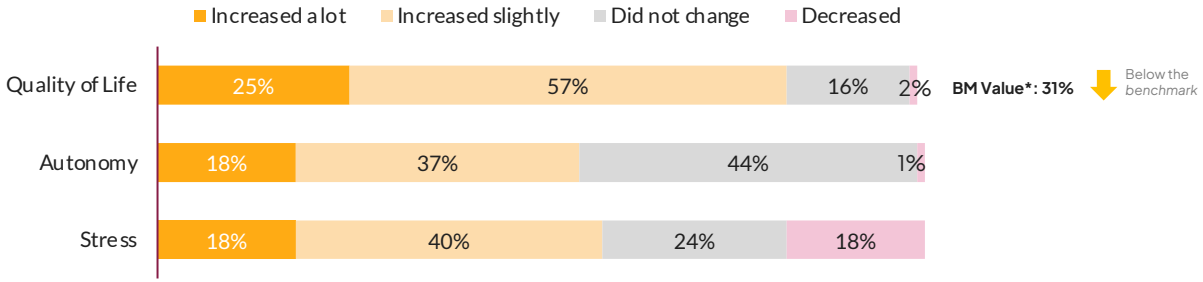
OECD Effectiveness

**The results on quality-of-life impact by gender are similar: 19% of women report a significant improvement, compared to 17% of men.**

The Quality of Life indicator is broad by design, to let each person describe what quality of life means to them. In addition, we also measure the sense of autonomy, a metric with a gender focus, as it asks about the ability to make decisions without consulting a partner or another adult.

## 80% consider that their quality of life improved

*Impact on quality of life thanks to financing from the entity (n = 1,550)*
*Impact on the ability to make decisions about money thanks to financing from the entity (n = 1,550)*
*Impact on stress thanks to financing from the entity (n = 1,550)*[1]




## 82% of people who reported an improvement in their quality of life were asked about the aspects in which they perceived this change. In their own words, they identified the following as the most relevant factors:

1. Greater **opportunities to invest and expand their business**
2. Higher **income**
3. Greater access to **education**

*"Thanks to Pahal, we were able to invest in our field. I was able to buy a cow and my farming has improved."*

*"My quality of life has improved because I have more income, I can cover my family's expenses, and I am improving my house."*

*"It has helped me support my children's education, and I have a daughter who was able to go to university."*

Notes: [1] The stress question has a reverse scale, but is shown this way to align it with the positive response options of the other questions. (*) The direction of the arrow shows the position of the survey result relative to the benchmark of 60 Decibels: below (↓), equal () or above (↑) the reference value

Dalberg

# **Customer experience:** Producers report a high level of satisfaction with the entities, higher than the *Benchmark*

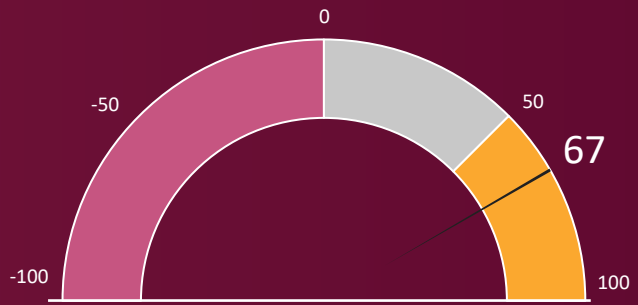


OECD Effectiveness

**At the regional level, India has the highest satisfaction scores (76), followed by Africa and then LAC (63). Although the sample is small, people who received training report higher satisfaction (80) than those who did not (67).**

The Net Promoter Score® (NPS) measures respondents' satisfaction and loyalty regarding the services and treatment received from the entities. It is calculated as the difference between the percentage of borrowers with scores of 9 or 10 ("Promoters") and the percentage with scores of 0 to 6 ("Detractors").

## The entities of the Huruma Action have an excellent average score of 67 on the Net Promoter Score




67% NPS = 72% Promoters – 5% Detractors

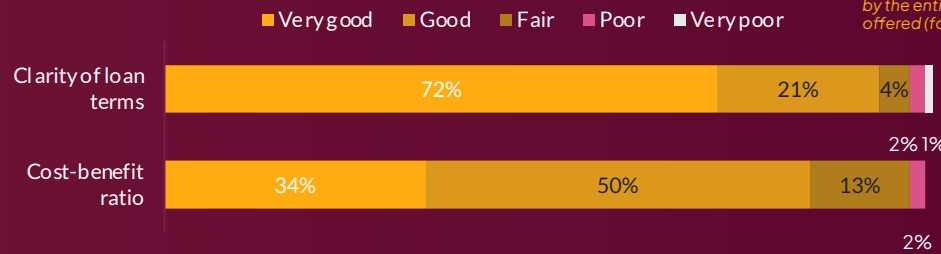
BM Value*: 43 'NPS value' ↑ Above the *benchmark*

*"It's a loan that helps you, because it quickly gets you out of any jam and doesn't require much documentation."*

*"They offer adequate loan amounts that allow for investment, and they don't require too much paperwork."*

## 93% consider that the loan terms are clear and 84% consider that the entity's service cost-benefit is good.

*Rating of the cost-benefit of the service provided by the entity (for producers) or of the price offered (for AgroPYME) (n = 1,716)*




BM Value*: 68% 'very good' ↑ Above the *benchmark*

BM Value*: 4% 'very good' ↑ Above the *benchmark*

Notes: (*) The direction of the arrow shows the position of the survey result relative to the benchmark of 60 Decibels: below (↓), equal () or above (↑) the reference value

# The evaluation also includes an Impact Index to compare the positive impact of the Huruma Action across different dimensions*



OECD Effectiveness

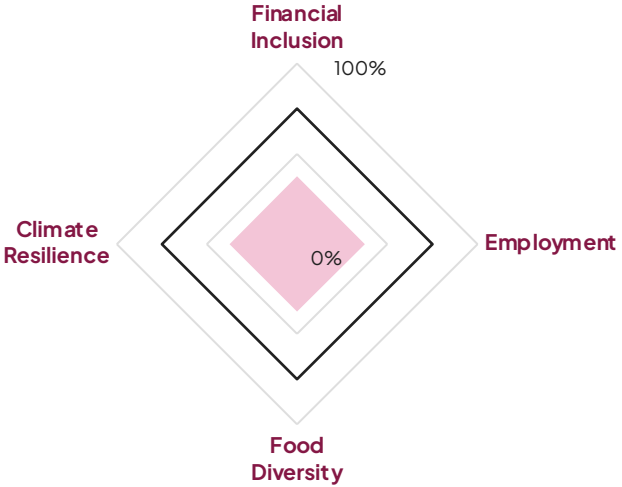
**IMPACT INDEX:**
**The findings are presented in diamond charts that compare performance on the Impact Index across four dimensions.**
The shaded area shows performance in each dimension.

This Index was created for this evaluation by 60dB.

## Composition of the Impact Index used

### Financial Inclusion
Prior Access (% 'no')
Alternatives (% 'no')
Impact on Savings (% 'increased')
Coping with an Unexpected Expense (% 'improved')

### Climate Resilience
Ability to Cope with Climate Events (% 'increased')




### Inclusive Employment
Full-time Employment (% 'increased')
Part-time Employment (% 'increased')
Impact on Income (% 'increased')
Contribution to Income (% 'all' + 'most')

### Food Diversity
Food Group (% 'high')
Contribution to Change in Diet (% 'increased')

Notes: (*) Each axis ranges from 0% (at the center) to 100% (at the outer edge). The greater the distance from the center, the better the performance.

Dalberg

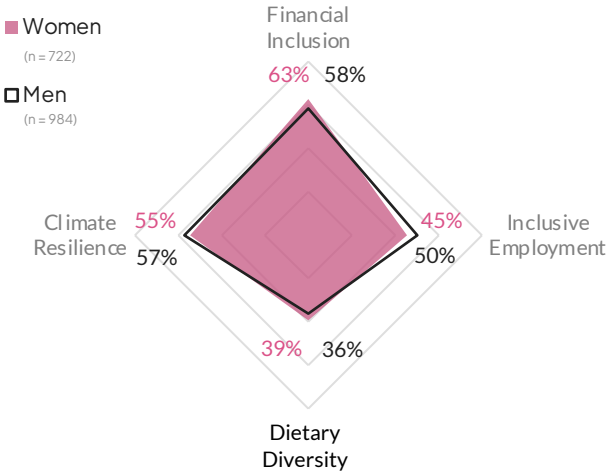
# Women and people under 50 report a relatively greater positive impact compared to their counterparts



OECD

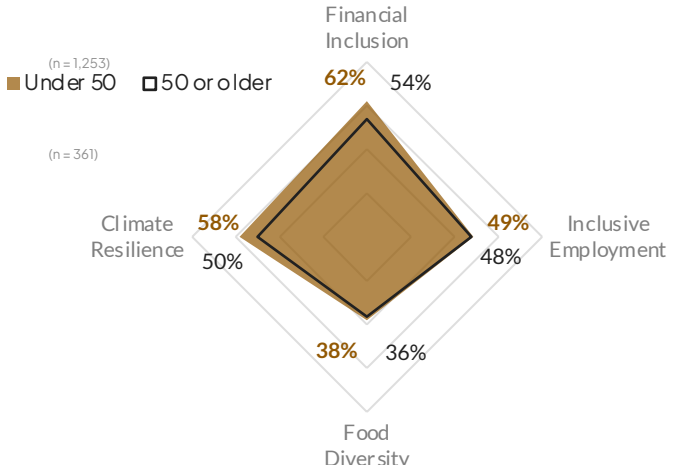
Effectiveness

## Women show higher levels of financial inclusion[1] than men, but improvements in employment and income levels are greater among men[2]




- The percentage of people accessing financing for the first time is higher among women (56%) than among men (50%)
- The most significant differences are seen in the increase in the number of jobs, with 30% of men reporting increases, compared to 20% of women
- Although both groups show similar levels of food diversity, women report a greater improvement in this aspect (53%) compared to men (44%)

## From age 50 onward, age begins to influence financial inclusion and climate resilience, with younger people showing higher levels of financial inclusion and climate resilience




- When analyzing the different age groups, the most notable differences are found when using age 50 as the comparison threshold
- The results show that first-time access, increased savings, and the contribution to financial resilience are significantly higher for younger people
- In contrast, the impact on access to employment is slightly higher among older people; however, younger people experience a greater increase in income (81% vs. 70% among older people)

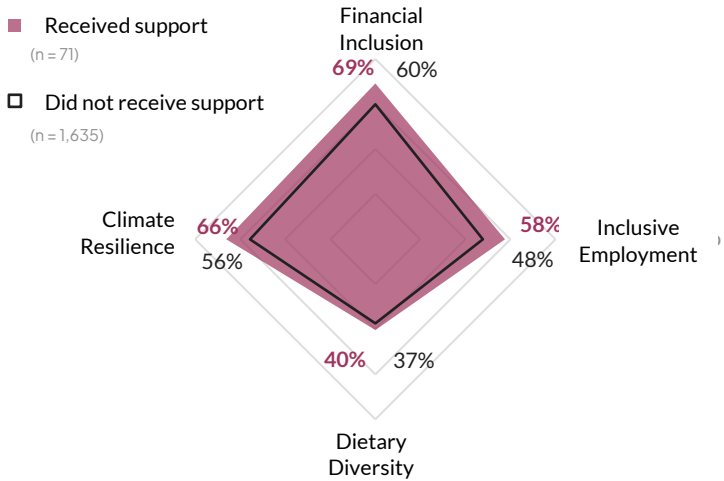
Notes: [1] Accessed financing for the first time. [2] Each dimension is composed of the most relevant quantitative variables collected in the survey, specified in section 3

Dalberg

# Those who received support and had no prior access to credit or financing report a significantly greater positive impact

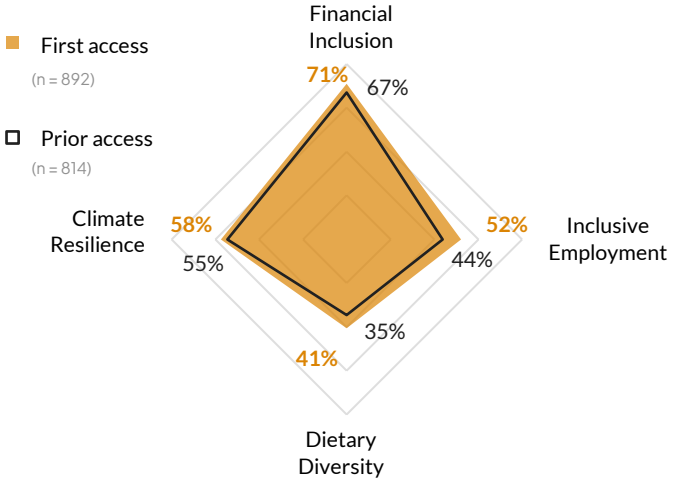


## Only a small proportion have received non-financial services from the institution[1], but this group reports a greater impact on employment, income, and climate resilience.




- Those who received training are more likely to be accessing financing for the first time (61%) than other respondents (52%).
- They also report greater improvements in savings (81%) and income (87%) than other respondents (66% and 77%, respectively).
- The multiplier effect on access to full-time and part-time employment is also greater among this group (37%) than among other respondents (25%).

## A lack of prior access to similar financing[2] appears to be associated with significantly greater positive impacts on employment, income, and dietary diversity.




