



AFC Worldwide

October 2019 Edition

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AFC Agriculture and Finance Consultants GmbH is a private German consulting firm focusing on agricultural, agribusiness and financial development projects in developing and transition countries. AFC was established in 1973. In 2007, AFC became member of GOPA Consulting Group, Germany's largest group of consulting firms in development cooperation.

Our services for public organisations and private companies cover the whole range from primary production to processing and marketing. AFC's portfolio includes the institutional development of microfinance organisations and banks, in order to provide sustainable credit and savings systems.



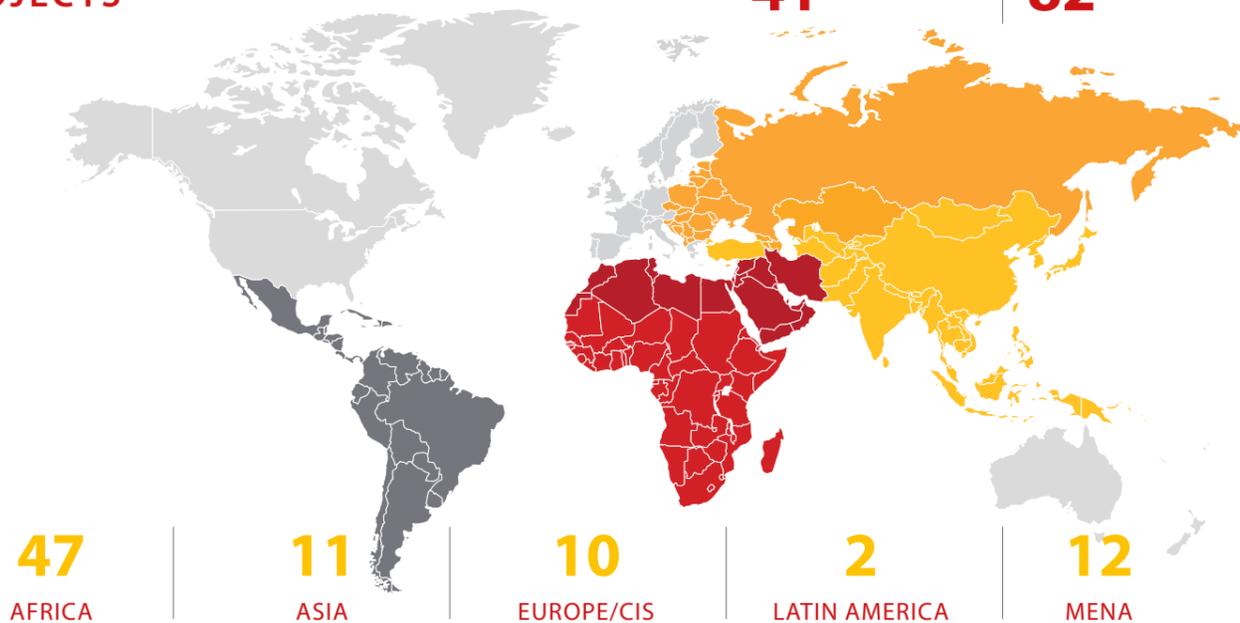
EDITORIAL

In most cases, editorials of private firms start with the presentation of the turnover and we are proud to announce that AFC's turnover increased to 29 Million Euros in 2018 and an additional 2 Million Euros for our affiliate companies in Central Asia and Morocco.

However, human resources and references are the main quality and potential indicators in the consulting business. Therefore, we thoroughly monitored the number of staff and experts under contract in May 2019. The following graph provides a clear overview of our manpower:

PROJECTS*

41** COUNTRIES | 82 PROJECTS



OFFICES

HEADQUARTER

BONN, GERMANY

PROJECT OFFICES ABROAD

87

STAFF

IN-HOUSE

~ 55

ABROAD

~ 750



* May 2019
 **Armenia, Bangladesh, Benin, Botswana, Burkina Faso, China, Colombia, Côte d'Ivoire, Egypt, Georgia, Ghana, India, Jordan, Kenya, Kyrgyzstan, Lao People's Democratic Republic, Madagascar, Mali, Mauritania, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Niger, Nigeria, Palestine, Papua New Guinea, Paraguay, Rwanda, Sierra Leone, South Africa, Sudan, Tanzania, Thailand, Timor-Leste, Togo, Tunisia, Uganda, Ukraine, Zambia

Currently, AFC is active in about 40 countries and cooperates with other companies of the GOPA Group, our strategic partners DLG International in Frankfurt and the Academy of German Cooperatives (ADG) in Montabaur. With 59 projects, including the Middle East and North Africa (MENA) region, the majority of projects are implemented in Africa, where AFC covers all regions of this important continent. Main donor agencies are still the German Society for International Cooperation (GIZ), German Development Bank (KfW), European Union (EU)/ European Investment Bank (EIB), Federal Ministry of Food and Agriculture (BMEL), and Asian Development Bank (ADB).

82 projects are implemented by about 750 people in project offices on site and 55 staff members in the headquarters in Bonn. As AFC is focusing only on agriculture and financial sector development, specialized project managers are active in our headquarters. In order to deal with daily challenges in various locations we managed to adequately strengthen our team of project managers (senior consultants and young professionals).

In January 2018, all GOPA Group companies introduced the new software "Maconomy" for project management and administration which aims to comply with current and future requirements of our donor agencies in terms of project administration and for full transparency. It is important to acknowledge the hard work of the Finance and Contract Management team to implement the new system.

As GOPA Group improved their compliance system to the highest standards, a qualified and independent compliance office for the management was needed. Wolfgang Schmitt took over this important position in the GOPA Group Holding and consequently, he could not continue to act as Managing Director of AFC. As a gesture of gratitude, a farewell party was organized on 16 September 2018 to thank him for his strong and significant contribution to AFC's development in recent years.

The main events of AFC in Germany for January 2019 are:

- 11th Financial Expert Day in Montabaur;
- 3rd Agricultural Expert Day in Bonn;
- Fair stand at the Global Forum for Food and Agriculture (GFFA) in Berlin (annual participation for more than 20 years); and
- Contribution to the 5th German –African Agribusiness Forum in Berlin organised by the "Afrika Verein" in Berlin.

Overseas, we contributed to the:

- Field Day Visit of Federal Minister of Food and Agriculture Julia Klöckner and Delegation in China, June 2019;
- EIB Eastern Africa SME and Microfinance Banking Forum in Nairobi, Kenya, October 2018; and
- Project visit of Minister Klöckner in Morocco, October 2018.

After expanding our activities and adopting an integrated IT management system, AFC continues to strengthen its corporate communication, adopted a new logo and moved to a more modern energy-efficient office in September 2019 in Baunscheidtstraße 17, 53113 Bonn.

We are looking forward to your visit in our new premises!



Johannes Buschmeier
 Managing Director / CEO

IN SEPTEMBER 2019, AFC MOVED AND DISCLOSED ITS NEW LOGO



In September 2019, AFC moved into the main business district of Bonn. All of AFC's 55 colleagues now enjoy a central and climate-friendly workplace.

THE LARGE AND OPEN OFFICE SPACE ALLOWS FOR A DYNAMIC WORKING CONCEPT WITH:



In September 2019, in addition to moving to our new offices, decided to modernise its logo. The new logo represents the success of our two fields of specialisation.

Changing address and logo is a process which takes time. We put everything in place to ensure that this process runs smoothly and thank you for your patience and support.

THIRD ANNUAL AGRI-NETWORKING DAY EXCHANGING LESSONS LEARNED IN ICT FOR M&E TOOLS AND STRUCTURAL CHANGE IN AGRICULTURE



AFC organised its third annual agri-networking day in January 2019 in Bonn. This year's edition gathered AFC in-house staff and 17 experts working on projects around the world

The agri-networking day focused on two topics:

- 1 How ICT tools can best support monitoring and evaluation; and
- 2 measuring structural changes in agriculture.

The first day enabled AFC to discuss how digitalisation is becoming a fundamental part of projects and how ICT tools have the potential to support these projects. Several IT tools to oversee monitoring and evaluation indicators and to collect and process data from surveys were presented along with their advantage and disadvantage. The discussions enabled participants to rate and rank these tools according to their user-friendliness, interoperability with other tools, data analysis capacity, data security, and costs.

It was largely agreed that digital tools are valuable but also require capacity to translate data into relevant information for evidence-

based decision-making and accountability. Along these lines, discussions continued on relevant indicators to monitor impact in challenging areas such as job creation, quality of trainings, and income generation.

The second day focused on the drivers of structural change, i.e. external political, social, environmental, and economic factors having an impact in the agricultural sector. It rapidly became clear that structural change factors are interconnected, complex, and take time to influence. Working groups shared good practices from their country of engagement which enabled deepen the discussions.

With more than 90% of its staff working abroad, such event is essential to strengthen AFC's working relationships and always represents an excellent opportunity to exchange lessons learned from agricultural value chain projects around the world.

11th FINANCIAL EXPERTS DAY

IDENTIFYING QUALITY STANDARDS FOR SUSTAINABLE AND IMPACTFUL TRAININGS



ADG and AFC invited their long-standing international experts and trainers to the 11th Financial Experts Day (FED) on 18 and 19 March 2019 at Montabaur Castle, ADG's head office in Germany. This year's theme is, "Identifying quality standards for sustainable and impactful trainings".

Training and capacity-building measures play a crucial role as the training quality often affects a project's impact to the success of most international projects jointly managed by AFC and ADG. The FED provided a unique opportunity to exchange on quality criteria of various training aspects among the 30 participants of AFC and ADG's financial sector in-house staff, long-term experts from ongoing projects, as well as selected training experts.

On the first day, the participants recognised that trainings in the banking sector require a tailor-made approach, which considers the principles of adult learning. Designing impactful trainings for banking professionals means that trainings should not only deliver technical knowledge but should empower the trainees to apply these skills in their daily work in financial institutions. The participants insisted that trainings following a traditional classroom and lecture approach would unavoidably fail in achieving any sustainable impact.

