Developing Investment Prospectuses for Agri-Food and Rural Small and Medium-Sized Enterprises (SMEs)

This report, written for the Smallholder and Agri-Food SME Finance and Investment Network (SAFIN) proposes a framework for developing Investment Prospectuses to mobilize financial resources for agri-food and rural small and medium-sized enterprises (SMEs), and support inclusive business models.
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I. Motivating the development of Investment Prospectuses for agri-food and rural SMEs

A. The agriculture sector is critical for sustainable economic development

The agriculture sector in general, and agri-food and rural SMEs specifically, are important contributors to global development. The 2030 Agenda, adopted by the 193 Member States of the United Nations, puts forth 17 Sustainable Development Goals (SDGs) and 169 targets. There are several SDGs that have direct links to the agri-food and rural SME sub-sectors, notably SDG 1 (end poverty), SDG 2 (end hunger), SDG 8 (sustained, inclusive and sustainable economic growth), SDG 12 (sustainable consumption and production patterns), SDG 13 (climate action) and SDG 15 (life on land). Other recent initiatives have also encouraged greater investment in agriculture, with a focus on the role of agriculture – and agri-food and rural SMEs specifically – in supporting sustainable economic development.

Countries also set national strategies for food security and nutrition, agriculture, climate mitigation, adaptation and resilience and economic growth. Often linked to wider national plans, sector specific plans for agriculture are typically designed to:
- help countries mobilize resources for agriculture and food security;
- harmonize government, donor and private sector investment activities as a basis for sector-wide approaches, and;
- build agricultural sector investment programs into five-year plans and/or Medium-Term Expenditure Frameworks (MTEFs).

Challenges faced in taking action on such plans include:
- a lack of robust data for evidence-based policy planning (e.g. being able to compare the cost and success of interventions in different regions and value chains, and different approaches);
- an often-limited engagement of key stakeholders, in particular, farming communities, SMEs and the "real economy", in planning processes, and;
- the inherent diversity between different country and sector planning processes and thus comparability.

Various donor-supported initiatives exist to support countries in their development of such plans, including IFAD, FAO’s Investment Learning Platform (ILP), the World Bank Group (WBG), the UN Conference on Trade and Development (UNCTAD) and the UN Development Programme (UNDP). The Smallholder and Agri-Food SME Finance and Investment Network (SAFIN), hosted by IFAD, is a new network established to help bridge the financing gap that prevents small rural producers and businesses in developing countries from growing their operations and strengthening rural economies. Annex I provides an overview of SAFIN.

B. The role and challenges of agri-food and rural SMEs

SMEs operating in the food and agriculture value chain, illustrated in Figure 1, are essential for the development of robust and competitive agro-industries that can spur economic diversification, sustainable development, creation of jobs and trade. Annex II comments on the definition of agri-food and rural SMEs. In low and middle-income countries, micro, small and medium-sized enterprises (MSME) density is growing at a relatively high rate, and formal MSMEs employ over a third of the world’s labor force. Mobilizing investment in agri-food and rural SMEs is often a priority to emerging market governments. Annex III provides a summary of the importance of agri-food and rural SMEs.

Figure 1: Food and agriculture value chain

SMEs are often challenged by inadequate regulatory and policy frameworks, market access, infrastructure, limited innovation and extension services, as well as access to appropriate finance and investment. Specific finance and investment challenges associated with agri-food and rural SMEs are described in Annex IV. These challenges are
typically higher for informal SMEs. Finance, and investment more broadly, targeted to agri-food and rural SMEs can help to address these barriers. Many commitments have been made around mobilizing new funding for sustainable rural economic growth, however major gaps remain in the volume and quality of finance available for SME investment, market functioning and enabling policy frameworks, institutional capacity, uptake of inclusive and efficient business models, and knowledge underpinning policy and practice.7

Finance and investment can take many different forms, from a rather narrow definition which only refers to credit provision, to a wider definition that includes financial risk management tools such as insurance and hedging, to an even wider interpretation encompassing the finance and investment ecosystem including savings and remittances as sources of funds. The challenges, and opportunities, associated with mobilizing more investment to agriculture in emerging markets, to promote sustainable economic growth have been noted in many publications e.g. risk mitigation, transaction costs, information and communication technology (ICT), competitiveness, market demand segmentation, capacity development and the enabling environment.8 Understanding sources and uses of finance, both from the "real economy" to the accounts of companies and countries is important and complex, within countries, regions and even within development assistance.9 At a country level, this often has important links to tax and Foreign Direct Investment (FDI) regulations, including on Base Erosion and Profit Shifting (BEPS).10

Given the challenges of financing SMEs they tend to fall into the "missing middle", between informal enterprises that are serviced by microfinance institutions and larger corporations that are serviced by commercial banks.11 Factors that make financing SMEs challenging include:

- their legal status, which can often be tenuous;
- a limited asset base to act as collateral for loans;
- weak property rights regimes including for collateral;
- lack of credit history;
- geographic dispersion;
- low human capital of operators;
- small actual or projected size of business and related returns and limited opportunities for economies of scale;
- irregular income flow and preference for cash-flow-based repayment schedules, and;
- limited capacity of financial institutions to develop suitable products in terms of product size, interest rates, repayment schedules or packaging of complementary services (e.g. technical assistance, savings, insurance).12

Often, SMEs also lack proper documentation of their activities, processes and financial accounts.13

In the agriculture sector, there may be opportunities to facilitate investment through value chains, but formalized contractual arrangements which could serve as security to financing providers are seldom in place.14

SMEs tend to have relatively high operating costs compared in relation to the value of their fixed assets. SMEs closer to producers, or that are themselves associated with production, often need access to additional liquidity and thus backing by other partners in the value chain. This usually goes beyond what banks and traditional financial institutions are willing to offer. The demand is usually for highly liquid leveraged resources at short notice, and for relatively short periods. However, these needs may add up to quite large amounts in aggregate for traders and processors, e.g. in relation to their asset and security base.15 Non-traditional sources, in particular value-chain financing, are likely to be important for SMEs. This, and other finance-related challenges require a supporting policy and investment environment.

Governments and development partners have a role to play in helping to mobilize appropriate finance to SMEs. This can take several different forms, and may involve interacting with many different types of private sector actors ranging from those purely involved in finance (banks, microfinance institutions, insurance companies, funds etc.), to traders and logistics companies, and the “third sector” such as not for profits. The distinction and boundaries between these groups is becoming increasingly blurred, with the rise of social enterprises and impact investment funds. While governments and development partners must balance these interests, ultimately financial services and investments must be considered as only one means to the end – i.e. to meet a specific development agenda, including achieving rural economic growth, lifting communities out of poverty, and helping to create stable and meaningful livelihoods. Some of the approaches used by governments and development partners to support finance to SMEs are included in Annex IV.
C. Purpose and objectives of this report

The paper, initiated in the context of SAFIN (see Annex I), provides a framework for the development of “Investment Prospectuses” (IP) for agri-food and rural SMEs.

IPs concerning agri-food and rural SME are intended to be used by the SAFIN members and their partners for analytical purposes, investment planning, policy dialogue, identifying key partners, stimulating partners to join forces to mobilize new resources, and encouraging greater collaboration to align investments through inclusive business models.

In addition to communicating finance and investment needs for a specific country and sector, IPs should also enable the tracking of impact over time. This should not be limited to how much funding is mobilized, but include the measurement of relevant impact metrics, in-line with national and international priorities.

The following section of this report presents the IP framework. It provides guidance for the development process by drawing on a wide range of literature and interviews, including with SAFIN members. The guidance is also based on learnings from other initiatives in agriculture and other sectors such as infrastructure, energy, and health.

II. Investment Prospectuses: design process and framework

IPs are intended to facilitate strategic, well-targeted collaborative efforts among a range of actors and institutions with the capacity to either invest directly in smallholders and agri-food SMEs (including their own organizations) or to provide finance for investment by these enterprises in specific geographical areas/countries by:

- providing an overview of the smallholder and agri-food SME sector in the respective geography;
- describing relevant policies, laws and regulations and the key features of the institutional environment;
- identifying key opportunities to increase or better target existing investment flows by and for smallholders and agri-food SMEs, related to specific markets, value chains, specific enterprises or projects;
- detailing how the existing financial ecosystem matches these opportunities and the existing gaps, including both the role of public development finance and the role of private financial institutions, and;
- highlighting and providing contacts to industry associations, government bodies, or other institutions that may be useful to a potential financier, investor, or investment-supporting institution.

Given the country-specific focus of an approach, the framework should be considered in two parts: (i) the process, and (ii) a basic framework (also referred to as a “template” or “blueprint”), which can be adapted as needed. This framework is essentially an annotated table of contents that can be used to develop an IP. The main purpose of the IP is to use a common approach and format to identify and communicate a national, or indeed a sub-national, plan to mobilize investment and finance for the agri-food and rural SME sectors.

A. The process

The process to develop Investment Prospectuses (IP) for agri-food and rural SMEs presented herein is based on the assessment of existing initiatives in a range of sectors. Descriptions of these initiatives are provided in Annex X. In particular, this guidance leverages the WEF, SAGCOT, CAADP, and SE4All processes.