- First-time credit users report greater improvements in financial resilience (74%) than those with prior access (67%).
- The difference is similar for income (81% vs. 74%) and widens when assessing financing's contribution to income (68% vs. 57%).
- Both groups have similar dietary diversity, but those with prior access report greater improvements in dietary diversity (54% vs. 43%).

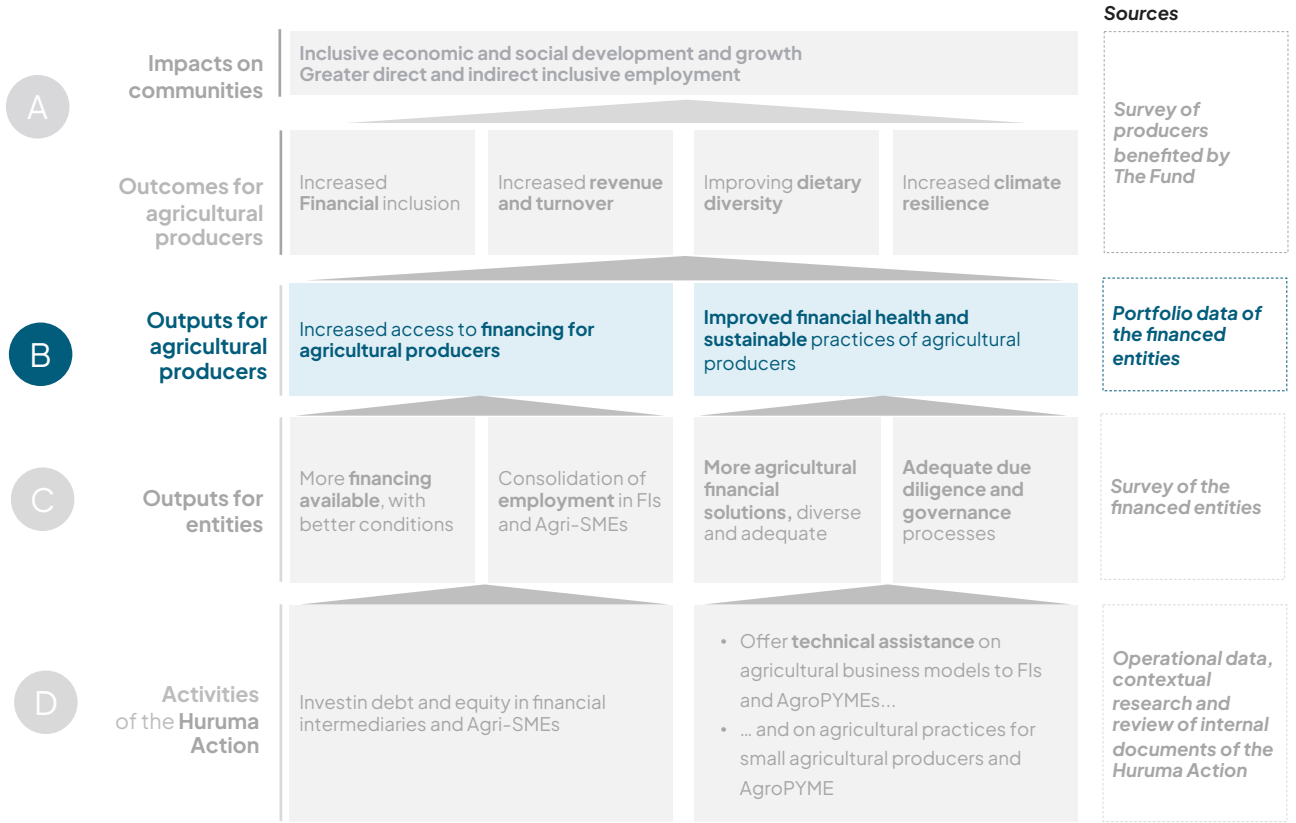
Notes: [1] Although only 4% of respondents received training, the subgroup sample size (71) is sufficient for comparative analysis. [2] The First-Time Access and Access to Alternatives metrics were excluded from the Financial Inclusion dimension because they are correlated with the segmentation variable

# This subsection analyzes the effectiveness of financing in achieving the intended outputs for agricultural producers



**B** **Outputs for agricultural producers**

**Source**: *The assessment of outputs for producers is based on an analysis* ***of portfolio and operational data from 18 financial institutions*** *supported by the Huruma Action.*




Notes: [1] OECD. (2021). Better criteria for better evaluation.

# Huruma's portfolio indicators reflect overall progress, but improvements are uneven rather than systematic



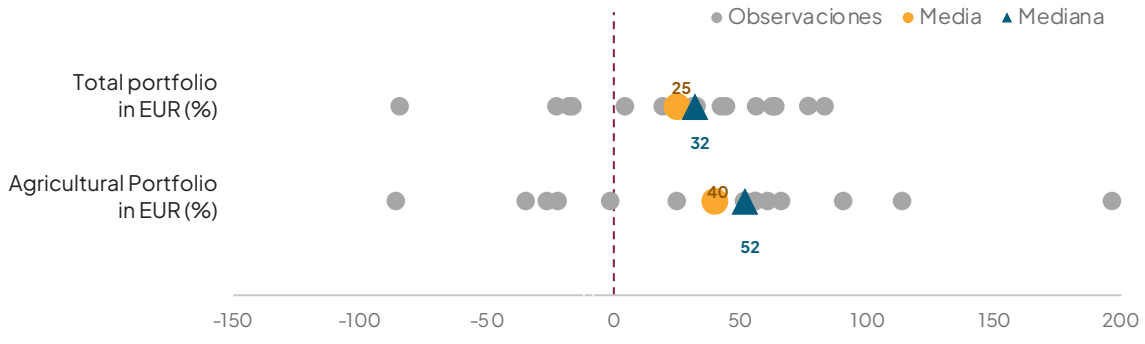
OECD Effectiveness

**Time series analysis does not reveal large changes in trend after the investment, suggesting that the positive impacts are not immediate[1].**

The observed heterogeneity motivates us to understand the factors behind the various trajectories:

- 10 of 17 entities[2] reported more producers reached compared to the time of investment, while [7] reported a decrease.
- 3 entities account for >90% of the growth in total customers and >95% of the growth in aggregate female borrowers.

## Volume | Percentage Change From Date of Trading (%)[3]

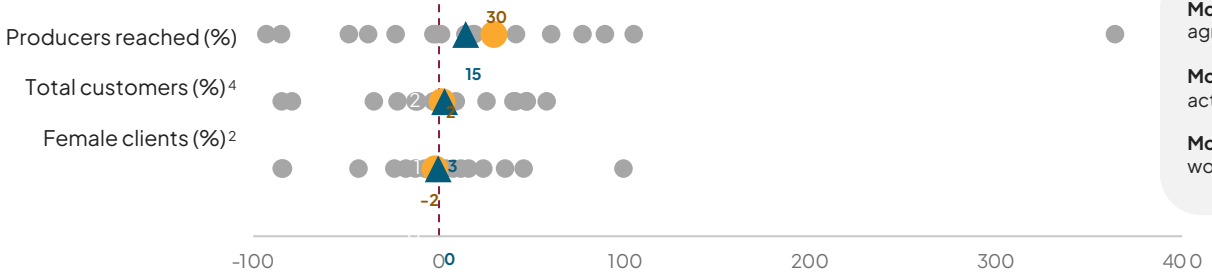



**Results:**

**More than €1.7 billion** in total portfolio

**More than €1.2 billion** in agricultural portfolio

## Access | Percentage Change From Date of Investment (%)[3]




**Results:**

**More than 227 thousand** agricultural producers

**More than 360 thousand** active customers

**More than 145 thousand** women borrowers

Notes: [1] For more details of the methodology implemented and the results, see the Appendix. [2] Excluding one of the 18 entities due to lack of data. [3] The seasonally adjusted analysis—which takes into account normal variations that occur throughout the year, such as planting or harvesting seasons—shows no significant differences in the reported changes. This indicates that the variations observed in the data are not due to seasonal factors. [4] Including both producers and non-producers

Dalberg

# Adverse macroeconomic conditions influence the portfolio, without explaining the differences between entities



## Adverse external conditions were present in most of the countries of the Huruma Action…

**Real interest rates increased** in all Huruma countries and, on average, tripled (>200%)1

Non-performing loans in the financial sector increased in almost all countries, and this is reflected in a **deterioration in non-performing loans in 13 out of 16 entities**

**Unexpected regulatory changes** and increased exposure to external shocks affected the financial performance of some entities

In some countries, such as Bolivia and Panama, **rate controls and regulatory restrictions** limited the growth of microcredit

## … but they are not the main factor behind the portfolio's mixed results

**Portfolio results vary widely between institutions in the same country**, and statistically, macroeconomic differences hardly explain this variability2:

The lack of correlation between the non-performing loan portfolio and the national bank default suggests that **the particular characteristics of the institutions have a greater influence than the national environment** ($R^2 = 0,04$)

**Growth in agricultural value added** at the country level only explains a smaller part of the increase in the agricultural portfolio ($R^2 = 0,12$)

**Higher net domestic credit** is not associated with a larger portfolio ($R^2 = 0$) or a larger number of loans ($R^2 = 0.05$)

Notes: [1] World Bank. (2025). World Development Indicators. [2] For more details of the methodology implemented and the results, see the Annex.

# Investments in local currency registered better portfolio performance, and the financial performance of each entity is related to the perceived impact



OECD | Effectiveness

| Factor | Associated with[2] |
|---|---|
| **Investment in local currency[1]** | **Investments in local currency were associated with better portfolio performance[3]:**<br>• Agricultural credit grew more on average (+114 vs. -1) in entities that received investment in local currency<br>• The number of new loans (+92 vs. +16) and gross portfolio (+38 vs. +16) was also much higher |
| **Perception of impact on producers** | **The positive impact perceived by producers and financial performance seem to go hand in hand[4]:**<br>• There is a positive correlation between financial performance and an impact performance that incorporates producers' perceptions of improvements in financial inclusion, access to employment and income, and dietary diversity |
| **Entity Experience** | **Entities with no experience with international investors report moderately superior improvements[5]:**<br>• Entities that received this type of financing for the first time reported a better performance in agricultural indicators, but without a strong trend |
| **Relative size of the investment** | **The magnitude of relative financial support (relative to its total portfolio) does not predict the success of agricultural portfolio developments[6]:**<br>• The entities that received the highest absolute investment tended to expand their agricultural portfolio more ($R^2 = 0.34$)<br>• … but there is no association between asset-related investment and growth in the agricultural portfolio |
| **Investment in capital** | **Capital is associated with advances in gender inclusion[7]:**<br>• On average, entities that received equity investment double female financial inclusion (44% vs. 26%) compared to those that received debt<br>• No other systematic changes are observed in other variables |

Notes: [1] The financing of the action is in local currency. [2] For more details of the methodology implemented and the results, see the Appendix. [3] Only 5 out of 18 entities received financing in local currency, so these results could be influenced by the sample composition effect [4] The impact only considers data from 6 entities [5] Only 4 entities received funding for the first time, affecting the composition of the results [6] The proportion of investment varied widely between entities, which can distort the results according to the relative weight of the financing [7] Only 2 out of 18 entities received capital, affecting the composition of the results

# The default of the entities does not depend on the profile of agricultural clients, nor on their experience with international investors



**Good financial performance1 is a necessary condition to achieve a positive impact, so it is key to analyze the evolution of non-performing loans.**

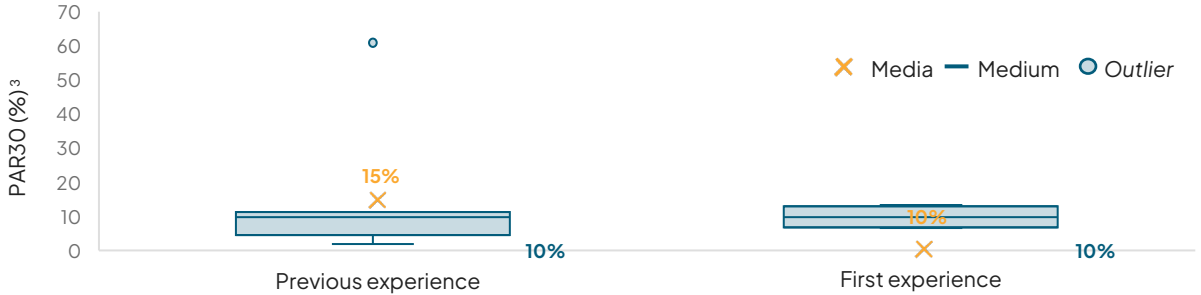
Although the deterioration in portfolio quality was widespread among banks, risk levels remain within manageable thresholds:

- 13 out of 16 entities increased their delinquency since the investment...
- ... however, 11 of the 15 entities with debt investment continue to make payments to Huruma and maintain controlled risk metrics
- A high proportion of new customers does not necessarily imply a higher risk of default

OECD | Effectiveness

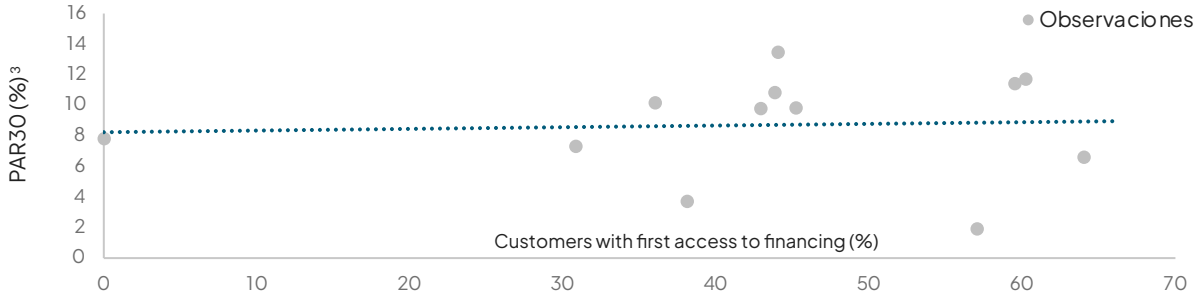
## Experience | Huruma was the first investor of its kind to provide international financing at scale to the entity[1,2,3]

Comparison of the non-performing loan portfolio between entities with and without previous experience receiving international investment




## New customers | Financial inclusion[1,2]

Correlation between the non-performing loan portfolio and the proportion of customers accessing similar financing for the first time




Notes: [1] For more details of the methodology implemented and the results see Appendix [2] N = 12 [3] PAR30 = % of portfolio at risk (PAR 30): (Portfolio with delinquency of more than 30 days + Renegotiated Portfolio with delinquency between 0 and 30 days) / Current Gross Portfolio]. The Renegotiated Portfolio refers to a restructured and/or refinanced portfolio, this occurs when the MFI takes the balance of a loan and (i) prolongs its liquidation for a longer period; and/or (ii) finances the cancellation of a loan with another new loan granted to the client.