Through workshop sessions, the participants developed standards and criteria that will be incorporated in a Code of Conduct / Style Guide for Trainers to ensure high training quality. Discussion included how to mix training methods and media, how to visualise PowerPoint presentations and flipcharts, as well as methods to sustain and keep motivation high throughout the training.

The second day started with a presentation of ADG and AFC's blended learning approach, complementing with the tried and tested on-site training approach with web-based training elements, allowing for an even greater training impact while reducing costs for clients and donors. This learning approach will ensure that the web-based training elements are modularised, designed according to the responsive design principles, and allow for maximum interaction between trainer and trainees.

Another session covered a topic which is often neglected when preparing and implementing trainings and this is quantifying the training's impact. What is its impact once the trainers have left and how can it be measured? With the experts' and partners' vast practical experience, an approach on how to define a baseline, what to measure, and how to follow-up were elaborated. The results of this session will be incorporated in the training impact monitoring approach.

Like the previous years, the 11th FED benefitted substantially from the practitioners' expertise and experience and will contribute to AFC and ADG's refined training approach. We would therefore like to thank our experts and partners and are looking forward to more successful cooperation in the future.

AFC TAKES ACTION FOR THE ENVIRONMENT



As climate change mitigation is becoming an ever more pressing issue, AFC has taken measures to minimise its potential harmful environmental impact.

Some of these mitigating measures are:



Optimising the energy efficiency of its buildings



Strictly avoiding domestic flights



Flying only in economy class



Combining visits to multiple projects in the same region



Favouring modern video equipment for international project meetings



Acquiring energy-efficient vehicle

In addition, for the sixth year in a row, AFC is compensating its CO₂ emissions stemming from employees' flights (275 tons for 2018).

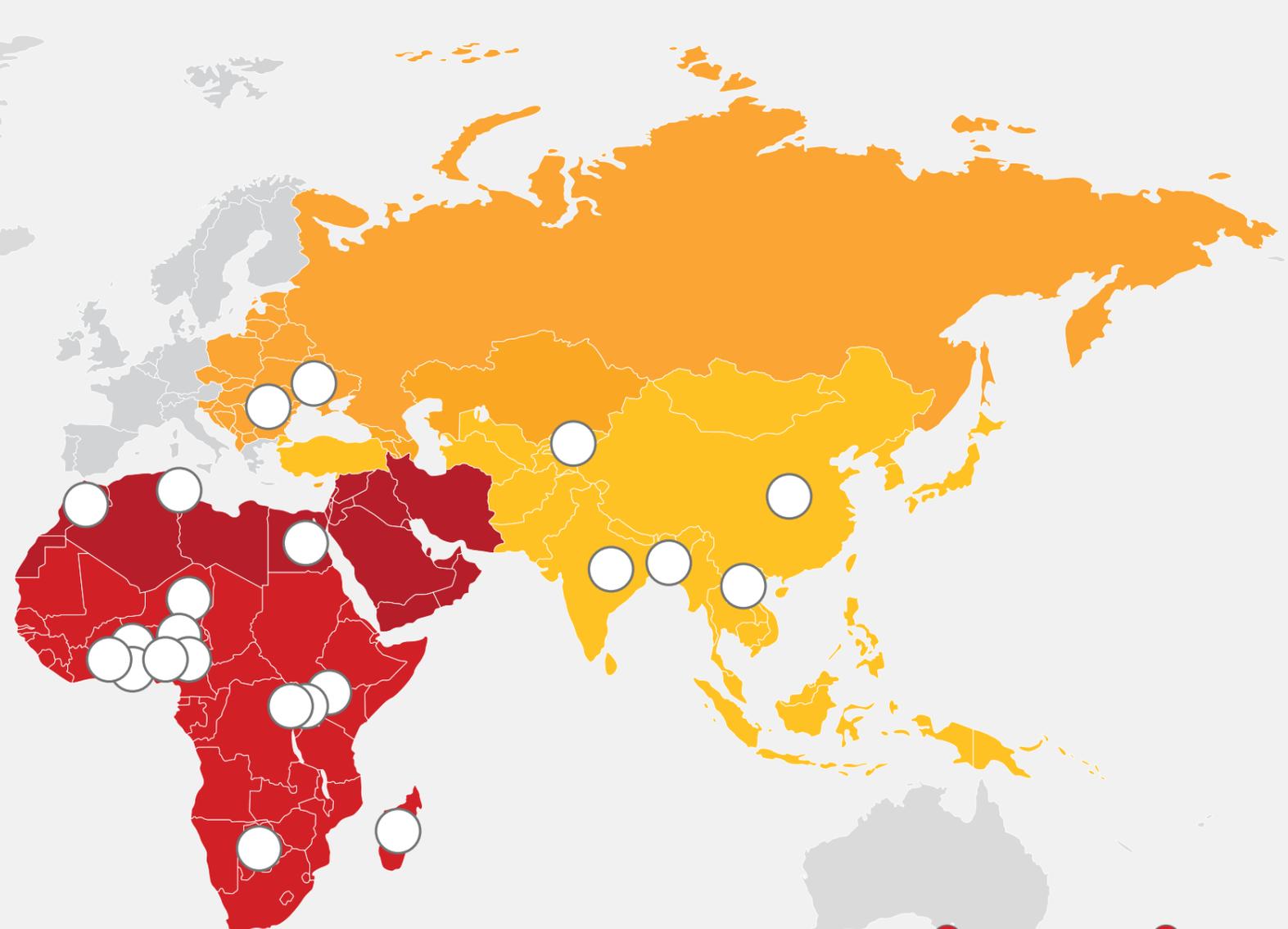
This year, our contribution will go to EcoAct's (www.eco-act.com) solar photovoltaic project in Senegal. With over 43% of the population without access to electricity, the country runs on carbon dioxide- (CO₂) intensive and expensive fuels such as diesel, coal, and gas.

The solar plant covers an area of 50 hectares and is equipped with 77,040 modules connected to the national grid, therefore saving 25,000 tonnes of CO₂ every year. The sale of carbon credits is funding investments in the local community to improve living conditions. The project will benefit an estimated 160,000 people and save the government a decent amount of US\$ 5 million per year.

AFC PROJECT SELECTION

KEY

-  Project
-  Agriculture & Agribusiness Project
-  Financial Sector Development Project
-  Sub-Saharan Africa
-  MENA
-  Eastern Europe & CIS
-  Asia
-  South America



<p> Morocco • page 12 A public interest group for the sustainability of the CECAMA</p> <p>Donor: BMEL Budget: € 966.000 Duration: 01/2019-12/2020</p>	<p> Tunisia • page 13 Training of Trainers in Value Chain Development</p> <p>Donor: GIZ Budget: € 545.700 Duration: 08/2017-05/2019</p>	<p> Egypt • page 14 Nationwide Financial Inclusion Survey for evidence-based policies</p> <p>Donor: GIZ Budget: € 1.200.000 Duration: 02/2019-04/2020</p>	<p> Benin • page 15 Securing land and infrastructure access for marginalised farmers and women</p> <p>Donor: KfW Budget: € 2.477.000 Duration: 09/2015-09/2019</p>	<p> Benin • page 16 I know the map of my village!</p> <p>Donor: BMZ Budget: € 1.800.000 Duration: 07/2016-11/2019</p>	<p> Uganda • page 25 Promotion of financial inclusion for refugees</p> <p>Donor: EIB Budget: € 9.300.000 Duration: 05/2014-05/2020</p>	<p> Madagascar • page 26 A structuring project for nutrition and value chains</p> <p>Donor: EU Budget: € 2.800.000 Duration: 11/2018-05/2023</p>	<p> Botswana • page 28 Transboundary Use and Protection of Natural Resources: Tourism Support Underway</p> <p>Donor: GIZ Budget: € 1.100.000 Duration: 02/2019-01/2021</p>	<p> Eastern Europe • page 29 Growing small businesses through better microfinance</p> <p>Donor: EIB Budget: € 2.000.000 Duration: 01/2019-12/2021</p>	<p> Ukraine • page 31 EU-Ukraine trade relations gaining pace for second phase</p> <p>Donor: BMEL Budget: € 1.800.000 Duration: 01/2019-12/2021</p>
<p> Niger • page 17 Contribution to the Land Use Planning Scheme for a global vision of development</p> <p>Donor: EU Budget: € 8.000.000 Duration: 03/2018-11/2021</p>	<p> Togo • page 18 Support for the financing of agricultural value chains</p> <p>Donor: GIZ Budget: € 1.000.000 Duration: 05/2017-10/2020</p>	<p> Nigeria • page 19 Promotion of agriculture finance for agri-based enterprises in rural areas</p> <p>Donor: GIZ Budget: € 2.290.000 Duration: 11/2018-07/2020</p>	<p> Nigeria • page 20 Nigeria aims for agricultural mechanisation by adapting the SME Loop</p> <p>Donor: GIZ-BMZ Budget: € 6.000.000 Duration: 01/2018-09/2021</p>	<p> Nigeria • page 22 AFC reinforces its presence in Nigeria</p> <p>Donor: GIZ Budget: € 3.400.000 Duration: 02/2019-02/2022</p>	<p> Kyrgyz Republic • page 33 AFC implements Housing Finance Programme</p> <p>Donor: KfW Budget: € 120.000 Duration: 01/2019-06/2020</p>	<p> India • page 35 Developing coping strategies for climate change and women empowerment</p> <p>Donor: GIZ Budget: € 7.770.000 Duration: 04/2015-03/2021</p>	<p> Bangladesh • page 37 AFC and the WB improves Bangladesh's financial sector stability</p> <p>Donor: WB Budget: € 1.400.000 Duration: 06/2019-09/2020</p>	<p> China • page 38 Sino-German Crop Production and Agrotechnology Demonstration Park</p> <p>Donor: BMEL Budget: € 2.290.000 Duration: 08/2015-07/2018</p>	<p> Lao PDR • page 39 SME Access to Finance</p> <p>Donor: WB Budget: € 385.000 Duration: 05/2018-03/2019</p>

 **Rwanda • page 23**
Support to Development Bank of Rwanda's Agricultural Finance Strategy

Donor: AATIF
Budget: € 97.700
Duration: 08/2018-09/2019

 **Uganda • page 24**
Training on the Credit Reference System for banks and participant institutions

Donor: KfW
Budget: € 620.000
Duration: 03/2018-12/2018



A PUBLIC INTEREST GROUP FOR THE SUSTAINABILITY OF THE CECAMA

MOROCCO

Four organisations signed an agreement to guarantee the sustainability of the Centre of Excellence for Agricultural Advice in Morocco and Germany (CECAMA) on April 2019 at the Salon International de l'Agriculture au Maroc (SIAM).

