

- Transition from subsistence farming: They struggle to invest in better seeds, fertilizers, and technology, limiting their potential for higher yields and income.
- Weather risks and uncertainties: Seasonality and unpredictable weather patterns leave them vulnerable to financial insecurity.
- Embrace sustainability: Limited access to finance makes it difficult to invest in climate-resilient seeds, climate-smart technology, and adoption of more sustainable practices.

Further Engagement

ADB welcomes inquiries and expressions of interest from stakeholders seeking to learn more about this project or explore potential collaboration opportunities. Please direct your inquiries to:

Christina Pak
Principal Counsel and Team Leader,
Law and Policy Reform (LPR) Program
Office of the General Counsel
cpak@adb.org

Patsharamon Manathat
Counsel
Office of the General Counsel
pmanathat@adb.org

Miro Frances Capili
Associate Legal Operations Officer
LPR Program
Office of the General Counsel
mfcapili@adb.org



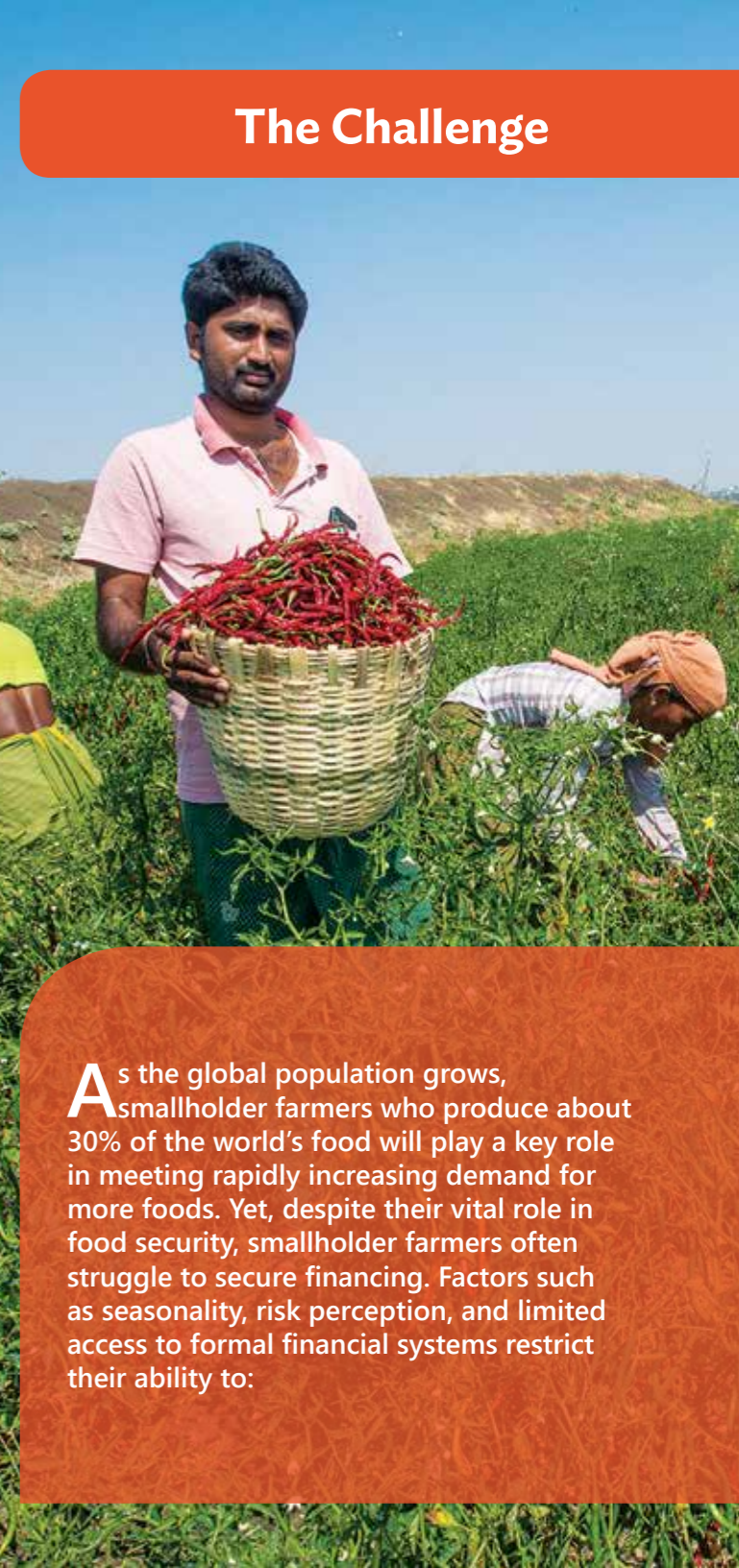
ASIAN DEVELOPMENT BANK
LAW AND POLICY
REFORM PROGRAM

Bridging the Gap: Empowering Smallholder Farmers through Access to Finance

Regional Technical Assistance:
Law and Policy Development for Private Sector
and Public-Private Partnership Projects



ASIAN DEVELOPMENT BANK
LAW AND POLICY
REFORM PROGRAM



The Challenge

As the global population grows, smallholder farmers who produce about 30% of the world's food will play a key role in meeting rapidly increasing demand for more foods. Yet, despite their vital role in food security, smallholder farmers often struggle to secure financing. Factors such as seasonality, risk perception, and limited access to formal financial systems restrict their ability to:



Framework for Action

Under the Law and Policy Development for Private Sector and Public-Private Partnership Projects Technical Assistance, the Asian Development Bank (ADB) aims to bridge the smallholder finance gap by supporting the development and deployment of tailored toolkits:

- **For policymakers:** Encompassing information on available agriculture finance products, relevant international instruments, and strategies to facilitate access to finance along the supply and value chains.
- **For financial institutions and credit providers:** Building their understanding of the role they can play in supporting smallholder farmers and transforming agriculture markets.