Dalberg

# Although entities' trajectories are heterogeneous, they can be grouped into four general models, with different needs





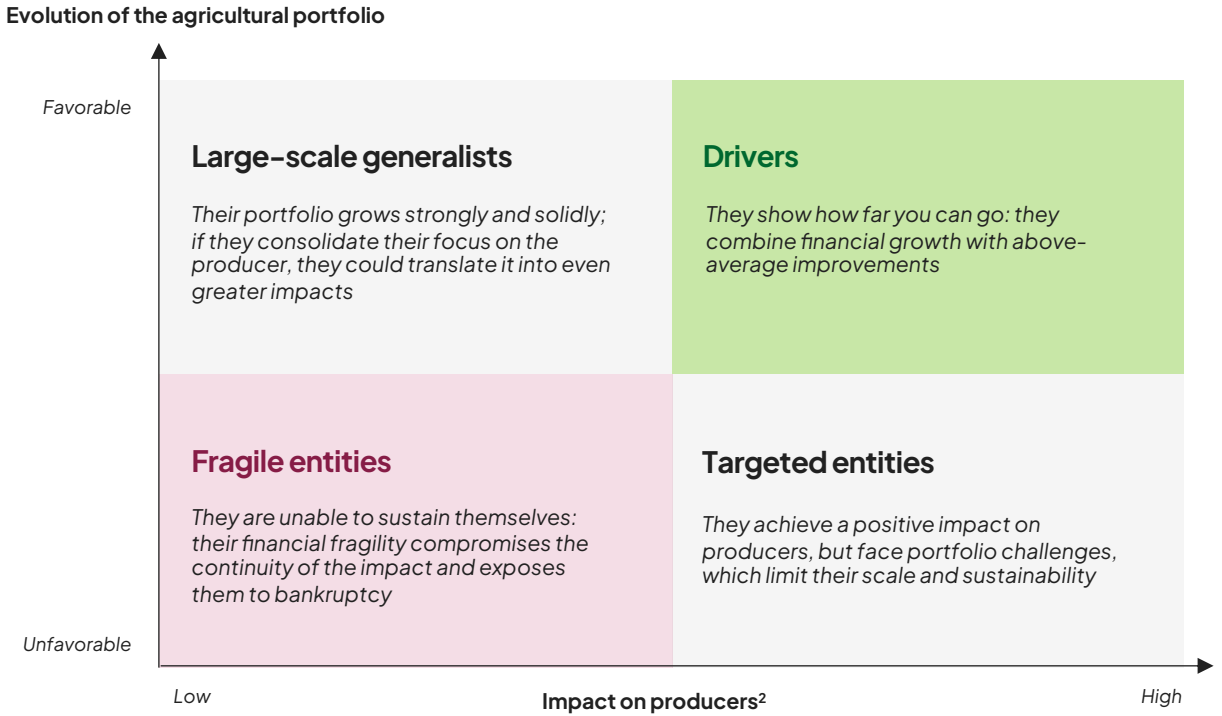
## To classify entities, we create two axes:

a. **Portfolio Performance:** We prioritize growth in moderate-risk agricultural loans

b. **Positive impact on producers:** we used the responses of the surveyed producers in financial inclusion, living conditions, access to employment and income, and improvement in dietary diversity

This segmentation allows us to capture the diversity of trajectories among the supported entities and to refine the recommendations according to their profile.

## Four models of financed entities[1]



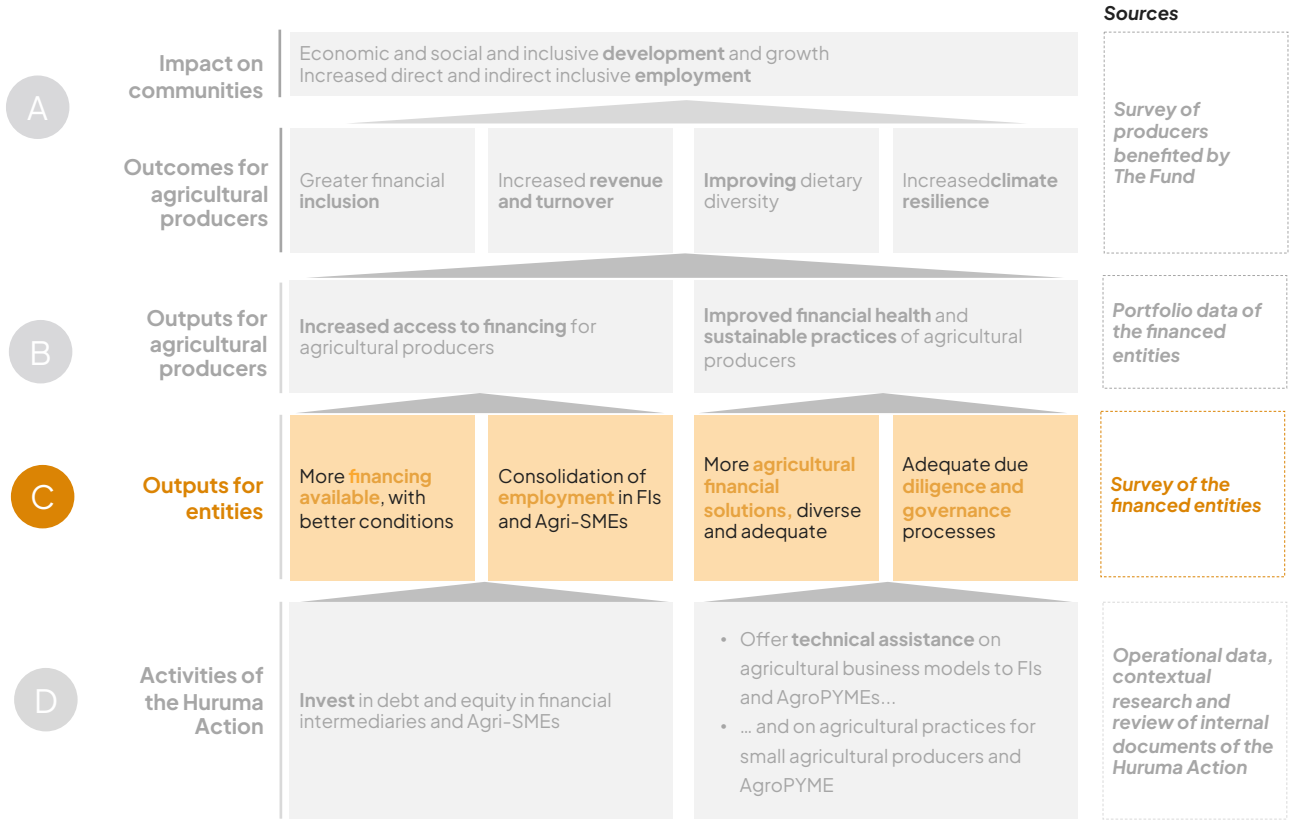

Notes: [1] N = 14 [2] Impact on producers: We created a three-dimensional survey: (i) Improvements for producers (70%), including responses on improvements in quality of life, income, and dietary diversity; (ii) Financial inclusion (20%), if this is the first time the producer has accessed this type of financing; (iii) Gender (10%), if the response is from a female producer

# This subsection analyzes the effectiveness in the use of resources to achieve the objectives set in the Theory of Change



## C Outputs for entities

**Source**: *The evaluation of Products for entities is based on* ***Remote surveys conducted on 14 of the 18 supported entities*** *by the Huruma Action and* ***in individual interviews*** *with 8 entities*




Notes: [1] OECD. (2021). Better criteria for better evaluation.

# The entities financed by Huruma increased their direct employment and undertook more actions that yielded a positive impact



## Relevant results of the survey of entities

**More financing available, with better conditions**

Most entities see a positive demonstration effect that attracted investors but do not see different conditions from those of other investors[1]

- **~70%** believes Huruma attracted the attention of other investors
- **~50%** believes that other investors have a better perception of risk after Huruma
- **~70%** reports that Huruma's interest rates are similar to the rest
- **~80%** reports that the deadlines are similar to other entities

**Consolidation of employment in FIs and Agri-SMEs[2]**

The entities financed by Huruma have particularly **boosted female employment:**

- **>16%** average increase in **total employment** in the entities financed by Huruma
- **>53%** average increase in **employment of women** in the

**More agricultural financial solutions, diverse and adequate**

- **>90%** of entities reported some **impact action** after receiving funding, including:
  - **close to 40%** They developed **new internal capabilities**
  - **close to 30%** Launched a **new product** or line of credit
  - **close to 25%** Improved their **impact measurement** practices[3]

**Adequate due diligence and governance processes**

*Due diligence processes are discussed in the next section of the document*

Notes: [1] For more details of the methodology implemented in the survey of invested entities and the results, see Annex [2] Results based on the Huruma Logical Framework estimate. The figures correspond to the simple average of each entity's individual increases in employment indicators. [3] Methods and processes used to assess the social, economic, or environmental changes generated by an intervention

# The entities highlight the quality of the technical assistance, but report difficulties and delays in starting it



## Although the processes for TAF projects are slow…

Some entities reported that the process of **definition and approval of the TAF with Huruma is slower** than for other partners

Publicly funded bidding conditions hinder TA's agility

Some entities pointed to an opportunity to better identify and anticipate the **internal dedication needed to deploy TA** at the beginning of the collaboration journey

"The proposal we made for the TAF was changed – it had a lot to do with training customers on agricultural issues. But ***we went around so much that we were unable to carry out a project"***

## … The results generated are usually satisfactory

**~50%** of the 8 entities with TAF support reported **increased satisfaction** vs. with other TAFs (25% the same, 25% lower)

The entities highlight the following qualities of the TAF with Huruma

- **Consideration** of the local context and closeness in treatment
- **Discipline** and rigor in the identification of needs
- Fluid and trust-based **communication**

*"Huruma is my model of how things should be done. **They came to visit the country, they saw the client… the service was magnificent"***

***"We are proud to have Huruma. as partners"***



# The evaluation compared the portfolio at risk against a benchmark to assess effectiveness in portfolio quality management and credit risk



## The increases in the non-performing loans of the Huruma portfolio could be related to several factors, including:

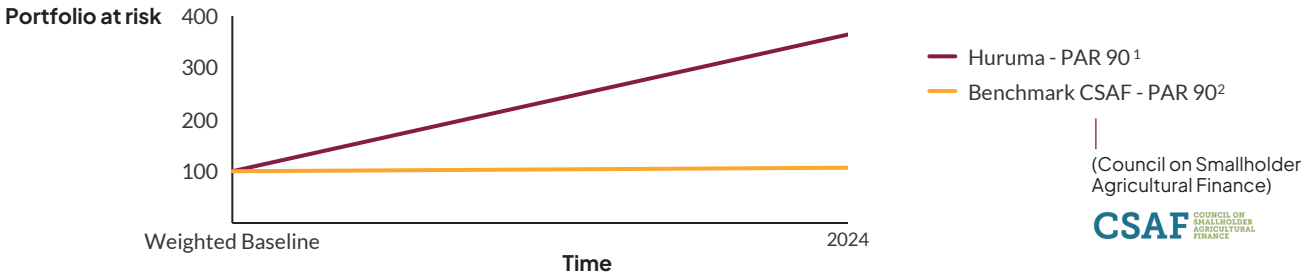
Adverse macroeconomic and regulatory environments in several countries; the increase in the agricultural portfolio with higher risk; the business management challenges observed by some of the investee entities; and the challenges of coordination with suppliers and partners for financing in an entity with high delinquencies.

## NPL evolution from baseline to 2024

OECD Eficiencia

*(Indexed values, weighted baseline 1 = 100)*

To compare both series, the values of the baseline and the year 2024 are indexed.




**The divergence in the evolution of PAR90 may be due to several structural factors:Efecto base**: the initial PAR90 (2.6%) was low for agricultural portfolios in emerging markets[3]; therefore, moderate absolute variations generate high relative increases when indexed.

