



# 'We need a collage': Blended finance models key to unlocking long-term impact for smallholders



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Blended finance is increasingly seen as a solution for advancing agritech and overcome structural barriers. (Getty Images)

**Blended finance is increasingly seen as a solution for advancing agritech and overcome structural barriers preventing smallholder farmers from adopting new technologies.**

This model combines capital from multiple sources including public, private, and philanthropic to support farmers.

During a fireside chat at the World Agri-Tech Innovation Summit Dubai last December, Manoj Kumar, founding CEO of the Naandi Foundation, laid out that

“If you want to reach thousands of small farmers, small landholders, we need to look at frameworks which are beyond just VC funding... We need a collage, a multimedia approach to paint this canvas,” said Kumar.

Such support is especially important during the transition periods as they build up sustainable income streams over time, as is the case with carbon financing.

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“You tell farmers that they have to wait eight years for the tree to grow... You need to have mechanisms by which you have blended portfolios for them. And then you need to have money to support them to grow. This is how we did it in India.”

## Bilateral funding unstable

Rim Baji, Chief Partnerships and Sustainability Officer of the Moroccan association, High Atlas Foundation, highlighted how bilateral funds have become an increasingly unreliable way to finance long-term impact.

“You’ve seen the changes in bilateral funding. It’s not a sustainable way of financing impact... It’s very important that when you work with smallholder farmers to know that when that financing is gone and they are hung out to dry, you’re killing 10 years of trust with those farmers.”

She underscored the urgency of financing models that are more sustainable over the long term and that prioritise autonomy for farmers, rather than dependency.

“You want to teach them how to fish and not continuously give them fishes.”

The Naandi Foundation is behind the Livelihoods Carbon Fund (LCF), which leverages carbon finance into ecosystem restoration, agroforestry and rural energy initiatives to improve food security and increase farmer revenues.

“I had to find philanthropy money from foundations to support the farmers in this transition and tell them that after a few years I probably will not need it because I

The approach has already been implemented at scale in India.

“It’s doable. We have done it in India with very difficult conditions, with small farmers with one-acre land holdings, and there’s a million of them. It’s been completely funded by European companies.”

Kumar highlighted the Middle East as a potential catalyst for scaling such models, given its access to sovereign capital, development funds and growing focus on climate and food security.

“I want to use this opportunity to call on this region, including Saudi Arabia, Dubai and the wider Middle East, as well as international agencies, to look at how predictable carbon financing and blended finance can be used at scale to address climate-facing agriculture.”

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