



AGRIFI and engaging the private sector into agriculture

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The Agriculture Financing Initiative – AgriFI

- **AgriFI responds to the lack of financing mechanisms adapted to farmers and agri-entrepreneurs, particularly smallholders and agribusiness MSMEs.**



Why is AgriFI needed?

- **Increased investment is key for agricultural growth**
- **High risk in agricultural production is a reality**
- **Additionality is a must**



What is AgriFI?

- **A new initiative for Inclusive and Sustainable Agricultural Growth**
- **It promotes Multi Stakeholders Alliances on Value Chains**
- **It enhances Access to Market and moves up Value Chains**
- **It uses risk capital, guarantees or other risk-sharing mechanisms and grants**



How will it be implemented?

3 pillars


- 1. Investment**
- 2. Business Development and Advisory Services**
- 3. Value Chain Analysis for better accountability and decision making.**

Various instruments

- 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
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- 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.
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- 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
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- 3/ AGRIFI - EDFIs are preparing a specific proposal for SME financing
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- 4/ The Value Chain Analysis Capacity  is in place and fully operational since October 2016

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



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

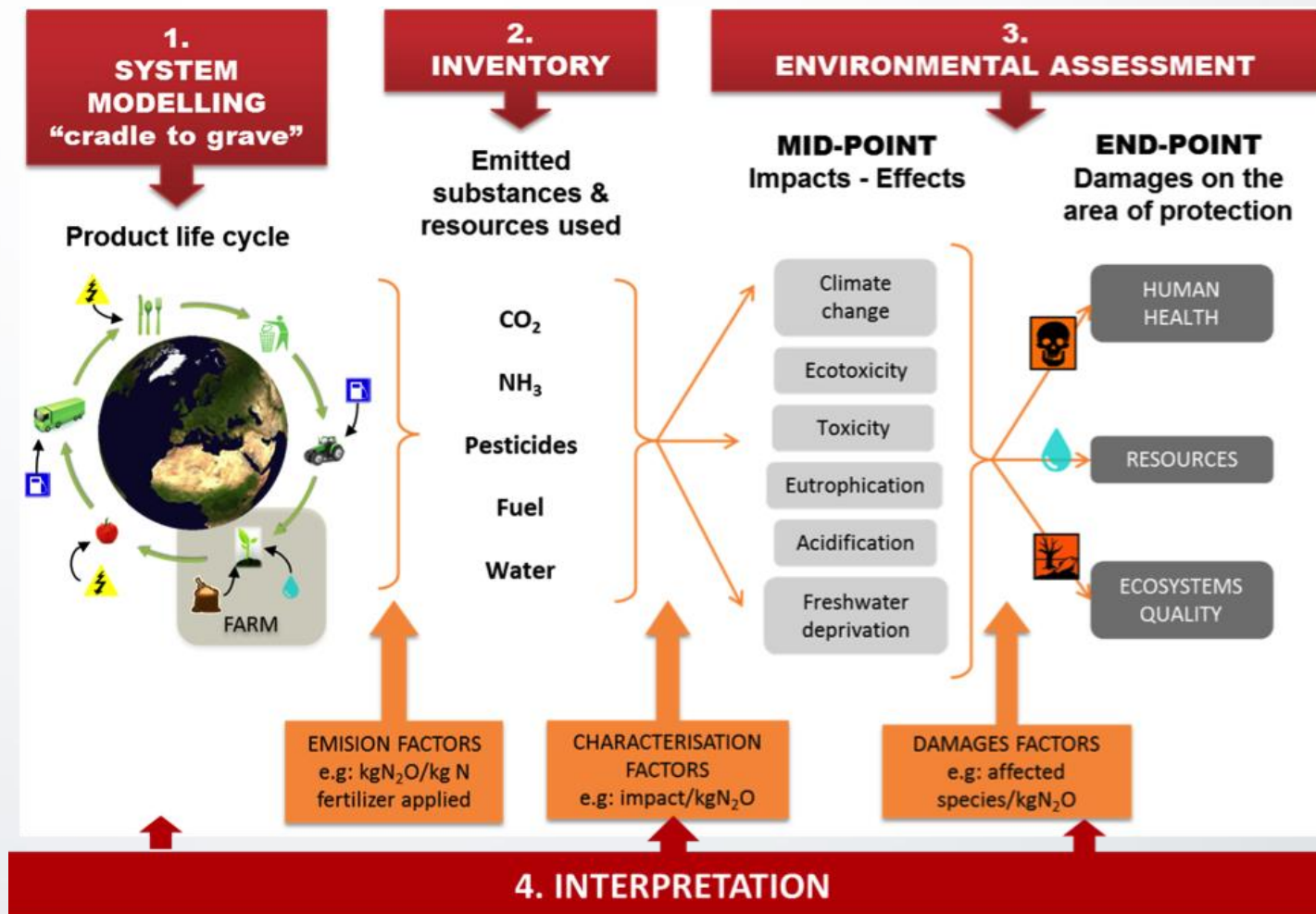
Sustainable
Development

ECONOMICS

ENVIRONMENT

SOCIAL

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