- **Increase in absolute terms**: the PAR90 went to 9.5%, reflecting deterioration, but remains within the ranges observed in agricultural segments exposed to climatic and macroeconomic shocks.4
- **High sectoral concentration:** the portfolio is focused on primary agriculture and vulnerable rural areas, which implies greater sensitivity to extreme weather events, volatility of agricultural prices and increases in input costs recorded between 2022 and 2024.
- **Non-homogeneous impact:** the impairment is concentrated in certain contexts and geographies, which amplifies the effect on a specialized portfolio.
- **Comparability with benchmark:** the benchmark incorporates greater sectoral and geographical diversification, which tends to smooth out the aggregate evolution of the indicator.

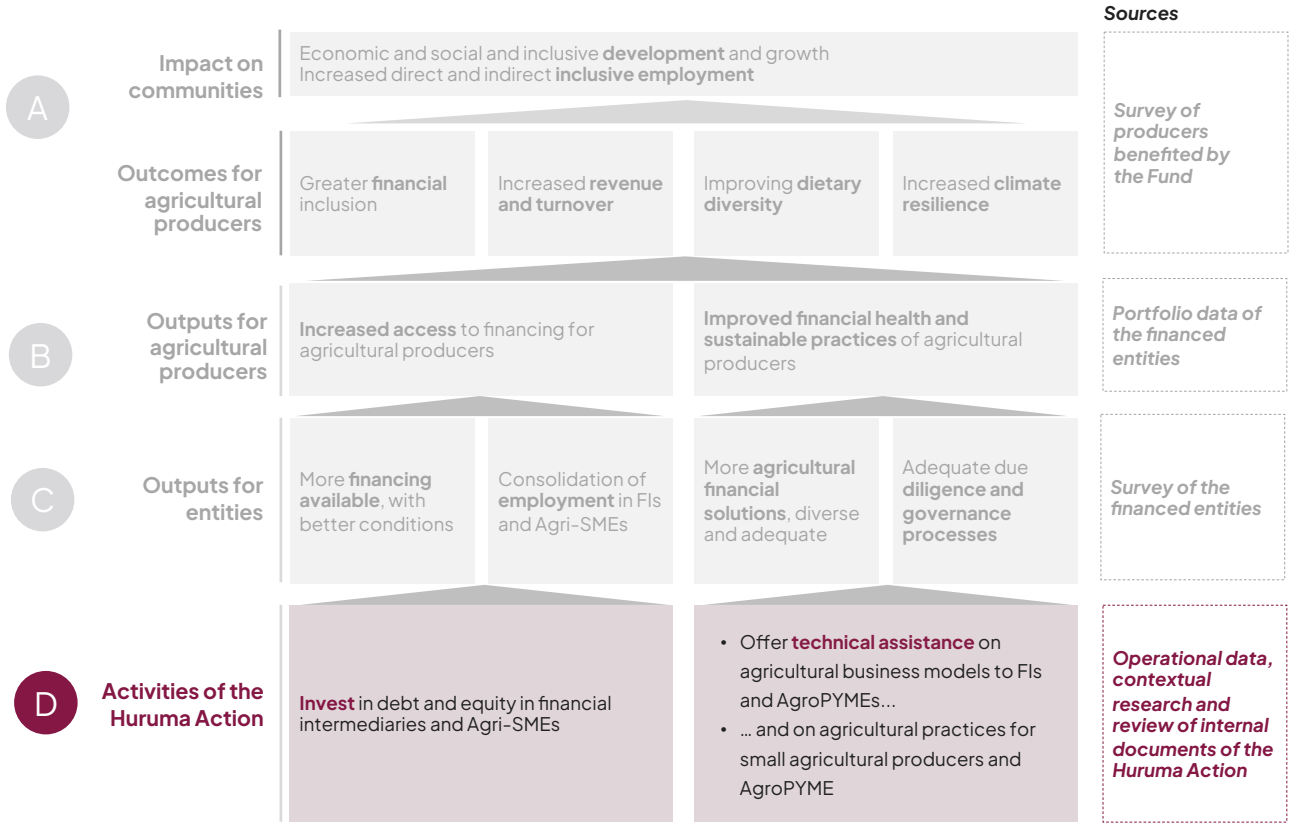
Notes: Note: [1]The NPLs of the entities in the Huruma portfolio are weighted according to the amount invested in each one. In the case of the CSAF Benchmark, the NPLs of each year are weighted according to the aggregate distribution of Huruma investments in that same year. This approach seeks to minimize the impact of macroeconomic fluctuations and improve comparability between the two series. [2] CSAF Benchmark 'Portfolio Risk', accessed August 2025. [3] IFC. (2014). Access to Finance for Smallholder Farmers [4] FAO. (2024). The Impact of Disasters on Agriculture and Food Security 2023

# This subsection analyses the management and implementation of the activities carried out by the Action, following a wide range of OECD criteria



## D Activities of the Huruma Action

**Source:** *The evaluation of Activities is based on sources* ***of operational data and qualitative information****, including interviews, contextual research, and review of internal Huruma Action documents.*




Notes: [1] OECD. (2021). Better criteria for better evaluation.

Dalberg

# Huruma meets or exceeds standards in 81% of its activities, with opportunities for improvement in TA and in how it influences the sector



| STAGE | Investment selection | | Support for entities | | Impact Management and Disclosure | |
|---|---|---|---|---|---|---|
| PROCESS | Due diligence | Portfolio construction | Technical Support | Influence | Measurement and management | Reporting and Outreach |
| PRACTICE VS STANDARD PERFORMANCE |  |  |  |  |  |  |
| | Conduct a strategic diligence process with an approach and tools tailored to the context of each investment | Builds your portfolio according to generally clear criteria, with the opportunity to incorporate lessons for the future | Despite close relationships and tailoring, entities are looking for more flexibility and visibility over the ROI of participating in TA services | While it proactively seeks to transform the entities it invests in, there are missed opportunities to transform the ecosystem | It has a clear impact vision, but it should strengthen its additionality and risk measurement in addition to the financial one | Even if it has good reporting, it should do more to socialize learning with entities and their ecosystem |

***26 of 32 practices analyzed meet or exceed the standard***

Score corresponding to the level of adoption of good practice (activity-specific standard) of the impact investing sector

- Huruma surpasses the adopted standard
- Huruma aligns with adopted standard
- Huruma does not meet or adopt the standard

Dalberg

# **Due diligence:** Although its diligence process is strategic, Huruma can do more to incorporate more predictive impact and risk analytics



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Best practice standard: Bertelsmann Foundation, Impact Due Diligence Principles, 2024*[1] | | | | |
| **Ensure fit with long-term strategy** | • Integrate **impact DD** into the Fund's strategy, with **KPIs per investment**<br>• Anchoring impact assessment in **ethical and regulatory frameworks** (e.g., SDGs, human rights, EU framework)<br>• Evaluate positive, negative, direct and indirect impacts with an **additionality approach**<br>• Extend the impact **horizon** beyond the investment period, considering **sustainability and long-term objectives** | Huruma goes beyond the standard | • The DD **aligns** with regulatory frameworks and the **Huruma Theory of Change**<br>• **Indicators of desired transformation** are defined from origination (e.g. climate resilience, formalization, financial inclusion)<br>• Tools to **assess long-term sustainability** or set multi-year targets per entity have not yet been implemented | Consistency |
| **Engage internal and ecosystem actors** | • Actively **include** internal investment, **risk, ESG, and impact teams in the research process**<br>• Systematically **consider actors in the local ecosystem** (producers, suppliers, associations, regulators)<br>• **Anticipate systemic and contextual risks** relevant to each entity's environment | Huruma aligns with the standard | • Internal investment and impact teams are involved, **the role of areas such as risk or ESG is integrated into the impact team, but it is not systematized**<br>• The European delegation of each country is visited and talks are held with other investors of the institution and with final beneficiaries for evaluation purposes, **but information on barriers or dependencies of other key actors** in the ecosystem is not systematically collected | Consistency<br>Relevance<br>Sustainability |
| **Rigorously measure relevant risks** | • **Assess** financial, operational, climate, regulatory, institutional, and social **risks**<br>• Apply quantitative metrics and comparable scales to **prioritize risks by type and severity**<br>• Establish **historical correlations and predictive models** when possible | Huruma aligns with the standard | • The relevant types of risk (country, regulation, operational) are well identified, and **rigorous and quantitative methodologies are applied**, such as SPI and Cerise SBS. There is also an internal Agri Readiness tool that uses IMP methodology. In addition, **Agri-SMEs have their own risk dynamics that require differentiated parameters and specific tools**<br>• **There is no significant correlation between the average risk at the time of origin and the actual results,** which weakens the predictive capacity of the analysis | Effectiveness<br>Relevance |

Notes: [1] Adapted by Dalberg for the Acción Huruma context.

# **Due diligence:** Huruma exceeds the standard by adjusting its approach and diligence tools and strategically planning exits



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Best practice standard: Bertelsmann Foundation, Impact Due Diligence Principles, 2024*[1] | | | | |
| **Adapt the analysis to the type of investment** | • **Adjust** the **DD approach** according to the **type of capital** (debt, equity, VC), stage of **maturity** and **sector**<br>• Apply **sector-specific tools and *benchmarks*** (IRIS+, Five Dimensions, ABC of Impact) to each context | Huruma goes beyond the standard | • Differentiated **tools are applied** (e.g., SPI4, *AgriReadiness Score by GAWA*) according to the type of institution<br>• *Further validation is needed to determine whether the due diligence process varies by type of capital* | **Efficiency**<br>**Relevance** |
| **Plan an exit without undermining impact** | • Design exit strategies that **ensure continuity of social impact**<br>• **Assess from the outset the optimal exit timing and conditions** to minimize disruption<br>• **Establish criteria for staying invested, transitioning, or mitigating** impact risk | Huruma goes beyond the standard | • Equity investments include an exit plan through an IPO<br>• If the IPO is delayed and a pre-IPO exit takes place, Huruma seeks other investors to reduce transition risk<br>• Most debt investees have access to financing on similar terms, so financial risk following Huruma's exit is limited | **Effectiveness**<br>**Sustainability** |

Notes: [1] Adapted by Dalberg for the Acción Huruma context.

Dalberg

# **Portfolio construction:** The Huruma process follows generally clear criteria, with an opportunity to incorporate lessons going forward



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Best practice standard: Bertelsmann Foundation, Impact Due Diligence Principles, 2024*[1] | | | | |
| **Set explicit financial return objectives for each investment** | • **Define minimum or target quantitative** financial returns for each investment<br>• **Align financial objectives** with the Fund's overall strategy and acceptable risk levels<br>• Use these targets to **prioritize and monitor financial performance** throughout the investment cycle | Huruma aligns with the standard | • Huruma **sets clear minimum financial return requirements**<br>• These **requirements are well documented and consistently applied** in approval and monitoring processes | Effectiveness<br>Efficiency<br>Sustainability |
| **Set explicit impact objectives for each investment** | • **Define specific, measurable impact targets** for each investment, aligned with the theory of change<br>• **Set minimum thresholds or impact *KPIs***<br>• Use these objectives to **prioritize investments and monitor results** | Huruma aligns with the standard | • Huruma conducts social DD and ensures that each investment **passes an impact screen aligned with the Fund's specific goals**<br>• GAWA has an internal methodology to compare an investment's potential impact with its potential risk and return<br>• The entity is assessed against minimum eligibility and expected-impact requirements, using **entity-specific metrics included in the investment agreement** | Effectiveness<br>Efficiency<br>Impact<br>Sustainability |
| **Link portfolio decisions to strategy** | • **Document criteria that guide portfolio decisions** (geographic allocation, ticket size)<br>• **Justify portfolio composition** based on the Fund's mission, risk levels, and impact goals<br>• **Recalibrate the portfolio regularly** to align with emerging strategic priorities | Huruma aligns with the standard | • Huruma has an overall portfolio structure, **but does not explicitly document the rationale or calculation behind its composition**<br>• **Current decisions are not fully linked to formal strategic criteria**, making it difficult to assess consistency or the need for adjustments | Coherence<br>Relevance |
| **Measure risk–impact trade-offs across investments** | • Develop tools to **systematically anticipate risk and impact potential**<br>• Apply analysis **to identify "high-impact/high-risk" versus "low-impact/low-risk" investments**<br>• Use this information to **strategically balance and diversify the portfolio** | Huruma aligns with the standard | • Huruma has **developed qualitative insights into financial, operational, and contextual risks** linked to social impact<br>• A next step would be to **systematize these trade-offs quantitatively** and develop a tool to compare risk and impact across entities | Relevance<br>Efficiency<br>Effectiveness |

Notes: [1] Adapted by Dalberg for the Acción Huruma context.