This section uses a 3-stage framework, covering design, implementation and assessment & adaptation of the IP (see Figure 2). The focus of this guidance is on the design phase. It is recommended that adequate time is spent developing a clear theory of change which is shared by the relevant stakeholders.
B. Design

The goal of the design phase is to establish a committed stakeholder group, reach agreement on a theory of change, and develop the Investment Prospectus (IP). As guidance, the steps presented below can be followed to achieve these outputs:

Establish initial stakeholder group

Initial stakeholders should be identified to initiate the process of designing an IP. The composition of the initial stakeholder group should generally comprise:
- relevant government agencies of the country or region for which the IP is designed (e.g. these may include the ministry of agriculture, ministry of trade, treasury and ministry of finance);
- development partners (bilateral and multilateral funders, non-governmental organizations, foundations);
- representatives from the private sector (organizations representing smallholders and agri-food SMEs, other agri-business and finance, e.g. through representative bodies), and;
- where relevant, investment facilitation agents that can disburse or mobilize capital.

It is recommended that this initial group not be too large, to ensure manageability, and that it includes appropriate decision makers. Adequate financial resources to drive the IP development should be secured among the initial stakeholders or from third parties. An initial governance set-up, even if rudimentary, will help to drive the IP development within the foreseen timeline and budget.
A lead organization may also be appointed to establish a secretariat to manage the IP design process. With regards to IPs for agri-food and rural SME promoted by SAFIN, this role could be held by SAFIN, or one of SAFIN's members.

Develop Vision and Impact Pathway (theory of change)
To align the initial stakeholder group and agree on a scope of the IP, it is useful to develop a specific vision and describe the impact pathway. This can be done in the form of a theory of change, for which a framework is provided in Figure 4 below.

For IPs related to agri-food and rural SMEs, the following questions should be addressed:

- Who is the audience for the IP and what information does the audience need?
- What other relevant country or sector experience exists, including other blueprints or investment plans?
- What are national targets, policies and programs concerning the agri-food sector and rural SME development?
- What is a locally appropriate definition of agri-food and rural SMEs?
- What is the hierarchy of impacts that should be achieved based on country-owned strategies and plans? e.g. Improving local food security? Job creation at SMEs?
- What are the proposed impact metrics to assess if the desired impact is achieved?
- Which risk mitigation measures are available? e.g. investment guarantees, insurance for SMEs?

An IP may focus on specific commodities, specific food systems and food markets, or specific segments of a food or agriculture value chain. To guide this decision, it is useful to adapt the generic agriculture and food value chain illustrated in Figure 1 to the local context.

Gather additional key stakeholders
Based on the scope of the IP, it may be useful to include additional stakeholders. These could including local financing providers to SMEs, as categorized in Annex VIII.

Conduct Rapid Assessment
A rapid assessment1 is done to form an understanding of the local context, including the local financing demand and supply situation. This means properly understanding local market segments, relevant value chains (e.g. inputs, extension, infrastructure, marketing), and risk management opportunities.

We recommend using the categorizations presented in Annex VI – Annex IX in this process.

Beyond the needs of agri-food and rural SMEs themselves, there are a range of financing and investment needs that a country must consider in developing its country investment plans. These include:

- Research and Development (R&D) and Intellectual Property (IP) investments, such as development of new crop varieties suited to local conditions, and proper IP protection of unique varieties and technologies
- Support to entrepreneurship and small businesses, including small business support programs, youth entrepreneurship initiatives and innovation funds, programmes specifically targeting rural women entrepreneurs
- Extension and technical assistance, including rural support services provided by line ministries directly and indirectly, e.g. through radio programs
- Infrastructure, including transport infrastructure (roads, ports), market infrastructure (fixed and digital), weather-related infrastructure, communications, and storage
- Financial architecture and regulations, including credit regulations, capital controls, listing regulations, credit and collateral information systems, and Foreign Direct Investment (FDI) regulations

These are often highly-interlinked, and intervention priorities are necessarily country specific. For instance, in the context of index insurance: effective index-based weather insurance requires reliable, timely and high quality weather data, which is lacking in most countries. Most countries do not have the necessary 10-20 years of historical rainfall data, and collecting, verifying and analyzing the data is a significant investment.2 Supporting digital finance solutions also often requires enabling investments, e.g. in infrastructure, training – or indirectly in the form of altered

1”Intensive team-based qualitative inquiry using triangulation, iterative data analysis, and additional data collection to quickly develop a preliminary understanding of a situation.” See: http://methods.sagepub.com/reference/sage-encyc-qualitative-research-methods/n365.xml

2
government legislation on new market entrants, and potentially tax incentives. The purpose of the Rapid Assessment phase is to take stock of what exists in the local agri-food and rural SME sector that provides the context for the IP.

The following annexes help to categorize and describe the supply and demand side, in the context of local finance and investment products: Annex VII describes the demand side, i.e. the range of financing needs agri-food and rural SME have. Annex VIII covers the supply side, considering which types of financing are offered by various providers to agri-food and rural SME.

At this point, it is also recommend to link in to existing initiatives, including where relevant, those supported by ITC, WEF, CAADP / NEPAD, the World Bank Group (WBG) and FAO (see Annex X).

Revise Vision and Impact Pathway (theory of change)
If required, the theory of change should be adapted to reflect the insights gathered during the rapid assessment.

Develop Investment Prospectus
Based on the preparatory work above, an initial IP can be developed. Table 1 provides a generic table of contents which can be adapted to a specific IP. To ensure the user-frienliness and relevance of the IP it is recommended that the main body of this document should be relatively short (e.g. maximum of 30 pages), with annexes containing additional relevant information.

During the development of IPs for agri-food and rural SMEs, relevant value chains should be analyzed. The financing need for each group or type of SME (demand) should then be mapped against the available supply. This allows an initial assessment of where funding needs are already met, and where gaps exist. The latter may represent opportunities for investors which can be described in the IP. To facilitate addressing these gaps, factors that enable financing should be assessed. Creating an environment conducive to the enabling factors – for example through policies or support programs – should increase the chances that the IP succeeds in mobilizing financing for investment by and into agri-food and rural SMEs. For illustrative purposes,
Figure 3 provides a generic example of this for SMEs in the "processing" stage of a local food and agriculture value chain.

The following annexes should be consulted for more detailed information on demand and supply of finance, financial products and enabling factors:

- Annex VII  Agri-food & rural SME finance – Demand side
- Annex VIII  Agri-food & rural SME finance – Supply side
- Annex VI   Agri-food & rural SME finance – Relevant financial products
- Annex IX   Agri-food & rural SME finance – Enabling factors
Figure 3: Illustration of mapping SME financing demand against supply to opportunities for investors

<table>
<thead>
<tr>
<th>Upstream</th>
<th>FOOD &amp; AGRICULTURE VALUE CHAIN</th>
<th>Downstream</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inputs</strong></td>
<td>seeds, agrochemicals, equipment, training</td>
<td><strong>Primary Production</strong></td>
</tr>
<tr>
<td>Corporates</td>
<td>Producer or manufacturing companies</td>
<td>Large scale farms or orchards</td>
</tr>
<tr>
<td>SME</td>
<td>Small producers or distributors, farmer training organizations</td>
<td>Small / medium sized farms, producer organizations (companies or cooperatives)</td>
</tr>
<tr>
<td>Individuals</td>
<td></td>
<td>Individual farmers, including smallholders</td>
</tr>
</tbody>
</table>

**SUPPLY OF FINANCING**

<table>
<thead>
<tr>
<th>FINANCING TYPES REQUIRED</th>
<th>SME IN PROCESSING</th>
<th>Deposit-taking financial institution</th>
<th>Leasing company</th>
<th>Government agency or program</th>
<th>Investment fund</th>
<th>Initial conclusions for IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>SME equity fund</td>
<td>Opportunity – more supply needed</td>
</tr>
<tr>
<td>Working capital</td>
<td></td>
<td>Commercial bank …</td>
<td>Cooperative bank …</td>
<td>Ministry of … Government program…</td>
<td>Impact fund</td>
<td>Supply adequate</td>
</tr>
<tr>
<td>Term loan</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Opportunity</td>
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<tr>
<td>Lease</td>
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<td>Lease Co …</td>
<td>Commercial bank …</td>
<td>-</td>
<td>Opportunity – more supply needed</td>
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</table>
Peer review and wider stakeholder consultations
The draft IP should be shared with relevant experts and stakeholders for review. While the primary purpose of the review process is to improve the quality and completeness of the IP, it also serves to help create buy-in from additional stakeholders.

Revise and publish Investment Prospectus
The IP is revised based on the input and comments from reviewers, and subsequently published. To ensure that the publication attracts sufficient attention it is desirable to tie the launch to a specific event at which the relevant stakeholders are present. This could be done at a conference on a related topic (agriculture or SME, for example) or during a dedicated event organized solely to launch the IP, e.g. a workshop to validate the IP, and agree next steps.

To ensure easy access to the IP it should be made available online, ideally in a format that includes hyperlinks to the various sections and references. If possible, a dedicated website should be established. In addition to containing the IP for download, this should present the stakeholders, contact points and development status.

C. Implement

Dedicated thematic groups with clear leads
It is likely that during the design of the IP, certain stakeholders will identify specific intervention types and / or sub-sectors that are of high priority. For example, with regards to specific intervention types this may include specific financing strategies (e.g. asset backed, digital, local capital markets), or the needs of certain stakeholder types including SMEs and their representatives, international value chain actors (e.g. large traders), and local financial institutions. These thematic groups should have dedicated leads to facilitate coordination with the overall group through the secretariat.

Clear sub-sector action plans with regular check-ins
The thematic groups are tasked with developing action plans for their sub-sectors. The thematic groups update each other regularly on their progress and the challenges they encounter. These are incorporated in the overall IP, e.g. as chapter updates.

Quarterly / bi-annual / annual reporting
On a regular basis, reports are generated by the thematic groups and the secretariat to monitor progress against the theory of change. Note that this is also linked to “adapt and assess”, as described below, i.e. the assessment reports.