CECAMA is a joint initiative of the German and Moroccan Ministries of Agriculture that started in 2013. The centre entered its third phase of activities at the beginning of 2019 and will continue to do so until December 2020.

German bilateral cooperation projects (BMEL) are hybrid in nature because they are state-owned projects with cooperation between two states and also include financing of private companies. Meanwhile the question of the takeover of the centre at the end of the project by a state institution or a private organisation has emerged since the very beginning of the project. From the beginning of the year, CECAMA has been seeking to define and strengthen its governance to ensure that activities continue after the end of German funding.

The formula of a public interest grouping (GIP) appeared to be the most appropriate solution after a series of consultations. This makes it possible to create an organisation halfway between a state institution and a private organisation. To this end, two public institutions, the National Office of the Agricultural Council and the National Institute of Agricultural Research; and two associations, the

Moroccan Cooperative for Rural Development and the CECAMA association, which brings together the companies that support the centre - now form the International Centre of the Moroccan Agricultural Council. While the contribution of the four founding members of the GIP is set out in the agreement establishing it, the members will nevertheless only release their budgets if they consider that CECAMA has a return equivalent to this amount. Therefore, in the current situation, the aim is to make the structure operational and to prove the usefulness of the centre for its members. In addition, if the evaluation shows a positive result, two additional years may be financed by German cooperation. In addition, the centre is now called upon to acquire other funding through the provision of services for other entities. With this in mind, the centre is currently discussing with the COSUMAR sugar factory for the provision of advisory services to sugar beet growers.

A project to promote rapeseed cultivation through the installation of demonstration platforms is one of these self-financed projects. This project is funded by the European Union and implemented in partnership with Agropole France and the Fédération interprofessionnelle des Oléagineux (FOLEA).



TRAINING OF TRAINERS IN VALUE CHAIN DEVELOPMENT

TUNISIA

AFC organised the first Training of Trainers (ToT) in the assembly of agricultural and agri-food value chains (AVC) in Tunisia from 8 April to 4 May 2019.



12 DAYS
4 SESSIONS



20 PARTICIPANTS

from the public sector, farm labour organisations, and private advisors in agriculture and agri-food services

FOCUS
Promotion of the agricultural and agri-food value chains



Through this activity, the project aims to consolidate the achievements in the assembly and promotion of value chains and to strengthen the capacity of the partner and a set of direct and indirect actors; and then transfer and disseminate this approach in a wider dimension through the participants trained from the sessions.

This activity is within the framework of the project, "Promotion of Sustainable Agriculture and Rural Development in Tunisia (PAD II)", implemented by the GIZ in partnership with the Ministry of Agriculture, Water Resources and Fisheries. Within this project, AFC in partnership with IDC implements the component on the promotion of export-oriented agricultural and agri-food value chains.



Political dialogue between the Moroccan and German Ministries of Agriculture ...



... and signing of the founding treaty of the GIP



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Training of Trainers of agricultural and agri-food value chains



NATIONWIDE FINANCIAL INCLUSION SURVEY FOR EVIDENCE-BASED POLICIES

EGYPT

AFC launched a new financial inclusion project targeting individuals, especially women, and Micro, Small, and Medium Enterprises (MSMEs) in Egypt in February 2019.

The study constitutes the first national representative financial inclusion survey in Egypt and is seen as an important milestone and foundation to establish a comprehensive evidence base to inform policy development for greater financial inclusion.

The team of experts kicked-off the project by conducting an inception mission to engage with the local partners, the Central Bank of Egypt (CBE), and the Central Agency for Public Mobilisation and Statistics (CAPMAS). After the inception mission, the team developed the research design for the surveys and drafted the household and MSME questionnaires. The next activities will include the collection and analysis of gender-disaggregated supply-side information and the initiation of engagement through a first round of meetings with key stakeholders.

The project involves a thorough market diagnostic to map the supply and demand of financial services in Egypt and the development of a national financial inclusion framework. The market diagnostic will cover the whole country and include two large-scale demand-side surveys for households and MSMEs.

Expected outcomes:

- **Provide a comprehensive baseline (including for gender) for financial inclusion in Egypt by determining levels of demand, access, usage, and quality of formal and informal financial services and determining the gap between the demand and access to financial services;**
- **Establish a data set for future monitoring of the progress of strengthening financial inclusion; and**
- **Identify barriers and opportunities to greater financial inclusion in Egypt on both the supply and demand side and create a national roadmap for financial inclusion.**

These activities are conducted within the GIZ-funded project, "Promotion of Access to Financial Services – National Financial Inclusion Survey and Framework" and in close collaboration with the CBE and CAPMAS.

We are looking forward to the roll-out of the household and MSME surveys, as the results will feed directly into the development of a gender sensitive national financial inclusion framework.



SECURING LAND AND INFRASTRUCTURE ACCESS FOR MARGINALISED FARMERS AND WOMEN

BENIN

Development projects often face the challenge that traditional users of poor quality lands are marginalised once a development project rehabilitates the lands or provides new infrastructure. This is especially the case when formal land ownership is non-existent. To prevent eviction in Northern Benin, AFC has supported the development of new institutional tools to protect the rights of land users.

AFC is supporting the Beninese Ministry of Agriculture in the management of its "Agriculture Investment Fund" (financed by the KfW) which finances activities such as the rehabilitation of watersheds and the construction of storage warehouses (for post-harvest storage of rice and other crops). The beneficiaries of such investments are not the owners of the property– the watersheds and the land on which the warehouses are built belong to the commune. A tool to guarantee the access of intended beneficiaries post investment is therefore essential.

The first step is to identify who are the current users of the watersheds and intended beneficiaries of the warehouses. They are then supported to establish themselves as legally recognised cooperatives (under OHADA legislation).

AFC then facilitates the establishment of contracts between the communes and cooperatives. Each contract establishes the rights and the duties of the two parties. For example, the cooperatives have a right to use the watersheds but they must also pay a fee to the communes, and they are responsible for the daily maintenance and management of the watershed. In turn, the commune guarantees their access to the watershed and is responsible for the longer term maintenance and care of the infrastructure.

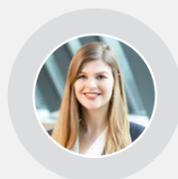
At an operational level, AFC also supports the warehouses by establishing a business plan for their usage which should cover operational and maintenance costs and a management committee is established to manage the warehouses.



Project presentation at Central Bank of Egypt



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Members of the cooperative of the Kuchmatie Storage Store



The Kuchmatie Storage Store construction is financed by the FI-Agri



I NOW KNOW THE MAP OF MY VILLAGE!

BENIN

The Responsible Land Policy Programme (ProPFR) in 2018 conducted a participatory mapping of 191 villages across the four communes in the department of Borgou in Benin, namely: Bembéréké, Sinendé, Kalalé, and Tchaourou.

Participatory mapping is essential for the implementation of rural land plans (RLPs) because it ensures that the entire village territory is effectively included during topographical surveys. This mapping also provides an overview of the various structuring and land use elements of the soil and an approximate idea of their surface areas.

This mapping process was conducted by travelling around the perimeter of villages and recording the geographical coordinates and administrative boundaries of the territories, thus allowing the production of Geographical Information System (GIS) data.

The various resulting cartographic not only facilitate the carrying out of topo-socio-land surveys, but also their follow-up and considering village territories when implementing RLPs.

The mapping was conducted by the Atlas GIS of Benin under a service contract, and in a concerted and contradictory manner with the administrative authorities and all the populations of the villages concerned. Following this mapping, the survey of village parcels with the identification of their beneficiaries is in progress. In the long term, each landowner in the village will be able to obtain an administrative document attesting to their right.

The Responsible Land Policy Programme (ProPFR)



One World, No Hunger (SeWOH)

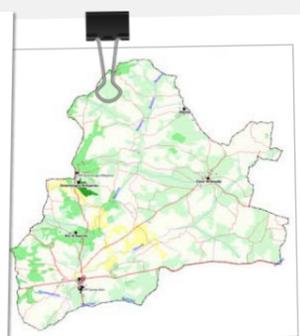
INITIATIVE

of the German Federal Ministry for Economic Cooperation and Development (BMZ)

<p>Project launch</p> <p>July 2016</p>	<p>Implementing partners</p> <ul style="list-style-type: none"> the Ministry of Economy and Finance of Benin; the Ministry of Agriculture, Livestock and Fisheries of Benin; the Association for the Development of Borgou Municipalities; the University of Parakou; and NGOs and consulting firms.
<p>Project duration</p> <p>40 months</p>	



Restitution to the populations of the map of the village of Kpari, in the commune of Tchaourou



One of the participatory maps created under the programme

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CONTRIBUTION TO THE LAND USE PLANNING SCHEME FOR AN EQUITABLE DEVELOPMENT

NIGER

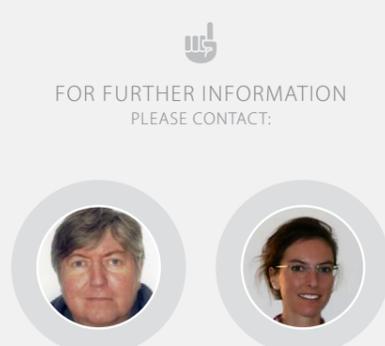
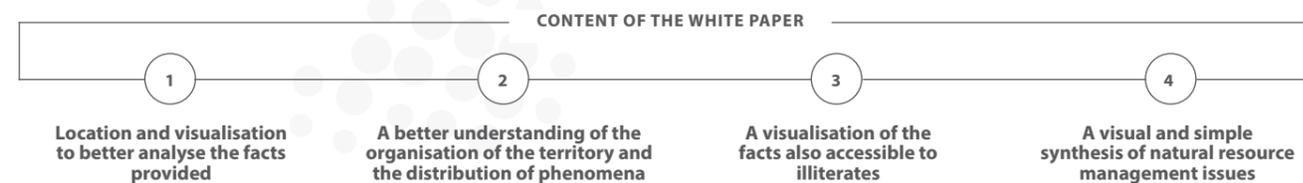
Since March 2019, AFC together with its partners, CA17, ADE, and GOPA have been implementing the “Land Use Planning” (LUP) mission in three regions of Niger, namely: Maradi, Tillabéri, and Zinder. The LUP is a tool contributing to the Land Use Planning Scheme with a global vision of the harmonious and equitable development of the country.