# **Technical assistance:** Huruma can strengthen its TA approach by explicitly communicating expected ROI and associated indirect costs



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Best practice standard: BII, Making the most effective use of grants and technical assistance to support financial institutions*[1] | | | | |
| **Address barriers beyond investees** | • Diagnose **external barriers** (regulation, market, consumers)<br>• **Combine support** to the institution with **ecosystem-level actions** | Huruma aligns with the standard | • The TAF includes sector-level components, but no formal **mechanisms** are yet in place for **analyzing ecosystem or key-stakeholder risks**; however, the cross-cutting TA being defined with the EU aims to fill this gap<br>• For example, one organization faced an **unanticipated setback** when suppliers delayed delivery of financed equipment | Coherence<br>Impact |
| **Build TA business cases** | • Build a **business case** that strengthens internal incentives…<br>• … by understanding **what motivates or limits change** within the institution<br>• **Ensure active commitment** from senior management and key operating teams | Does not meet the standard | • As of the evaluation cutoff date (Dec. '24), 10 of 18 entities had not yet begun TA, limiting Huruma's ability to **systematically build** the business case within those entities<br>• Two entities reported **a perception of rigidity** rather than co-creation in the design of some TA projects | Coherence<br>Relevance<br>Effectiveness<br>Efficiency |
| **Transfer relevant knowledge and capabilities** | • Focus the TAF on **strengthening internal capabilities** and **technical knowledge**<br>• Include **technical support** or coaching to **facilitate implementation**<br>• Ensure lasting **internal capabilities and reduce external dependence** | Huruma goes beyond the standard | • Entities highlight the **value of learning through procurement processes** generated by the TAF, which strengthens their capabilities for future donors and facilitates knowledge transfer<br>• … and see **opportunities** to deepen **applied learning**, beyond formal settings | Efficiency<br>Impact<br>Sustainability |
| **Design packages around needs** | • **Tailor the TAF design** to the institution's capabilities and maturity level<br>• Apply **phased and modular approaches** that enable piloting, learning, and adjustment | Huruma aligns with the standard | • Entities **value the tailored approach** to TA and the team's effort to develop it collaboratively and on the ground<br>• Some entities noted that the required level of effort was not always clear from the outset, resulting in **unanticipated operational burdens** | Relevance |

Notes: [1] Adapted by Dalberg for the Acción Huruma context. [2] Widely recognized sector tools include the SPTF Client Protection Pathway framework and CGAP guidance on risk management in microfinance institutions. (*) The cross-cutting TA envisaged in the ToR (2.2.3), currently being defined with the EU for a future tender, will be designed to address some of these challenges.

# **Technical assistance:** Although Huruma is valued for its closeness and accompaniment, it is also asked for less rigidity and greater flexibility



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Best practice standard: BII, Making the most effective use of grants and technical assistance to support financial institutions*[1] | | | | |
| **Incorporate local knowledge into TA design** | • Include **local teams** in MT delivery<br>• Maintain a **close presence** and combine with international experts when necessary | Huruma goes beyond the standard | • The entities value **the proximity of Huruma on the ground**, especially at critical times<br>• **Direct interaction** with producers, sector and key actors is recognized, beyond a formal presence<br>• This **accompaniment** is perceived as **differential** compared to other funders | Relevance<br>Sustainability |
| **Streamlining and Giving TA Flexibility** | • Accelerate the **definition, approval, and contracting** process to reduce costs and maintain commitment<br>• Incorporate **iterative cycles and robust monitoring, evaluation, and learning (MEL)**<br>• Design explicit space for **adjustments according to learnings** and maintain clear strategic focus | Does not meet standard | • Some entities report high **operational rigidity** in bidding processes and TA adjustments, limiting adaptation and generating frustration<br>• Some entities report delays (especially at the beginning of Huruma) and **low flexibility**, associated with COFIDES and EU requirements, to which several entities are not accustomed | Relevance<br>Efficiency |
| **Promoting long-term change beyond TA** | • Structure the **TAF** as a **long-term commitment** aimed at structural changes<br>• Focus intervention on **processes, culture, systems, and business models**, not just isolated applications | Huruma aligns with the standard | • TA projects have a final project report with lessons learned. An independent social audit of the institution is carried out when it is divested. It is evaluated whether the support had the capacity to change. Each TA contemplates the future cost structure.<br>• Some entities express interest in **shared learning spaces and community support** to enhance institutional evolution<br>• Huruma has designed a knowledge-sharing component and plans are being developed to share it | Impact<br>Sustainability |

Notas: [1] Adaptado por Dalberg para el contexto de Acción Huruma.

Dalberg

# **Influence:** Huruma can strengthen its catalytic role by activating levers of influence within and beyond investee entities



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Best-practice standard: Impact Frontiers, A shared logic for managing impacts on people and the planet, 2024*[1] | | | | |
| **Mapping the ecosystem of actors and groups of influence** | • **Identify key actors** that influence or are influenced by the entity (other investors, regulators, competition, suppliers)<br>• **Map interests, relationships, and collaboration opportunities** to strengthen the ecosystem | Below standard | • Although interactions are carried out with external actors, and barriers and actors are mapped for new investment niches**, these interactions are punctual** and **respond to specific needs** rather than a structured influence strategy.<br>• **No systematic ecosystem mapping processes by entity are identified** by Huruma | **Coherence**<br>**Relevance** |
| **Using financial levers to incentivise institutions** | • **Offer differentiated financial conditions** according to the achievement of impact goals (e.g. reduced rates if social or environmental *KPIs are met)*<br>• Include **positive or negative conditionality clauses** in investment contracts | Meets standard | • Although some pilot cases of financial incentives or rate reductions have been explored, **there is no systematic strategy or formal policy** in this regard<br>• The use of these levers (as incentives or adjustments in conditions) **depends on ad hoc decisions** and is not yet integrated into a cross-cutting logic of the Fund | **Effectiveness**<br>**Efficiency** |
| **Activating non-financial levers to influence the strategy of institutions** | • **Accompany entities** to redefine their strategy, impact approach or organizational priorities<br>• Use tools such as **strategic advice**, **co-creation of indicators** or **structural technical assistance**<br>• Apply this influence with **contextual sensitivity and in collaboration with local teams** | Exceeds standard | • Huruma has had a positive influence in some key cases, where **it has contributed to reorienting objectives or reinforcing strategies**<br>• Huruma actively participates, with a vote or as an observer, in the **boards of the entities in which it has a capital stake** | **Effectiveness**<br>**Efficiency** |
| **Influencing other ecosystem actors beyond entities** | • **Promote systemic change** by engaging with actors such as regulators, industry associations, peer investors, or critical suppliers<br>• Use the Fund's institutional voice to **support reforms, disseminate learning, or facilitate partnerships** | Meets standard | • Huruma **has achieved some visibility in the ecosystem**, especially through the impact report and networks with the European Union<br>• However, **there is scope to strengthen this catalytic role**, especially in markets with structural constraints or low coordination between actors | **Impact** |

Notes: [1] Adapted by Dalberg for the context of Acción Huruma.

Dalberg

# **Measurement and management:** Huruma has a robust framework aligned with its theory of change, and effectively disaggregates outcomes



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Best-practice standard: Impact Frontiers, A shared logic for managing impacts on people and the planet, 2024*[1] | | | | |
| **Identify key metrics and objectives aligned with the theory of change** | • **Define priority metrics** that reflect the expected outcomes in the theory of change<br>• **Set specific, measurable goals** per investment or at the portfolio level<br>• **Use these metrics to guide decisions**, monitoring, and evaluation | Meets standard | • Huruma **uses metrics aligned with its theory of change**, such as financial inclusion, productivity, food security, and autonomy<br>• However, **the objectives are not always standardized by entity** (some have qualitative *output objectives*), the general framework is consistent | **Consistency**<br>**Relevance** |
| **Incorporate a disaggregated view of impact by beneficiary groups** | • **Disaggregate outcomes** by gender, age, productive activity and other relevant characteristics<br>• **Analyze impact differences** within the portfolio to fine-tune products or support | Exceeds standard | • Huruma **carries out a solid disaggregation** by gender, first financial experience, type of activity (livestock, agriculture)<br>• **This practice is well integrated into the methodological design** and has been useful for adjusting approaches by segment | **Effectiveness** |
| **Harmonize and quantify aggregate impact metrics** | • **Measure the same key indicators across all entities**, under common definitions<br>• **Establish comparable aggregates** to assess relative financial and social performance<br>• **Apply consistent criteria** in data collection, validation, and consolidation | Meets standard | • Huruma measures several metrics in a common way, but **not all entities apply the same classification criteria** (e.g., what counts as an agricultural product) | **Effectiveness**<br>**Efficiency** |

Notes: [1] Adapted by Dalberg for the context of Acción Huruma.

Dalberg

# **Measurement and management:** Huruma needs to systematize and estimate additionality, and better measure risks to impact sustainability



| Best practices | Description | Huruma* | Rationale | OECD Criteria |
|---|---|---|---|---|
| *Best-practice standard: Impact Frontiers, A shared logic for managing impacts on people and the planet, 2024*[1] | | | | |
| **Establish methodologies to approximate additionality** | • Design methods to **estimate how much of the positive impact is attributable to the intervention**<br>• Use **baselines**, **counterfactuals**, ***benchmarks***, or expected change **narratives** | Below standard | • Although Huruma compares its results with *benchmarks*, **it does not have a systematic methodology to estimate the financial or impact additionality** of financing (e.g. what would have happened without Huruma?)<br>• There is no control group or structured counterfactual | **Effectiveness**<br>**Impact** |
| **Measure and anticipate risks for impact** | • **Identify risks** that may affect the achievement or sustainability of the impact (operational, financial, contextual)<br>• Incorporate **early warning mechanisms** and **regular monitoring**<br>• Use this information to **adapt strategies and protect achievements** | Meets standard | • Huruma **has improved its monitoring of financial risks** and relates it to impact risks (e.g. non-performing loans, liquidity), including a Risk Monitoring Committee that analyzes the financial ratios and the current impact of each investment, to try to prevent impairments and react<br>• However, **it does not systematize the specific risks to the impact**, **nor does it apply predictive models** that it can calibrate with experience<br>• Risk analysis **is still more focused on debt repayment than on the resilience of** social or environmental outcomes | **Relevance**<br>**Effectiveness** |

Notes: [1] Adapted by Dalberg for the context of Acción Huruma.

# **Reporting and disclosure:** Huruma demonstrates strong reporting processes, but could share more about the challenges it has faced



| Best practices | Description | Huruma* | Rationale | OECD Criteria |
|---|---|---|---|---|
| *Best-practice standard: Impact Frontiers, Impact Performance Reporting Norms, 2024; Impact Disclosure Taskforce, Impact Disclosure Guidance, 2024*[1] | | | | |
| **Report annual impact results with quantitative data, evolution from baseline and narrative analysis** | • Publish **periodic reports** documenting the social and environmental results of the portfolio.<br>• **Compare current results with the defined baseline.**<br>• Show **progress** (or setbacks) on key indicators explicitly.<br>• Communicate not only the cumulative result, but the **relative change and its significance**. | Huruma aligns with the standard | • The **annual report required by the EU,** prepared by COFIDES, includes aggregated quantitative information and monitoring of progress against the established baseline<br>• There is also an annual impact report developed by GAWA Capital that details the main achievements of the year<br>• Although **it does not present analysis disaggregated by entity or by KPI,** it complies with the standard of reporting results and its annual evolution according to the Huruma logical framework | Coherence<br>Relevance<br>Efficiency |
| **Incorporate case studies into impact reporting** | • **Complement aggregated results** with stories of profound change<br>• **Select entities or producers** that exemplify outstanding achievements, processes, or innovations | Huruma goes beyond the standard | • Huruma's documents **include case studies that illustrate stories of transformation**, especially through testimonies from producers<br>• These cases **reinforce the Fund's value narrative** and allow tangible examples of the expected impact to be shown. | Relevance<br>Effectiveness |
| **Share challenging experiences as well as success stories** | • **Also document challenges, errors, or limitations** encountered in the implementation<br>• **Recognize learnings** derived from less successful investments or adverse contexts | Does not meet standard | • The Huruma report **does not systematically include difficult experiences or lessons from** failures or modest results<br>• There are initial and developing reports with lessons learned and details of difficulties encountered, although these are not systemic | Relevance<br>Effectiveness<br>Efficiency |

Notes: [1] Adapted by Dalberg for the context of Acción Huruma.

Dalberg

# **Reporting and disclosure:** Huruma can do more to socialize learnings with entities and better position itself in sharing with the ecosystem



| Best practices | Description | Huruma* | Rationale | OECD Criterion |
|---|---|---|---|---|
| *Good Practice Standard: Impact Frontiers, Impact Performance Reporting Norms, 2024; Impact Disclosure Taskforce, Impact Disclosure Guidance, 20241* | | | | |
| **Establish comparability with other initiatives where relevant** | • **Position the Fund's results in relation to industry *benchmarks*** or similar initiatives<br>• Use this comparative perspective to contextualize performance and clarify methodological similarities and differences | Huruma goes beyond the standard | • In this mid-term evaluation and in the final evaluation, comparisons with *external* benchmarks are incorporated<br>• … and the financed entities evaluate their experience in terms relative to other investors<br>• **Huruma reports its data to Tameo**, which allows its performance to be compared with that of other impact investment funds based on standardized, validated and sectorally representative information | Effectiveness<br>Efficiency |
| **Socialize learning with the investees entities** | • **Share findings and recommendations** in a structured way with partner entities<br>• **Facilitate spaces for feedback and joint learning** | Does not meet standard | • Huruma **does not systematize the process of feedback and** socialization of learning **with the entities** | Coherence<br>Relevance<br>Sustainability |
| **Socializing learnings with the impact investing ecosystem** | • **Share findings, methodologies and reflections** with the wider sector (other funds, platforms, forums, cooperation)<br>• **Contribute to the construction** of global standards, debates and agendas<br>• **Acting as a catalyst** for collective learning | Huruma aligns with the standard | • Huruma **begins to position itself as a reference** through this interim evaluation and its public reports, which contributes to the ecosystem<br>• However, it **does not yet have an active and sustained strategy for disseminating learning**. Recent efforts, such as a knowledge dissemination report done in collaboration with the Frankfurt School and Microserfin, are being developed to establish this practice, although efforts are limited for now<br>• Huruma is part of alliances in the sector such as SpainNab, GIIN, NZAM and SAFIN. They also participate in IRIS+ benchmarks (specifically in financial inclusion and agricultural financing) | Coherence<br>Sustainability |

Notes: [1] Adapted by Dalberg for the context of Action Huruma.

