

## ABC Fund helps bridge finance gap for farmers in Colombia by investing EUR€1.1m in MiCreditoYa Microfinanciera SAS

- *The ABC Fund has provided a EUR€1.1m loan to MiCreditoYa Microfinanciera SAS*
- *MiCreditoYa offers financial products that serve micro-entrepreneurs and small-scale farmers*
- *ABC Fund's investment will help MiCreditoYa enhance its ability to support rural communities and small-scale farmers, including women and young people, in the Nariño department of Colombia*

**Luxembourg, 31 July 2024** – The Agri-Business Capital Fund (“ABC Fund”) today announces an investment of EUR€1.1m in MiCreditoYa Microfinanciera SAS, a leading Microfinance Institution operating in the Nariño department in the South West of Colombia.

Access to finance remains a significant challenge in many parts of the world, particularly in rural areas where traditional banking services are often scarce. In Colombia, this issue is pronounced in the agricultural sectors of rural regions, where smallholder farmers and rural entrepreneurs struggle to secure the necessary funds to grow their businesses and improve their livelihoods. Financial inclusion is crucial in these areas as it empowers individuals and communities by providing them with the tools and resources to participate in the economy, build resilience, and enhance their quality of life. Microfinance institutions play a pivotal role in this landscape, offering tailored financial services that cater to the unique needs of underserved populations. By investing in a microfinance institution in Colombia, we aim to bridge the financial gap, support sustainable agricultural practices, and drive economic growth in rural communities, ultimately fostering a more inclusive and prosperous society.

Established in 2017, MiCreditoYa is a credit-only microfinance institution operating in Pasto, Ipiales and Guachucal in the Nariño department of Colombia. It has been at the forefront of bridging the financing gap for micro-entrepreneurs and small-scale farmers by offering financially responsible alternatives designed to match clients' cash flow cycles. With a current loan portfolio of EUR€5.5m, MiCreditoYa has made substantial strides in strengthening microbusinesses and rural agricultural initiatives. As of December 2023, the institution served 7,331 clients, 72% of whom are in rural areas, with a notable focus on low-income populations, female farmers (55% of clients), and young people below 28 years old (13% of clients).

The agribusiness activities MiCreditoYa funds include a diverse range of crop and livestock farming. Specifically, loans are provided for vegetable – including onions and potatoes – and fruit farming, cereal production, and coffee cultivation. On livestock farming, the MiCreditoYa funding is directed towards dairy farming, cattle breeding and guinea pig farming. Additionally, a smaller portion of the funding supports aquaculture. These loans are tailored to meet the seasonal and cyclical needs of these activities with an average tenure standing at 17 months, ensuring that small-scale farmers have access to the necessary capital to sustain and grow their operations throughout the agricultural cycle.

The EUR€1.1m investment in MiCreditoYa from the ABC Fund will enable MiCreditoYa to expand its loan portfolio, potentially adding 2,500 loans to farmers in Nariño on to its loan book over the next two years. The ABC Fund's support will also help MiCreditoYa maintain the resilience of this loan book despite challenging market conditions, positioning MiCreditoYa as a leading entity in rural lending in Colombia.

**David Grimaud, CEO, Bamboo Capital Partners**, says: *“This EUR€1.1m investment by the ABC Fund will significantly bolster MiCreditoYa’s ability to lend to micro-entrepreneurs and small-scale farmers. Through this investment, the Fund aims to drive financial inclusion and support sustainable economic growth in rural South West Colombia.”*

**-ENDS-**

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## Notes to Editors:

### About the ABC Fund

The ABC Fund is a blended-finance impact fund which provides catalytic financing to underserved yet profitable segments of agribusiness value chains in developing countries. The ABC Fund deploys investments in farmer organizations, rural SMEs, and financial institutions that have potential for high growth and can drive job creation and social development for their communities and countries but lack the capital they need to grow their businesses. The ABC Fund was initiated by the International Fund for Agricultural Development (IFAD) in partnership with and funded by the European Union, the Organisation of African, Caribbean and Pacific States, the Luxembourg Government, AGRA, and IFAD. The IFAD investment was made possible thanks to financial support from the Swiss Agency for Development and Cooperation. In 2022, Bank of America invested in the ABC Fund, becoming the first corporate global financial institution to invest in the Fund. The ABC Fund is managed by Bamboo Capital Partners in partnership with investment advisor Injaro and with technical assistance led by Agriterra. <https://www.ifad.org/en/abcfund>

### About MiCreditoYa Microfinanciera SAS

MiCreditoYa Microfinanciera SAS is a credit-only Microfinance Institution established in May 2017. It operates in the municipalities of Pasto, Ipiales, and Guachucal in the Nariño department of Colombia. The institution offers financially responsible alternatives designed to match clients' cash flow cycles, with a loan portfolio of USD 6.0 million. MiCreditoYa emphasizes strengthening microbusiness and rural agricultural initiatives, focusing on low-income populations and increasing representation among women and young people. The institution adheres to regulatory standards similar to deposit-taking MFIs and provides non-financial services, including technical assistance in social performance activities.

### ABC Fund sponsors and partners



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