

## Criteria for Affiliates & Members

### Background on CSAF

The Council on Smallholder Agricultural Finance (CSAF) is the leading global network promoting a responsible finance market for producer organizations and small- and medium-enterprises (SMEs) in the agriculture sector. Our 17 members are pioneering financial institutions that come together to share learning and promote the growth of a thriving market that generates long-term economic, social, and environmental impact by meeting the financing needs of inclusive agricultural SMEs globally. CSAF members collectively lend \$600M per year to SMEs aggregating 2.5M+ smallholder farmers across 65 countries in Africa, Asia, and Latin America. CSAF has three workstreams focused on:

- **Market Growth** to meet a greater share of the vast financing need for inclusive agricultural SMEs globally
- **Responsible Lending Practices** to ensure that market growth contributes to positive impact on agricultural businesses, the smallholder farmers they aggregate and workers they employ, and the long-term sustainability of the sector
- **Social & Environmental Impact** for farm households, their communities, and their surrounding ecosystems

Members include Alterfin, Global Partnerships, Incofin Investment Management, Oikocredit, Rabo Rural Fund, responsAbility Investments AG, Root Capital, Shared Interest Society, and Triodos Investment Management; SME Impact Fund is a Regional Member in East Africa. CSAF has also created an Affiliate status to engage institutions that share the values of a sustainable and inclusive financial market for agricultural businesses, are committed to responsible lending and transparent reporting, and seek to participate in a community of practice. ABC Fund, AgDevCo, Common Fund for Commodities, Cordaid Investment Management, ECOTIERRA, Grameen Crédit-Agricole Foundation, MCE Social Capital, and the International Solidarity for Development and Investment (SIDI) are affiliates.

### Member and Affiliate Criteria & Selection Process

CSAF seeks to expand the market of agricultural lending institutions committed to responsible lending practices and social and environmental impact. Consistent with that objective, we aim to engage with a growing number and range of financial institutions and ecosystem actors in active dialogue on these topics. There are three categories of formal engagement with CSAF:

- 1) **Members** – institutions that sign and adhere to CSAF’s responsible lending principles and environmental, social and governance (ESG) principles; report designated lending and impact metrics on an annual basis; and commit to the criteria outlined below are eligible. Members are listed on the CSAF website and may represent their status publicly. Institutions with a loan portfolio in two or more regions globally are eligible to be global members; institutions with a loan portfolio in one region are eligible to be regional members.
- 2) **Affiliates** – institutions that sign and adhere to the responsible lending principles and ESG principles and that report lending and impact metrics on an annual basis are eligible to be CSAF Affiliates. Affiliates are listed on the CSAF website and may represent their status publicly. Institutions with a portfolio in two or more regions are eligible to be global affiliates; institutions with a portfolio in one region are eligible to become regional affiliates.
- 3) **Field Building Partners** – institutions that share CSAF’s commitment to growing the finance market for agricultural SMEs and engaging in research and knowledge sharing as ecosystem actors or in investment operations in an adjacent market (i.e., serving agricultural SMEs indirectly by providing capital to financial intermediaries or equity investors focused on the \$2M+ market segment). Partners are listed on the CSAF website and may represent their status publicly. Please reach out to your Andrea Zinn (azinn@csaf.org) if you believe you qualify better for this type of relationship.

CSAF’s policy is that prospective new members begin as affiliates and, after one year, are eligible to apply for full membership. The selection criteria and process for both member and affiliate status are outlined below. Applications are considered on a rolling basis, vetted by a sub-committee of CSAF members, and then put to a vote by all CSAF members; selection requires votes from at least 2/3 of the global members.