Up-to-date web presence and communications
Reports and other relevant updates are published on the website established for the IP.

Dedicated metrics and indicators group
The IP should include references to measurable outcomes or impacts (through the theory of change in Section 1), as well as Section 4. A contribution that SAFIN could make is coordination of metrics and indicators, and ensuring best practice, e.g. through a peer-review group.

General steering groups / advisory board
In order to facilitate implementation, SAFIN may consider developing a steering group or advisory board to support implementation. This may include representatives from complementary initiatives, and representatives of the local business community. The purpose of this is to help guide implementation, and help ensure legitimacy with key stakeholder groups.

D. Assess and adapt

The IP should be assessed and adapted on a regular basis to respond to developments in the sector and country concerned. In addition to updated IPs, this could also prompt the decision to develop new IPs for different themes or countries.
Transparent assessment as per Vision & Impact Pathway

The success of the IP relative to the Vision & Impact Pathways should be assessed periodically, with a thorough review at least 2 years from implementation. Where specific impact metrics or measurable outcomes have been defined, these should be monitored and reported on a regular basis to see if targets are being achieved.

Where targets are not achieved, the underlying reasons should be investigated. For example, if an IP fails to mobilize a targeted amount of funding to agri-food and rural SME in a given country, the underlying reasons may vary widely, including a lack of investable SMEs to cumbersome foreign investment laws or prohibitive tax regimes concerning investors. An understanding of these underlying issues is critical to inform corrective action, including changes in strategy by SAFIN and its partners.

Adapted Investment Prospectuses

Where relevant, the IP should be adapted in response to the assessment and investigations into the cause of targets that have been missed.

Consider new stakeholders / sub-sectors / themes / countries

Based on the learnings from the assessment process, it might be decided that the scope of the IP should be expanded to include new stakeholders or sub-sectors, or that it should be replicated in other countries or regions.

Annual assessment report

An annual assessment report should be produced and published on the website of the IP. This allows third parties to understand how the IP has evolved, and what lessons were learned in the process. Subgroups that do not make sufficient progress may be reconsidered so that time and resources can be reallocated.
What is the problem you* are trying to solve?

Who is your key audience?

What is your entry point for reaching your audience?

What steps are needed to bring about change?

What are the measurable effects of your work?

What are the wider benefits of your work?

VISION
What is the long term change you see as your goal?

Who are your stakeholders?

What are your main assumptions?

* “You” refers to the stakeholder group that has initiated the IP design process. This should include relevant local government representatives, development partners and other groups as appropriate. Note that this framework is adapted from the DIY Toolkit (Nesta – 2011).
### Table 1: Generic Investment Prospectus structure

<table>
<thead>
<tr>
<th>Section</th>
<th>Items</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Section 0</strong></td>
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<tr>
<td><strong>Set-up</strong></td>
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<td></td>
<td>Cover page</td>
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<tr>
<td></td>
<td>Definitions &amp; acronyms</td>
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</tr>
<tr>
<td></td>
<td>Table of contents, tables and figures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Executive Summary</td>
<td>Maximum 1 page</td>
</tr>
<tr>
<td><strong>Section 1</strong></td>
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<tr>
<td><strong>Introduction</strong></td>
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<tr>
<td></td>
<td>Focus of this IP</td>
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<tr>
<td></td>
<td>Background: Purpose of the IP</td>
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<tr>
<td></td>
<td>Background: Overview of SAFIN and other stakeholders involved in production of the IP</td>
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</tr>
<tr>
<td></td>
<td>Background: Definition of SMEs applied</td>
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<tr>
<td></td>
<td>Stakeholders: descriptions and roles</td>
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<tr>
<td></td>
<td>Theory of change diagram, vision</td>
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<tr>
<td></td>
<td>Brief summary of &quot;Country overview&quot;</td>
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<td></td>
<td>Brief summaries of chosen sectors in &quot;Sector overview(s)&quot;</td>
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<tr>
<td></td>
<td>Advice on &quot;action&quot; i.e. contact point(s)</td>
<td>Introduces what IPs are supposed to do (generally), how they are developed and how this specific IP was developed and what it will focus on</td>
</tr>
<tr>
<td><strong>Section 2</strong></td>
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<tr>
<td><strong>Country overview</strong></td>
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<td></td>
<td>Brief description of country</td>
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<td></td>
<td>Description of business environment, e.g. particularities investors (including smallholders and SMEs themselves) should be aware of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relevant investment laws and regulations</td>
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<td>Government priorities, plans and strategies and relevant target indicators (include sources in an annex)</td>
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<td>Description of relevant government institutions, e.g. ministries, government departments, regional divisions</td>
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<td>List of further reading and references for general country information</td>
<td>Provides a general overview of the country, including how political decisions are made, how business is conducted and highlights relevant opportunities and challenges</td>
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<td><strong>Section 3</strong></td>
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<td><strong>Sector overview(s)</strong></td>
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<td>For each chosen sector or sub-sector:</td>
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<td>Overview: description of industry stakeholders and associations, sector profitability, opportunities &amp; risks</td>
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<td>Policies &amp; regulations relevant to the sector</td>
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<td>Current programs and initiatives to support sector (including government subsidies) and foster investment – details to be provided in an annex</td>
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<td>Financial ecosystem around agri-food SMEs (including development finance, commercial finance, public and private financial institution, complementary institutions – e.g. specialized TA providers), disaggregated by geographical area, value chain or market, other criteria as relevant</td>
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<td>Investment opportunities (specific markets, sub-sectors, value chain or area-related projects &amp; programs – not going into the level of identifying specific enterprises or pipeline) – 1 page overviews covering the following points:</td>
<td>Provides an overview of sector under consideration and the financial ecosystem around it, including specific shortlisted opportunities</td>
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<td>o Financing needs, demand and gap analysis</td>
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<td>o Financial and non-financial institutions involved and respective roles, complementarities (potential and actual) and gaps</td>
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E. Summary and reflections on developing Investment Prospectuses

Developing a practical IP framework and recommending an IP development process is relatively challenging in that it needs to be flexible enough to be adaptable to different countries, sectors and sub-sectors, yet ensure that the main issues related to financing agri-food and rural SMEs are identified. Hence, while the IP framework proposed is relatively generic, several annexes are included in this report to help the IP development group characterize and survey the relevant landscapes, both for the "real economy" of agri-food and rural SMEs and in terms of finance and investment. The IP framework and suggested process is informed by a very wide range of sources, including complementary processes various sectors. These are summarized in Annex X.

It is important to understand the boundaries of the IP and its development process, in particular in with respect to local political economy and cultural contexts. The agri-food and rural SME sectors are intricately linked with issues such as national food security, indigenous peoples’ rights and resource distribution. An IP process can help to align important stakeholders, agree on a shared theory of change (vision) and indicators, and priority investment areas. A more challenging step is translating an IP (and commitments) into actual financing for investment by SMEs.

The challenge of moving from a plan to "real" implementation exists in all sectors. Based on the literature and interviews, there are a few general recommendations for ensuring success, notably:

- A shared and clear vision of what success means (vision and plan) and clearly communicated value propositions to key stakeholders.
- Dedicated local ownership, engagement, and commitment from the start and throughout.
- Real accountability, including adequate resources dedicated to governance, transparency about successes and failures and appropriate monitoring and evaluation (M&E) frameworks. Accountability extends both to the plan and human resources (individuals) tasked with development and implementation.
- Realistic understanding about what different groups can contribute, and under what conditions – this also means efficiently interacting at an early stage with relevant stakeholder groups.
- Appropriate marketing, outreach, and communication to reach relevant stakeholders, from the field to senior policy and decision-makers. This includes maintaining a professional and up-to-date repository of information, that is easily accessible.
- Long-term resources committed to shepherding the process:
  - At the start, initiatives with activities on the ground related to translating commitments into action tend to rely heavily on the personal networks and ambitions of key team members.
  - Initiatives seem to stall when experiencing a change of leadership, regardless of whether the new lead was involved from the start. While many coordinated initiatives are incubated by one organization with the intention of spinning them out or scaling them up to be inherent, this transition can take longer than expected and can temporarily or permanently cause the initiative to lose momentum.
  - Thus, it is important to have sufficient budget in place (or a robust fundraising plan), to see the IP design and implementation process through the first 2-3 years. Other groups have stalled when there is over-reliance on one funder, or where only minimal in-kind resources are provided.
Testing an approach in one or two countries or sub-national regions, before dedicating the funding and resources to scale activities helps minimize risks, establish a clear track record, and attract committed partners.

Reflections from other initiatives that may be relevant for the IP development and implementation process include the following:

- Few initiatives that have dual missions related to knowledge sharing and hands-on deal facilitation do both equally well. While these two aspects are related, there are distinctly different skill sets involved in developing versus implementing the IPs.
- There may be relevant initiatives underway in certain countries and sectors, and these should be complemented rather than duplicated.
- There is a dearth of resources dedicated to post-investment support to SMEs or post investment-match support to ensure successful implementation, beyond the initial commitment. Long-term, dedicated and properly aligned resources are often lacking, and such activities often suffer as the initial expectation on timelines were too optimistic.
- A model that works with aggregators or intermediary actors, which then work with SMEs, may help address challenges associated with financing SMEs (small transaction size is one of the primary barriers various development programs have identified).
- Initiatives that mobilize finance or investment in SMEs but do not have access to their own funds to invest should develop strong partnerships with funders early on in the design of the initiative to understand their respective interests and constraints.
- While online matchmaking can seem like a cost-efficient approach, in reality it seldom works, and a strong personal touch is required. Several online platforms exist and it is unclear how many deals they contribute to. Private sector partners tend not to use online platforms, and making these a success requires a lot of dedicated resources for off-line facilitation.