The activities started with a first mission to Niamey and were continued in the three mentioned regions to deepen the inventory and create proposals to update the action plans. During a recent visit to Maradi, the experts made recommendations to the Technical Steering Committee of the LUP Elaboration Support Process to improve the quality of the document drafted for its finalisation. On the basis of an inventory, the mission supported the beneficiaries in the elaboration of a capacity building plan, the establishment of Departmental Land Commissions, as well as the proposal of land development and security maps.

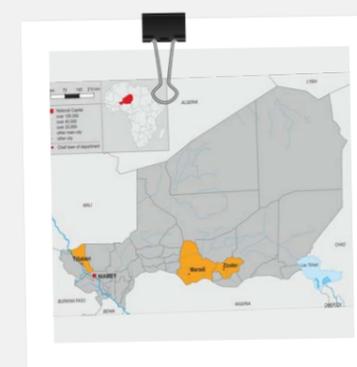
Following this diagnostic analysis of LUP, a “white paper” was written, designed for and by the beneficiaries, and aimed at synthesising the recommendations.

This mission is part of the “Complementary Support to the Sectoral Reform Contract - Food and Nutrition Security and Sustainable Agricultural Development (CRS-SANAD)” project, through which the EU has been supporting in the development of an intelligent land policy since March 2018. This action, financed under the 11th European Development Fund, is more largely part of a 4-year partnership agreement concluded between the EU and the Government of Niger, with the main contracting authority which is the Office of the High Commissioner for the 3N Initiative (HC3N), based in Niamey.

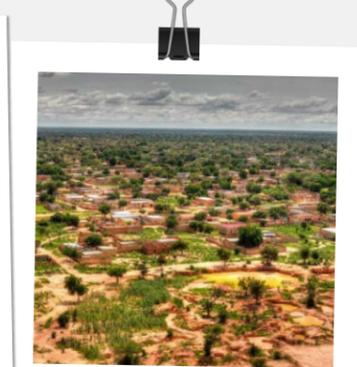
The mission will be able to continue during the second quarter of 2019, by validating the various objectives and the areas of intervention adopted which targets to implement the tool by 2020.



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Map showing the three regions of intervention, namely: Maradi, Tillabéri, and Zinder



Fields in Niger



SUPPORT FOR THE FINANCING OF AGRICULTURAL VALUE CHAINS

TOGO

AFC, in collaboration with its main partner FUCEC (Faitière des Unités Coopératives d'Épargne et de Crédit - Network of Savings and Credit Unions), has improved and facilitated the access of small agricultural producers to financial products adapted to Togo since 2017.

THE TEAM HAS TRAINED

> 3,300
Small agricultural producers
IN FINANCIAL LITERACY

> 50
Employees of financial
institutions

> 600 people have benefitted from credit products specially designed by AFC and FUCEC.

The training has allowed financial institutions to approach the issue of agricultural financing with greater confidence.

by structuring agricultural value chains to facilitate access to finance for producers and other stakeholders, thereby increasing productivity, developing the agro-industry, and making this sector a real source of national wealth.

AFC's mandate in Togo is linked to the GIZ's ProDRA programme (rural development including agriculture) active in the Maritime, Plateaux, Kara, and Central regions. This programme aims to improve the technical and economic performance of players in the 4 sectors of agricultural value chains.

From now on, two new credit models will be developed and implemented by ProDRA to facilitate access to financing. The team will collaborate with two commercial banks on the financing of additional channels and providing credits adapted to the needs of transformation/marketing. As part of financial education, producers in the sectors supported are made aware of the need for insurance and savings, as well as the possibility of using financial products. However, the private sector still needs to be mobilised to offer appropriate products.

The MIFA (Mécanisme Incitatif de Financement Agricole - Mechanism Promoting Agricultural Financing), a public limited company under Togolese law, was convinced and offered AFC an opportunity for collaboration. The MIFA emerged from the Togolese government's desire to promote the agricultural sector



PROMOTION OF AGRICULTURE FINANCE FOR AGRI-BASED ENTERPRISES IN RURAL AREAS

NIGERIA

AFC has been implementing a GIZ financed project for the promotion of agriculture finance for agri-based enterprises (AgFin) in rural areas in Nigeria since the end of 2018. The project bridges offer and demand in the field of agriculture finance by developing capacities for partner banks and agri-businesses and creating mechanisms to connect the demand to the offer side.



In this view, AFC has recently conducted an in-depth market research to develop business models for agri-businesses working in rice, maize and potato value chains and the results were presented to the banking sector in Abuja and Lagos. The different profiles of agri-businesses in terms of the developed level of profitability sparked the interest of the banks.

The AgFin project has established professional partnerships with four financial institutions and customised a technical assistance for each partner bank to introduce as well as strengthen their agriculture finance activities.

After developing the business models and designing the technical assistance to every partner bank, AgFin will be building its partners' internal capacities by drafting an agriculture finance strategy, developing products and preparing processes, as well as creating an adequate credit risk management approach. In addition, AgFin will also be conducting trainings for agri-businesses located in different regions.

Women process manioc roots into manioc flour for the regional market

Visit of the cashew nut aggregators

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AFC organised two seminars in Abuja and Lagos to present to the banking sector the results of its research on business models of agri-enterprises working in different value chains.

Rice farmer in his field



NIGERIA AIMS FOR AGRICULTURAL MECHANISATION BY ADAPTING THE SME LOOP

NIGERIA

Since August 2015, AFC has been implementing the Green Innovation Center for Food and Agriculture (GIAE) Nigeria on behalf of GIZ. The project recently piloted a strategy enhancing the availability of critical services in on-farm mechanisation to smallholder farmers at affordable rates. This was achieved through the use of a specific adaptation of GIZ's SME Business Training and Coaching Loop which was rolled-out in May 2018.

One objective behind the innovative SME business Training and Coaching Loop is the need to strengthen linkages between farmers and other up- and down-stream enterprises as well as service providers and assist smallholder farmers, particularly in remote rural areas to have easy access to appropriate basic mechanisation equipment or services.



average land size for a farmer is between 1,5 to 2,0 hectares; therefore owning tractors and other farm implements is not economically viable. In this context, it is important to understand that the smallholder farmer still plays a crucial role in the general agricultural economy of the country, particularly in terms of food and livelihood security. Therefore, GIAE aims to facilitate intensification and increase mechanisation within small holdings, thereby optimising yield and improving livelihood.

The focus on the private sector as a driver for mechanising Nigeria's agriculture is an old concept. Indeed, several public-private partnerships involving governments (federal & state), equipment manufacturers, financial institutions, etc. already existed and have achieved a certain level of success, particularly in terms of the relative ease in agro-equipment importation, the development of equipment financing models, and financial products, etc. However, these gains can only be optimised by developing and providing efficient service that is accessible and affordable to the smallholder farmers.

A Nigerian farmer is typically depicted as a man/woman holding a hand hoe. The level of agricultural mechanisation in the country has remained low (0,021hp/ha), with manual land tilling still dominating the farming system since over 80% of agricultural land is still cultivated primarily by this means. The

The GIAE Nigeria's innovation known as "the SME Business Training and Coaching Loop for Mechanisation Service Providers" is an adaptation of GIZ's SME Loop programme.

Three major features were incorporated into the original programme design and these are:

- 1 **A comprehensive selection process targeting service providers located in rural communities, with a potential for business expansion.**
- 2 **Agriculture mechanisation technical training modules.**
- 3 **A comprehensive facilitation process of support for equipment financing. In addition, the monitoring and evaluation framework was adjusted to measure the number and profile of farmers served by each service provider.**

implemented in parts by GOPA and AFC. Interestingly, the SEDIN project itself provided a separate adaptation of the SME Loop for startup enterprises.

The GIAE Loop was implemented on a cost-sharing basis with the benefiting entrepreneurs usually providing their own transportation to the training venue and in some cases the meals. The willingness to pay for parts of the programme become more and more evident as the impacts come to light which in turn increases the potential for institutionalising and replicating the innovation. The local governments are currently considered the most likely options for anchoring the innovation and providing institutional sustainability. Their agriculture departments and personnel cover most, if not all, communities in the country. In addition, they have expressed commitment to enhance agriculture mechanisation in their various jurisdictions. They have already proven to be committed partners of the GIAE innovations and are instrumental in the cascade trainings for good agricultural practices (GAP) and farmer business school (FBS) trainings.

The SME Loop for Mechanisation Service Providers is certainly not an independent innovation. Its successes so far have also depended on the cooperation and collaboration of other actors/players in the value chain, with whom GIAE Nigeria expects to consolidate ongoing work together to ultimately make the hand hoe a thing of the past for the farmers.

To keep costs at a minimal, the GIAE SME Loop for Mechanisation Service Providers made use of trainers and coaches already trained on standard SME Loop by the SEDIN project,

RESULTS

The results of the pilot were extremely encouraging. By June 2019:

>100

Smallholder farmers who initially had no access to mechanisation



were served at least **once**

12

procurement of new tractors was facilitated



SME Loop and the project supporting the access to a dedicated financial scheme by the Bank of Industry of Nigeria.

>> 39

service providers involved in the programme



Formal service provision contracts between farmers and service providers are becoming a regular feature.