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# Interviews with management and advisory teams allowed us to identify perceptions and lessons learned about the EU's added value to Huruma



**The European Union provides a first-loss tranche of EUR 10 MM, in addition to non-reimbursable contributions of EUR 7.8 MM incorporated into the TA Facility. At this stage in the Action's implementation, it is concluded that:**

- The EU's participation is not marginal, but structural: it is described as a catalytic investor whose contribution (first losses + TA) was a enabling condition for establishing the vehicle, and above all for the mobilization of private capital.

  " Bringing in an investor with the catalytic role of the EU was more than fundamental; it was critical." – Action Advisory Team

  "The contribution in first losses and TA has been key" – Action Advisory Team

  "[Early losses] mobilize... private investors... [and facilitate] fundraising [to go beyond the original target]" – Action Management Team

  "The scale [of mobilization] represents a change that shows the way" – Action Advisory Team

- Funds for TAF are perceived as a necessary condition for inducing changes that the market would not make on its own.

  "What we need is the TA funding because, much as we may want to include these requirements in the covenants, the entities will not implement them without funding." – Action Management Team

  "[Financial institutions] are doing better with the implementation of... technical assistance" – Action Management Team

- EU involvement introduces higher perceived standards of governance and alignment.

  "Having a Technical Assistance Monitoring Committee [where the EU plays a role] facilitates follow-up..." – Action Advisory Team

  "[As an advisory entity] we are conditioned to oversee compliance with the commitments agreed with the European Union " – Action Management Team

- Additionality is accompanied by costs (complexity, reporting, demanding start-up processes) and instrumental limits (e.g., uncovered foreign exchange risk), which limit the potential additional benefit.

  " The initial stages of working with the EU were difficult... we had to redo many issues" – Action Advisory Team

  "The rules imposed on early losses do not allow us to hedge exchange rate risk... there are many investments that we fail to make that [would have been] very interesting..." – Stock Management Team

Sources: Qualitative interviews with actors advising and managing Huruma Action

06

# Recommendations

Strategic, operational, and learning opportunities for Huruma and the impact investing ecosystem



Dalberg

# We distinguish between recommendations within Huruma's scope, for future/successor fund vehicles, and for the impact investing ecosystem





## A Huruma

Recommendations for the final evaluation to further improve the impact *within* the scope of Huruma, focused on financial inclusion for producers and the transformation of financed entities

***Assessment approach***

## B Upcoming funds

High-level recommendations on the value proposition of upcoming funds, based on the learnings, challenges and opportunities identified in the Huruma Mid-Term Evaluation

## C Impact ecosystem

High-level lessons for actors in the impact investing ecosystem, including impact investors, financial institutions, policymakers, and technical assistance providers

# Huruma can continue to improve the deployment of its technical assistance with a greater business perspective



A *Recommendations for Huruma*

| Recommendation | Motivation | Description |
|---|---|---|
| A1 Calculate and communicate the **internal dedication required** for successful technical support | Several entities have indicated that they did not anticipate the operational burden involved in implementing technical assistance projects, especially when there are bidding processes and coordination with consultants. | • Estimate in a guideline way the **internal dedication** that a TA project typically requires, both in number of people involved and in approximate hours, using **recent reference cases**<br>• Communicate this **expected operational load** before the contract is signed, and integrate the necessary internal dedication into the *initial onboarding* or TA guide<br>• In addition, provide examples of **successful internal structures** (e.g. technical focal point, internal validation committee) |
| A2 Articulate a strong enough **business case** for TA to be deployed | Although they value the potential impact of TA, several entities do not clearly see how it contributes to improving their financial performance, especially in contexts of high operational load. | • Identify and communicate how TA can improve the entity's **business performance** (e.g., operational efficiency, farm profitability)<br>• Prepare short sheets with **expected returns** by type of TA, based on real experiences of the portfolio (e.g. product redesign that increases revenue per customer, governance improvement that reduces delinquency)<br>• Present these business cases **synthetically** during the proposal phase, as part of *onboarding* materials or pitch sessions |
| A3 Prioritize technical assistance based on **the entity's** impact and business performance | In several entities, operational and basic management challenges limit the possibility of implementing deeper transformations in inclusion or sustainability. | • Assess **the institutional maturity** of each entity and tailor the TAF approach according to its level and specific needs (e.g. creditworthiness, portfolio, processes)<br>• Entities with financial and commercial challenges could benefit from specific support **to improve their business management and operational efficiency**, within the institutional strengthening component, **even if the entity's initial demand is oriented towards other areas**<br>• Reserve more complex transformations (climate, gender, digital) for entities with a strong operational base |

# Huruma can strengthen the technical basis for assessing impact and prioritizing decisions



A *Recommendations for Huruma*

| Recommendation | Motivation | Description |
|---|---|---|
| A4 Strengthen the **methodology for measuring additionality** for the final evaluation | Huruma's management team has pointed out the need to build a broader narrative on the Fund's contribution, and some entities have expressed interest in making the positive results of funding and TA more visible. | • Develop a systematic methodology to measure ex ante and ex post additionality, **differentiating between types of entities according to market access and** institutional **maturity.**<br>• Incorporate a typology **of additionality (financial, technical, institutional)** that recognizes what GAWA already applies in its due diligence and documents it in a more explicit and comparable way.<br>• Use the results to better **communicate the added value of the Fund** and feed into the final 2027 evaluation. |
| A5 Standardize portfolio **measurement criteria** across entities | Some entities report agricultural and rural portfolio information with different definitions, which makes it difficult to compare and limits the Fund's ability to generate learning and make data-based decisions. | • Define a **common typology** to classify agricultural, climate and **inclusive portfolio**, with clear and comparable criteria<br>• Document, **share best practices, and apply the same criteria to the entire portfolio for measurement purposes** (e.g., proxy utilization, customer targeting, location, or activity) |
| A6 Report evolutions with respect to **baseline** with each entity | Some entities report the impact in absolute or cumulative values, without referring to the baseline. Several interviewees point out that, although metrics are agreed, their evolution is not always documented | • Explore the possibility of establishing clear **baselines** at the **time of investment** for the impact metrics prioritized by each entity<br>• Agree on the **periodicity of monitoring** and the key milestones in which progress is expected to be reported (e.g. closing of TA, year 2 and year 4 post-investment)<br>• Include **narratives in the reports that explain progress or setbacks with respect to the baseline**, highlighting relevant learnings |

# This includes a more consistent analysis versus baseline and a systematization of learning



A *Recommendations for Huruma*

| Recommendation | Motivation | Description |
|---|---|---|
| A7 Document learning related to **challenges and difficulties** | Huruma has accumulated diverse experience in contexts and types of entities, but the lessons learned and challenges faced have not yet been systematized. Several entities point out that some obstacles could have been anticipated if previous experiences had been documented | • **Systematize** the learning obtained during implementation, including those derived from cases with mixed results or difficulties<br>• Include "challenges faced" and "adaptations made" sections in progress and closure reports<br>• Promote a **continuous improvement** approach through internal validation spaces and with entities<br>• Identify **recurring patterns** that allow **anticipating challenges** in future interventions |
| A8 Sharing lessons with **investee entities** | Many entities expressed interest in learning about good practices from other partners. There is an opportunity for Huruma to build on recent efforts (e.g., with the knowledge dissemination budget) to position itself as a strategic investor | • Create more **learning spaces** between investees entities (e.g. thematic workshops, webinars, peer-to-peer exchanges)<br>• Document and **disseminate concrete success stories** that show how other entities have overcome similar challenges (e.g. digitalization, design of agricultural products, customer segmentation), building on the initial example of Microserfin<br>• Explore **accessible formats** (e.g., short newsletters, video capsules, virtual panels) to effectively scale knowledge |

# The Action generates relevant learning for other vehicles seeking to implement a complementary or sequential thesis to that of Huruma



B *Recommendations for future funding*

**Recommendation**

| | | |
|---|---|---|
| B1 | **Adjust** investment risk and impact **models** based on Huruma's **empirical evidence** | • Systematically analyze the difference between predicted risk and materialized risk to identify more predictive variables.<br>• Weight initial financial performance as a key variable for upcoming due diligence. |
| B2 | Build **portfolios** with a new kind of impact intentionality | • Incorporate impact metrics into risk scoring, so that financial risk and social or climate impact are measured together<br>• Incorporate clauses to manage exogenous risks (e.g. increased performance conditionality)<br>• Explore larger tickets to dilute operational costs by entity |
| B3 | Strengthening the TA's approach to **climate resilience** | • Focus TAF on sustainable agricultural practices (e.g., regenerative, water efficiency) and climate risk hedging products to mitigate potential climate/environmental risks with land use expansion |
| B4 | Develop an **additionality methodology** from the design of the Fund, applicable ex ante and ex post | • Define a counterfactual from the structuring phase to measure the Fund's unique contribution.<br>• Map comparable investors to estimate the differential effect against peers.<br>• Include additionality as a monitoring criterion in the investment cycle and in performance reports. |
| B5 | **Adapt** ex-ante **diagnostic** tools with performance management indicators | • Systematically apply ex-ante diagnostic tools (such as Huruma's Agri-Readiness Score) to assess the readiness of institutions before investing.<br>• Complement with effective performance indicators (e.g., growth of the agricultural portfolio, delinquency or outreach to small producers)<br>• Use the results to segment the TA and prioritize the entities with the greatest skills gap or greater transformative potential. |
| B6 | Create an **integrated value proposition** for investment and technical assistance | • Communicate the investment and TAF as a single value proposition, with a business case, considering indirect benefits and costs<br>• Offer modular TAF with a menu of options to streamline definition and approval, and include business management components<br>• Experiment with transformation-oriented financial incentives (e.g. conditionality of financing conditions) |

# Huruma offers four big lessons learned for the impact investing ecosystem



C *Lessons for the investment ecosystem*

## Lessons learned

**C1** The design of **mobilization structures is feasible at scale**

- The first loss tranche covered with public capital was key to mobilising EUR 90 million of private investment, reducing perceived risk and offering moderate returns (around 7%) in a high-risk sector such as agriculture
- Well-structured public capital can act as an effective catalyst for private investment towards development objectives, mitigating perceived risk and offering a model that can be replicated in similar instruments under initiatives such as Global Gateway
- Flexibility clauses allow contractual conditions to be adjusted in the event of external shocks, protecting the sustainability of the portfolio

**C2** **Additionality** is a sign of differential impact

- Greater additionality is associated with an increase in the reported impact, but not the risk. Huruma has a greater impact on entities that did not previously have access to international financing, where their investment catalyzes structural changes
- The selection of entities should prioritize contexts where the contribution of the entity is clear, differentiated and difficult to replicate by other actors. It is ideal that additionality can be defined, establishing a counterfactual, from the design of the loan

**C3** Enhance impact **through results-based incentives that build from Huruma's experience**

- Performance incentives can align interests between the Fund and the entities, but their effectiveness depends on the type (financial, technical, reputational), the context and their operational design
- Incentives have costs and generate follow-up burdens. Therefore, they should be applied when there is a clear impact and business case, with specific objectives and mechanisms to measure results
- In the absence of explicit incentives, the Fund's ability to influence may be limited. Designing results-based incentive pilots can help explore this avenue without creating unnecessary burdens

# Huruma offers four big lessons learned for the impact investing ecosystem

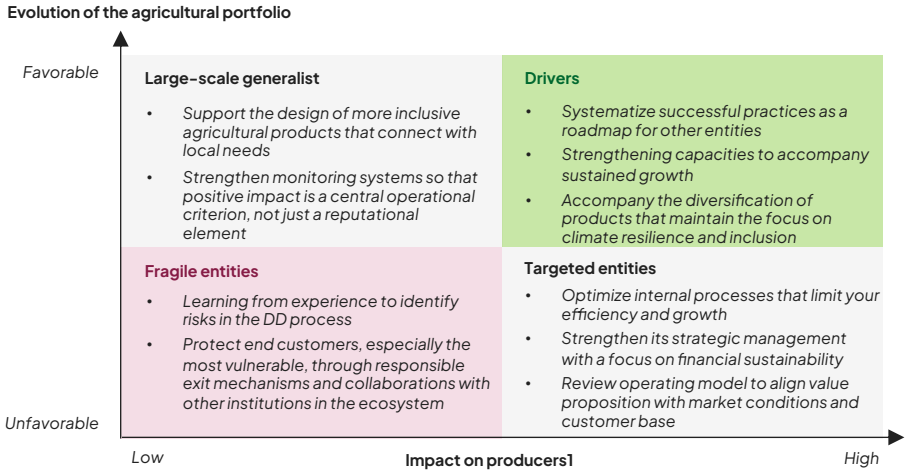


C *Lessons for the investment ecosystem*

## Lessons learned

### C4 On-lending strategies require **differentiated portfolio management**

- The growth and impact are not evenly distributed among all the financed entities. In Huruma, more than 90% of the growth in agricultural customers comes from only three entities. This does not imply that the others have failed, but it does imply that their traction was less given the macroeconomic conditions. It should be noted that the three with notable growth are larger than average and this is a factor in their results.
- This asymmetry requires differentiated management: scaling to entities with high potential, while adapting support to those facing structural barriers. This approach maximizes the return on impact per euro invested and allows resources to be adjusted according to the pace of each institution.