Last but not least, public resources must ultimately generate public benefit. Hence, the evidence base for interventions, or creating of such an evidence base, is critical. Any initiative that receives public support must ensuring that robust monitoring and evaluation processes are built in from the start. In general, most of the analysis of investment and finance needs are based on a wide range of assumptions, not all of which are easy to disaggregate and fact-check. In this regard, peer-reviews in the development and decision-making process are critical. This is particularly challenging as there are relatively few robust and recent studies that take a systematic review of the evidence base related to interventions in this sector.\(^{19}\)

Similarly, where private capital is concerned, this is provided on a very specific commercial basis. Understanding the motivations, challenges, and opportunities for relevant stakeholders is important in ensuring their interest in a particular opportunity. Private sector groups, in particular SMEs, are typically unable to dedicate many resources to testing out new approaches and innovations. While they should be engaged in the process, care should also be taken to make these interactions efficient and effective.
### III. Terms and definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition used in this report</th>
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<tbody>
<tr>
<td><strong>Agricultural SME finance</strong></td>
<td>Financial services for SMEs with respect to agricultural production (i.e. farming) and production-related activities (i.e. input supply, wholesaling, processing, marketing, and trade).&lt;sup&gt;20&lt;/sup&gt;</td>
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<tr>
<td><strong>Capital</strong></td>
<td>Wealth in the form of money or other assets owned by a person or organization that can be used for investment</td>
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<tr>
<td><strong>Debt</strong></td>
<td>Sum of money owed or due (related: credit, loan)</td>
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<tr>
<td><strong>Equity</strong></td>
<td>Participation in ownership of an enterprise, including collective investment fund</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td>Set of products and services around the use of different sources and kinds of “money”, e.g. remittances, derivatives, contracts, savings, credit, etc.</td>
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<tr>
<td><strong>Funding</strong></td>
<td>Money provided by an organization or government for a particular purpose (both profit &amp; concessionary)</td>
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<tr>
<td><strong>Investing</strong></td>
<td>Putting capital (including, but not limited to financial capital) to work towards generating returns (financial &amp; tangible non-financial).</td>
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<tr>
<td><strong>Investment</strong></td>
<td>Action or process of investing money or assets for profit (including non-monetary)</td>
</tr>
<tr>
<td><strong>Investor</strong></td>
<td>Person or organization that puts money or assets into financial schemes with the expectation of generating value (financial / non-financial)</td>
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<td><strong>Non-Bank Financial Institution (NBFI)</strong></td>
<td>A financial institution that does not have a full banking license or is not supervised by a national or international banking regulatory agency (vs. a financial services regulatory agency). NBFIs may facilitate bank-related financial services, such as investment, risk-pooling, contractual savings, and market brokering.&lt;sup&gt;21&lt;/sup&gt;</td>
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<td><strong>Smallholder farmer</strong></td>
<td>According to the FAO definition, smallholders are small-scale farmers, pastoralists, forest keepers, fishers who manage areas varying from less than one hectare to 10 hectares (though this may be more in some settings). Smallholders are characterized by family-focused motives such as favouring the stability of the farm household system, using mainly family labour for production and using part of the produce for family consumption. The term ‘smallholder’ refers to the limited resource endowments of farmers relative to others in the sector. Thus, the exact characterization of smallholder farmers differs between countries and between agro-ecological zones.</td>
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<td><strong>Small (and Micro) and Medium-sized Enterprise (SME / MSME)</strong></td>
<td>(Micro) Small and Medium Enterprises, noted that we also include micro SMEs (MSMEs) in the application of this term in this paper. The exact criteria for defining an SME or MSME varies by country and market. The focus of this work is on formally registered SMEs and MSMEs.&lt;sup&gt;22&lt;/sup&gt; Our recommendation is that this is defined by the host country.&lt;sup&gt;23&lt;/sup&gt;</td>
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<td><strong>Value chain</strong></td>
<td>Identifies the set of actors and activities that bring a basic agricultural product from the field to final consumption and add value at each stage of the production process. It can be a vertical link or a network between various independent business organisations involving processing, packaging, storage, transport and distribution. The term is often interchangeable with “supply chain”.&lt;sup&gt;24&lt;/sup&gt;</td>
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<td><strong>Valley of death</strong></td>
<td>An access to finance challenge faced by most enterprises or startups to cover the negative cash flow during the early stages of business before and just after they have reached the point of breaking even. The Valley of Death usually spans across various rounds of seed finance and prior to the first round of venture capital.</td>
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### IV. Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Meaning</th>
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<tr>
<td>BEPS</td>
<td>Base Erosion and Profit Shifting</td>
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<td>CAADP</td>
<td>Comprehensive Africa Agriculture Development Programme</td>
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<td>DFI</td>
<td>Development Finance Institution</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>ICT</td>
<td>Information and communication technology</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>ILP</td>
<td>Investment Learning Platform</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
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<td>MFI</td>
<td>Microfinance institution</td>
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<td>MSME</td>
<td>Micro, small and medium enterprises</td>
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<td>MTEF</td>
<td>Medium-Term Expenditure Frameworks</td>
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<td>PCGS</td>
<td>Partial Credit Guarantee Schemes</td>
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<td>SAFIN</td>
<td>Smallholder and Agri-Food SME Finance and Investment Network</td>
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<td>SDGs</td>
<td>UN Sustainable Development Goals</td>
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<td>SME</td>
<td>Small and medium enterprises</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNCCD</td>
<td>UN Convention to Combat Desertification</td>
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<td>UNCTAD</td>
<td>UN Conference on Trade and Development</td>
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<td>UNDP</td>
<td>UN Development Programme</td>
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<td>UNFCCC</td>
<td>UN Framework Convention on Climate Change</td>
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<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<td>WBG</td>
<td>World Bank Group</td>
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Annex I. About SAFIN

The Smallholder and Agri-Food SME Finance and Investment Network (SAFIN) is an inclusive partnership of actors operating in different parts of the ecosystem for agri-food and rural small and medium enterprise (SME) finance and investment. Partners are committed to pool knowledge and resources and to align their efforts for greater, better and more sustainable impact on closing the financing and investment gap in this market in the time frame of the 2030 Agenda. The network is currently in its incubation phase, facilitated by a small dedicated Secretariat set up in IFAD. For the period 2017-2020 SAFIN will focus on: engaging on enabling the policy environment, joining forces to mobilize new resources, aligning investments through inclusive business models, pooling efforts around innovation and scaling-up, helping to address a strategic knowledge agenda.
Annex II. Agri-food and rural SMEs - Definition

The term "agri-food and rural SMEs" refers to small (and micro), and medium-sized companies working in agriculture, provision of inputs, technology and services, processing, and marketing – including farmers’ organizations. There has been much discussion about the exact criteria that should be applied for defining an SME or MSME, as appropriate definitions vary by country and market. The authors recommend a definition is specified on a country-by-country basis for each respective Investment Prospectus. The focus of this work is on formally registered SMEs and MSMEs.
Annex III. The importance of agri-food and rural SMEs

Agri-food and rural SMEs are often a critical link in the economic transformation of a country as they allow farmers to commercialize their activities by:

- adding value to their crops through processing and branding
- facilitating stronger links with input and output supply chains to reduce costs and risks
- improving the overall profitability and capturing economies of scale in transition
- improving access to technology
- facilitating access to funding at a reduced cost of capital
- ensuring that the agri-food economy becomes more integrated into the wider economy.\(^{29}\)

Agri-food and rural SMEs can help to provide a route out of poverty for smallholder farmers and rural communities. In COMESA, for example, over 60% of the population depend on the agriculture sector for livelihoods and employment, with the sector contributing between 5% (e.g. in Libya) to over 90% (in Rwanda) to Gross Domestic Product (GDP)\(^{30}\). Both smallholder farmers and SMEs are major investors in the agri-food sector in most countries, in that they deploy financial and human resources to the sector, and have an important role in meeting food security targets.

The WBG estimates that formal SMEs contribute up to 60% of total employment and up to 40% of national income (GDP) in most countries, and an important in considering the urgent need for jobs to absorb the growing workforce in emerging markets, which create 4 out of 5 jobs.\(^{31}\) Given the importance of agriculture in many emerging markets, agri-food and rural SMEs are of particular importance. For example, United Nations Industrial Development Organization (UNIDO) suggests that developing countries process only 38% of their agricultural products, compared to 98% in industrialized countries; and the value-added of their processed agricultural products is 4.5x less meaningful in terms of value capture as they tend to focus most value-addition on the early stages of processing.\(^{32}\)

The importance of agri-food and rural SMEs is reflected in international and national development priorities. For example, the theme is linked to several SDGs and their associated targets. SDG 2, arguably the most relevant SDG for the agri-food sector, has the following target (2A): “increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries.” This is associated with two indicators: the agriculture orientation index for government expenditures (2.A.1) and total official flows to the agriculture sector (2.A.2).\(^{33}\)

