



This document provides information on the FAO project “AgrInvest - Enabling inclusive and efficient private sector investment in agri-food systems” (AgrInvest-FS). The newsletter is a core tool for sharing knowledge among members of the project.

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## WELCOME

Welcome to the third issue of AgrInvest-FS Flash News, a quarterly newsletter to keep you updated on the project. AgrInvest-FS aims to attract private investments into agri-food systems aligned with the Sustainable Development Goals (SDGs) by leveraging public funds.

This document will share information and knowledge about the project, through several different features, such as: weekly results and achievements; alerts for new publications; success stories; messages from the team; upcoming events; links to project videos and photos; links to online discussions; and much more.

In this issue you will find:

1. An article on our latest workshops in Kenya;
2. Insights from the newly released publications on food systems in Burkina Faso and Niger;
3. News about the English edition of the Agricultural and Rural Finance Training Programme (FAR 2021);
4. An interview with the project’s focal point in Ethiopia;
5. Key points from the FAO-GSMA Webinar on digital agriculture.

Enjoy your reading!  
The AgrInvest-FS Team

## 1. AgrInvest-FS Project Consultative meetings on African Indigenous Vegetables (AIVs) and Aquaculture in Kenya investments in the Burkina Faso agri-food systems”

On 27 and 29 January 2021, FAO organized two workshops in Kenya, “AgrInvest-Food Systems Project Consultative meetings on African Indigenous Vegetables (AIVs) and Aquaculture”.

The objectives of the events were to present and validate the draft reports of the AIVs and aquaculture value chain analyses as well as to obtain additional information to enrich the studies. Lastly, the workshops aimed to identify steps towards making arrangements for multi-stakeholders to address the problem of financing bottlenecks and sustainability issues in the aquaculture value chain.



Figure 1 Participants attending the AgrInvest-FS Consultative Meeting on AIVs in Kisumu, Kenya



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In order to comply with the safety measures to contain the COVID-19 pandemic, the number of participants attending both events was limited.

The consultative meeting on aquaculture, held in Nairobi, was attended by representatives of national and local government, financial institutions (FIs), farmers' organizations (FOs), feed producers, academic institutions and regional platforms.

The participants agreed that one of the best ways to unlock investments is to focus on the aquaculture chain as a whole. Many of the problems of financing the sector are the result of the current disconnection between different parts of the chain. Attendees converged on the need to set up a sectoral platform that brings all relevant value chain actors together, including FIs.

The second workshop on AIVs, was organized in Kisumu, to ensure the participation of local stakeholders, including aggregators, buyers and smaller FIs.

According to the participants, the main barrier to farmers accessing credit is the lack of market arrangements to engage with FIs.

In terms of the provision of financial services, Equity Bank explained that through its digital services and innovative arrangements, it is offering alternatives to the traditional collateral requirements for farmers. Similarly, the Agricultural Finance Corporation (AFC) has encouraged group-based lending for FOs engaged in AIVs production.

These examples showed that financial instruments for AIVs farmers could become available if formal aggregation were to be promoted.

The results of these workshops will serve as a basis for finalizing the more detailed analyses of the two value chains.

## 2. AgrInvest-FS launches its Food Systems Analyses of Burkina Faso and Niger



As result of a partnership with the European Centre for Development Policy Management (ECDPM), the project has just released its latest two food systems analyses for Burkina Faso and Niger, which took a political economy approach.

These documents are part of a set of four publications produced under the AgrInvest-FS project, assessing food systems in various African countries including Ethiopia and Kenya.

The analyses map social, environmental and economic outcomes, as well as the key actors, political economy features and sustainability challenges and opportunities for sustainable food systems transformation in Burkina Faso and Niger. Both studies also provide information to guide interventions under the AgrInvest-FS project in these countries.

In Burkina Faso, the analysis – combined with a multi-stakeholder validation workshop – led to the identification of two promising value chains for SDG-aligned investments, namely rice and aquaculture, and of the bottlenecks that currently impede more investments in the sectors.





According to the study, there are significant complementarities between the rice and aquaculture sectors at territorial level, particularly with regard to ecosystem management. Both value chains can contribute to improving sustainable production systems and combating climate change through efficient water management practices.