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Farmers attend a hands-on coaching session in the SME Loop Process



AFC REINFORCES ITS PRESENCE IN NIGERIA

NIGERIA

AFC & GOPA implemented its 6th project, the Nigerian Competitiveness Project (NiCOP) in February 2019 in Nigeria. The project aims to strengthen the country's competitiveness and enhance its integration into the regional and international trading system. In this premise, the project will develop several value chains such as leather, textile, tomato, chili, and ginger production. While interventions in the agricultural value chains will mainly be at the production and processing level, the leather and textile value chains will be targeted at the very end, focusing on the production and marketing of finished goods (e.g. shoes, accessories, and garment).



THE TOMATO VALUE CHAIN

To illustrate further, tomatoes form a major part of the diet in Nigeria and its production is characterised by variation in the seasons experienced in the north and south. This involves large scale transportation of the product from the north to the higher income consumer markets in the south.

The demand from the consumer market in the south has increased the number of farmers producing to meet south's demand. This trend has not only led to excess production but also huge losses due to damages of the crop during transportation from the north.

with the processors to establish commercial relationships with farmers for consistent supply of quality tomatoes at a fair price.

NiCOP has established a working relationship with Kaptain Foods, a company processing ready-to-eat stew mix using fresh tomatoes and chilli among other ingredients. Kaptain Foods has been sourcing its fresh tomatoes from the North during the production seasons but finds it difficult to source tomatoes during the off season. The project has now identified groups of farmers in the south who are producing improved varieties and is testing its suitability for processing with Kaptain Foods. Based on the outcomes, the project will work with these farmers to produce suitable varieties and link them with Kaptain Foods.

NiCOP is working with farmers to improve their capacity in producing improved varieties suitable for processing as an alternative market; while on the demand side the project is working

The project is an EU co-financed action and part of a larger GIZ programme which will last for 36 months and will be closely aligned with many other GIZ projects being implemented in the country.



Tomatoes from plateau state being sorted out for transportation to various markets



Kaptain Foods processed stew mix



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SUPPORT TO DEVELOPMENT BANK OF RWANDA'S AGRICULTURAL FINANCE STRATEGY

RWANDA

In the second half of 2018, AFC's team of consultants conducted an in-depth study of three key value chains in Rwanda to enhance the strong agriculture portfolio of the Development Bank of Rwanda (BRD), financed by the Africa Agriculture and Trade Investment Fund (AATIF).

In addition to affecting agricultural mechanisation and farm productivity, lack of affordable financing prevents farmers from exploiting the numerous opportunities in the crop and livestock sectors. Therefore, under the framework of Rwanda's "Vision 2020" development programme, the Government of Rwanda has foreseen a large share of funding to be spent to further develop the agricultural sector. The BRD, in their function as a development bank, has proposed to strengthen the agricultural modernisation and develop agro-processing on its three major value chains namely, cassava, Irish potatoes, and poultry, which is a major step to facilitate access to affordable finance by medium and large scale farmers.

Within six months, AFC assessed gaps in finance for these value chains, analysed necessary benchmark values in the respective markets in Kigali and across the country, conducted focus groups discussions, and investigated financing potentials.

The results of the in-depth analysis of the value chains will be the basis of the Agricultural Department at BRD in formulating strategies for agricultural product development, financing mechanisms, and further enhancing the staff's agricultural knowledge.

KEY VALUE CHAINS



CASSAVA



IRISH POTATOES



POULTRY

As an example, cassava is a staple food in Rwanda but it remains to be a challenging commodity to finance, as its production has been affected by diseases which lead to loan defaults. Interviews with affected farmers, processors, and other value chain actors enabled understanding the value chain's dynamics. Therefore, by improving the BRD's internal capacities on the crop's potentials and financing options within the value chain, this will eventually positively affect food security in Rwanda.



Cassava harvesting in Kinazi sector



Potato value chain value-addition, washing facility



TRAINING ON THE CREDIT REFERENCE SYSTEM FOR BANKS AND PARTICIPANT INSTITUTIONS

UGANDA

AFC and Akademie Deutscher Genossenschaften (ADG) have been selected to implement the project, “Consulting Services to Improve Data Utilisation of the Credit Reference System by Participating Institutions and the Bank of Uganda”.

- The project focuses on two complementary topics:**
- 1. the improved utilisation of the Credit Reference System (CRS) by Participant Institutions (PIs); and**
 - 2. the improved utilisation of the CRS by the Bank of Uganda itself.**

During this project, 124 participants from 33 PIs and the two Ugandan Credit Bureaus were trained on the technical use of credit reference information not only for each stage of the credit process (i.e. from client evaluation, loan approval, all the way to loan monitoring and recoveries), but also for other important business areas such as market research, product development, and risk management. The participants provided highly positive feedback on the training, not only its relevance for their work, but also in its quality.

The consultants also delivered a Training of Trainers (ToT) to create local capacity in disseminating the knowledge through the different areas / departments and staff in each PI. Following the technical training, it was important to enable PI members to facilitate technical trainings themselves, and thus create

sustainability and impact within their organisation. Three ToTs were conducted in August 2018 with a total of 55 participants from the PIs, the Ugandan Credit Bureaus, and the Bank of Uganda. In this framework, AFC launched the E-learning course on the Credit Reference System (<https://e-learning.bou.afci.de>). The content and materials have been developed specifically for this project and are provided free of charge to any interested learner (staff of Ugandan Financial Institutions, Banking Association, students, etc.) due to free hosting of the e-learning platform on the servers of AFC’s mother company, GOPA Consultants.

In addition to the intensive training activities and based on the findings of the inception phase, the consultants organised a series of three workshops to address the identified challenges in the credit report system in a systematic way. One focus on technical issues aimed at credit and risk managers, another with the representatives of the Credit Reference Bureau’s Steering Committee, and a final one for Senior Management of the PIs. The aim of these workshops was to agree on steps to improve the data quality collected by the Credit Bureaus, including drafting an action plan for classifying fields by relevance.

E-learning platform on the Credit Reference System
- <https://e-learning.bou.afci.de>

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PROMOTION OF FINANCIAL INCLUSION FOR REFUGEES

UGANDA

The European Investment Bank (EIB) Technical Assistance Programme East Africa, managed by AFC, worked with Centenary Bank in May 2019 to train more than 1,745 refugees.

According to the United Nations High Commissioner for Refugees (UNHCR), Uganda hosts around 1.2 million refugees—the largest number of refugees hosted by an African country. Most of the refugees are limited by low income and little financial literacy. Thereby to enhance their financial inclusion, AFC offered finance and business trainings in 10 refugee host areas all over the country. It was the first African training for refugee communities to ensure improved access to financial services under this type of EIB funding. Mr. Fabian Kasi, the Managing Director of Centenary Bank said that, “enabling all Ugandans and people living in Uganda to access financial services is crucial for economic prosperity in this country”. The Centenary Bank is the second biggest bank in Uganda, which focuses mainly on low income people. The EIB has been working with Centenary Bank since 2007 and has provided 23 million Euros in lines of credit for microfinance and Small and Medium Enterprises (SMEs).

Financial and business literacy is the first logical step in the financial inclusion of low-income people, who then become more viable clients of banks since they learn how to manage their businesses and finances better. Thus, these activities also help refugees settle by engaging in economic activities and supporting the growth of

the bank’s microfinance business. Centenary Bank worked together with InterAid— an NGO advocating for the human rights of refugees— to reach out to the refugees and host communities to identify participants for the training. After participating in seminars on financial and business management, refugees were empowered to further organise and run their businesses more systematically, better manage their finances including increased savings, increase their sales sustainably, and generally manage growth of their businesses. The majority of participants were women and most of the refugees originally came from DR Congo, Sudan, Burundi, Somalia, and Rwanda. At the same time, Centenary Bank opened bank accounts for the refugees, bringing them another step further towards building and growing their own businesses. The training had a larger impact than expected with only 900 people expected but 1,745 refugees and people showed up from the host communities and were trained for two weeks. This is a huge success and hopefully is just the beginning of a fruitful economic turnaround for them. AFC is positive that this project will support and include a rather marginalised part of the Ugandan society to join local business activities and in the long-run help create income and employment opportunities.

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Financial literacy training by AFC trainer

Successful participants of the financial inclusion training



A STRUCTURING PROJECT FOR NUTRITION AND VALUE CHAINS

MADAGASCAR

In recent years, Southern Madagascar has been visited with increasingly frequent droughts and cyclones which cause severe flooding. The combined effect of these natural disasters, amplified by pest attacks especially autumn armyworms, lead to a significant drop in crop production. The cropping calendar was disrupted, and harvests of maize, cowpea, rice, and groundnuts were the most affected. In addition, the widespread and still poorly controlled exploitation of natural resources such as the artisanal manufacture of charcoal or the uprooting of aromatic plants greatly increases environmental degradation and contributes to food insecurity. As a result, 60% of the population has an extremely poor diet in terms of quality, with a growth retardation rate affecting 47% of children under 5 years of age.

The European Union is implementing the Support for the Financing of Agriculture and Inclusive Sectors programme - AFAFI South, which aims to sustainably reduce poverty and improve the food security and nutritional status of rural populations, especially women.

The programme is a continuation of the "Improving Food Security and Increasing Agricultural Income" - "Integrated Actions in Nutrition and Food" - ASARA-AINA programme implemented by the EU over the last five years in these regions. Its design draws lessons from and takes into account the dynamics and practices that have been promoted.

THE PROGRAMME TARGETS:

~250,000



concentrated in four agro-ecological zones in the three regions of Androy, Anosy, and Atsimo Atsinanana.

AFC, in consortium with I&D and AGROTEC, signed a contract with the EU on November 2018 for technical assistance to the Programme Coordination and Monitoring Unit (UCS) established by the National Authorising Officer. Four national and international experts support the UCS in managing a Programme Specification which provides for numerous investments and the recruitment of specialised Non-Government Organisations (NGOs).

FOCUS OF AFC'S SUPPORT



Programme coordination



Management of the programme estimate



Monitoring and evaluation of the programme



Technical fields through short- and long-term expertise (rural engineering and multi-use water, nutrition, and food security)

The intervention is now based on **three main axes**, within the framework of an integrated and participatory approach:

- 1 support for the development of inclusive value chains (honey, groundnuts, castor beans, goats, onions, sea fishing, cash crops), with its implementation to be ensured by a substantial subsidy allocated to the "Agricultural Value Chain Adaptation to Climate Change Project" PRADA project of the GIZ;
- 2 food and nutrition security activities, and
- 3 cross-cutting actions including priority access to improved plant and animal material, small infrastructure to support value chain actors, and systematic consideration of environmental issues and climate change (dissemination of agro-ecology and water and soil conservation techniques, reforestation, and reduction of wood energy consumption).