Other recent international initiatives related to the agri-food and rural SME finance gap, include the 2014 Declaration of Abu Dhabi\(^{34}\), the Addis Ababa Agenda for Action (AAAA), the Rome Principles for Sustainable Global Food Security, as well as regional initiatives such as Grow Africa, Grow Asia, and the Comprehensive Africa Agriculture Development Programme (CAADP). In addition, several United Nations conventions related to sustainable agriculture, including the UN Framework Convention on Climate Change (UNFCCC) and its Paris Agreement, the UN Convention to Combat Desertification (UNCCD) and on Biodiversity (UN CBD). Furthermore, there are several development and industry initiatives that are relevant, such as the Council on Smallholder Agricultural Finance (CSAF), the Consultative Group to Assist the Poor (CGAP), the Rural and Agricultural Finance learning lab (RAF), the Improving Capacity Building in Rural Finance (CABFIN), the Initiative for Smallholder Finance (ISF), the IFC’s Global Agriculture and Food Security Program (GAFSP) and the Global Agro-business Alliance (GAA). Host governments have also established national initiatives to support agri-food and rural SMEs, including in national investment plans and through investment promotion efforts.
Annex IV. Agri-food and rural SMEs: addressing finance and investment challenges

Agri-food and rural SMEs are often seen as unattractive clients by financial institutions due to their small asset base, fragmentation, lack of credit history, mixed commercial orientation and often informal nature of their businesses. According to OECD/WTO, the main challenges faced by SMEs include:

- infrastructure,
- limited access to finance,
- standards compliance,
- lack of comparative advantage,
- market entry costs,
- structure of value chains,
- lack of labor force skills,
- cumbersome border procedures,
- inability to attract FDI,
- trade restrictions, and;
- burdensome documentation

Access to finance for agri-food and rural SMEs is also influenced by socio-economic and technological trends trends. General trends that may be influencing agri-food and rural SMEs in emerging markets include increasing value addition, the rise of supermarkets, and pressure on product traceability within international value chains. These trends impact value chain relationships, including contractual and financial relationships. To complicate matters further, there are significant changes to international trade patterns underway: China has overtaken the US as the largest import market for agricultural products. Local and regional demand in many emerging markets is also growing, with the rapid development of new urban middle classes in many developing economies.

According to the WBG’s Enterprise Finance Gap surveys, the main sources of finance for MSMEs globally, including both formal and informal enterprises, are private (commercial) banks, followed by state-owned banks or government agencies, then NBFIs and “other”. This data is not disaggregated by sector, but it would be interesting to explore if this pattern holds for agri-food and rural MSMEs in developing economies.

Identifying appropriate agricultural finance and investment strategies requires an assessment of risks, costs and distribution channels, bankable opportunities, and understanding the investment product-investee fit. In general, access to finance, including financial services, can enable further investment. In the context of agri-food and rural SMEs, a range of relevant financial products exist. Value chain or supply chain finance is particularly relevant, as a variety of financial institutions including real sector companies may be better able to provide financial solutions for the SME sector.

Host governments and development partners, including the World Bank Group, have attempted to help overcome access to finance challenges for agri-food and rural SMEs through various approaches,

In general, development-oriented support programs to SMEs in the agri-food and rural sector, have centered on some of the following aspects:

- Policies and programs to move informal SMEs to the formal sector, so that they can have better access to finance and the overall economy
- Credit reporting programs, credit information systems, credit bureaus to build information on borrowers
- Collateral and transaction registries to enable a wider range of collateralizable assets
- Legal policies related to firm creation, disputes and insolvency
- Streamlining of payment systems, including digitization, to move money through the economy including Government to Business (G2B), Business to Business (B2B), remittances and other payments
Approaches used by governments and development partners to help address these challenges and requirements include:

- Creation of SME credit lines through local banks and other financial institutions, including the development of franchised financing frameworks, and funding to support capacity building of relevant financial institutions
- Support to SME and / or agri-focused investment funds, including provision of concessionary funding for development, subordinated positions, and provision of grants – including for Technical Assistance (TA) – and guarantees
- Partial Credit Guarantee Schemes (PCGSs) and first loss guarantees
- Early stage innovation finance (e.g. for product design) and support to new financing and investment mechanisms that promote the adoption of new technologies
- Advisory services, to government and business, including in developing country investment plans, monitoring frameworks and supporting development-oriented investment strategies. This includes establishment of local business for a to give business a voice in policy making, helping to create new private credit bureaus, and developing tailored SME training programs
- Capital to structure and promote PPPs in the agri-food and rural sectors with a focus on SMEs
- Government incentives to promote SME investment and finance, including initiatives to lighten bank capital adequacy rules for SMEs, tax incentives to provide capital to SMEs, initiatives to facilitate direct underwriting of alternative lenders (e.g. insurance companies and asset managers), institutional exchanges (e.g. SME covered bonds, SME stock markets), initiatives to strengthen securitization markets, and to support private placement markets
- Support for creation of new insurance approaches focused on agri-food and rural SMEs, including government underwriting and pooling of such initiatives (e.g. African Risk Capacity)
- Support for stakeholder forums, e.g. bringing together value chain partners, SMEs and investors,
- Grant capital to strengthen the capacity of producer organizations

Challenges to properly development, implementing and refining such interventions include:

- A lacking evidence-base to guide decision making, both in terms of adequate and consistent data sets and systematic reviews; much of the information takes the form of ‘grey literature’, which may be difficult to use as an evidence base for interventions
- Relatively volatile political contexts (political economy), both in country of implementation, as well as funder commitments
- Related policies that influence investment decisions, but that are not typically addressed in the intervention program, e.g. currency risks, and tax regimes
- Challenges related to needing to be specific in interventions, but needing to demonstrate ‘scale’
Annex V. Roles of individuals, SMEs and corporates in the food & agriculture value chain

To describe the financing needs of SMEs in the food and agriculture sector it is practical to use to a generic value chain for reference, as illustrated in Figure 5. For this report, the value chain has been segmented as follows:

- **Inputs**
  Producers and distributors of agricultural inputs in including seeds, agrochemicals (e.g. fertilizer and pesticides), equipment and training

- **Primary Production**
  This includes farming (of land or water-based organisms), as well as foraging and fishing

- **Aggregation**
  The aggregation of agricultural produce which includes transport, trading and storage activities

- **Processing**
  Processing covers activities that prepare the produce for consumption, inducing packaging

- **Distribution**
  Transportation of the processed goods directly to consumers or to a retail distribution network

The importance of these segment varies in different value chains. For example, some goods may require no, or very limited processing, and can basically be distributed to consumers directly after aggregation. Other agricultural goods may be produced, processed and consumed in different parts of the world, with the respective value chain including several levels of aggregation and processing.

Within the value chain, investments range from short-term, to medium and long term. They may be for increasing productivity, building resilience or managing day-to-day requirements. The demand also varies across the dominant agricultural cycles. An individual SME may be focused on one segment of the value chain, or act across several (e.g. aggregating and processing agricultural produce). At each segment of the value chain there are actors of different sizes. For this report, we distinguish:

- **Corporates**
  Large companies which typically feature professional management, several hundred (or substantially more) employees, access to bank financing (or even direct access to financial markets), and typically presences in several countries.

- **SMEs**
  As defined above.

- **Individuals**

Individual persons, or several closely related persons acting in coordination, which are not legally incorporated, do not account separately for their private and professional activities, and do not pay corporation tax (or similar taxes).

Note that Figure 5 does not capture government entities of NGOs, who may act at in all segments of the value chain, but are not the focus of this report.

*Figure 5: Illustration of the actors along the food and agriculture value chain*
Herein we consider the financing needs of SMEs in all segments of the food and agriculture value chain (green row in Figure 5). Before detailing those needs, it is important to distinguish, between i) companies and ii) other SMEs such as cooperatives, associations and producer organizations. The former can be owned by third parties (i.e. are investable for equity investors), the latter not. Other than that, there are no significant differences regarding the financing needs of the two groups, and either can be present in any segment along the value chain.
Annex VI. Agri-food & rural SME finance – Relevant financial products

Table 2 below shows different categories of financial products relevant to agri-food and rural SMEs, and provides examples in each category. It is unclear which product category has the most impact.

Data from Findex suggests that rural financial inclusion is informal and driven by access to loans, rather than savings. This information set also suggests that digital financial inclusion, while hugely successful in Kenya, has a long way to go in other countries.\textsuperscript{50}

However, though financial inclusion seems to be credit-led, evidence from CGAP and FinScopes suggests that for most people close to poverty, savings and insurance products may be more valuable than credit.\textsuperscript{51} One interesting component of savings is remittances: in 2014, global remittances reached USD 583 billion, including USD 436 billion to developing countries, this far exceeded Overseas Development Assistance (ODA). According to the UN, remittances are often used to improve the livelihoods of families and communities through investments in education, health, sanitation, housing and infrastructure.\textsuperscript{52} It is unclear how much savings vehicles, including group schemes, contribute to SME finance (vs. individuals).

