

# Global Project: Promotion of Agricultural Finance (GP AgFin) in Cameroon

In Cameroon, the global project Promotion of Agricultural Finance (GP AgFin) implements activities in the Centre, West, North-West, South-West and Adamawa regions with the aim of ensuring improved access to the use of financial products adapted to the business models of farms and rural agri-based micro, small and medium enterprises (MSMEs).

## The challenges

In developing countries and more particularly in sub-Saharan Africa, most of the population continues to live below the poverty line, which puts them on the sidelines of development processes. In Cameroon, this situation particularly affects people in rural areas. However, the rural environment in which most agricultural activities are carried out has many specific features that the traditional financial system does not take sufficiently into account, even if progress has been made over the past twenty years. Banks and Microfinance Institutions (MFIs) focus mainly on urban areas and offer very few financial services tailored to the needs of farms and agri-based enterprises. Investment in the production, processing and marketing of agricultural products is thus hindered or prevented, thus limiting agro-industrial opportunities in rural areas.

To promote income and employment creation in rural areas, the German development cooperation is already working in several sectors, particularly in rural development. The global project ProFinA is part of this vast portfolio in the rural development sector which adds the financial component, that is capital for the effective development of farms and agri-based SMEs. The project is currently being implemented in Cameroon, Benin, Ivory Coast, Zambia, Nigeria, Burkina Faso, Togo, Mali, and Malawi.



<b>Project Name</b>	Global Project "Promotion of agricultural finance for agri-based enterprises in rural areas" (GP AgFin)
<b>Commissioned by</b>	German Federal Ministry for Economic Cooperation and Development (BMZ)
<b>Project regions</b>	Centre, West, North-West, South-West, Adamawa
<b>Implementing Organization</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
<b>Lead Executing Agency</b>	Ministry of Agriculture and Rural Development (MINADER)
<b>Duration</b>	January 2018 – July 2024
<b>Budget</b>	6 Million Euros (3.9 billions FCFA)



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

Within the framework of the special initiative the country package Cameroon is assigned to the BMZ core theme „A life free of hunger“, with a special focus on „Agriculture“, and „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



*Pictures from left to right:  
Deposit of funds at a microfinance institution  
The head of an MFI with the electronic POS (Point of Sale)  
Group exercise during a Training of Trainers for farmers*



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*Pictures from left to right:*

*An MFI agent*

*An agricultural producer on his cocoa farm*

*A thematic day with loan officers*

## The approach

Together with the services of the Ministry of Agriculture and Rural Development (MINADER) and the Ministry of Fisheries and Animal Industries (MINEPIA), the MFIs, the private sector and producers, ProFinA works in three areas of intervention:

- To improve the supply of appropriate financial products, ProFinA develops knowledge products. These products include among others training and methodological approaches for credit evaluation, credit scoring, etc;
- In partnership with the MFI AgFin supports small farms, agri-based SMEs and producer organizations, cooperatives, and processing and marketing companies. In collaboration with the partners and other GIZ projects, ProFinA strengthens the entrepreneurial and financial skills of small farms, SMEs and agricultural organizations;
- ProFinA supports MFIs to expand their offer of financial products and services, specifically for the agricultural sector, through the development/adaptation of financial products and capacity building of MFI staff. The development or adaption of the products start with the selection of Agricultural Value Chains (AVCs), through stakeholder analysis, field surveys and pilot projects.

Throughout its implementation, the project and its partners are committed to achieving the following targets:

- Sixteen thousand (**16,000**) farmers and **1,000** rural agro-enterprise managers (**40%** women and **35%** youth) use **25,000** adapted financial services from the financial institutions supported by the project;
- Twelve thousand three hundred (**12,300**) farmers and **363** managers of rural agro-industrial enterprises (**40%** women and **35%** young people), who participated in a capacity

development measure, have used a financial service afterwards;

- Twenty-two (**22**) adapted financial services, **3** of which are digitally supported, have been included in the portfolio of the supported financial institutions, where they are available to agri-farms and agro-industrial enterprises in rural areas;
- Four (**4**) Professional associations, semi-state agricultural promotion institutions and/or training institutions have adopted one or more knowledge products developed by the project to develop skills or capacities on the demand and supply side.

## Results in figures...

- The MFIs have facilitated access to finance for **8,457** farmers and **775** rural agribusiness managers using **9,232** financial products and services;
- **5,446** farmers and **268** rural agribusiness managers requested a financial service after participating in the capacity building measures;
- **3,661** accounts were opened after capacity building measures and **6,476** loans were granted for a total amount of FCFA **7,901,397,822 (€13,780,701)** to small farms, agricultural SMEs, FOs, and cooperative societies;
- Development of **22** financial products related to the **cocoa, poultry, potato, soybean, maize, and pork** value chains, including 3 Islamic products, with the project's partner MFIs;
- Introduction of **19** financial services into the portfolio of the project's partner financial institutions;
- **347** loan officers have been trained on value chain financing;
- Twelve (**12**) institutions are in the process of adopting the following knowledge products (FoFinAAC, FANEPIA, EFB and EAA).

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