

# Global Project “Promotion of agricultural finance for agri-based enterprises in rural areas” (GP AgFin) in Mali

Improved provision of agricultural and agri-based enterprises in rural areas with financial services tailored to their business-model

## The challenge

Mali's agricultural sector employs 70% of the population but contributes only 38% of the gross domestic product. Small agri-based enterprises have an average area of 4.8 ha with mostly low yields. This is mainly due to the limited availability of water and to the lack of investment in farm modernisation and intensification of production. Although Mali's financial sector is present in rural areas, it does not sufficiently cover the financial needs of agri-based enterprises. A smallholder farmer is denied credit in seven out of ten cases because the investment is considered too risky. Only 13% of the Malian population has a bank account. To exploit Mali's agricultural potential, it is therefore necessary to develop financial services adapted to the needs of smallholder farmers and rural agri-based micro, small and medium-sized enterprises (MSME), and thus enable sufficient investments.

## The approach

The project in Mali is part of the overall project "Promotion of agricultural finance for agri-based enterprises in rural areas" which is implemented in the following nine countries: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Malawi, Mali, Nigeria, Togo, and Zambia.

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|----------------------------|---|
| <b>Project name</b>        | Global Project „Promotion of agricultural finance for agri-based enterprises in rural areas“ (GP AgFin) |
| <b>Commissioned by</b>     | Federal Ministry for Economic Cooperation and Development (BMZ)   |
| <b>Implementing agency</b> | Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH                                      |
| <b>Project area</b>        | Koulikoro/Bamako, Sikasso, Ségou et Kayes   |
| <b>Partner</b>             | Ministry of Rural Development   |
| <b>Duration</b>            | 12.01.2017 – 10.31.2025   |
| <b>Financial volume</b>    | 8.5 Moi EUR   |

### Special initiative "Transformation of Agricultural and Food Systems":

Within the framework of the special initiative the country package Mali is assigned to the BMZ core theme „A life free of hunger“, with a special focus on „Agriculture“ und „Rural development“. Germany's commitment places food security at the centre of international cooperation. The aim is to enable all people to enjoy the right to safe, sufficient, and balanced food. To achieve this, food systems must become more effective and efficient, and at the same time economically and socially sustainable action must be taken to create prosperity and new jobs for young people and especially for women.



Left photo: Paddy rice (husked rice)  
© GIZ Lalla Aïcha Sow

Right photo: Transformation of paddy into par-boiled rice © GIZ Eyia – Georges Akiemenou



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*Left photo: Kassim Bouaré in front of a cash desk of Soro Yiriwaso © GIZ Esther Minguemadje Marner*

*Right photo: Kassim Bouaré in his rice field © GIZ Lalla Cheibani Maïga*

## The project pursues a three-pronged approach:

- 1. Development of knowledge products:** The project develops analytical tools, trainings, and advisory concepts to improve the economic and financial skills of smallholder farmers and the agricultural know-how of partner financial institutions.
- 2. Support for farms and agri-based enterprises:** Through tailor-made trainings, the project improves the financial and entrepreneurial capacities of farms, farmers' organisations, and MSME. Particular attention is paid to the needs of enterprises run by young people and women.
- 3. Support to Financial Institutions:** The project supports selected financial institutions in the development of demand-driven financial services, as well as the expansion and adaptation of their rural (increasingly digital) offerings.

As part of the overall project, partner financial institutions, government agricultural support agencies and sectoral associations, as well as financial institutions, benefit from transnational exchanges.

## The results in numbers ...

Since 2018, four financial institutions (Kafo Jiginew, Nyèsigiso, Soro Yiriwaso and Baobab) have been supported in **the development of 22 adapted financial ser-**

**vices.** During the same period, **15932** farmers and heads of agri-based enterprises in rural areas, 55% of whom were women, **have improved their economic and financial skills.** A total of **10,292** smallholder farmers and MSME in rural areas, of which **56%** are women, have financed their activities with adapted financial services from the partner financial institutions. The total loans granted amount to approximately **EUR 3.3 million.**

## ... and in facts

**Kassim Bouare** (46 years old): *"Since 2018, I had been planning to buy a hand-held single-axle tractor for my farm. I knew that this equipment would allow me to increase my production side for rice and at the same time offer tiller services to farms in my community. It would also allow me to work faster and more efficiently.*

*My only problem was to raise the 5,000 Euros needed to buy the machine. In 2019, I participated in the GP AgFin training in financial education focused on business models (FEFAME) which allowed me to learn how to obtain credit and to be sensitized on the financial products adapted to my needs already offered by the local microfinance institutions (MFIs) supported by the project. Armed with these new skills, I went to Soro Yiriwaso, who offered a credit for tillery service providers. I submitted my application and after analyzing my file, I received a positive response from the institution. Thanks to my hand-held single-axle tractor, my rice production side has increased from 4 to 7 ha and I provide services on an additional 10 ha. In addition, my income has increased considerably, which allows me to better support my family.*

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