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The project supports the honey, groundnuts, castor beans, goats, onions, sea fishing, and cash crops value chains



Pilot activities in goat breeding for women groups in the Tanandava Commune, d'Amboasary District



TRANSBOUNDARY USE AND PROTECTION OF NATURAL RESOURCES: TOURISM SUPPORT UNDERWAY

BOTSWANA

Member states of the Southern African Development Community (SADC) established the Transfrontier Conservation Areas (TFCAs) to achieve harmonious and optimal conservation management practices within their boundaries.

The TFCAs allow wildlife to move freely across borders and are intended to provide the surrounding marginalised rural communities with increased socio-economic benefits from the biodiversity economy. Increasing these opportunities will contribute to SADC's objectives to fight poverty and reduce rural exodus, while at the same time preserving natural and cultural heritage.

SADC's 18 TFCAs are home to many renowned tourism destinations including the Victoria Falls shared by Zimbabwe and Zambia, the Kruger National Park in South Africa, the Okavango Delta in Botswana, and the Maloti Drakensberg Mountains covering Lesotho and South Africa, in addition to being home or neighbor to multi-cultural and heritage resources. As a result, many protected areas depend on income derived from tourism, while tourism for most SADC countries is largely dependent on natural capital which includes wildlife, scenery, culture, and heritage contained in and around the TFCAs.

The SADC/GIZ Transboundary Use and Protection of Natural Resources (TUPNR) programme has added a tourism

component until December 2020, implemented by AFC/GOPA consultants, to boost the SADC Secretariat's tourism policy function and to support coordinated, optimal, and sustainable TFCA tourism market development.

THE TOURISM COMPONENT



Supports the SADC Secretariat and Member States to address environmental challenges that make it difficult for intraregional cross-border tourism to thrive



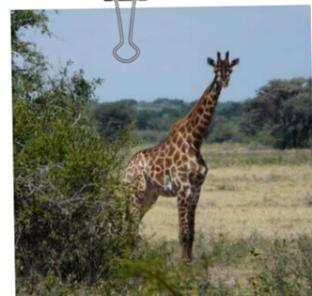
Supports TFCAs market development and investment promotion initiatives



Establishes new and strengthens existing national, regional, and international travel trade relations



Enlarges communication content aimed to increase the awareness and acceptance of SADC TFCA tourism offerings in regional and international markets



The Khama Rhino Sanctuary ...



... in Botswana



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GROWING SMALL BUSINESSES THROUGH BETTER MICROFINANCE

GEORGIA, UKRAINE AND MOLDOVA

Financial Inclusion is one of the corner stones of economic development. Without access to finance for inputs and equipment (assets), small business often fall short of their growth potential, and create lesser jobs.



Ukraine, Moldova, and Georgia are part of the Eastern Neighbourhood Technical Assistance for Financial Inclusion (ENTAFI) programme of the European Investment Bank (EIB).

In January 2019, AFC and its consortium partners won the technical assistance project (amounting to almost €2m) which will provide capacity building to (micro) financial institutions (MFI) in Ukraine and Georgia. The project will also partner with sector associations to provide rural micro- and small businesses with financial literacy and -management training.

UKRAINE



In Ukraine, 3 banks and 2 sector associations which draw on a network of over 40,000 farmers were chosen. AFC will build their capacity to provide better financial services, to do so more efficiently, and for customers such as farmers, to use them, especially credit, productively.

GEORGIA

In Georgia, AFC works with Credo Bank and with Crystal microfinance organisation (MFO). One important work focus is the digitalisation of the lending process, which aims to reduce

FINANCIAL INCLUSION AND AGRICULTURE IN UKRAINE, GEORGIA AND MOLDOVA



3 OF **5** people in Ukraine and Georgia have a bank account



2 OF **5** people in Moldova have a bank account

Most people from these three countries work in agriculture by producing



grain, sugar beets and other vegetables, grapes, citrus and other fruits, as well as tea and sunflower seeds.



These and other agricultural activities contribute about 7% to 12% to their respective GDPs while the value added growth of agriculture has been overall stagnating in recent years.

Yet, the potential to produce and export more agricultural products is **high** in all three countries.

cost of outreach and to reach a younger customer base. Moreover, these (M)FIs are on a rather steep growth trajectory and also operational risks. On one hand, larger operations require different management systems, particularly recruitment, induction, and development of the increasing number of staff. Furthermore, expanding operations sometimes shadow the presence and expansion of credit risk. AFC will fully support them to manage their risks well, succeed, and contribute to financial inclusion in Georgia.

Growth, particularly in Georgia, depends on innovation



Digitalisation of processes, e.g. through providing mobile wallets to customers, is just one example.

Even more important will be creating new microfinance products that truly facilitate micro- and small farmers' businesses.

This cannot be achieved without trust – the project emphasises responsible lending and consumer education and protection principles as it supports (M)FIs to create new products and reach new customer segments.

AFC will also work with customers of these (M)FIs as well as members of wine producers in Georgia and farmers associations, providing training in financial literacy, good agricultural practices, and (financial) management. The exact scope of these interventions will be determined by a needs-assessment activity scheduled for the second half of 2019.

MOLDOVA

In Moldova, the project looks for synergies with the Fruit-Garden-of-Moldova project, which is managed by AFC and funded by EIB as well. While that project already works on bank linkage, ENTAFI's potential role might be to provide financial literacy and MSE management training to smaller farmers that are not the target group of the Fruit-Garden-project.



EU-UKRAINE TRADE RELATIONS GAINING PACE FOR SECOND PHASE

UKRAINE

Ukraine, the biggest European country, is still in a transition period. Being at the very edge of the European Union, the former Soviet Union bread basket has launched various reform processes, especially after the last Revolution of Dignity in 2014, and even signed and launched The Deep and Comprehensive Free Trade Agreement with the European Union in 2016.

The Agritrade Ukraine (ATU) Project



has been supporting the Ukrainian Ministry of Agrarian Policy and Food (MoAPF)

WITH



capacity building programmes and



and implementing a helpdesk supporting trade relations, especially of small and medium enterprises between Ukraine and the European Union (EU).

Under Phase 1 (1/2016-12/2018), the project participated in more than **80** events in Ukraine and provided **20** trainings to agricultural producers and traders. Furthermore, **6** German-Ukrainian food forums were organised.

In January 2019, a new phase started with two main focuses:

- 1 capacity building for the Ukrainian agricultural Ministry and
- 2 developing export support with the goal of institutionalisation.

During the first months, the project participated in trade fairs such as the BIOFACH 2019 and Fruitlogistica, accompanying the German-Ukrainian Chamber of Commerce during their first steps and facilitating the meetings between Ukrainian exporters and German buyers. The project was also present at the National Organic forum in Odessa in March 2019, where it shared expert knowledge to the organic sector and also at the kick-off meeting of the first national women's business association in Vinnitsya in April 2019.



Reviving a thousand years old tradition: ...



... Amber wine from Georgia



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Ukrainian organic producers and exporters pose for a photo opportunity together with the project leader at the Ukrainian National Organic pavilion at BIOFACH 2019 in Nuremberg



Agritrade Ukraine holds a public panel discussion at the International field days of the German DLG in Ukraine in Doslidnitske on the topic "Problematic legal aspects of land relations"



The agri-food policy component has also been working on developing the science- and fact-based dialogue in policy-making.

The project team has cooperated with two Ukrainian institutes and other stakeholders to analyse and model the various agricultural Value Added Tax (VAT) scenarios being discussed and advocated. Ensuring the universal VAT refund for exports of agri-food products as well as participating in the debate on the development of measures to support small and medium size agri-food enterprises, by providing scientific analytical inputs, contributes to ensuring the continued growth of agri-food exports in coming years. Some of the key conclusions were presented at an Agriculture Committee hearing of the Ukrainian Parliament in May 2019.

As Ukraine does not have a national board for food marketing and the image of Ukrainian food in western retail still is not very good, the demand of Ukrainian exporters for export support is still

very high. The project is now preparing an analysis for a national investigation of the existing export support of Ukraine's chamber and association environment to identify potential partners that could help the future of the Ukrainian food sector. Therefore, the project established deeper relations with the Ukrainian Chamber of Commerce and Industry (UCCI) where they first drafted a memorandum of understanding which will be signed shortly.

The Agritrade Ukraine organised a public panel discussion on 19 June 2019 in Doslidnizke with the topic, "Problematic legal aspects of land relations" as a first cooperation activity together with the German-Ukrainian chamber of commerce and its committee of food and agriculture (AHK).

In the last few months, Agritrade Ukraine's expertise has drawn attention in other countries as well and was also invited to participate at the EKOLOJI-forum in Turkey and the AgroExpo in Uzbekistan.

In the coming months, Agritrade Ukraine will be visiting the regional chambers and associations in various regions of Ukraine to interview the export-oriented institutions as part of the data collection activity for the national export promotion analysis. It is planned to conduct the 7th German-Ukrainian food forum by the end of the year.



AFC IMPLEMENTS HOUSING FINANCE PROGRAMME

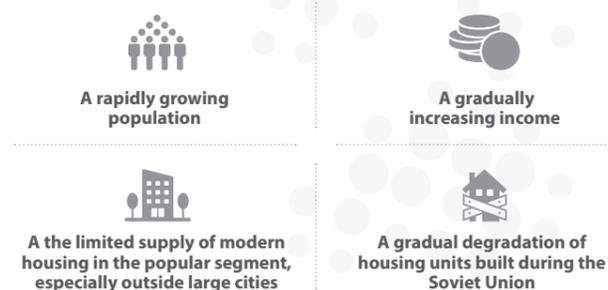
THE KYRGYZ REPUBLIC

AFC under the KfW funding is supporting long-term housing financing. Since it is a relatively new phenomenon in the financial sector of Kyrgyzstan, it is necessary to continue improving the approach, lending methodologies, and product development for the banking sector to achieve sustainability. It requires the use of global risk management practices and an increased efficiency of lending structures as well.