Digital approaches are also receiving a lot of attention. However, despite all the hype, digital financial services are still not used across large parts of the world, and among key segments in particular women, youth, rural poor and the poor at large. Recent studies in East Africa indicate a positive relationship between mobile money use and the probability of a firm’s purchase of fixed assets. This seems to indicate that good local digital infrastructure can help to increase local investment, including for SMEs.\textsuperscript{53} The Middle East and North Africa (MENA) region has the lowest digital penetration, with 14% of adults with an account, followed by Sub Saharan Africa with 34% and South Asia with 46%. Even where accounts are present, actual use may be poor. Estimates suggest that ca. 30% of bank accounts globally are underused or dormant in no-countries. Mobile money is dominated by narrow-use cases including Person to Person (P2P) transfers and airtime top-ups.\textsuperscript{54}

Table 2: Financial products relevant to agri-food and rural SMEs

<table>
<thead>
<tr>
<th>Product category</th>
<th>Product examples</th>
<th>Relevance</th>
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<tbody>
<tr>
<td>Credit / loans / debt</td>
<td>▪ Bank loans &amp; overdrafts &amp; credit lines (including credit card overdrafts), bank-intermediated trade finance including L/Cs</td>
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<td></td>
<td>▪ Private credit (direct, from investment funds or credit companies including through securitizations, Peer to Peer (P2P lending, merchant finance, inter-firm trade credit &amp; advances)</td>
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<td></td>
<td>▪ Micro-credit (from Microfinance Organizations)</td>
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<td></td>
<td>▪ Village Savings &amp; Loans (VSLs), Savings and Credit Cooperatives (SACCOs)</td>
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<td></td>
<td>▪ Purchase Order (PO) and invoice financing, supply chain financing</td>
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<td></td>
<td>▪ Export / trade finance</td>
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<td></td>
<td>▪ Pre-harvest finance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Leasing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Warehouse receipt financing</td>
<td>SME gets access to external capital for a pre-agreed period and rate</td>
</tr>
<tr>
<td>Equity</td>
<td>▪ Public (including SME exchanges\textsuperscript{55})</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Private (funds, direct, equity crowd funding)</td>
<td>SME gets an additional owner in the business, that may bring additional capital</td>
</tr>
<tr>
<td>Savings</td>
<td>SME / owner(s) can build up their own resources over time, e.g. to invest more equity in the business or to access specific products</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>▪ Bank account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ VSLs, SACCOs, and other group-based savings initiatives etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Other initiatives that build up savings, including for specific actions such as vouchers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk mitigation</td>
<td>SME pays a fee to protect against potential losses</td>
<td></td>
</tr>
<tr>
<td>▪ Personal insurance (health, accidents, social)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Index insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Weather / crop insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Hedging instruments, e.g. crop price, currency risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development finance instruments</td>
<td>SME accesses funding, but this is tied to a commitment to social / environmental performance, ex post or ex ante</td>
<td></td>
</tr>
<tr>
<td>▪ Grants, including prizes and awards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Subsidized loans / credit / debt, including PCGSs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Risk-absorbing equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Pay for performance/ Outcome Based Finance / Results Based Finance including development / social impact bonds, performance-based contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Advance Market Commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Technical assistance (subsidized / free)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>Various other products, services and conditions to facilitate investment from different sources</td>
<td></td>
</tr>
<tr>
<td>▪ Remittances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Digital Financial Services (DFS) including mobile money, wallets and lay-away accounts (savings), trading platforms, invoice discounting, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Vouchers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Guarantees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Policies &amp; regulatory environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Infrastructure conditions (roads, mobile coverage, etc)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Government support programs (e.g. extension)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Tailored information systems &amp; products, including on crop management and financial management, and market information systems</td>
<td></td>
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</tr>
</tbody>
</table>
Annex VII. Agri-food & rural SME finance – Demand side

In the context of this work, we consider the “demand side” to be the demand by agri-food and rural SMEs for finance, i.e. the financing need.

*Table 3* shows the different types of funding needs agri-food SMEs may face, matches it to suitable financing types and typical collateral. The financing need and the cash flow pattern generated by the use of proceeds determines the appropriate financing type and relevant collateral. For example, the acquisition of processing facility (capital expenditure) requires a large upfront investment which will pay off over many years. A term loan is therefore a suitable financing type, and the processing facility can serve as collateral. The illustration provided in *Table 3* is necessarily a simplification. Different financing types may be combined to meet a specific financing need, backed by a combination of different collateral types.

Note that these funding needs are specific to the organizational characteristics of an SME, rather than to the agri-food and rural sector, or to a given segment on the value chain. An SME producing agricultural inputs may require the same financing as one focused on processing, e.g. working capital to fund operational expenses.

*Table 3: Financing needs faced by SMEs and suitable financing types*

<table>
<thead>
<tr>
<th>Financing need</th>
<th>Suitable financing type</th>
<th>Collateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital to establish or grow SME, e.g.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Meet minimum capital to establish business</td>
<td>Equity</td>
<td>None – shares are backed by the SME’s assets net of its liabilities</td>
</tr>
<tr>
<td>▪ Corporate registration / license fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Expand business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Meet creditor requirements concerning capitalization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational expenses, e.g.</td>
<td>Working capital</td>
<td>Assets of the SME or its owners, as well as guarantees from third parties</td>
</tr>
<tr>
<td>▪ Labor cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Agricultural inputs (seeds, agrochemicals)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Equipment rent (such as harvesting or processing machinery)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Utilities (water, electricity, fuel)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure, e.g.</td>
<td>Term loan</td>
<td>Assets of the SME or its owners, as well as guarantees from third parties</td>
</tr>
<tr>
<td>▪ Acquisition of land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Purchase of equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Installation of infrastructure (irrigation system, warehouse, processing plant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment leasing, e.g.</td>
<td>Lease</td>
<td>Lessor retains ownership over lease object and can repossess it in case of default by lessee</td>
</tr>
<tr>
<td>▪ Farming equipment or vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Transport vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-harvest bridge financing, e.g.</td>
<td>Receivables / trade finance</td>
<td>Produce</td>
</tr>
<tr>
<td>▪ Produce stored in warehouse, until sold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Produce shipped to buyer, until paid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex VIII. Agri-food & rural SME finance – Supply side

"Supply side" refers to the availability of finance, which can be supplied by a range of actors including local banks, MFIs, investment funds, DFIs, and SACCOs.

There are different organizations which may provide financing to SMEs, including agri-food SMEs. The most relevant financing providers are characterized in Table 4. Note that the different financing providers typically do not offer all financing types identified in Table 4. The presentation below is a generalization; and individual financing providers may offer different financing types, or do so at particular terms not captured herein.

Table 4: Financing providers to agri-food SMEs

<table>
<thead>
<tr>
<th>Financing provider</th>
<th>Description</th>
<th>Financing types offered</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit-taking FIs</td>
<td>Commercial banks or other financial institutions licensed to accept deposits, e.g. microfinance banks. Typically regulated by the government or financial sector supervisory bodies. May be bound by regulations to protect SME clients, such as rules to prevent over indebtedness.</td>
<td>▪ Offer debt-based financing types to SMEs (working capital, term loans ▪ Some offer receivables-based financing</td>
<td>▪ Regulation may hinder lending to agriculture, particularly for commercial banks ▪ Do not offer equity investments</td>
</tr>
<tr>
<td>Credit-only FIs</td>
<td>Financial institutions without deposit-taking license, e.g. credit-only microfinance institutions</td>
<td>▪ Offer debt-based financing types to SMEs (working capital, term loans ▪ Some offer receivables-based financing</td>
<td>▪ Loan amounts are often limited</td>
</tr>
<tr>
<td>Leasing companies</td>
<td>Provide equipment or vehicles on credit, whereby lessor retains ownership of the asset</td>
<td>▪ Financial leases</td>
<td>▪ Only suitable for assets that can be readily sold if they need to be repossessed ▪ Need to monitor leased asset on a regular basis ▪ Leasing penetration is very low in many emerging economies</td>
</tr>
<tr>
<td>Government agencies or programs</td>
<td>Rural or agricultural support programs</td>
<td>▪ Depending on type of program, often (concessional) loans or guarantees to catalyze other lenders</td>
<td>▪ May have inefficient or challenging approval processes</td>
</tr>
<tr>
<td>Development finance institutions</td>
<td>Government funded, bi- or multi-lateral, funders. May be focused on specific geographies, sectors or value chains.</td>
<td>▪ Debt, typically term loans ▪ Equity ▪ Guarantees</td>
<td>▪ Often large minimum investment sizes ▪ Long and challenging approval processes ▪ Require high level of formality of investee</td>
</tr>
<tr>
<td><strong>Investment funds and vehicles</strong></td>
<td>Typically impact investing funds, i.e. funds targeting social or environmental goals in addition to financial returns</td>
<td>Depending on investment vehicle, often working capital, trade finance or equity</td>
<td>Often large minimum investment sizes, often focused on hard-currency, export oriented financing</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Concessional and grant funders</strong></td>
<td>Funders accepting no returns, or returns below market rate. Grants may be made in cash or in kind.</td>
<td>Grants, Zero interest loans, Loans at reduced interest rate</td>
<td>Time-intensive to access, Usually high reporting, M&amp;E associated costs, Not scalable</td>
</tr>
<tr>
<td><strong>Funding platforms</strong></td>
<td>Platforms connecting potential investors to investment opportunities</td>
<td>Note: mostly debt, but also equity</td>
<td>Limited in size, Uncertain regulatory governance, Requires time &amp; access to find and use</td>
</tr>
<tr>
<td><strong>Savings vehicles</strong></td>
<td>Own / group savings, including rotating savings schemes / money-go-round groups and remittances</td>
<td>Mostly credit / debt</td>
<td>Limited in size, Based on personal connections</td>
</tr>
</tbody>
</table>
Annex IX. Agri-food & rural SME finance – Enabling factors

There are several factors that enable lenders and investors, as presented in Table 5 below.