Technical Assistance Activities

1. Toolkit Development

- **Demand-side analysis:** Surveys capturing the needs and challenges faced by smallholder farmers across selected ADB developing member countries (DMCs).
- **Supply-side analysis:** Engaging with key stakeholders including policymakers, financial institutions, civil society organizations, and industry associations through interviews and workshops.
- **Legal and regulatory framework assessments:** Evaluating existing frameworks to identify gaps and potential improvements to facilitate access to finance.
- **Expert engagement:** Collaborating with specialists in legal, policy, and financial areas to develop comprehensive and practical toolkits.

2. Policy Dialogue and Capacity Building

- Utilizing the developed toolkits as a foundation, engaging with policymakers and financial institutions through structured workshops and webinars.
- Selecting DMCs for pilot interventions to test the feasibility and effectiveness of the toolkits, subject to additional funding and government approvals.

3. Collaboration and Knowledge Sharing

- Partnering with organizations like the Griffith Asia Institute and the International Law Institute to leverage their expertise in research, capacity building, and legal frameworks.
- Collaborating with ADB Institute (ADBI) to support policy dialogue, capacity building, and monitoring and evaluation activities.



Expected Outcomes

- **Enhanced understanding:** Improved knowledge among policymakers and financial institutions regarding various financial instruments and strategies for supporting smallholder farmers.
- **Policy and regulatory reforms:** Identification of potential adjustments to legal and regulatory frameworks, including alignment with UNIDROIT standards, to create a more enabling environment for agricultural finance.
- **Increased access to finance:** Development of innovative and accessible financial products tailored to the specific needs of smallholder farmers.
- **Improved agricultural productivity and income:** Increased investment in farms and adoption of new technologies, leading to higher yields and improved livelihoods for farmers.
- **Enhanced food security:** Increased agricultural production and improved food system resilience in participating DMCs.