Housing is one of the basic human needs

and acquiring own property is one of the main economic and social goals of the population.

This is particularly noticeable in Kyrgyzstan, where the high demand for housing is related to factors such as:



Construction and especially housing is a powerful engine of sustainable economic growth based on international experience. Housing construction creates or increases the demand for a large amount of goods and services including building materials, furniture, home equipment, architects' services, building services, and transportation, among others. Accordingly, there is a great potential to increase the income of private sector entities and create a large number of jobs.

It should be added that the development of housing construction, which entails stimulating the development of private entrepreneurship and meeting one of the basic social needs of the population, is a great chance for the development of the country's financial sector at the same time.

However, it should be noted that in spite of the large potential of housing financing for economic development, improvement of social indicators and growth of the banking system, there are also risks.



German projects Agritrade Ukraine (ATU) & Agricultural Political Dialogue (APD) together with the German agricultural attaché Mr. Hermann Intemann (Deutsche Botschaft Kiew) and Dr. Per Brodersen of the Ost-Ausschuss - Osteuropaveroin der Deutschen Wirtschaft at the German DLG field days in Doslidnizke (BKP stand)



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Many buildings built under the Soviet Union have not been properly maintained



The issuance of housing loans gives banks the opportunity to quickly grow assets and expand their customer base. Housing loans are low-risk assets, due to the availability of reliable and liquid collateral in the form of real estate. On the other hand, a long term housing loan protects banks from possible fluctuations in the volume of the loan portfolio.

Examples are the USA in 2008–2009 and Tajikistan in 2014–2015, where the slowdown in the real estate market in these countries subsequently led to serious problems in the financial sector and the need for government intervention.

It is necessary to emphasise the very important role that under the support State Mortgage Company (SMC) AFC plays in the market. The SMC is already an important engine of development, where it has made available and increased the funding for low- and middle-income citizens. The SMC also plays a key role as a potential instrument for accumulating capital from the domestic and foreign markets to provide funds to the banking system. In addition to stimulating the market, SMC is also a market stabiliser since it ensures the sustainability of financing and the use of correct lending.



The supply of good quality housing outside of the big cities is limited



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DEVELOPING COPING STRATEGIES FOR CLIMATE CHANGE AND WOMEN EMPOWERMENT

INDIA

A second phase for the Green Innovation Centre India - The first phase of the AFC's activities to support the Green Innovation Centre India culminated on March 2019. It is now time to take a look at the achievements of phase 1 and milestones for phase 2.

BY THE END OF PHASE 1

35,819 FARMERS



FARMERS

IN



181

PROJECT VILLAGES
HAVE BEEN REACHED

6,221 OF THEM ORGANISED IN FARMER STUDY GROUPS

293



...and the others participated in outreach activities such as field days, innovation farms, road shows, etc.

Besides working with FSGs, the innovation agents guided and supported farmers in conducting the Participatory Technology Development trails, which enabled them to test new technologies without taking too much risk and limiting it to a small part of their plots. Field days and exposure visits to other group farmers' fields further encouraged dialogue among farmers and their "learning from each other".

Thereby, the Green Innovation Centre India follows a participatory farmer-to-farmer approach to identify and disseminate innovative technologies in potato and tomato cultivation. Convincing farmers about new technologies is challenging and available technologies are not always suited to their situation. Therefore, it is important for farmers to experiment different practices and to witness the results directly on their fields.

At present, various innovations have been tested and approved by farmers - and the word is spreading fast: a recent survey confirmed adoption rates of up to 100% in some project villages. The topic of mechanisation has particularly gained great interest among farmers.



Women empowerment in the GIC project India through gender-inclusive strategies



The semi-automatic Potato planter developed by the GIC project in cooperation with Rohit Krishi Industries Pvt. Ltd.

Agriculture in India remains a male dominated sector, although women play a crucial role. Women are responsible for many of the agricultural activities on the fields such as weeding, planting, and harvesting. However, they are barely recognised as workers and often face unequal opportunities. As women empowerment can contribute to a successful and sustainable agricultural sector, gender equality and women empowerment are important aspects in the activities of the Green Innovation Centre India.

PHASE 2 TARGETS

By the end of Phase 2 in March 2021, the project is targeted to reach an additional 15,000 farmers. In addition, the project will continue its effort in registering, strengthening, and supporting Farmer Producer Companies to expand their business and provide cheap inputs for farmers.

In 2015, farmers in Karnataka and Maharashtra faced externalities of climate change (too little rain or too much rain at once, extremely high temperatures and changes in seasons are just some of them) resulting in low yields and losses. A major new focus of Phase 2 will hence concentrate increasingly on coping strategies for climate change focusing mostly on: increasing soil organic matter to improve infiltration and water-holding capacity; organising drainage into farm ponds to prevent flooding and store water for drought; and reducing water use through an improved irrigation control system.



AFC follows a gender inclusive approach which includes women in all project activities.

So far, 2,562 women participated in trainings and were actively involved in farm decision-making and 1,017 are part of FSGs.

AFC Agriculture and Finance Consultants



remains the implementing partner of the Green Innovation Centre India by GIZ

One World, No Hunger (SeWOH)

INITIATIVE



AFC AND THE WORLD BANK IMPROVE FINANCIAL SECTOR STABILITY

BANGLADESH

The World Bank's International Development Association has granted financial assistance to Bangladesh Bank through the Financial Sector Support Project which aims to maintain the stability and efficiency of the country's financial system and to mainly strengthen the bank's supervisory capacity.

Bangladesh Bank recognises that sound regulatory and supervisory frameworks including effective and efficient supervision are essential in achieving and maintaining financial sector stability and thus ensuring a safe and sound banking system. The bank intends to review its current system of banking supervision and consolidate to streamline its supervisory departments.

The migration from conventional supervision to a risk-based supervision approach will enable the bank to pursue its mandate more effectively and efficiently. Risk-based integrated supervisory

system would involve changing bank governance, ensuring accuracy of financial statements, improving internal audits, enhancing supervisory capacity & resources, and conducting high-level banking sector analysis. In addition, a corrective and remedial action policy, including a prompt corrective action policy, would be developed for the country's financial system.

Bangladesh Bank has initiated actions to transform itself to a modern and dynamic central bank capable of regulating and supervising the monetary and banking sector. AFC and its experts are supporting Bangladesh Bank to achieve its goals.

AFC has extensive experience on financial sector stability, on-site and off-site supervision, and regulation.

AFC has worked with the central banks of >>



Tomato demonstration plot under shade to reduce soil temperature and improve fruit set



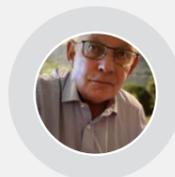
Small potato processing facility currently providing employment for 8 women



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Wholesale market in Bangladesh



Busy street in old Dhaka, Bangladesh



5TH FIELD DAY OF THE SINO-GERMAN CROP PRODUCTION AND AGROTECHNOLOGY PARK

CHINA

The 5th field day of the Sino-German Crop Production and Agrotechnology Park (DCALDP) happened on 15 and 16 June 2019 and attracted more than 500 visitors from Jiangsu Province, its neighboring provinces, and Beijing.

The huge joint engagement of the Chinese and German team during the preparation of the field day showed the overall acceptance of the project. The shared understanding that the project can only accomplish its goals if both sides work side by side and were expressed through the great performances on both days. The visit of the German Federal Minister for Food and Agriculture, Julia Klöckner and a representative from the Chinese Ministry of Agriculture and Rural Affairs, highlighted the importance of the project. An economic delegation of agricultural business representatives joined Mrs. Klöckner for the field day visit and increased the reach of the field day politically and publicly. Furthermore, many high ranking Chinese officials participated in the first day and learned about the important aspects of sustainable agriculture and soil cultivation. The first day focused not just on sharing professional and technical knowledge but also conveying important facts to the political representatives who attended the event.

The visitors were very pleased with the set-up of the first day, as speeches, cultural shows, and field stations (practical part) were well-balanced and the guests were able to get a good insight

on the goals and challenges of the project and also on the local conditions of soil and agricultural techniques.

The second day also focused on informing the visitors about sustainable agricultural techniques and highlighting the advantages of modern machinery and products provided by the project's business partners. A demonstration of how the different machines and tractors can be used for sustainable soil cultivation and avoiding water pollution was very successful and extremely appreciated by the business partners and their dealers and clients.

The visitors of the first day benefitted from the hospitality of the Chinese partners and experienced a typical Chinese lunch and dinner. Thus, the second day was prepared to show more of the German culture. For the first time, an "Oktoberfest" was prepared in the machinery hall of the Huanghai farm, where the German character of celebrating combined with some Chinese cultural shows topped off the weekend. In conclusion, the field day was a great success for the hosts, business partners, and supporters of the DCALDP-project and everyone is looking forward to next year's event.



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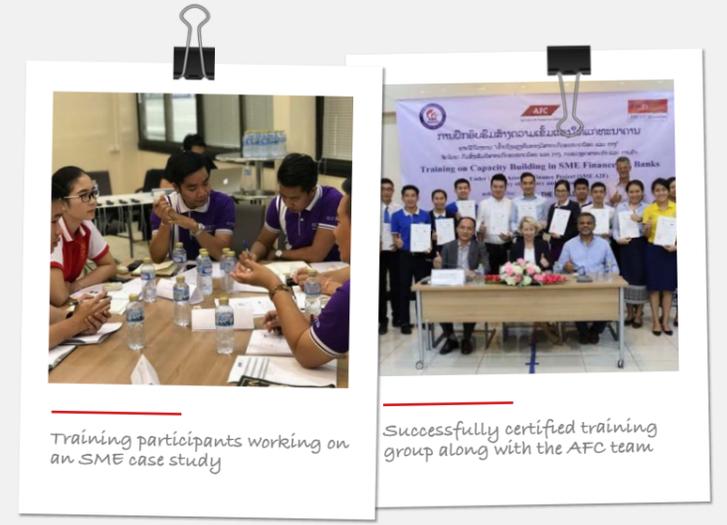
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SME ACCESS TO FINANCE

LAO PEOPLE'S DEMOCRATIC REPUBLIC

During the implementation of the project, "Small and Medium Enterprise Access to Finance" in Lao PDR in 2018, 176 staff members of partner financial institutions were trained in areas such as SME market, product development, and risk assessment.

