



DATE: 7 May 2018, 13:30 – 17:30
8 May 2018, 08:30 – 17:30
VENUE: Grand Pacific Hotel, Suva, Fiji

Background

This technical workshop is part of the Regional Forum: “Developing Pacific Local Food Crops and Fisheries Value Chains: Key Innovations and Critical Success Factors”, 7 – 10 May 2018, Suva, Fiji.

Investing in agriculture means supporting local production and spin off agro-industries and lifestyles, and keeping farmers and other value chain actors in business. Given the limited funding, perceived inherent risks, high costs for borrowing and the difficulties faced in doing business in Pacific Island States, there is need for concerted action as about 80% of the population depend on agriculture. *Are there existing models and approaches in Pacific Island States that can be considered by other countries? Would a regional approach to designing the enabling policy and regulatory framework for agriculture and value chain (VC) financing mechanisms strengthen the agribusiness sector and enable agri-entrepreneurs (including farmers) take advantage of opportunities in domestic and or export niche markets; health and tourism sectors?*

AIM

To identify gaps and strengths in legislation and key innovations and critical success factors for improving access to finance and risk management in support of value chain and agribusiness development. Experts from financing institutions, agribusiness sector, farmers/ farmer organizations, and development agencies from different countries will share their experiences. Findings from a multi-country study on ‘Documenting Legislation on Access to Finance and Agri-Value Chain Risk Management’ and success stories from other regions, will be discussed and validated. Critical success factors that will be crucial in improving the current finance and business environment will be identified and an action plan will be developed.



Catalyst Speaker

Aisake Radu, Regional Manager, Fiji Development Bank

Programme 7- 8 May 2018

Day 1 pm 14:30 – 17:30

14:30 – 14:45 **Workshop Objectives** - Tukana Bovoro, Consultant, Fiji

14:45 – 15:15 **Catalyst Speech**

Innovative Financing Mechanisms for Agriculture Sector Development in Fiji: The FDB Model – **Aisake Radu, Regional Manager, Fiji Development Bank**
Q&A

15:15 – 15:45 Overview of Legislation and Access to Finance and Agri-Value Chain Risk Management in seven Pacific Island States: Key Recommendations for the Way Forward – **Tukana Bovoro, Consultant, Fiji**
Q&A

15:45 – 16:15 **Coffee break**

16:15 – 17:00 **Key Innovations**

- Microfinancing Innovations, Women's Empowerment and Sustainable Micro-enterprise development - Experiences from Samoa, Tonga, Fiji and Solomon Islands – **Elrico Munoz, General Manager, South Pacific Business Development (SPBD) Microfinance Ltd., Fiji**
- Supporting Agribusiness Growth and Innovation in Fiji - **Rajnil Prasad and Andrew Reddy, Business Development Advisors, Market Development Facility, Fiji**
- Enhancing Market Access: Improving Compliance and Quality - **Peniana Patrick, Export Industry Officer, Vanuatu Chamber of Commerce and Industry (VCCI-PHAMA), Vanuatu**

17:00 – 17:30 Short self-introduction by participants
Group discussion, validation of the main findings and recommendations – Priority commodities/ value chains and Key innovations

Day 2 am session 08:30 – 13:00

Chair: Alisi Tuqa, Acting Chief Executive Officer, PIPSO, Fiji

08:30 – 08:50 Opening and Recap of Day 1 - **Tukana Bovoro, Consultant, Fiji**

08:50 – 09:50 **Critical Success Factors**

Business Models for Sustainable Farmer Organisations in the Pacific: Key Success Factors - **Kyle Stice, Manager, Pacific Island Farmers Organisation Network (PIFON), Fiji**

Financing Agribusiness for Job Creation and Growth in Domestic and Export Markets: opportunities and Challenges for SMEs – **Minoru Jr. Nishi, Owner, Nishi Trading, Tonga**

Accessing Funding for Agro-Processing - **Votausi Mackenzie-Reur, Managing Director, Lapita Café Limited, Vanuatu**

The realities of supplying locally - **Alfred Kalontas, Director and Owner, Alfa Fishing, Vanuatu**

Q&A

9:50 - 10:30 Group discussion & Feedback - Critical success factors

10:30 – 11:00 Coffee break

11:00 – 12:00 **Panel discussion: Critical Prerequisites and Success Factors for Financing, Agriculture, Agribusiness & VC Development**

- John Aruhuri, Executive General Manager Microfinance, Rural Banking and Financial Inclusion, National Bank of Vanuatu
- Susana Laulu, Chief Executive Officer, Development Bank of Samoa
- Norman Tilos, Deputy Secretary General, Association of Development Financing Institutions in Asia and Pacific (ADFIAP), Philippines
- Isikeli Taoi, Senior Manager, Rural Banking Microfinance, Bank of South Pacific , Fiji

Q&A

12:00 – 13:00 **Think – Tank / Group Discussion** – Key regional actions

13:00 -14:30 Lunch break

Day 2 pm session 14:30 – 17:30

14:30 – 15:45 **Continuation of Think Tank – Group Discussions / Action Plan**

Development of regional action plan/ road map

15:45 – 16:15 Coffee break

16:15 – 17:00 Action plan finalisation

17:00 – 17:30 Wrap-up

Context

It is well known that finance, investment and doing business in agriculture is very limited in the Pacific Island States, because of high associated risks and an unfavourable policy and legislative environment, especially for women and youth. Much of funding for agriculture tends to be informal and short-term, and usually excludes longer-term investments. Some of the challenges that financial institutions face in offering products and services to the agriculture sector include: The high transaction costs of reaching remote and rural populations and/or communities; higher perceptions of non-repayment due to sector-specific risks, such as production, price and market risks; and limited knowledge (by financial institutions) on how to manage transaction costs, agriculture-specific risks, the demands of the smallholder farmers and small and medium enterprises (SMEs) and how to market financial services to agricultural clients/agribusinesses. This informal funding only partially covers the financial needs of farmers and small agribusinesses, and usually at a high cost. The World Bank Ease of Doing Business rankings show that out of the 190 economies covered in the World Bank report, the 7 project countries rankings are as follows: Samoa (87), Tonga (89), Vanuatu (90), Fiji (101), Solomon Islands (116), Marshall Islands (149) and Kiribati (157)¹.

However East Asia and the Pacific had the highest number of economies recording the greatest overall number of reforms making it easier to do business in 2016/17².

For the Pacific, where land and marine resources are key assets, the agricultural (and fisheries) sector has untapped opportunities that could contribute to sustainable economic growth, improving water and energy use efficiency, and for addressing climate change and the current NCD and health crisis the region is facing. Investing in agriculture means supporting local agriculture (including fisheries) as well as spin off industries, and lifestyle, and keeping farmers in the business of farming. Agricultural finance and investment funds as well as enhanced business development can play a critical role in fostering the development of the agricultural sector and SME growth in the Pacific Island States, since they contribute

^{1 2} Doing Business 2018 – Reforming to Create Jobs, World Bank Group Flagship Report

<http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB2018-Full-Report.pdf>

significantly to job creation and increased productivity, and broader sustainable development. Specific promising opportunities have been identified in agritourism, school feeding and local processing for domestic and export markets.