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***Revolutionising finance for agri-value chains***

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**Opening Remarks**

Your Excellencies,  
The Director of the CTA,  
The Secretary General of the ACP Secretariat,  
Agricultural and financial sector professionals,  
Colleagues,  
Participants,

It is with great pleasure that I address you as part of this periodical CTA initiative which on this occasion will be focusing on the financing of value-added chains in the agricultural sector. As you are all well aware, this is a sector which is facing ever more pressing demands from a globalised world, and which is vital because of the contribution it is now making and will continue to make in the battle against poverty in the Africa, Caribbean and Pacific zone.

I must thank the Secretariat General of the ACP States Group for hosting our meeting, now taking its place in continuing the tradition inaugurated in 2007 by the CTA Office in Brussels.

No more needs to be said about the importance of the agricultural sector in the world economy and the essential part it has to play in that of the ACP States Group.

This is the reason why agricultural development continues to stand as a priority in the cooperation programmes of the European Union with the Africa, Caribbean and Pacific countries. Indeed, for the majority of them, agriculture represents their main source of national revenue.

It is therefore quite right that our efforts should be concentrated on the issue of financing agri-value chains, which is the fundamental factor in establishing the importance of this sector and boosting its competitiveness. This is highlighted by recent data which show that only 4% of the population of Africa hold a bank account, and only 1% have access to a credit facility; as you can imagine, these figures are even lower in rural areas.

Vital to the development of agri-value chains is the need for a clearer identification of the areas where finance is needed and the establishment of suitable facilities to respond to that need.

And it is for the same reason that we are holding the two workshops of your briefing today to examine possible ways to finance agri-value chains for small farmers and serve as a sounding-board for the more relevant experiences and innovations in the field.

A better grasp of the mechanisms involved in financing agri-value chains should help in identifying suitable means of facilitating access for small operators to funding for their activity, together with the appropriate agricultural services, and should make it easier for sector professionals to incorporate them into local and even regional or international markets.

Nowadays, a more widespread use of Information and Communication Technologies (ICTs) with their rapidly falling costs can provide farmers with crucial information in the way of weather forecasts, agricultural produce prices and the purchasing trends of other operators in the field, such as suppliers or purchasers of agricultural produce.

This could be a powerful weapon in the fight against poverty.

In this context, the consolidation of agri-value chains has a major part to play in the process of diversifying the financing options aimed at those operating in the agricultural sector.

It was within this framework that in 2004 the European Union adopted an action and support plan for the benefit of basic agricultural produce operators, and with this in mind I should like to mention the experience of several intra-ACP programmes, such as the 3ACP programme, the GIIF (Global Index Insurance Facility) and the "Cocoa beans, root vegetables/tubers and coconuts" programme [fève de cacao, racines/ tubercules et noix de coco] currently under development as part of the 10th intra-ACP EDF Cooperation initiative. In operation since 2007, and financed to the tune of 100 million euros, these programmes all help to provide small farmers with access to suitable sources of finance, and are intended to help these smallholders and their various associations to infiltrate the existing formal financing systems.

The situation as it affects organisations involved in financing the agricultural sector is no different from that of other businesses. An accurate understanding of this business model is essential if the sector is to be better structured for the long term, so that it can support the growth of national agricultural sectors.

The European Union is convinced that one of the keys to success in extending access to suitable finance facilities to the largest possible population lies in ensuring that market information is available in real time; in the identification of partnerships based on shared interests in terms of risk management; and in the provision of financial products which suit the specific nature of agri-value chains and the operators involved.

#### Conclusion

In conclusion, please allow me to urge you to ensure that your deliberations on the occasion of this workshop on financing agri-value chains are as thorough and detailed as possible with a view to seeking the best means available to consolidate such finance facilities as are available to the agricultural world, and to identifying the best methods to use as part of this strategy.

Thank you for your time. I wish you every success in your efforts.