



# Agriculture Financing Initiative – AgriFI

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## Why is AgriFI needed?

- Increased investment
- High risk in agricultural production
- Additionality



European  
Commission

## What is AgriFI?

- New initiative for Inclusive and Sustainable Agricultural Growth
- Multi Stakeholders Alliances on Value Chains
- Access to Market, moving up Value Chains
- Risk capital, guarantees or other risk-sharing mechanisms and grants

## How will it be implemented?

Three pillars:

- 1. Investment**
  - 2. Business Development and Advisory Services**
  - 3. Value Chain Analysis for better accountability and decision making.**
- EU blending framework.
  - Call for Proposals (Grants).
  - Financed out of thematic programmes, as well as regional and country programmes.



# State of Play

AgriFI was officially presented on the World Food Day in Milano in October 2015 by Commissioner Mimica

- 1/ A call for proposal was organised in 2016: more than 500 applications received (> 2 billions €), 8 projects (37 million €) were contracted by end 2016. Fit For Market (20 million € implemented by COLEACP) was signed recently.
- 2/ Under existing EU blending framework, the pipe line of projects involving private sector and aiming at improving agriculture based value chains is growing: 30 million € already allocated (AATIF) another 39 million € to be allocated
- 3/ EDFIs are preparing a specific proposal to the European blending framework inspired by the specific ElectriFI model
- 4/ The Value Chain Analysis Capacity  is in place and fully operational since October 2016

# **VALUE CHAIN ANALYSIS**

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***UNDERSTANDING + MEASURING***

***TO APPRAISE***

***TO TAKE DECISIONS***

***TO DRAW LESSONS***

# Evidence-based analysis?

- ***Give an integrated picture of VC operations and outcomes***
- ***Through "evidences"***
  - Providing as much as possible quantitative information (and scoring qualitative one)
- ***To inform decision-makers***
  - On key dimensions
  - For action (projects, policy dialogue...)
  - At different steps: identification, formulation, monitoring or impact assessment

# 4 leading questions

Sustainable  
Development

1. What is the contribution of the VC to **economic growth**?
2. Is this economic growth **inclusive**?
3. Is the VC **environmentally** sustainable?
4. Is the VC **socially** sustainable?

FUNCTIONAL ANALYSIS

ECONOMICS

ENVIRONMENT

SOCIAL

# FUNCTIONAL ANALYSIS

- ***General description of the VC system***
  - mapping, actors, flows and geographic distribution
- ***Elements of technical diagnosis (along the VC)***
  - typologies, productivities, technical benchmarking, physical constraints...
- ***Understanding the governance***
  - organization, vertical coordination, horizontal coordination, support services, policies...

# 1. What is the contribution of the VC to **economic growth**?

- ***Economic viability for every type of actors***
  - Profitability
- ***Consolidated contribution to growth***
  - VA generated
- ***Sustainability/viability within international economy***
  - Domestic Resources Cost Ratio

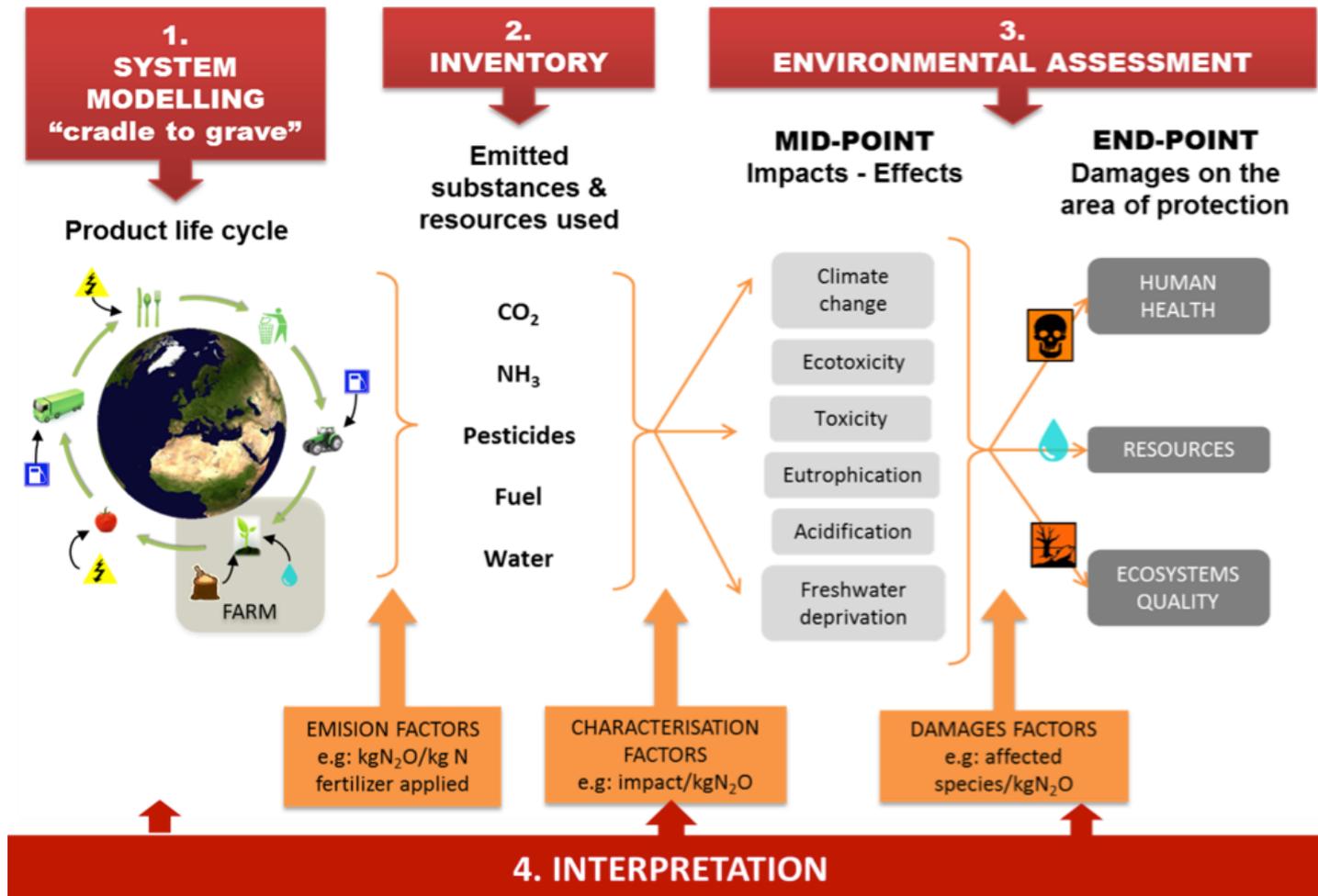
## 2. Is this economic growth **inclusive**?

- ***Income distribution:***
  - Farm income + Wages (agriculture, other activities)
- ***Employment creation***
  - Distribution, Jobs created



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# 3. Is the VC environmentally sustainable?



## 4. Is the VC **socially** sustainable?

- ***Construction of a « social profile » analysis***
- ***Based on 6 domains:***
  - Working Conditions
  - Land and Water Rights
  - Gender Equality
  - Food and Nutrition Security
  - Social Capital
  - Living Conditions :Housing, Health and Education Services
- ***Process of scoring 55 qualitative questions***

Thank you for your attention...