Table 5: Factors enabling financing to agri-food and rural SMEs

<table>
<thead>
<tr>
<th>Enabling factors</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business track record</td>
<td>Business and financial track records allows funder to assess the historic performance of the SME, which allows (indirect conclusions) concerning the quality of production, market price levels, management quality etc. Historic data is also useful in putting business plans and financial projections into context. Relevant records include financial accounts, production history, and trading history. Formal records can be of particular value, especially since they include or are verified by a third party. These include audited financial statements, written contracts with clients or suppliers, and audit reports of certification or supervisory bodies.</td>
</tr>
</tbody>
</table>
| Assets                | Assets are relevant to lenders, as they can be pledged as collateral against loans. Lenders prefer assets that are can’t be value accurately and cheaply, and liquidated easily in case the borrower defaults. Examples of relevant assets are listed below, from what lenders typically consider most to least preferred:  
  - Cash  
  - Liquid securities (stocks, bonds)  
  - Residential real estate  
  - Other land, real estate  
  - Machinery and vehicles  
  The relevance of produce as collateral depends on the type of financing provided – it is typically used, either directly or in the form of warehouse receipts, to secure trade finance contracts. More durable produce (e.g. grains, dried/frozen produce) is generally easier to use as collateral than perishables (e.g. fresh fruit). |
| Guarantees            | Guarantees serve a similar purpose as assets, i.e. that they can serve as collateral to a loan. Guarantees can be given by individuals, such as the SME owner (guaranteeing with his/her personal assets), business partners or relatives. Some funders, such as banks, may provide a guarantee as a service to an SME. This is particularly relevant to facilitate trading/export contracts. |
| Laws and regulations  | Laws and regulations that can be important enablers of funding include Foreign Direct Investment (FDI) laws, financial sector regulation, capital controls, foreign currency regulation, and stock market regulation. Laws and regulations can be prohibitive; countries may prohibit SMEs from accepting debt from foreign lenders, for example. |
| Risk protection       | Agri-food and rural SMEs face many risks, and so do their funders. Mitigating such risks can enable funding in the first place, or improve its terms (lower cost, increased amounts, improved terms). Risks that can be mitigated include production risk (e.g. through weather insurance), inputs (performance bonds) and risks that are not specific to agriculture such as country risk (political risk insurance) and currency risks (hedging instruments). |
| Infrastructure | Reliable infrastructure can improve agricultural productivity (e.g. irrigation systems) and increase the value generated from produce – or reduce post-harvest losses (e.g. processing, packaging, cold storage or warehouse facilities, electricity and transport networks). |
| Good agricultural practices | Like infrastructure, good agricultural practices can increase productivity and mitigate risks. For example, production of drought-resistant varieties may mitigate vulnerability of a crop to insufficient rainfall. Appropriate input use may reduce production cost. Third party certifications may facilitate attracting funders (to whom the certification is a useful proxy) or improve revenue potential by granting access to regulated export markets, such as the European Union. |
| Management quality and incentives | Management quality cannot be quantified, but it is an important aspect to many funders. It is typically assessed in interviews during an on-site due diligence, which are complemented by references from third parties (auditors, board members, business partners, etc.) Management quality may be less relevant for short-term financing, e.g. for a trade finance provider, especially where such loans are collateralized. However, it is critical for long-term financing engagements where it is not possible to capture all eventualities contractually, such as in equity investments. Equity investors may also want to understand how management is incentivized in the long-term, e.g. through ownership in the SME. |
| Scale and scalability | Scale can make an SME seem less risky in the view of a funder, because it is a proxy for a significant business and financial track record, diversified revenues streams and funding sources, stronger management and systems (including IT), etc. This must be verified on a case-by-case basis, of course. Scale is also relevant to funders as it implies that the SME may require a larger amount of financing, which allows the funder to spread the fixed costs of doing due diligence over a larger basis, making the transaction financially more attractive. Scalability has similar implications, but forward looking. An SME with a scalable business model may be more likely to grow and become more diversified and stable – and require more financing from the funder going forward. |
| Impact metrics | Performance and reports on (non-financial) impact metrics is relevant to funders seeking to achieve non-financial goals in addition to financial returns. Relevant metrics depend on the specific investor, but may include environmental (input use efficiency, water use efficiency), social (fair labor contracts) and governance (independent board of directors, independent audit) aspects. |

Regarding 'assets' as enabling factor, the following points are worth noting:
- Lenders typically apply a 'haircut' to the value of collateral, to account for the cost of an eventual liquidation, and for the fact that they might only be able to sell the asset at a discount to its fair value. In practice, this means that collateral with a certain value can only secure a loan of, for example, 60% of that value.
- Some lenders may be better positioned than others to deal with collateral – and liquidate it if necessary. Local bank, for example, are typically well positioned to liquidate real estate, and trade finance providers are mostly experienced in dealing with produce as collateral.
- Collateral needs to be valued, and some funders like banks typically engage external values which increases transaction cost. Some types of collateral (real estate, vehicles) are easier to value than others (specialized agricultural machinery, or processing/packaging equipment).
Annex X. Literature review & framework for prospectuses

The framework proposed herein is guided by examples and experiences of IPs and IP-like documents produced for a variety of sectors and targets, including general country investment programs, development programs and specific agri-food and rural sector investment plans. Other sectors considered in this literature review include the energy, infrastructure and health and nutrition sectors, as well as finance (including digital), SME and enterprise-related programs and entrepreneurship programs. In addition to reviewing frameworks, this section also considers information sources and initiatives that might be relevant to the SAFIN IP development process and implementation.

A. Agri-food & rural-focused initiatives

There are various initiatives at regional and national levels that are relevant to agri-food and rural sector IPs. These have been led by governments, development finance partners, and industry associations. Examples are described below, along with a summary of the key insights:

Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
SAGCOT was launched in 2010 as a PPP, focused on ensuring food security, reducing poverty and spurring economic development. Together with development partners, a blueprint was created in 2011, to “describe where and how investment in the agriculture sector could be scaled-up and better coordinated to establish productive clusters of new economic activity.” The blueprint is structured along the following topics: 'Why invest?', 'The approach', 'What is SAGCOT?', 'The current status of agriculture', 'Cluster identification and development path', 'Linking smallholders', 'Making it happen', 'Improving the policy environment', 'Environmental and climate change considerations', 'Investment plan and outputs', 'Social and economic benefits', 'Early wins', 'Vision of success', and 'Conclusions and recommendations'. The creation of the blueprint led to the establishment of the SAGCOT partnership organization, supported by an independent secretariat, accompanied by a catalytic fund (USD 50m), backed by the Tanzanian government and development partners. In addition to the blueprint, a “greenprint” (green growth investment framework) was development. This was to provide detailed plans on how the blueprint could support climate change-related, environmental conservation, and natural resource management objectives. This greenprint document is still in a draft stage (despite being launched in 2012). In addition to these, private sector investment opportunity overviews were developed for the livestock, rice and sugar sectors.

It seems that SAGCOT has been relatively successful in attracting additional private sector and development-partner funding. Contributors to this may include:

- Existence of non-partisan, well-connected intermediaries / brokers, both in the inception phase (e.g. through the World Economic Forum – WEF), and then through the establishment of a dedicated SAGCOT Centre. This SAGCOT Centre has had positive reviews by development partners, when it received budget for adequate human resources.
- Focus on engaging private sector from the start.
- Narrow sector and sub-sector focus, and the clustering of private sector around these.
- Long-term funding commitment, both by the Government and by development partners.
- Strong government buy-in from the start, and alignment with long-term policies.
- Clear theory of change, attached to a results-based monitoring framework that engages independent evaluators (though the M&E framework was delayed in its development- a criticism by development partners).

Several challenges have been noted. These include a lack of proper engagement of indigenous peoples and local communities (e.g. Free, Prior and Informed Consent – FPIC), and access to funding. A Catalytic Trust Fund was established, which comprises a Social Venture Capital Fund (SVCF) and a Matching Grants Facility (MGF). Proper data capture has also been noted as a challenge. As per 2017, appropriate finance as well as M&E remain a challenge.
Applicable lessons: starting with strong country-buy in, and a very specific country-owned focus can help ensure long-term commitment. The local secretariat is particularly well-regarded, and seems to have helped mobilize investment.

Investment Promotion Centers (Ghana Investment Promotion Centre)
Several countries have created dedicated and specialized investment promotion centers, or FDI “desks”. The Ghana Investment Promotion Centre (GIPC) is an example of this. They maintain an up-to-date website that acts as a “one-stop-shop” to invest in the country. They also have sector specific focus areas, including agriculture. The website includes key contact points (e-mails and telephone numbers), and the staff respond quickly to e-mails. Online, they describe the main investment opportunities, which are also in line with the government’s priorities. They also provide basic information on highlighted sectors, including current export volumes, demand projections, etc.

This is useful in that it is easy to access, and seemingly kept up-to-date. However, it may be challenging for investors to utilize the specific list of investment opportunities as these are often not due diligenced, and are relatively small. There are also restrictions on minimum investment volumes, and severe currency fluctuations, which makes it a challenge to invest in Ghana’s MSME sector, despite tax incentives. The GIPC is also not a specific framework, rather should be considered as a resource.

Applicable lessons: local FDI desks and investment promotion centers can be useful sources of information, e.g. on investment regulations. These “desks” can also be partners in mobilizing additional funding by showcasing and promoting opportunities.

Comprehensive Africa Agriculture Development Programme (CAADP)
CAADP is a policy framework agricultural transformation, supported by the African Union (AU) and NEPAD. It was established to help countries: critically review their own situations, and identify investment opportunities with optimal impacts and returns. CAADP also provides for an “evidence-based planning process”, and to “align diverse stakeholders”. As of March 2015, 41 AU states had signed “CAADP compacts”, 33 of which have developed formal national agriculture and food security investment plans, which have become their MTEFs for agriculture. Four Regional Economic Communities (RECs) have signed regional compacts, and 3 developed investment plans. CAADP also hosts several “communities of practice”, i.e. on agricultural investment financing, nutrition and food security, agricultural research and extension, agri-industry and value-chain development, markets and regional trade, resilience risk management and natural resources management and knowledge management.

