

# Poor and vulnerable households' access to financial services

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To obtain financing, decentralized financial services are required:



## Opportunities

- It is easier for an individual belonging to a farmers' organization to obtain financing from microfinance institutions.
- Village savings and credit associations (AVEC) and cooperative societies (SCOOP) enable farmers' or professional organizations to obtain credit and be more financially independent.
- A poor or vulnerable person can therefore join a group/association for better access to financing.

## Challenges

- It is difficult for poor and vulnerable agroforestry households to access financial products and services adapted to their activities.
- These players do not use financial products for fear of not being able to repay the loan.
- People capable of engaging in productive activity and wishing to change their living conditions are unable to do so because of this lack of initial resources.

Discussion group with members of a farmers' organization on access to agricultural credit



## Pro-ARIDES recommendations

### Conditions for creating and replicating AVEC/SCOOPs

- Members must share similar realities, common goals and affinity.
- Creation of a file to be submitted to the competent authorities for formalization
- Consensual and dynamic management bodies, regulatory texts accepted by all, partnerships with technical services for the development of their activities

### Adjustments and innovations in the inclusive financial system

- Disseminate information on financial products and services in the agri-food sector
- Strengthen the capacity of community players in financial education and facilitate their links with local financial structures
- Using Pro-ARIDES investment funds
- Accelerate the implementation of a sustainable supply system for agricultural inputs and equipment
- Connect players with the market to facilitate the sale of their production
- Introducing financial products tailored to the needs of agroforestry households

### Areas for action to increase access, coverage and efficiency of the inclusive financial system

- Capacity-building initiatives for decentralized financial services
- Lobby SFDs for more flexible loan repayment terms

Improved access to finance for poor and vulnerable households