Notes: [1] Impact on producers: We created a three-dimensional report: (i) Improvements for producers (70%), including responses on improvements in quality of life, income, and dietary diversity; (ii) Financial inclusion (20%), if this is the first time the producer has accessed this type of financing; (iii) Gender (10%), if the response is from a female producer

07

# Huruma Action Logical Framework

Indicators established during the design of the Huruma Action to measure its performance in achieving the objectives of the Theory of Change.



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# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (1/11)

*Indicators[1]:* *Validated during the evaluation* *Measured in this evaluation* *Proposed additions*

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| 4.1 | Access to financing (for direct operations): number of units served among the relevant target group | # | Number of loans/investments outstanding at the end of their fiscal year in AgroPYMEs2 | 0 | 2 | Manager's primary data, Dalberg analysis | 2 |
| | | # | Annual number of new loans/investments disbursed/made during the year in Agri-SMEs | 0 | 0[3] | Manager's primary data, Dalberg analysis | 2 |
| 4.2 | Access to finance (for direct operations): Amount of outstanding loans to the relevant target group | € | Annual volume of new loans/investments disbursed/made during the year in Agri-SMEs | 0 | 15.542.758 | Manager's primary data, Dalberg analysis | 2 |
| | | € | Amount of loans/investments outstanding at the end of their fiscal year in AgroPYMEs | 0 | 16.942.350 | Manager's primary data, Dalberg analysis | 2 |
| | | € | Annual volume of new loans/investments disbursed/made during the year | 0 | 0[4] | Manager's primary data, Dalberg analysis | 2 |
| 4.3 | New financing made available to financial intermediaries (for indirect operations) (e.g. banks, microfinance institutions, funds) | € | Volume of credit lines/guarantees/equity investments granted to financial intermediaries | 0 | 16.311.107 | Manager's primary data, Dalberg analysis | 2 |
| | | € | Volume of credit lines/guarantees/equity investments granted to financial intermediaries | 2.033.419 | 50.916.358 | Data primarios del gestor, análisis Dalberg | 14 |
| | Prior access to credit by agricultural producers | # | Number of agricultural producers served by entities financed by Huruma who access a similar credit for the first time[5] | - | 892 | 60 Decibels Survey | 1.706 |
| | | # | Number of agricultural producers served by entities financed by Huruma (beneficiaries) who had already accessed a similar credit in the past | - | 814 | 60 Decibels Survey | 1.706 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] It is calculated as the number of agribusinesses in the portfolio that have payments in force at the cut-off date (i.e., with outstanding debt). It is interpreted as the cumulative number of active investments
[3] It is calculated as the number of new agribusiness added to the portfolio during the period in question. In December 2024, no new investments were registered, therefore, the value is zero for that month
[4] It is calculated as the number of new agribusiness incorporated into the portfolio during the period in question. In December 2024, no new investments were registered, therefore, the value is zero for that month
[5] It is used as an approach to the financial inclusion promoted by Huruma, as it involves people who access a bank loan for the first time through an entity supported by the

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (2/11)

*Indicators*[1]: *Validated during the evaluation* | *Measured in this evaluation* | *Proposed additions*

| No. | Indicator | Unit | Description/Formula | Baseline | Dato a Dic. 2024 | Fuente | N |
|---|---|---|---|---|---|---|---|
| 4.3 | New financing made available to financial intermediaries (for indirect operations) (e.g. banks, microfinance institutions, funds) | € | Amount invested in equity investments in financial institutions | 0 | 16.311.107 | Manager's primary data, Dalberg analysis | 2 |
| | | € | Amount invested in debt investments in financial institutions | 2.033.419 | 106.131.107 | Manager's primary data, Dalberg analysis | 14 |
| | | € | Volume of new debt loans/investments in financial institutions | 0 | 0[2] | Manager's primary data, Dalberg analysis | 14 |
| 4.4 | Access to financing (for indirect operations): number of units served among the relevant target group | # | Number of loans/investments in force | 1.681.029 | 2.361.522 | Manager's primary data, Dalberg analysis | 16 |
| | | # | Number of loans/investments disbursed during the year (12 months) | 948.637 | 2.069.543 | Manager's primary data, Dalberg analysis | 16 |
| 4.5 | Access to finance (for indirect operations): Amount of outstanding loans and other sources of funding for the relevant objective (weighted average) | € | Volume of the aggregate current portfolio of the FIs in Huruma's portfolio | 3.559.373.561 | 6.350.115.944 | Manager's primary data, Dalberg analysis | 16 |
| | Access to finance (for indirect operations): Amount of outstanding loans and other sources of funding for the relevant objective | € | Portfolio disbursed in the year, aggregate volume of FIs in Huruma's portfolio | 1.894.245.336 | 5.129.757.686 | Manager's primary data, Dalberg analysis | 16 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] It is calculated as the number of new debt investments in financial institutions incorporated into the portfolio during the period in question. No new investments were recorded in December 2024, therefore the value is zero for that month

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# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (3/11)

*Indicators[1]:* Validated during the evaluation | Measured in this evaluation | Proposed additions

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| 4.6 | Number of MSMEs indicating an increase in their turnover | # | Number of male agricultural producers or male-led Agri-SMEs reporting an increase in their turnover thanks to the Fund/TA | -[2] | 39.340 | Manager's primary data, Dalberg analysis | 2 |
| | Number of MSMEs indicating an increase in their turnover | # | Número de agricultoras mujeres o Agro-PYMEs dirigidas por mujeres que reportan un aumento en su facturación gracias al Fondo/AT | - | 3.223 | Manager's primary data, Dalberg analysis | 2 |
| | Change in gross portfolio, by entity[1] | % | $\Delta GLP_i = \left(\frac{GLP_{t_{final}} - GLP_{t_{base}}}{GLP_{t_{base}}}\right) x100$ | - | -[3] | Manager's primary data, Dalberg analysis | 16 |
| | Change in the number of credits, by entity[1] | % | $\Delta Créditos_i = \left(\frac{Créditos_{t_{final}} - Créditos_{t_{base}}}{Créditos_{t_{base}}}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 16 |
| | Gross portfolio in real local currency, by entity[1] | € | Total gross portfolio balance of each entity in local currency, adjusted for inflation. The adjustment is made by deflation of nominal values using a national consumer price (CPI), based on the initial month of the observation period: $Cartera\ bruta\ real = \left(\frac{Cartera\ bruta\ nominal}{IPC}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 16 |
| | Total gross indexed portfolio, by entity[1] | € | The actual gross portfolio value for each entity i and month t is indexed to the investment month (t = 0), assigning it a base value of 100. This allows entities with different portfolio scales to be compared: $Valor\ indexado_{it} = \left(\frac{Cartera\ bruta\ real_{it}}{Cartera\ bruta\ real_{i,mes\ 0}}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 16 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] Agribusiness did not report data prior to Huruma financing
[3] For some of the new indicators proposed by the evaluation team, neither a baseline value nor a current value is presented in this table, as these were measured at the level of each entity or country and several are already calculated in aggregate form here. The disaggregated results, together with the methodological and analytical detail, are presented in section 3 of the Annex.

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (4/11)

*Indicators[1]:* *Validated during the evaluation* *Measured in this evaluation* *Proposed additions*

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| 4.8 | Investee Portfolio at Risk (%) (weighted average) | % | 30-day portfolio at risk plus restructured loans - % of gross loan portfolio PAR30 = (Outstanding balance of portfolio with more than 30 days of arrears + outstanding balance of impaired restructured loans) / Total gross portfolio of outstanding loans Weighted average of the PAR30 of the entities financed by Huruma at the end of the fiscal year: $\sum_{i=1}^{n}(\frac{Monto\ invertido\ por\ Huruma\ en\ la IF_i}{Monto\ total\ invertido\ por\ Huruma} x PAR30\ de\ la\ IF_i)$ donde $IF_i$ se refiere a la institución financiera financiada (i desde 1 hasta n) | 7,1% | 13,7% | Manager's primary data, Dalberg analysis | 16 |
| | Change in PAR30, by entity[1] | % | $\Delta PAR30_i = \left(\frac{PAR30_{t_{último\ año}} - PAR30_{t_{año\ base}}}{PAR30_{t_{año\ base}}}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 16 |
| | Financial rating, by entity[1] | % | aggregate that measures the financial performance of an entity based on eight quantitative indicators, weighted according to their relevance in the assessment of financial soundness (Performance score, country score, asset quality, capitalization, ROA, liquidity, FX open position, % provisioned) | - | - | Manager's primary data, Dalberg analysis | 16 |
| | Risk, by entity[1] | # | $Índice\ de\ riesgo_i = \frac{1}{5}\sum_{j=1}^{5} P_{ij}$ Where P_ij represents the score of entity i in each of the five dimensions evaluated during the due diligence: Country Risk, Strategic Analysis, Operational Analysis, Performance Analysis, Transformation | - | - | Manager's primary data, Dalberg analysis | 18 |
| | Entities financed in hard currency | # | Financial institutions that received financing in hard currency, EUR, USD | 0 | 11[2] | Manager's primary data, Dalberg analysis | 16 |
| | Entities financed in local currency | # | Financial institutions that received financing in their local currency | 0 | 5 | Manager's primary data, Dalberg analysis | 16 |
| | Debt-financed entities | # | Financial institutions that received financing through debt | 0 | 14 | Manager's primary data, Dalberg analysis | 16 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] Some entities received financing both in local currency and in hard currency

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (5/11)

*Indicators[1]:* *Validated during the evaluation* *Measured in this evaluation* *Proposed additions*

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| | Entities financed through equity | # | Financial institutions that received equity financing | 0 | 2 | Manager's primary data, Dalberg analysis | 16 |
| 4.9 | Private finance mobilized for access to finance | % | Percentage of private financing mobilized: is measured as the percentage of the amount committed by private investors over the total amount committed, including the Debt Vehicle (Special Purpose Vehicle or SPV) | - | 74,0% | COFIDES primary data, Dalberg analysis[2] | 18 |
| 6.9 | Agricultural production | Tons/year | Aggregate volume of agricultural production reported by Agri-SMEs | -[3] | 92.846 | Manager's primary data, Dalberg analysis | 2 |
| 6.2 | Cultivated area | Hectares / year | Cultivated area reported by Agri-SMEs | - | 4,57[4] | Manager's primary data, Dalberg analysis | 2 |
| 6.3 | Due diligence report on projects affecting land and property rights | Yes/No | Answer to Question: Does your entity have projects that affect land ownership rights? (If the answer is "No", the entity will not be considered for analysis)<br>a. [If the answer is "Yes"] Does your entity have due diligence reports for those projects? (If the answer is "No", the entity is not compliant)<br>b. [If the answer is "Yes"] Reports are checked to see if they comply with guidelines developed by the French Development Agency and the Food and Agriculture Organization of the United Nations. | - | No entity reported having projects that affect land ownership rights | Focus groups and entity interviews | 18 |
| | Expansion of land use | # | Number of agricultural producers who expanded their land use after receiving credit from Huruma-financed entities | - | 838 | 60 Decibels Survey | 1.706 |
| | | # | Number of agricultural producers who did not expand their land use after receiving credit from Huruma-financed entities | - | 669 | 60 Decibels Survey | 1.706 |
| | | # | Number of agricultural producers who do not know if they expanded their land use after receiving credit from entities financed by Huruma | - | 199 | 60 Decibels Survey | 1.706 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] COFIDES (2023), Huruma Fund.
[3] Agribusiness did not report data prior to Huruma financing
[4] In several cases, the data reported by Agri-SMEs were inconsistent between periods or incomplete, which limited the ability to accurately estimate certain indicators

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (6/11)

*Indicators[1]:* *Validated during the evaluation* *Measured in this evaluation* *Proposed additions*

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| 6.4 | Added value created | € per year | Value added: defined as the sum of salaries (and social security contributions), taxes (net of subsidies), finance charges, and operating profit | 509.781.235 | 772.751.810 | Manager's primary data, Dalberg analysis | 18 |
| 6.5 | Additional added value for agricultural producers | € per year | It represents the additional money that producers earned due to their interaction with the entities that received Huruma funds. The sum of the added value generated for both the financed entities and the participating agricultural producers is considered: Median net gains2 [before-after interaction] * Population impacted by Huruma[3] | - | 102.224.394[4] | 60 Decibels Survey | 13 |
| | Producers served by entities with prior access to financing similar to that offered by Huruma | # | Number of agricultural producers served by Huruma-financed financial institutions accessing similar financing for the first time | - | 513 | 60 Decibel Survey | 1.706 |
| | | # | Number of agricultural producers served by Huruma-financed financial institutions that had already accessed similar financing in the past | - | 779 | 60 Decibel Survey | 1.706 |
| | of perceived impact, by entity[1] | # | $Índice\ de\ impacto_i = (0{,}7x(\frac{1}{3}(I_i^{vida} + I_i^{ingresos} + I_i^{dieta})) + 0{,}2xI_i^{financiera} + 0{,}1xI_i^{género}$ Donde<br>• $I_i^{vida}$: % of producers who report improvement in quality of life<br>$I_i^{ingresos}$: % reporting improvement in revenue<br>• $I_i^{dieta}$: % que reportan mejora en diversidad dietética<br>• $I_i^{financiera}$: % de productores que acceden por primera vez a financiación<br>• $I_i^{género}$: % of women in the total client portfolio<br>It weights 70% of the experience perceived by producers, 20% of financial inclusion, and 10% of gender inclusion | - | - | 60 Decibel Survey | 49 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] Consider only respondents who are engaged in cultivation or livestock
[3] Attribution of agricultural producers according to the data calculated by the manager
[4] The Additional Value Added to Producers represents the additional money that producers earned due to their interaction with the entities that received Huruma funds. In principle, respondents who are engaged in cultivation or livestock are considered. The median value added; difference between net profits before and after interaction with the entity is 549 USD, while the affected population is equivalent to 186,096 producers

