



African Rural and Agricultural Credit Association

Introduction to AFRACA

The African Rural and Agricultural Credit Association (AFRACA) is an association of financial institutions involved in providing financial services to the rural population in Africa. AFRACA was founded in 1977 and its secretariat is based in Nairobi, Kenya. Its membership consists of Central Banks, Commercial Banks, Agricultural Banks, Development and Cooperative Banks, Financial Institutions, and Microfinance Operators and their networks across Africa.

Mission

The mission of AFRACA is *“to improve the rural finance environment through the promotion of appropriate policy framework and to support member institutions to provide sustainable quality financial services to the rural population”*.

AFRACA assists its member organisations to increase their rural outreach and to improve their provision of financial services through more appropriate banking practices and innovative financial products.

Objectives

- a) Foster cooperation in the planning of agricultural development of the continent by supporting regional and sub-regional conferences on topical rural and agricultural Finance issues.
- b) Provide members with a clearinghouse for information about rural and agricultural Finance.
- c) Initiate and support multi-country studies on problems of common interest
- d) Seek to interest international institutions or entities in new opportunities for investment and promote economic growth.
- e) Facilitate training of staff from member institutions through the exchange programme to other institutions.
- f) Formulate special credit guarantee or insurance schemes in collaboration with member countries, to support the operations of agricultural credit institutions
- g) Pay special attention to all aspects of the problems facing small scale farmers.
- h) Undertake such other activities as may be conducive to fulfilment of the objective of AFRACA.

Activities

AFRACA embraces participatory approach to implement the following major activities among others:

- **Policy Development and Advocacy:** Activities include advocacy, lobbying and research on topics that contribute to the establishment of appropriate rural finance policies among African countries. AFRACA support also covers exposure visits and other means to increase direct engagement of AFRACA in policy dialogue in individual African countries to assist the efforts of member institutions in the development of an appropriate framework for rural finance operations.
- **Development of Best Practices in Rural Finance:** Activities include research projects, pilot implementation projects, exposure visits and workshops. AFRACA pays special attention to gender and capacity development and as such has specific programmes on training of and support to financial service provision to rural women.
- **Innovative Product Development:** Activities include Action Research Projects, pilot testing of new products, seminars and publications to share the development results with other AFRACA members. The innovative products and delivery channels contribute to deepening of financial services to the rural population.
- **Capacity Buildings for member institutions:** This includes exchange visit programme to other institutions to learn from them. From time to time an as need arises, special training events are arranged to institutions providing financial services to rural women or to special clientele such as the guardians of AIDS orphans, women and conflict areas.
- **Information Services:** AFRACA continues to develop its information services, including regular newsletters to members, quarterly AFRACA News with special editions on selected themes, the AFRACA Rural Finance Series and the AFRACA Website.
- **Partners Programmes:** AFRACA provides services to interested parties. The area of organizing programmes and workshop preparation and facilitation of research work as an income generating activity. AFRACA uses its vast network and experience in the region to facilitate quality services.

Governance

The governance processes are imbedded in the Association's constitution. The following are the governance organs of AFRACA:

- **The General Assembly**, made up of all members, meets once every two years.
- **The Executive Committee** which is made up of the following: -
 - Chairman
 - Vice Chairman
 - French West Africa Sub-Region
 - English West Africa Sub Region
 - East Africa Sub-region
 - Central Africa Sub Region
 - Southern Sub Region
 - Secretary General

- **The Secretariat** which manages the day to day activities of the Association is based in Nairobi.

Membership

By end April 2006 AFRACA had 86 members, spread over 27 African countries. Membership is open to any institution under the following categories:

- Central Banks and Central Banks similar institutions
- Agricultural and Development Banks
- Commercial Banks
- Microfinance Institutions
- Microfinance Networks
- Universities and Research Institutions
- Any other institution or individual interested in Micro and Rural Finance.

Benefits of being a member of AFRACA

- AFRACA being an African-wide Association, it is the focal point for the promotion of rural finance with a host of experiences that can be accessed by members.
- As a member, your institution will be able to take part in the governance processes of the Association.
- AFRACA offers a forum for information sharing on up-to-date banking policies and practices generated in various AFRACA forums.
- The capacity building programme through visiting other institutions in Africa and learning from them as well as tailor made training are part of the benefits.
- AFRACA offers a good platform for Networking and partnership development

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