



SUPPORTING THE EUROPEAN UNION'S ANALYTICAL AND DECISION-MAKING CAPACITY ON AGRICULTURAL INVESTMENTS

Although agriculture provides the main source of income for around half a billion smallholders in the world, farmers and small rural enterprises face challenges in attracting the necessary capital, particularly from local financial institutions, to improve their productivity, livelihoods and supply chain participation. In 2017, as part of their strategic dialogue, FAO and the European Union decided to expand their collaboration in the area of investment support, with a view to enabling greater private investment in sustainable agrifood systems that might have a strong development impact. In this context, the present AgrIntel project was designed in 2018 with the overarching objective of supporting the European Union's analytical and decision-making capacity on agricultural investments, including value chain analysis and investment support services. The project had three main goals, namely (i) to support the INTPA in making informed decisions regarding the European Union's specific investment operations in agricultural value chains, in particular concerning economic, social and environmental sustainability, (ii) to contribute to the overall generation of knowledge and dialogue on agrifood value chains in countries of interest to INTPA, and (iii) to provide demand-driven investment support services to improve the dissemination of value chain and investment analysis among key value chain stakeholders. To achieve these goals, the project was structured around three main areas: blended finance advisory services, food systems assessments (FSAs) and the Global Sustainable Cocoa Initiative (SCI).



WHAT DID THE PROJECT DO?

The project aimed to support the European Union's analytical and decision-making capacity on agricultural investments, including value chain analysis and investment support services. Specifically, AgrIntel's three main outputs were (i) to deliver services on sustainability on demand to help the European Union to make informed decisions on proposed or approved agricultural investment operations, (ii) provide analytical services and methodological inputs on value chain analysis, complementing the efforts carried out by the European Union, and (iii) deliver additional investment support services on demand to further enhance European Union-(co)-financed investment operations and value chain analysis.

KEY FACTS

Latest Approved Budget
USD 6 846 844

Duration
October 2018–September 2023

Resource Partner
European Union, Directorate General for
International Partnerships (INTPA)

Partners

Beneficiaries
Agricultural small and medium enterprises and financial institutions (mostly rural microfinance institutions) and smallholder farmers, INTPA, European Union Delegations and the blended funds and facilities in which the European Union co-invested

IMPACT

The expected impact of the project was the enhanced economic, social and environmental sustainability of agrifood systems triggered by more and better European Union-co-financed investments in specific value chains. This included the generation of employment and income opportunities for the rural poor, a better use of natural resources, as well as climate adaptation and mitigation.

ACTIVITIES

- A dedicated team from the FAO Investment Centre assisted INTPA in making informed decisions on agrifood investments, specifically the operations of the four blended funds and facilities in which INTPA has invested, namely the Africa Agriculture and Trade Investment Fund (AATIF), the AgriBusiness Capital Fund (ABC), the Agriculture Financing Initiative (AgriFI) and the Huruma Fund.
- 250 different investment proposals submitted to the investment committees of the four blended funds listed above reviewed and analysed, resulting in the signing of 86 investments projects, representing EUR 400 million in total financing.
- Participatory FSAs and stakeholder dialogues across 49 countries between 2020 and 2022. The assessments began with eight pilot countries in 2020, thereby providing insight to guide revisions in the methodology for implementation in the additional 41 FSAs carried out in 2021 and 2022.
- Working papers produced by the FAO Investment Centre on blended finance in agrifood systems.
- Training sessions for FAO Representations, CIRAD researchers, European Union Delegations and national consultants involved in the process in all 49 countries. Each country process produced at least one stakeholder dialogue (two in the eight pilot countries), involving local authorities and key food systems stakeholders, as well as a Food Systems Profile summarizing the key findings of the analysis and the stakeholder consultations.
- The FAO Investment Centre, in partnership with the research firm Le Basic, conducted a number of studies on the distribution of value and costs along cocoa or chocolate chains, including one on European consumers' willingness to pay for chocolate and the price elasticity of dark and milk chocolate tablets in key European markets, as well as a study of international cocoa standards.
- International expert mobilized to serve as a moderator in the European Union Cocoa Talks, a multistakeholder consultative forum.



SUSTAINABLE DEVELOPMENT GOALS



Project Title

AgrIntel, Support to agrifood investment decision-making

Project Code

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