

## Promotion of Agricultural Finance for agri-based Enterprises in Rural Areas (GP AgFin)



### Global Project

The programme has been implemented in Benin and Zambia since 01/2016, in Nigeria, Cameroon and Mali since 01/2018, in Burkina Faso, Malawi and Togo since 01/2020 and in Côte d'Ivoire since 01/2021. The aim is to improve access to financial services tailored to the needs of agricultural businesses and agri-based enterprises in rural areas.

The global programme is assigned to the BMZ 2030 core theme "A life free of hunger – Transformation of Agricultural and Food Systems" with a special focus on „Rural development" and "Agriculture" (Burkina Faso, Cameroon, Mali, Nigeria, Togo, Zambia), and a special focus on "Training and sustainable growth for decent jobs", and "Private and financial sector development" (Benin, Côte d'Ivoire, Malawi).

### Approach

Agriculture plays an important role in the economic development of most African countries. However, small rural businesses are not very market-orientated and are barely integrated into the financial economy. They often do not have access to adequate financial services, such as loans for certain value chains. This restricts investment in agricultural production, processing, and marketing. In order to give smallholder farmers and processors access to suitable financial services, the project works with the supply and demand side - i.e. with local financial institutions and agricultural enterprises. Stakeholders on both sides can take advantage of needs-orientated trainings.

### Our Objective:

The provision of financial services to agricultural and agri-based enterprises in rural areas that are tailored to their business models has improved.

### Key Topics

- **Digitalisation** includes the increased integration of digital applications in the design and use of customised financial services.
- **Agroecology:** Particular attention is being paid to innovations that promote an agroecological transformation of agricultural systems in the development of sustainable business models and related financing solutions.
- **Gender equality:** In addition to gender equality, the programme places a particular focus on strengthening the economic and social participation of women and young people.

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## Budget and duration

74,2 Mio. € / 01.01.2016 -31.07.2027

## Political partners

The respective ministries of agriculture, economics or finance

## Commissioned by

German Federal Ministry for Economic Cooperation and Development (BMZ)

## Sustainable Development



Ramatoulae Singare Koulikoro at a bank counter in Benin.

## Examples from the project

- The **Farmer's Financial Cycle (FFC)** is an integrated training approach that aims to improve the financial knowledge of farmers. The training approach is structured as a participatory action-learning method and is based on nine learning stations. Each station focuses on a key competence of financial knowledge, paired with elements of farm management, depending on the specific needs and characteristics of the target group.
- The training module "**Agricultural Business Analysis and Investment Training**" (**AgBAIT**) is aimed at agricultural entrepreneurs. The training imparts economic competences of business analysis and tools to plan and implement profitable and productivity-enhancing business and investment decisions.
- With the support of the global project, a **pan-African Community of Practice (CoP)** was formed with the aim of advancing the digitalisation of agricultural financing in rural areas. The CoP includes representatives of more than 50 financial institutions from 9 African countries.

## Outputs

### Knowledge products and knowledge transfer

Concepts and tools for analysing agribusiness models and innovative knowledge products and training packages for skills and capacity development are being developed for the supply and demand side. The lessons learnt from the implementation will be used for the further development of generic knowledge products.

### Counselling and support for the demand side

Small farms, farmers' organisations and agricultural MSMEs improve their business management skills and their handling of financial services and providers.

### Counselling and support for the supply side

Capacities for the design and implementation of needs-based financial services are being developed at the partner financial institutions. Industry associations, (semi-)state agricultural development institutions and training institutions are advised and trained in the use of the knowledge products developed by the project.

## Further information on [giz.de](https://www.giz.de)

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