

## PRIVATE SECTOR PEER LEARNING: PARTNERSHIP PROFILES

# Public-Private Partnership Framework on Financial Inclusion and Food Security, Rabo Development

**Objective:** In 2013, [Rabo Development](#), a member of Rabobank Group, signed a public-private partnership agreement with the Dutch Ministry of Foreign Affairs to further financial inclusion and promote food security through capacity development.<sup>1</sup> Rabo Development works to provide developing countries with improved access to financial services by employing co-operative principles and banking expertise. Its objective is to reach the unbanked, whether they are individuals, smallholder farmers or small and medium-sized enterprises. With experience in the global food and agribusiness sector, Rabo Development supports rural areas by creating an extensive network of partner banks and providing access to affordable financial services. It offers three types of development support: capital, management services and technical assistance.

**Partners:** In the public-private partnership, the Dutch Ministry of Foreign Affairs provides a maximum of 50% co-financing for projects carried out by Rabo Development with partner banks and others. Rabo Development establishes capacity development projects with local financial institutions, which must provide a minimum of 25% of overall project costs. Local partners include existing partner banks (banks with a minority equity stake held by Rabo Development). Rabo Development is also exploring projects with financial institutions that are eligible for its partnerships as well as partnerships with financial institutions in which it would not have a direct interest or is not eligible for equity participation, but which have clear potential to impact markets (e.g. banks in Ethiopia, where foreign direct investment in financial institutions is prohibited).

**Key activities:** Rabo Development strictly adheres to a demand-driven supply of assistance in order to secure maximum commitment from beneficiaries, so activities vary by project.

**Results:** Rabo Development has launched projects under the public-private partnership framework, has delivered technical assistance and is working, for instance, with the Zambia National Commercial Bank, commonly known as Zanaco, in Zambia. However, specific results were not found.

**Monitoring and evaluation:** The public-private partnership recognises that tracking progress on shared objectives is essential. Rabo Development insists that key performance indicators need to be agreed upon and set by all stakeholders for each project.

**Insights:** As partnerships with larger companies grow, the use of memoranda of understanding can be an effective way to carry forward multiple projects and initiatives.

**Development Assistance Committee member:** Netherlands

**Budget:** EUR 3 million

**Duration:** Ongoing since 2013

**Location:** Global<sup>2</sup>

**Sector:** Inclusive finance and food security

**Activity:** Capacity development

**Beneficiaries:** Unbanked individuals, smallholder farmers and small and medium-sized enterprises

### Notes

1. Rabobank Group is involved in other collaborations as well. The Rabobank Foundation is part of the Dutch Platform for Inclusive Finance, which it joined in 2008. Established in 2003, the platform promotes inclusive finance as a contribution to poverty alleviation in developing countries. It brings together development organisations, social investors, private foundations and commercial banks from the Netherlands with the aim of expanding access to finance in underserved regions and anticipating changing needs in sectors to enable sustainable, responsible growth.
2. Brazil, China, Mozambique, Paraguay, Rwanda, Tanzania, Uganda and Zambia. Rabo Development also advises projects in China, India, South Africa and Vietnam, among others.

**SOURCES:**

NpM (n.d.), Platform for Inclusive Finance (NpM) website, [www.inclusivefinanceplatform.nl/home](http://www.inclusivefinanceplatform.nl/home) (accessed 1 July 2016).

Rabobank (n.d.), “Rabo Development: Broadening access to financial services”, [www.rabobank.com/en/about-rabobank/food-agribusiness/rabo-development/index.html](http://www.rabobank.com/en/about-rabobank/food-agribusiness/rabo-development/index.html) (accessed 1 July 2016).