Developing the SME sector in Lao PDR is considered a top national priority.

However, access to finance for SMEs remains a major challenge due to issues on both supply and demand side. The said project focuses on the supply side by developing the internal capacity of various financial sectors to promote and support the growth of Lao entrepreneurs in different sectors. Stakeholder workshops, trainings, on-the-job-coaching, and a Training of Trainers (ToT) were conducted to create awareness and highlight the challenges and solutions in bridging the SME financing gap. The primary target group of the trainings were the financial institutions participating in the project, particularly the (SME) loan officers and senior staff. The AFC team also worked with the Lao Bankers Association using a ToT approach, through which three national trainers are now qualified to deliver further trainings for the financial sector.

After meeting with the Department of SME Promotion, Ministry of Industry and Commerce, the Lao Bankers' Association, as well

as the Bank of the Lao PDR, the project team discussed with each of the four partner financial institutions to understand their operations related to SME lending. Such discussions enabled to provide more focused capacity building support and agree on the on-the-job training schedule. It enabled the participating staff members to increase their knowledge on international best practices in SME lending and further understand the importance of the SME segment in Lao PDR.

The SME Access to Finance project is funded by the World Bank with the Department of SME Promotion under the Ministry of Industry and Commerce as the implementing agency.

At the moment, it is critical to have an SME strategy within financial institutions. The client and financial institutions were keen on receiving further guidance and technical assistance. The project team assisted in identifying the next steps and in drafting the outline of a Phase II, under which a group of banks will be assisted in developing a strategy for launching SME business lending activities.

NEW STAFF



Ines Gebhardt joined AFC in April 2019 as new Director of the Finance, Accounting & Contracts Department. She holds a Master's Degree in Macroeconomics and completed her postgraduate studies in the field of Real Estate in Berlin. Before joining AFC, Ines has been working for NIRAS-IP Consult in the financial department in the creation of competitive financial bids and the financial project management as part of the acquisition and project management, as well as in all aspects and duties of the Finance department, such as financial administration, provision of everyday financial services, and financial reporting. After graduating from university, she spent three years working in economic research and subsequently worked for different commercial banks in Germany and Nicaragua. She earned professional experience for ten years as managing director of the German School in Managua and of the German-Nicaraguan Cultural Association in Nicaragua. She is fluent in English and Spanish.



Mark Theisen joined AFC in June 2019 as Finance and Contract Manager. Mark previously worked as a Project Manager and freelance consultant for various companies and gained international work experience in Kenya, Egypt, India, Great Britain, and France. He holds an MA in International Political Economy from the University of Warwick (Coventry, UK) and a BA in International Relations from the University of Sussex (Brighton, UK).



Fabian Amrath joined AFC as Finance and Contract Manager in April 2019. Previously, he worked as a student assistant in the Financial Sector Development department in December 2017 while completing his Master's degree in Economics at the University of Bonn. His studies concentrated on economic effects of bank distress and the implementation of behavioural effects in contract theory. With his experience in Information Technology and database management, he technically reviewed and introduced an E-Learning platform to be used for projects and for the GOPA Group.



Jennifer Friesenhahn joined AFC in the Bookkeeping Department in December 2018. She completed a commercial apprenticeship and has been working in the field of Accounting for over 15 years. In the course of her career, she has become acquainted with a wide variety of company sizes and industries. She had some contact with Swiss, Luxembourg, and American accounting. In addition, she was able to acquire some experience in the field of training, the induction of new colleagues, and training methods through her training and the Training of Trainers certificate.



Oliver Schmidt joined AFC in May 2019, having worked in financial sector development for 14 years and specialising in governance and risk management. Between 2004 and 2009, Dr. Schmidt worked with the national microfinance (MF) umbrella organisations of Uganda and India, respectively. He supported their advocacy strategies, particularly for expansion of micro-savings provision, and designed and delivered a wide range of capacity building programmes. In 2009, Dr. Schmidt joined Mountains of the Moon University in Uganda, where he and his team built the banking and MF programme. They studied the financial behaviours of small scale tea, cocoa, and coffee farmers, supported savings product development of rural MFIs, and created a postgraduate diploma in agricultural risk and finance, among others. Dr. Schmidt holds a Masters' degree in Economics and a Ph.D. from the University of Speyer and worked previously as freelance consultant in Ghana, Malawi, and Namibia.



Friederike Schilling joined AFC in August 2018 as Project Manager in the Financial Sector Development Department. Her major interests include microfinance, insurance, as well as quantitative and qualitative studies. She holds a Master's degree in Development Economics with a minor in Agricultural Economics from the University of Göttingen. Prior to her master's, she studied European Business Programme (EBP) at the University of Applied Sciences Münster and Economics and Business Economics at the University of Hull. She also worked as research assistant at the University of Göttingen and gained practical experience through internships in the financial systems development and insurance team at GIZ in Eschborn, in the representative office of KfW DEG in South Africa, and at the BMZ in Bonn. She is fluent in German, English, and French.



Vladislav Nimerenco joined the Financial Sector Development Team in June 2019. He has extensive experience of working in multinational corporate environment in mobile telecom and payments industries in Moldova and Nepal. Vladislav led the Mobile Financial Services initiative for the number 1 mobile operator in Nepal, where he designed the Mobile Money services ecosystem, working with various players from financial private sector, governmental institutions, and international organisations. He also provided consultancy in Digital Financial Services projects in Moldova and Cambodia. He studied Marketing at The Academy of Economic Studies of Moldova as well as Innovation, Business, and Technology at the KTH Royal Institute of Technology in Sweden. Currently, he is enrolled in Master of Leadership in Development Finance programme at Frankfurt School of Finance and Management. He achieved his Certificate in Digital Money from The Fletcher School at Tufts University, and Certificate in Financial Inclusion Policy from the Frankfurt School of Finance and Management.



Katharina von Coelln joined AFC's Financial Sector Development Team as a Project Assistant in October 2018. She holds a Master's degree in geography from Kiel University. While on her studies, she focused on sustainable development of rural areas in East Africa. Before joining AFC, Katharina worked in a school as a Teach First Deutschland Fellow, where she trained and implemented her own educational projects in global learning. She has extensive experiences in working with NGO's, fundraising, project administration, and implementation.



Peter Hofmann joined AFC's Anglophone Department as a Project Manager in May 2019. He holds a Master's Degree in International Agricultural Development from the Berlin Institute of Technology (TU). After his studies, he worked for the German Development Service (DED) in projects in Chad and Benin for 9 years. During this time, he has gained extensive experience in rural development in Africa, sustainable agricultural practices, the consulting of farmer cooperatives, and the assessment and promotion of local NGO's. Following these activities, he worked for more than 12 years for a German tea company (Teekanne GmbH & Co. KG) in the quality assurance and purchasing departments and was responsible for the auditing and consulting of the suppliers. His responsibilities extended to issues of cultivation, processing, quality management, and social aspects in the different value chains (tea, herbs, and dried fruits). Peter is familiar with the current quality standards in the food industry (e.g. GAHP, HACCP, IFS) as well as with sustainability and social standards (Organic, Rainforest Alliance).

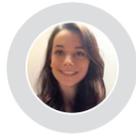


Catalina Berger joined the AFC's francophone team on 1 April 2019. She holds a Master of Science in Geography and has more than 15 years working experience in the field of international cooperation and development. She started her career with GIZ in 2002 with a focus on environment-oriented management in small and medium-sized enterprises (SME). After joining the Internationale

Weiterbildung und Entwicklung (InWEnt) in early 2005, she was based in Pretoria, South Africa as coordinator of various programmes in the scope of economic development, intra-regional trade, and SME promotion in the SADC region. She became a freelance consultant in early 2008 after returning to Germany, shifting her focus from SME support to climate change adaptation in the green sector. Her portfolio is comprised of training moderations on "Climate proofing" – an approach to adapt to climate change in the agriculture or natural resource sector. Her geographical focus is on the African continent. She speaks German, English, and French.



Antoine Cochard has been a Project Manager with AFC's Francophone division since September 2018. Educated in agricultural engineering, Antoine also holds a Master's degree in Geography. During his studies, he specialised in agricultural entrepreneurship in rural areas and more widely on food security issues and rural development. Antoine has a solid experience on issues related to agriculture, from the its upstream to downstream, and has particular expertise in land use planning. He completed his Master's thesis on the analysis of the impact on employment of a peasant non-governmental organisation in the Senegal Delta. He has five years of professional experience, including one year in the "Lot 1" Rural Development Unit (DEVCO - European Commission) at AESA Brussels where he was in charge of project management and short-term expertise recruitment. In addition to his native French, Antoine is fluent in English and German.



Roxane Van Lerberge joined AFC as Project Assistant and Communication Officer in October 2018. She is currently completing an MBA in Corporate Social Responsibility at the Bonn-Rhein-Sieg University of Applied Sciences (Germany), holds a Master's degree in multilingual communication in international relations from the Free University of Brussels, and a Bachelor degree in Information and Communication from the University Saint-Louis in Belgium. In the last 5 years, she held the position of Junior Expert in experience capitalisation in Morocco for the Belgian Development Agency, worked in public relations for the European Commission in Brussels, advised a University in Colombia on its international programmes, and completed an internship within the Belgian Embassy in the Philippines.

OUR SERVICES

AGRICULTURE & AGRIBUSINESS



Crop & Livestock
Production



Food Security &
Nutrition



Policy Advice



Value Chain
Approach



Climate Smart
Agriculture



Food Safety



Public Private
Partnership



Marketing &
Trade



ICT in
Agriculture

FINANCIAL SECTOR DEVELOPMENT



Micro and SME
Finance



Financial Institutions
Development



Agriculture & Value
Chain Finance



Green Finance



Insurance
Systems



Financial Literacy



Banking Regulations
& Supervision



Digital Finance

