



# **Pacific Regional Capacity Building Workshop On Enhancing Access to Finance for the Agricultural Sector**

## **CONCEPT NOTE**

**Organized by:**

**United Nations Conference on Trade and Development (UNCTAD)**

**and**

**Secretariat of the Pacific Community (SPC)**

**Hexagon International Hotel, Nadi, Fiji**

**20 - 21 October 2011**



**ALL ACP Agricultural Commodities Programme**



**Main activity:** To organize a Pacific regional capacity building workshop on enhancing access to finance for the agricultural sector, with a special focus on fruit & vegetable.

**Objective:** The overall objective of the workshop is to increase the awareness of financial institutions, main agricultural value-chain stakeholders and policy makers on the importance of access to agricultural finance. Good examples, successful agricultural commodity financing techniques and lessons learnt within and beyond the Pacific region will be shared with participants.

**Expected outcome:**

- Good practices to be followed by banks when designing interventions in the area of agricultural value chain finance;
- Enabling policies to be developed in the area of enhancing access to finance for the agricultural sector;
- Participants' knowledge increased and capacity enhanced in developing appropriate financing mechanisms and instruments in their respective country context.

**Participants:** The workshop will bring together representatives of Government (e.g. ministry of agriculture), financial institutions (including development banks, microfinance institutions and commercial banks active in agricultural finance), agricultural value chain stakeholders (in particular the F&V) from six Pacific Island Countries: Fiji, Samoa, Tonga, Vanuatu, Papua New Guinea, Solomon Islands as well as development partners interested in agricultural finance. The total number of participants will be around 50.

**Time:** Thursday 20<sup>th</sup> and Friday 21<sup>st</sup> of October 2011 (before the Pacific Dissemination Workshop scheduled on 24 & 25 October)

**Venue:** Hexagon International Hotel, Nadi, Fiji (good flight connections, close to many regional bodies such as SPC, PIFS, PIPSO)

**Organizers:** UNCTAD in partnership with SPC

**Budget estimate:**

This capacity building activity will be a two-day event.

The total budget of the workshop will cover the items listed below:

- Financing local participants (travel and DSA)
- International resource persons and UNCTAD staff (travel and DSA)
- Rental of workshop facilities
- Coffee breaks
- Cocktail or reception
- Training materials production and reproduction
- Administrative supplies and stationary
- Telephone/Email charges and other miscellaneous costs

## **Key sessions of the workshop:**

### **1. Setting the scene: Finance and agricultural sector development in the Pacific island countries**

(1) Importance of agricultural sector development in the Pacific

- by Mr. Timothy Martyn, Agribusiness Specialist, Secretariat of the Pacific Community

(2) Financing constraints in the agricultural sector development

- by Ms. Mereia Volavola, CEO, Pacific Islands Private Sector Organization (PIPSO)

- by Mr. Robert Horton

(3) F&V sector development and the role of finance - case of Samoa

- by Mr. Frank FONG, ACEO, Policy, Planning and Communications Division, Ministry of Agriculture & Fisheries of Samoa

### **2. Improving access to agricultural credit by addressing collateral constraints**

(1) Collateral constraints in agricultural credit in the Pacific and how a modern secured transactions law can help address these constraints - ADB's experience

- by Mr. Terry Reid, Private Sector Development Initiative, Asian Development Bank

(2) Using innovative collaterals to improve agricultural credit - FDB perspective (benefits of secured transaction reform)

- by Mr. Deve Toganivalu, CEO, Fiji Development Bank

(3) SBEC model to assist farmers and small enterprises in accessing agricultural loans

- Experience of the Small Business Enterprise Centre (SBEC)

- by Ms. Margaret Malua, Director, Small Business Enterprise Centre of Samoa

### **3. Increasing access to finance in rural areas - role of microfinance**

(1) Experience of the South Pacific Business Development (SPBD)

- by Ms. Maros Parreno-Apostol, General Manager, SPBD Microfinance Samoa

(2) Experience of ANZ Rural and Microfinance Banking

- by Mr. Baro Saumaki, Head, ANZ Rural and Microfinance Banking

(3) Increasing access to financial services in rural areas - ADB's experience

- by Mr. Erik Aelbers, Private Sector Development Initiative, Asian Development Bank

(4) Expanding rural finance in the Pacific Island Countries - AusAID approach and experience

- by representative of the Australian Aid (AusAID)

(5) Farmers' point of view, by Mr. Daniel Talasieux Hamala, Growers Federation of Tonga Inc.

### **4. Modern financial instruments - an alternative way to improve access to credit for the agricultural sector in the Pacific**

(1) Factoring/receivable discounting

- by Ms. Frida Youssef , UNCTAD: General presentation of mechanism and Caribbean experience
- by Mr. Robert Horton (Fiji case)

(2) Warehouse receipt system/inventory credit

- by Mr. Gideon Onumah, Expert, Natural Resource Institute: general presentation of mechanism, Tanzania coffee case (linking with the case in PNG)

(3) Using production contract and other financing instruments to facilitate access to credit and reduce price risks

- by Mr. Noel Rajan, Executive Director of the W.R. Carpenter Group of Companies (TBC)

(4) Role of farmers' organizations in facilitating access to agricultural finance: Experience from Trinidad and Tobago

- by Ms. Dhano Sookoo, President of Agricultural Society of Trinidad and Tobago

## **5. Weather risk management**

(1) Weather risk management mechanism in the Caribbean: Caribbean Catastrophe Risk Insurance Facility (CCRIF)

- by Mr. Nicholas Grainger, Assistant Vice President, Caribbean Risk Managers Ltd

(2) Weather risk in the Pacific Island Countries and some thoughts from the Caribbean experience

- by Mr. Neville Koop, Managing Director of Nadraki (Fiji) Ltd.

## **6. The way forward**

This session will discuss how policy makers, financial institutions and agricultural value chain stakeholders can collaborate in their efforts in improving agricultural value chain finance based on the presentations and discussions of the workshop.

The issues to be discussed in this session include: (1) Identifying lessons from case studies presented at the workshop; (2) key challenges ahead; (3) and what kind of support is needed to make agricultural finance work in the Pacific (Donors can also intervene to indicate the type of support they can provide); (4) follow-up actions after the workshop.

### **Speakers:**

- (1) Representative of policy makers;
- (2) Representative of financial institutions (development bank, microfinance institution)
- (3) Representative of agricultural value chain stakeholders (farmers, processors/traders)
- (4) Representative of donors