

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



### Global Project

The project is 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 goal is to improve access to financial services tailored to the needs of smallholder farmers and agri-based enterprises in rural areas.

The global project contributes to the BMZ 2030 core area strategy "Transformation of Agricultural and Food Systems". Areas of interventions are „Rural Development“ and „Agriculture“ in Burkina Faso, Cameroon, Mali, Nigeria, and Togo, and „Food Security“ and „Agriculture“ in Zambia. In Benin, Côte d'Ivoire, and Malawi the global project contributes to the core area strategy „Training and Sustainable Growth for Good Jobs“, with its area of intervention „Private Sector and Financial System Development“.

### Approach

Agriculture plays an important role in the economic development of most African countries. At the same time, smallholder farmers as well as micro, small, and medium enterprises (MSME) are not very market-orientated and are barely integrated into the financial system. They often lack access to adequate financial services, such as loans or saving products. This restricts investment in agricultural production, processing, and marketing.

To ensure farming and processing businesses have access to appropriate financial services, the project is working with local financial institutions (supply side) and agricultural value chain actors (demand side). Stakeholders on both sides can take advantage of needs-based further training.

#### Our Goal:

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

### Key Topics

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

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## Budget and duration

75.7 Mio. € (incl. 1.5 Mio. € co-financing by LuxDev of Luxembourg) /  
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



Agri-preneur Ramatoulai 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 literacy 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 financial literacy skill, coupled with elements of business management, customised to the needs of the target group.
- The training module **"Agricultural Business Analysis and Investment Training" (AgBAIT)** addresses emerging agricultural entrepreneurs/(M)SME. 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 in 2023 with the aim of accelerating digitalisation of agricultural financing in rural areas. By now the CoP includes more than 50 financial institutions from nine African countries.

## Outputs

### Knowledge products and knowledge transfer

Innovative knowledge products and training packages for skills and capacity development targeting supply and demand side actors are developed, tested and upscaled. Partner Ministries, professional associations, (semi-)state agricultural development institutions and vocational training centers are advised and trained in self-governed use and rollout of these products.

### Advisory and support for the demand side

To prepare farmers and agri-based entrepreneurs for access to formal financial services, they are trained to economically analyze their business and possible investment options, evaluate financing options, as well as negotiating terms and conditions with suppliers of financial products.

### Advisory and support for the supply side

Employees of financial institutions are sensitised for the specifics of the agriculture sector and equipped with the decisive skills to design, de-risk and market needs-based financial products.

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

## Published by

Deutsche Gesellschaft für Internationale  
Zusammenarbeit (GIZ) GmbH  
Registered office: Bonn und Eschborn  
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October 2024