

## Improving Access to Finance and Building Capacity in the Cereals, Oilseed and Aquaculture Value Chains

# Technical Assistance for Participating Financial Institutions

*The author takes full responsibility for the contents of this presentation. The opinions expressed do not necessarily reflect the view of the European Union or the European Investment Bank.*

# Potential business for participating financial institutions: not just the primary producers

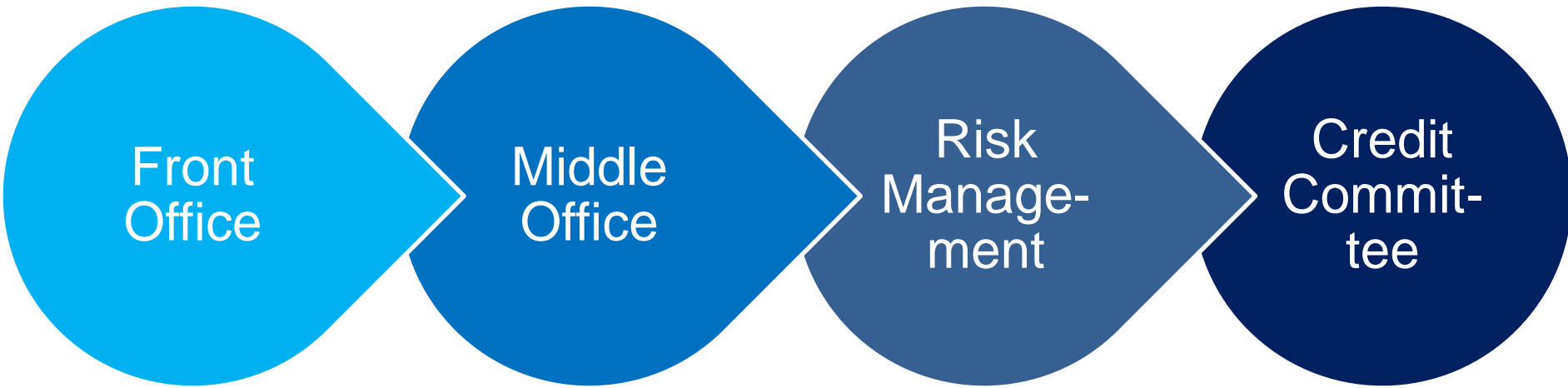
All SMEs and Mid-Caps in the targeted value chains are potentially eligible for funding



**SMEs:** number of employees less or equal to **250**

**Mid-Caps:** number of employees between **250** and **3000**

# What we offer: support from the front officer to the credit committee



# Front Office: Sourcing New Business

1

Identifying potential investments with existing PFI\* clients

2

Support from our agribusiness component in sourcing new clients

3

Participation in awareness and training campaigns of the Project

4

Positive reputational effect from engaging in a European Investment Bank partnership

*\* Participating Financial Institution*

# Middle office: Know-Your-Customer, Compliance, Portfolio management

1

Support in understanding and internalizing requirements

2

Support from our extension service network to support potential clients

3

Diversify the participating financial institution's portfolio by working along the entire value chain

# Risk Management: Credit Risk Assessment

## Available upon request:

1

Support in development or improvement of credit risk assessment framework

2

Identifying missing agricultural credit risk assessment capacity and strengthening it

3

Support with the first several clients

4

Troubleshooting support throughout the life of the technical assistance project

# Credit Committee: Enhancing Efficiency

## Available upon request:

1

Support in identifying, improving, or redefining participating financial institutions' strategy in agri-finance

2

Support in development of policies, procedures, and products

3

Support in development of credit risk assessment guidelines

4

Support in streamlining the credit committee function

# How do we do that?

## In response to PFI requests:

- Agri-finance diagnostic to identify strengths, weaknesses, opportunities, and threats in working with the selected value chains and provision of actionable recommendations
- Facilitated sessions with top management to identify the current and the desired positions of the PFI and a road map between them
- Capacity building for staff through:
  - In-class and on-the-job training
  - Hands-on support with the first cases
  - Being available for questions and discussions

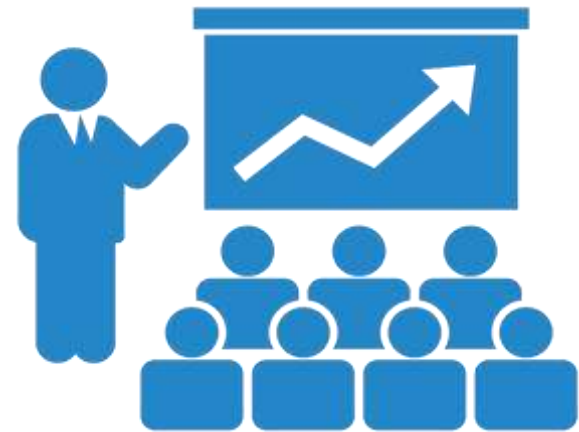


# How do we do that?

- Support in development or adjustment of participating financial institutions' strategy, policies, procedures, and products
- Joint development of training materials for final beneficiaries and carrying out training programs
- Facilitation of development of partnership schemes with value chain actors

# Example of working with a PFI: the basic level

- The basic level of support for a participating financial institution is aimed at supporting the PFI to understand the Project requirements, align its policies, procedures and products, and train staff.



# Example of working with a PFI: the basic level

- Specifically, the Project would support building the PFI staff capacity in understanding:
  - The eligibility requirements including compliance and environmental and social aspects;
  - How to assess the project investment cost, eligible project cost, and non-eligible investment cost (EIB terminology);
  - The reporting requirements; etc.



## Example of working with a PFI: the advanced level

- If the PFI top management is interested, the Project will offer in-depth advisory services to help the PFI expand its loan portfolio.
- Such services will be developed in close collaboration with the PFI top management and will ideally result in identifying and leveraging the competitive advantage of the PFI.



# Example of working with a PFI: the advanced level

- Examples of niches a PFI could find its competitive advantage:
  - Financing railroad grain cars
  - Financing pond pumping facilities
  - Financing grain silo development



# Thank you for your attention!

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