**Criteria**

	<b>Members</b>	<b>Affiliates</b>
<b>Criteria</b>	<ul style="list-style-type: none"> <li>• Explicit institutional mission and proven commitment to having a positive impact on smallholder farmers and environmental sustainability</li> <li>• Commitment to additionality in their lending activities (i.e., growing the financial market with responsible lending practices while not crowding out private sector investment)</li> </ul>	
	<p><b>Global:</b></p> <ul style="list-style-type: none"> <li>• 3+ years lending (\$25k-\$3M) to agricultural businesses that aggregate smallholder farmers and are in the missing middle</li> <li>• Active portfolio of \$10M+ and 10+ active loans (\$25k-\$3M) lending to agricultural businesses in Africa, Asia, and/or Latin America</li> </ul> <p><b>Regional:</b></p> <ul style="list-style-type: none"> <li>• 2+ years lending (\$25k-\$3M) to agricultural businesses that aggregate smallholder farmers and are in the missing middle</li> <li>• Active portfolio of \$3M+ and 10+ active loans (\$25k-\$3M) lending to agricultural businesses in Africa, Asia, or Latin America</li> </ul>	<p><b>Global:</b></p> <ul style="list-style-type: none"> <li>• 1+ years of debt or equity investments (\$25k-\$3M) in agricultural businesses that aggregate smallholder farmers and are in the missing middle</li> <li>• Active portfolio of \$2M+ and 5+ active debt or equity investments (\$25k-\$3M) in agricultural businesses in Africa, Asia, and/or Latin America</li> </ul> <p><b>Regional:</b></p> <ul style="list-style-type: none"> <li>• 1+ years of debt or equity investments (\$25k-\$3M) in agricultural businesses that aggregate smallholder farmers and are in the missing middle</li> <li>• Active portfolio of \$1M+ and 5+ active debt or equity investments (\$25k-\$3M) in agricultural businesses in Africa, Asia, or Latin America</li> </ul>
<b>Commitments</b>	<ul style="list-style-type: none"> <li>• Signing and adhering to the CSAF <u>Responsible Lending Principles</u> as well as the CSAF <u>Environmental, Social, and Governance Principles</u></li> <li>• Reporting <u>social and environmental impact metrics and lending data</u> using standard CSAF definitions and processes on an annual basis</li> <li>• Designating 1-2 senior leaders to serve as representatives in CSAF activities; representatives must be: <ul style="list-style-type: none"> <li>- Senior leaders within the institution who have first-hand experience underwriting and/or supervising agricultural lending and internal decision-making authority</li> <li>- Collaborative by nature, interested in building relationships with representatives from peer institutions, and committed to open and respectful dialogue</li> <li>- Able to coordinate inputs from colleagues and disseminate outcomes of CSAF meetings within their institution to ensure that group decisions are implemented across the institution</li> </ul> </li> <li>• Operating transparently and in good faith</li> </ul>	

	<ul style="list-style-type: none"> <li>Senior leader representatives commit to attend in-person meetings (1.5 days, 2x/yr typically in May/June and November); participate in additional phone calls (quarterly); participate and/ or coordinate participation by colleagues in CSAF workstreams; and ensure timely reporting of lending &amp; impact data</li> </ul>	<ul style="list-style-type: none"> <li>Senior leader representatives commit to attend an annual member and affiliate convening; optional participation in CSAF workstreams; and ensure timely reporting of lending &amp; impact data</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Join a community of practitioners developing standards and best practices for a healthy industry – one characterized by fair competition, responsible lending practices, and positive impact for agricultural businesses, smallholder farmers, and the environment</li> <li>Invitation to participate in annual convening of CSAF members, affiliates, and select donors and investors to discuss opportunities to grow the industry and increase impact</li> <li>Participation in joint trainings and events (e.g., ESG training)</li> <li>Access to network and resources, including a fundraising and deal making network, select internal learning documents, lending and impact data, internal newsletter exclusive to member and affiliate staff, and contact information for counterparts at other institutions</li> <li>Name &amp; logo on CSAF website and in CSAF communication and may publicly represent affiliation</li> </ul>	
	<ul style="list-style-type: none"> <li>Participate in member-only global meetings (2x/year) and calls (8x/year) to discuss industry standards &amp; best practices (global)</li> <li>Participate in member-only regional meetings and calls (4x/year) to coordinate regional workstreams (global and regional)</li> <li>Participate in joint trainings and events (e.g., training on ESG, price risk management)</li> </ul>	<ul style="list-style-type: none"> <li>Participate in a member and affiliate meeting (2x/year) and calls (2x/year) to discuss industry standards, best practices, &amp; ecosystem building work and opportunities</li> <li>Participation in joint trainings and events depending on availability (e.g., ESG and PRM training)</li> </ul>
<b>Application Process</b>	<p>Prospective affiliates and members should fill out and submit the accompanying application. Applicants that meet the established criteria will be interviewed by representatives from at least two CSAF members to discuss their motivations for joining the network. Based on the application and interview, new affiliates will be selected by a formal vote of CSAF members and must receive support of at least 2/3 of active members.</p> <p>After serving as an affiliate for at least one year, and if the institution meets the member criteria above, it may then apply for members. There is no defined “membership term”; rather, membership is on-going as long as members continue to meet the commitments and responsibilities outlined above. Membership may be revoked by a formal vote of at least 2/3 of active members (including the member institution in question).</p>	