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (7/11)

Indicadores[1]: Validated during the evaluation | Measured in this evaluation | Proposed additions

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| | Change in AGRI Readiness Score (GAWA), by entity1 | % | $\Delta AGRI\ Readinesss_i = \left(\frac{Score_{final,i} - Score_{inicio,i}}{Score_{inicio,i}}\right) x100$ Where $Score_{inicio,i}$: Pre-investment score $Score_{final,i}$: Score in June 2024 | - | - | Datos primarios del gestor, análisis Dalberg | 18 |
| 6.7 | Minimum dietary diversity | Score | Minimum dietary diversity score reported by agricultural producers served by entities financed by Huruma according to Household Dietary Diversity Score (HDDS) guidelines. For each household, the number of different groups that reported having consumed was recorded. Then, the average of these values among all the households surveyed was calculated. | -[2] | 4,19 | 60 Decibels Survey | 1.706 |
| 6.8 | Agricultural portfolio volume (gross outstanding portfolio) at the end of its fiscal year | € | Total portfolio volume directed to the agricultural sector attributable to Huruma: $\sum_{i=1}^{n}(Volumen\ total\ de\ la\ cartera\ agrícola\ en\ la\ IF_i\ al\ final\ del\ año\ fiscal)$ donde $IF_i$ refers to the financial institution financed (i from 1 to n) | 1.653.504.212 | 3.360.580.979 | Manager's primary data, Dalberg analysis | 16 |
| | Agricultural portfolio in real local currency, by entity[1] | € | Total balance of the agricultural portfolio of each entity in local currency, adjusted for inflation. The adjustment is made by deflation of nominal values using a national consumer price (CPI), based on the initial month of the observation period: Actual agricultural portfolio=((Nominal agricultural portfolio)/CPI)x100 | - | - | Manager's primary data, Dalberg analysis | 15 |
| | Indexed agricultural portfolio, by entity[1] | € | The value of the actual agricultural portfolio for each entity i and month t is indexed to the month of investment (t = 0), assigning it a base value of 100. This allows entities with different portfolio scales to be compared: $Valor\ indexado_{it} = \left(\frac{Cartera\ agrícola\ real_{it}}{Cartera\ agrícola\ real_{i,mes\ 0}}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 15 |
| 6.9 | Percentage of the agricultural portfolio at the end of its fiscal year (weighted average) | % | % of Agricultural Portfolio (attributable to Huruma): $\sum_{i=1}^{n}(\frac{Monto\ invertido\ por\ Huruma\ en\ la\ IF_i}{Monto\ total\ invertido\ por\ Huruma} x\ \%Cartera\ agrícola\ de\ la\ IF_i)$ where [IF]_i refers to the financial institution financed (i from 1 to n) | 47,7% | 46,1% | Manager's primary data, Dalberg analysis | 16 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and Excel support.
[2] There is no baseline since a survey was not conducted on the same group of households prior to the onset of Huruma, and the question refers to food groups consumed in the previous 24 hours, so it cannot be answered retrospectively

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (8/11)

Indicadores[1]: Validated during the evaluation | Measured in this evaluation | Proposed additions

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| 6.10 | Total loans to the agricultural sector | # | Total loans to the agricultural sector attributable to Huruma: $\sum_{i=1}^{n} (Total\ active\ loans\ in\ agriculture\ in\ the\ IF_i\ at\ the\ end\ of\ the\ fiscal\ year)$ where $IF_i$ refers to the financial institution financed (i from 1 to n) | 393.877 | 705.126 | Manager's primary data, Dalberg analysis | 16 |
| 6.11 | Average balance of loans to the agricultural sector (weighted average) | € | The average loan balance (from funded financial institutions) attributable to Huruma is calculated as the weighted average of the average agricultural loan balance in each ⟦FI⟧'s portfolio_i at the end of the fiscal year: $\sum_{i=1}^{n} (\frac{Monto\ invertido\ por\ Huruma\ en\ la\ IF_i}{Monto\ total\ invertido\ por\ Huruma}$ $x\ Saldo\ promedio\ de\ préstamo\ agrícola\ de\ la\ IF_i)$ where ⟦IF⟧_i refers to the financial institution financed (i from 1 to n) Average agricultural loan balance: $\frac{Volumen\ de\ cartera\ bruta\ agrícola\ pendiente}{Number\ of\ active\ services\ in\ agriculture}$ | 63.156 | 227.242 | Manager's primary data, Dalberg analysis | 16 |
| 6.12 | % of agricultural loans (weighted average) | % | The percentage of agricultural loans attributable to Huruma is calculated as the weighted average of the percentage of the active agricultural loan portfolio in each $IF_i$: $\sum_{i=1}^{n} (\frac{'Monto\ invertido\ por\ Huruma\ en\ la IF_i}{Monto\ total\ invertido\ por\ Huruma}$ $x\ \%\ de\ préstamos\ agrícolas\ activos\ en\ la\ IF_i)$ where $IF_i$ refers to the financial institution financed (i from 1 to n) | 19,2% | 24,4% | Manager's primary data, Dalberg analysis | 16 |
| | Percentage of agricultural portfolio by entity[1] | % | It measures the relative weight of the agricultural portfolio with respect to the total credit portfolio of the entity: $(\frac{Cartera\ agricola}{Cartera\ total})\ x100$ | - | - | Manager's primary data, Dalberg analysis | 15 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (9/11)

Indicadores[1]: Validated during the evaluation | Measured in this evaluation | Proposed additions

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| 6.13 | Annual increase in the agricultural portfolio | % | Annual increase in the agricultural portfolio (attributable to Huruma): $\sum_{i=1}^{n}(\frac{Monto\ invertido\ por\ Huruma\ en\ la\ IF_i}{Monto\ total\ invertido\ por\ Huruma} x\ \%\ de\ CAGR\ de\ la\ cartera\ agrícola\ de\ la\ IF_i)$ where $IF_i$ refers to the financial institution financed (i from 1 to n) The agricultural CAGR (compound annual growth rate) of each FI is calculated as: $(\frac{Valor\ final\ de\ la\ cartera\ agrícola\ de\ la\ IF^*}{Valor\ inicial\ de\ la\ cartera\ agrícola\ de\ la\ IF^{**}})^{***} - 1$ *End of the fiscal year ** Year prior to the first disbursement of Huruma ***$1/\#\ de\ años\ financiados\ por\ Huruma$ | 29,8% | 19,0% | Manager's primary data, Dalberg analysis | 16 |
| | Change in agricultural portfolio by entity[1] | % | $\Delta Cartera\ agrícola_i = \left(\frac{Cartera\ agrícola_{t_{final}} - Cartera\ agrícola_{t_{base}}}{Cartera\ agrícola_{t_{base}}}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 15 |
| | Change in the number of agricultural loans by entity[1] | % | $\Delta Créditos\ agrícolas_i = \left(\frac{Créditos\ agrícolas_{t_{final}} - Créditos\ agrícolas_{t_{base}}}{Créditos\ agrícolas_{t_{base}}}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 15 |
| 7.1 | Total number of beneficiaries | # | Number of active clients in FIs | 1.853.002 | 2.414.811 | Manager's primary data, Dalberg analysis | 18 |
| | Total number of women beneficiaries | # | Number of female clients active in FIs | 1.132.693 | 1.470.175 | Manager's primary data, Dalberg analysis | 18 |
| | Change in the number of customers per entity[1] | % | $\Delta Clientess_i = \left(\frac{Clientes_{t_{último\ año}} - Clientes_{t_{año\ base}}}{Clientes_{t_{año\ base}}}\right) x100$ | - | - | Manager's primary data, Dalberg analysis | 18 |
| 7.5 | Direct employment supported | # | Number of employees in FIs and Agri-SMEs | 10.126 | 19.601 | Manager's primary data, Dalberg analysis | 18 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (10/11)

*Indicators[1]:* *Validated during the evaluation* *Measured in this evaluation* *Proposed additions*

| No. | Indicator | Unit | Description/Formula | Línea base | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| 7.5 | Direct supported employment (female) | # | Number of female employees in FIs and Agri-SMEs | 3.254 | 7.485 | Manager's primary data, Dalberg analysis | 18 |
| | Direct supported employment (male) | # | Número de empleados hombres en las FIs y las AgroPYMEs | 6.872 | 12.116 | Manager's primary data, Dalberg analysis | 18 |
| | Indirect employment supported | # | Number of indirect jobs generated through financing to FIs and Agri-SMEs | 3.479.462 | 4.704.603 | Manager's primary data, Dalberg analysis | 18 |
| | Supported indirect employment (female) | # | Número de empleos indirectos generados para mujeres por medio de la financiación a las FIs y las AgroPYMEs | 2.265.527 | 2.940.520 | Manager's primary data, Dalberg analysis | 18 |
| | Supported indirect employment (male) | # | Número de empleos indirectos generados para hombres por medio de la financiación a las IFs y las AgroPYMEs | 1.213.935 | 1.764.083 | Manager's primary data, Dalberg analysis | 18 |
| 7.6 | OP/SMES/IF with climate-smart practices and technologies | # | Sum of climate-smart practices and technologies:<br><br>For Agri-SMEs: Practices and technologies aimed at sustainably increasing agricultural productivity and incomes; adapting to and building resilience to climate change and/or reducing or eliminating greenhouse gas emissions, where possible<br><br>• For FIs: Institutions that offer specific financial products for clean energy, sustainable or climate-smart agriculture and/or other green, financial or non-financial products or services | 9 | 8 | Manager's primary data, Dalberg analysis | 18 |
| | Change in real interest rate in each country[2] | % | $\Delta Tasa\ Interés\ Real_{país} = \left(\frac{Tasa\ real_{t_{último\ año}} - Tasa\ real_{t_{año\ base}}}{Tasa\ real_{t_{año\ base}}}\right) x100$<br><br>Last year corresponds to 2023 and baseline corresponds to 2020 | - | - | World Development Indicators, World Bank, Dalberg analysis | 6 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] The reference values of the macroeconomic variables are different for each country, a value for the baseline was not calculated. Its analysis and results are explained in the Annex

Dalberg

# The Logical Framework for the Huruma Action reflects significant progress in most of its strategic indicators (11/11)

*Indicators[1]:* *Validated during the evaluation* *Measured in this evaluation* *Proposed additions*

| No. | Indicator | Unit | Description/Formula | Baseline | Given Dec. 2024 | Source | N |
|---|---|---|---|---|---|---|---|
| | Change in non-performing portfolio at country level (NPL)[2] | % | $\Delta NPL_{pais} = \left(\frac{NPL_{t_{último\ año}} - NPL_{t_{año\ base}}}{NPL_{t_{año\ base}}}\right) x100$<br>Donde NPL son los bank nonperforming loans to total gross loans (%) por país<br>Last year corresponds to 2022 and baseline corresponds to 2020 | - | - | World Development Indicators, Banco Mundial, análisis Dalberg | 13 |
| | Change in agricultural value added in each country[1] | % | $\Delta Valor\ agregado_{pais} = \left(\frac{Valor\ agregado_{t_{último\ año}} - Valor\ agregado_{t_{año\ base}}}{Valor\ agregado_{t_{año\ base}}}\right) x100$<br>Where Agricultural Value Added = Agriculture, forestry, and fishing, value added (current LCU) por país<br>Last year corresponds to 2023 and baseline corresponds to 2020 | - | - | World Development Indicators, Banco Mundial, análisis Dalberg | 16 |
| | Cambio en crédito doméstico neto de cada país[1] | % | $\Delta Crédito\ neto_{pais} = \left(\frac{Crédito\ neto_{t_{último\ año}} - Crédito\ neto_{t_{año\ base}}}{Crédito\ neto_{t_{año\ base}}}\right) x100$<br>Net Domestic Credit = Net domestic credit (current LCU) por país<br>Last year corresponds to 2024 and baseline corresponds to 2020 | - | - | World Development Indicators, Banco Mundial, análisis Dalberg | 8 |

Notes: [1] The indicators in white are part of the logical framework defined by the European Union. The indicators in yellow are those of the logical framework that the evaluation team had to calculate as established in the Terms of Reference. The indicators in pink correspond to additional indicators proposed by the evaluation team, which complement and enrich the analysis. The methodology and results of indicators by entity or country can be found in the Annex and supporting Excel.
[2] The reference values of the macroeconomic variables are different for each country, a value for the baseline was not calculated. Its analysis and results are explained in the Annex

Dalberg