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Linking the financial needs of peasant organizations and their members with financial institutions.

Marc MEES
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CONTENT

- Starting from 2 concrete examples, show the role of an NGO in the research of solutions to problems encountered by PO to finance their own activities and their members activities.
- FOGAL : a latin american guarantee fund.
- FAIR : a fund supporting rural initiatives, starting in Mali.



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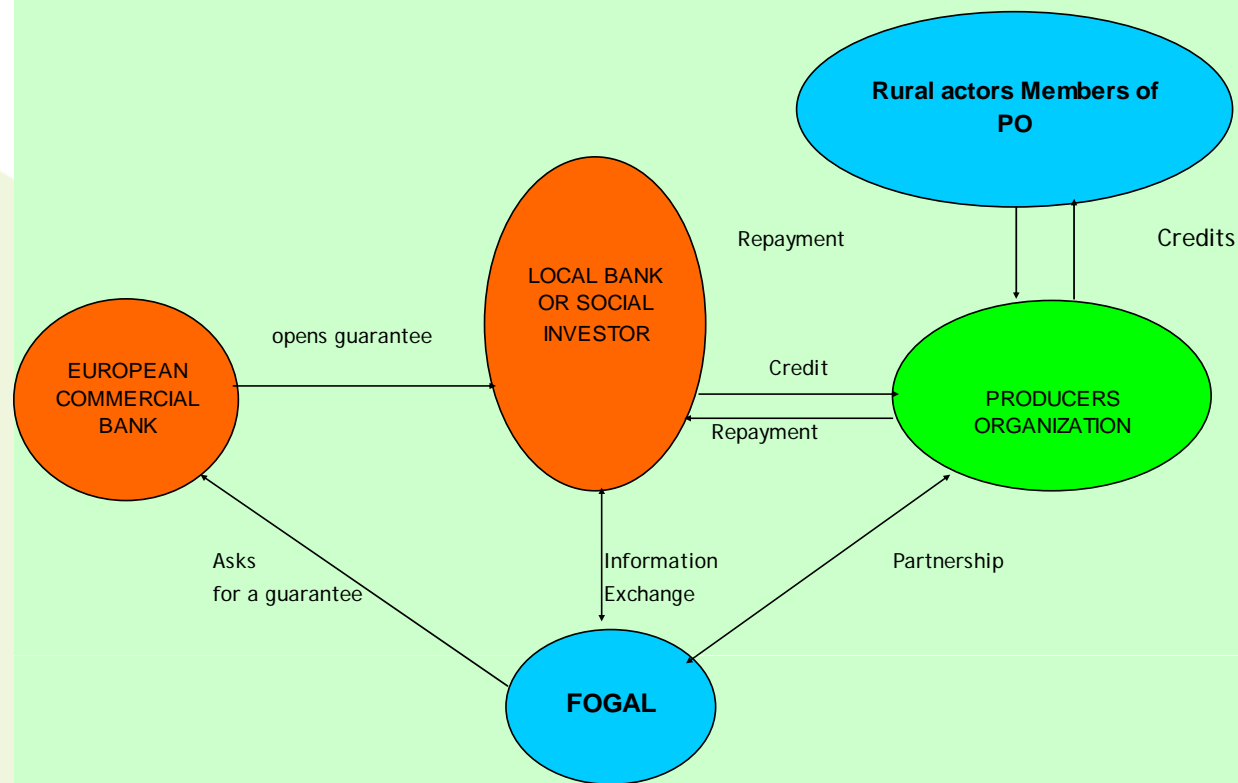
FOGAL

- To put PO in relation with local banks or social european investors.
- Purpose : financial needs to collect and/or to sell agricultural products at interesting prices for small producers. In exceptional cases, also for investment in storage infrastructure.



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FOGAL : general presentation





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FOGAL : positive balance

- Long term relationship with local banks
- Interesting negotiated interest rates (from 7 % yearly)
- Better negotiation ability
- Combination of international guarantee with other guarantees (like mortgage)
- Leverage from 2 to 5



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FOGAL : limits

- Easier with export products like coffee, cocoa or banana.
- With local banks, several years necessary to build confidence.
- Doesn't answer the own capital needs of PO.
- Additional cost (2,5% yearly)



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FOGAL : role of the NGO SOS FAIM

- Took first initiative and operated the guarantee fund
- Participated in the creation of FOGAL as institution
- Created south – south relationship (PO with local banks) or south – north relationship (PO – social investors)



