

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

Improved access to financial services tailored to the needs of farms and agri-based enterprises in rural areas

Challenges

In Togo, more than 40 % of the population lives below the poverty line, surviving on less than two dollars a day. The agricultural sector employs nearly 60 % of the population, 80 % of whom are smallholder farmers. Low economic returns, a lack of management capacity in agri-based enterprises and the low added value of agricultural products, even when processed, mean that players in the agricultural sector are faced with numerous challenges that prevent them from expanding or improving their businesses. 68 % of Togo's rural population has no access to formal financial services. This prevents most smallholder farmers from investing in better equipment, expansion and modernisation of their farms.

The traditional financial system has very few products that are adapted to the needs and realities of clients in the agricultural sectors. Banks have few branches in rural areas and perceive the expansion of their services in the agricultural sector as risky and costly. The project supports financial institutions in developing financial services tailored to the needs of agri-based enterprises and provides capacity-building for the management and staff of financial institutions geared to the specific features of the agricultural sector. On the demand side of financial products, smallholder farmers and agri-based entrepreneurs are

coached to economically analyse their businesses and assess their financing options. The project is being implemented in several countries, namely Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Malawi, Mali, Nigeria, Togo and Zambia. All the countries are benefiting from the project's global approach and exchanges of experience.



Project Name	Global Project “Promotion of agricultural finance for agri-based enterprises in rural areas” (GP AgFin)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Implementing Organisation	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Project Region	Savanes, Kara, Centrale, Plateaux, Maritime
Partner	Ministry of Planning, Development and Cooperation (MPDC)
Duration	2020 – 2026
Budget	6 Mio EUR



Photos:

Three women farmers discuss their FFC training manuals (left)

An ICAT trainer leading an FFC session (right)

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Photos :

*Transformation de produits agricoles
(gauche)*

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Pépinieriste d'anacarde (droite)

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The approach

The intervention of the project in Togo aims to improve access to financial services tailored to the business models of farms and agricultural enterprises in the country's rural areas. The project has three fields of action:

1. *Knowledge products*: the project adapts existing and newly developed analytical tools and training materials to improve the economic and financial expertise of farms and agri-based enterprises, as well as the agricultural know-how of partner financial institutions.
2. *Support for farmers and MSME/SMIs*: through tailored training and advice, the project is building the skills of small farmers, farmers' organisations, and agri-based enterprises to improve their access to financial services.
3. *Support for financial institutions*: The project supports several financial institutions in the provision of demand-driven financial services to stakeholders in agricultural value chains.

Results in figures...

- **7,421** individuals, including **7,076** farmers and **345** managers of MSMEs, have successfully completed trainings to improve their knowledge of how to analyse their economic activities, plan investments and manage credits. The proportion of women among these beneficiaries is **36 %** and that of young people **28 %**.
- **9** financial services tailored to sustainable economic models have been developed in collaboration with financial institutions and made available to agri-based enterprises.

- **5.141** farmers and **228** MSME, **34 %** of whom women and **38 %** young people, used the financial services developed/adapted by the partner financial institutions with the support of the GP AgFin.

...and in stories

Through a direct partnership with financial institutions and microfinance institutions, the project is raising awareness among field staff and decision-makers in financial institutions of the need to engage in strategic and responsible financing of players in the agricultural value chain. Analysis of profitable business models and their needs enables financial institutions to develop appropriate financial products.

Thanks to the training courses, farmers have learned to view their farms as businesses that require good management and planning, taking into account key parameters such as inputs, technical skills, and the market. For more advanced MSMEs, the *Agricultural Business Analysis and Investment Training* also helps participants to choose the best financing option for their businesses and provides them with a platform for presenting their business idea to financial institu

Special initiative "Transformation of Agricultural and Food Systems"

Within the framework of the special initiative the country package Togo is assigned to the BMZ core theme „A life free of hunger“, with a special focus on „rural development“ and „agriculture“. 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.

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