The assessment for Niger highlighted dairy, onions and cowpea as promising value chains for sustainable investments to help transform the food systems in the country, given their market potential and importance for social, economic and environmental sustainability. In particular, onion production is an important business for the country, occupying a significant part of the agricultural sector. It represents a source of income for smallholders and it is mainly carried out by women. Despite its traditional production, onions have emerged to become one of the main export crops in the last two decades.

Download the full studies here

Burkina Faso:

<http://www.fao.org/documents/card/en/c/cb3739fr>

Niger:

<http://www.fao.org/documents/card/en/c/cb3742fr>

### **3. ADA and FAO launch the English edition of the Agricultural and Rural Finance Training Programme**

Following the success of the French edition of the Agricultural and rural finance training Programme (FAR2021), FAO, the Appui au Développement Autonome (ADA) and Luxembourg's Ministry of Foreign and European Affairs are launching the English edition in May 2021.

The event will be a unique forum to explore, reflect and exchange ideas and strategies for the rural

and agricultural sector, with a particular focus on the impact of climate change, especially in Africa. As for the former edition of the training programme, which was held face-to-face in Burkina Faso in 2019 and as e-learning in 2020, the AgrInvest-FS project will send representatives of financial institutions from its focus countries (Ethiopia and Kenya) to participate in the FAR.

Specifically, this activity will build the capacity of seven domestic financial institutions set up to develop financial products and services for agribusinesses.

The FAR 2021 programme will be held over two sessions: e-learning from 17 May 2021 (four weeks) and face-to-face from 11 October 2021 (one week).

Experts will present specific activities and results, thereby making it possible to identify and analyse the experiences in order to draw lessons in terms of best practices across the globe.

### **4. Voices from the field: Discussing the impact of the COVID-19 pandemic in Ethiopia and the role of the AgrInvest-FS Project**

"What is the impact of the COVID-19 pandemic on food and agriculture and specifically on agri-SMEs in Ethiopia? How has this affected the AgrInvest-FS project's implementation and the overall support of FAO in the country?"

These are just some of the questions put to the project's focal point in Ethiopia, Mr. Ayalew Abebe Ferede, expert in agri-Small and Medium Enterprises (SMEs).

"The restrictions linked with the coronavirus pandemic have affected agri-SMEs in Ethiopia directly and indirectly. The main issues included: limited availability of casual workers, higher transport costs, lower demand for fresh foods, and reduced income for





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businesses operating in open markets or exporting” explained Mr. Ferede during the interview.

He then explained that the spread of the virus and the interlinked governmental limitations have affected the capacity of FAO and the project to facilitate “traditional” linkages between international investors or financiers and the national SMEs, through public gatherings or business-to-business (B2B) meetings.

He concluded, “However, despite the current challenges the country is facing, Ethiopia still offers enormous opportunities for investment and financing activities in agriculture.

Through virtual meetings, evidence sharing and country-led targeted interventions, the AgrInvest-FS project is playing an important role in supporting international investors and financial institutions to sustainably invest in key sectors, such as dairy and horticulture, creating employment for the rural poor and small enterprises operating in the sector.”

## 5. FAO and the Global System for Mobile Communications (GSMA) on digital agriculture

The FAO Technical Network on Sustainable Food Value Chains - Development & Finance (SFVC D&F) organized the webinar “Transforming farmers’ access to finance through digital agriculture”,

held on 12 April 2021. Experts from GSMA explored the pivotal role of digital technologies in agricultural value chains, how digital agriculture solutions help facilitate financial inclusion for farmers and the relevance of digital technologies in enabling farmers to access credit and savings products.

The main takeaways were that digital technologies can address those “pain points” that value chain actors face in sourcing crops (farmers’ payment, agri-extension support, and procurement transparency). Moreover, using digital solutions in the procurement of crops offers previously unbanked farmers a pathway to financial inclusion by enabling them to develop economic identities using digital agriculture data. Finally, data captured by digital agriculture tools allow financial institutions to assess the creditworthiness of farmers and extend financial products to them.



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<http://www.fao.org/in-action/agrinvest-food-systems/en/>

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