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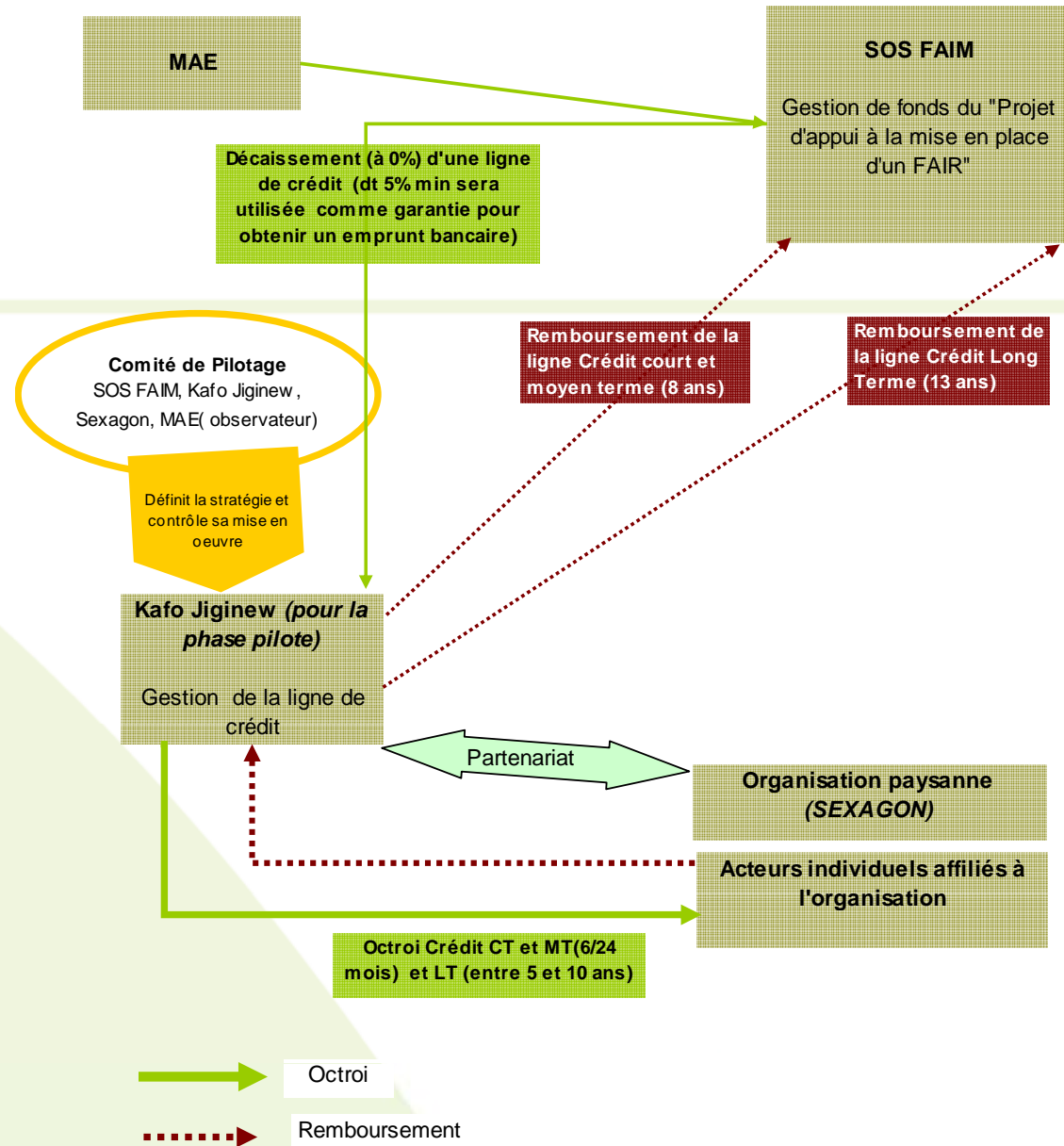
FAIR

- To facilitate cooperation between PO and MFI
- To answer to the various financial needs of rice producers in the Niger office area in Mali.



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FAIR : schéma





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FAIR : positive balance

- Associates 2 established institutions.
- Answer to the needs of PO and members (financial services) and MFI (diversification and growth).
- Each actor plays his specific role
- Relevant initiative : answer to national food security problems.



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FAIR : limits

- Unequal balance of power in the negotiation between PO and MFI.
- Different point of view about the need of a strong credit culture (credit policy)
- Area with high density of interventions and many grants.



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FAIR : role of the NGO SOS FAIM

- Identification of the 2 partners
- Put the partners in relation – facilitation
- Participation in the set up of the proposal
- Financement
- Member of the steering committee