

AGRICULTURAL FINANCE AND INVESTMENT

WORKING GROUP 3

Terms of Reference (ToR)

Objectives of the Working Group

The Working Group on Agricultural Finance and Investment will explore, develop, and promote effective financing and investment strategies to support sustainable and equitable growth in the agricultural sector.

This group will identify mechanisms for mobilizing resources, enhancing financial inclusion for smallholder farmers and marginalised communities, and encouraging investment in technologies and practices that drive agricultural productivity and resilience.

Specific areas that this Working Group will address include:

1. Access to Finance for Smallholder Farmers

- Identify barriers to credit access, particularly for women and youth, and ways to mitigate risks
- Support digital finance solutions for rural populations, including infrastructure where required
- Assess microfinance solutions and cooperative financing models
- Affordable credit schemes can empower them to invest in quality inputs, equipment, and better farming techniques which can help to mitigate the challenges of producers in obtaining loans due to lack of collateral and a formal credit history

2. Investment in Climate-Smart Agriculture

- Provide evidence to finance technologies and practices that reduce environmental impact
- Promote investment in climate mitigation and adaptation projects, including drought-resistant varieties and species and water-saving irrigation

3. Agricultural Value Chain Financing

- Propose mechanisms to improve financing models for the agricultural supply chain to reduce inefficiencies; explore value chain financing
- Facilitate partnerships between farmers and producers, processors, and retailers to optimize financial support

4. Capacity Building for Financial Literacy

- Co-develop programs to improve financial literacy and management skills among farmers
- Support training of local financial institutions on agricultural financing needs and risk management
- Guide educational/training resources on managing loans, savings, and investments

5. Risk Mitigation and Insurance Models

- Promoting crop and livestock insurance to protect farmers from extreme weather and price volatility
- Support provision and analysis of real-time remote sensing data to support decision-making
- Collaborate with insurance companies to create affordable and accessible agricultural insurance products

6. Private sector investment in agricultural infrastructure

- Support private investment in infrastructure such as roads, storage, cold chains, and irrigation
- Encourage market linkages, enabling farmers to access broader markets and fair pricing

7. Quality control

- Identify tariff and non-tariff trade barriers that may impact investment and financing
- Support producers and governments to develop locally-appropriate quality control measures
- Propose mechanisms that will support intra- and inter-regional trade which will minimise rejections

Outputs and Responsibilities:

These topics form a broad, interdisciplinary yet interconnected framework for the Working Group to develop actionable insights and recommendations on agricultural finance and investment, through reports, position papers, policy briefs, and specific events. These may be regionally or geographically targeted, and may be tailored to specific regional challenges, with a focus on collaboration between researchers, policymakers, funders, investors and farmers which will enrich the knowledge products and insights of the Working Group.

Members of the World Agriculture Forum Council will be invited to join the Working Group along with other relevant experts. The Working Group will identify a Chair to lead the Working Group. A member of the World Agriculture Forum Secretariat will assist with coordination, planning meetings, peer reviews, publication of the various outputs and dissemination through high level events, interviews etc. Working Groups may also be called upon to assist with the preparation of specific fundraising proposals in line with their thematic focus. Each Working Group will lead a stream of events/sessions at the annual World Agriculture Forum Summit.