The CAADP process begins with signing of the compact. This is followed by roundtable process, organized by government together with relevant partners. Then, the post-compact strategy and roadmap involves developing a national agriculture sector investment plan (NAIP), in-depth technical design of specific programmes and projects, review of the plan, resource commitment by government and partners, implementation and M&E, appraisal and improvements. The expected flow is illustrated below. UNDP has provided support to develop country plans, including for mobilizing private investment in-line with the CAADP compacts. The CAADP Investment Plans should lead to development of “private sector investment opportunities briefs”. This should include information about CAADP, the country, key issues, objectives and priorities (including priority food crops, export crops, rural infrastructure, investment guidelines, incentives and facilities), investment framework (government financing plan, sourcing plan, and gaps), and a description of major investments that are current and planned.

Applicable lessons: SAFIN may want to refer to any existing CAADP plans when considering IPs. In particular, to see how IPs can be aligned with CAADP commitments and potentially utilize some of the M&E capacity.
Country Agribusiness Partnerships Framework (CAP-F)
In 2011 Grow Africa was launched jointly by the African Union, NEPAD and World Economic Forum with the aim of increasing private sector investment in agriculture in Africa. This work concluded that from 2012 to 2016 efforts to catalyze private investments in agriculture across the 12 countries where Grow Africa operates have fallen drastically short of expectations. Specifically, there was a USD 8 bn gap in commitments made and money that was invested, indicating that additional
support could help ensure that commitments made are translated into investments on the ground. Grow Africa has been designated to lead the implementation of CAP-F, a framework and coordination structure that will utilize a country led approach to ensure policy and non policy commitments are recorded and monitored regularly working through the CAADP and NAIP agendas. CAP-F hopes to foster more accountability from when investment commitments are made through when funds are invested and guide all relevant stakeholders through the full cycle.

While NAIPs are an effective public sector instrument, they do not offer the adequate dynamism, focus and active collaboration required to attract and retain private sector engagement. As a tool CAP-F will mobilize private sector action aligned to NAIPs using NAIP progress reviews, budget reviews, analysis of private investments trends, media/press reports and stakeholder satisfaction surveys.

Through Grow Africa’s work the conclusion was drawn that high level announcements to invest did not translate into commercial value chain activity without the necessary policy alignment and coordinated effort to develop structures that generate shared value, ensure long term collaboration and enhance mutual accountability for the financial commitments that were announced. Changing this requires that investment commitments are aligned with country NAIPs to better ensure the necessary government support, policy decisions are predictable and do not compromise commercial viability, strong domestic ownership of structures, sufficient transparency and engagement of civil society to ensure impact on smallholder farmers and sufficient mechanisms developed to foster accountability to avoid unmet commitments.

*Applicable lessons:* It may be useful to work through CAP-F’s stakeholder engagement process to support the design of appropriate structures that make commercial sense for investors and are tied closely to NAIPs. NAIPs serve as an important starting point to align government support, however, priorities may not sufficiently speak to the interests or constraints of investors. Thus further resources that can clearly act as a bridge to create and communicate these linkages may be a complementary opportunity.

**World Economic Forum (WEF): New Vision for Agriculture, Grow Africa, Grow Asia**

In 2009, WEF launched its New Vision for Agriculture (NVA), which encompasses several regional and country initiatives. Since 2009, NVA has engaged with over 600 organizations, including the G7 and G20. It has resulted in multi-stakeholder partnerships in 21 countries, mobilized over USD 10.5
bn in investment commitments, of which USD 2.5 bn has been implemented. In 2016, together with Deloitte, WEF reviewed experience under the NVA, and developed a framework for countries wishing to develop similar programs. The resultant guiding principles are that plans must be:

- locally-owned and aligned with country goals, this includes dedicated government resources (human, financial)
- market driven with projects led by the private sector and rooted in viable business cases, this includes development of appropriate, evidence-based business models, and suitable monitoring systems
- multi-stakeholder, with open and inclusive engagement from the beginning
- holistic – integrating full value chains that benefit all actors in the agricultural system, this includes focusing on most impactful crops / geographies, and issues, and cross-value chain coordination
- globally connected and supported by an international network providing solidarity and support, including sharing of lessons and links to global goals

Figure 8: WEF New Vision for Agriculture Framework

The NVA’s overview of key stakeholder contributions and value derived from partnerships may also be useful. It is reproduced in Figure 9 below.

Challenges associated with the NVA program include ensuring long-term commitment, once the initial “gloss” of a high-profile initiative wears off. This is linked to long-term political commitment from a host government. Though the volume of commitments and interest is high, it is notoriously difficult to transform this into “real” money flows and lasting change.

Applicable lessons: Dedicated communication and outreach to the private sector can help to capture their interest in supporting a specific initiative. Their communication materials have a consistent, professional “feel” that support communication.
FAO: agri-food and rural Country Investment Plans

FAO have supported several countries to develop Country Investment Plans (CIPs), focused on agriculture. They compared the early experiences of these in gaining support (Bangladesh, Ethiopia, Tanzania). The primary focus of the evaluation was the success in these CIPs in winning grants, including from GAFSP. FAO noted several challenges, including in having a varied level of resources and development strategy, to the cost estimates used to generate investment approximations. Key lessons from this program were:

- Importance of involving targeted beneficiaries (through direct engagement and consultation)
- These plans require multiple iterations with different groups of stakeholders, and hands-on support is required during development and implementation
- Evidence based analysis means starting with a review of the available evidence, including an assessment of robustness, and that decision makers accept outcomes even though it may not be what they favor. There is a need for transparency of communicating results and justifying investment decisions based upon evidence
- Identifying priorities needs to be well structured and based on a consultative process
- There are severe challenges with estimating “real” costs (investment needs)
- Integration is key, there is a need for solutions that are properly integrated across value chains

Applicable lessons: It may be useful to review these investment plans, where they have been developed for a specific country, in particular in terms of cost estimates and impact monitoring.
ITC Alliance for Action

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations that is dedicated to enabling SMEs in developing and transition economies to become more competitive and connect to international markets for trade and investment. ITC’s Alliance for Action is a framework applied in several geographies to build stakeholder capacity, secure investment and generate business to develop sustainable, inclusive and resilient value chains for specific products within a given region. The framework is designed to be replicated across geographies and products (thus far including coconuts and yams) and is customized for the local and product-specific needs. Through the framework, a value chain is agreed upon and various interventions are identified using a sector approach by the relevant network members. Support has included sector roadmaps to identify specific geographic areas where farmers and SMEs working in a particularly value chain may have considerable potential to connect to international value chains as well as setting up local business alliances that link farmers to local and international buyers and local institutions that work on capacity building. Specific project partners deliver technical assistance, drive efforts to identify key constraints within the value chain and facilitate a platform for international buyers to source from and invest in the value chain. ITC also plays a supportive role in the monitoring and evaluation of impacts and results using the Alliance framework. The Alliance for Action is active in Ghana, the Caribbean and Zimbabwe.

Applicable lessons: It may be useful to see what key constraints to investment have been identified across specific value chains where work is underway for specific country.

B. Energy sector

The two initiatives assessed include Sustainable Energy for All (SE4All) and IRENA.

Sustainable Energy for All (SE4All)

SE4All was developed to support three overarching goals: to support universal access to modern energy services, to double the global rate of improvement in energy efficiency, and to double the share of renewable energy in the global energy mix. SE4All is a global platform with both a knowledge and action agenda to broker partnerships and unlock finance to achieve these goals. With a small, central team (roughly 10 people) based in Washington and Vienna, SE4All relies heavily on a network of partnerships as an integral part of the model. These partnerships include regional and thematic hubs, High Impact Opportunities (HIOs), as well as knowledge accelerators that focus on specific business models, policy questions, market segments or new issues.

To kick efforts off, to define and address the financing needs associated with achieving the SE4All mission, a global strategic framework was developed along with a country and sector specific action processes. To date IP development has been led by the SE4All Africa Hub (the first regional Hub to be established in 2013), which is hosted by the African Development Bank (AfDB) in partnership with the African Union (AU) Commission, the NEPAD Agency and UNDP and a rotating representation of the Regional Economic Communities (RECs). The SE4All country action process runs as follows: (1) partnership declaration (“opt-in”), (2) rapid assessment and gap analysis, (3) action agenda, (4) Investment Prospectuses, (5), implementation, and (6) monitoring and reporting.

The IPs are developed to help realize a nation’s Action Agenda (AA) and progress varies from country to country. The AA is a strategy-driven and holistic document, it is an umbrella framework for the sector that embodies the long-term vision which ensures sector-wide coherence and synergy towards SE4All goals. More than 28 African countries are developed or have finalized their AAs. It is developed in an inclusive manner across key stakeholders from the local energy sector, civil society, the development community and with the government taking a key role. The AAs have proven particularly useful in taking stock of and coordinating activities in Africa where several partners and initiatives are active in the energy sector.

On the other hand, IPs provide an approach to operationalizing the country AA. It is a short-medium term (3-5 years) set of investment opportunities intended as a “conversation starter” for a variety of investment opportunities that provide preliminary information to prospective investors. SE4All
provides a coordination platform, and supports monitoring and tracking of priority projects and HIOs. The approach is characterized by guidance, quality assurance and harmonization of country action processes:

- Country Action Reference Document (CARD), which outlines action steps, AA and IP
- Action Agenda template, which establishes a common structure
- Stakeholder consultation guidelines to provide support to this important part of the process
- IP concept note, which offers guidance on how to do the IPs
- Quality circle for AA & IP, this is a voluntary quality review undertaken before political validation
- Promotion

The IPs are generally not static documents, but are updated every few years. The process of developing the IPs have been highlighted as particularly useful. For the Gambia, this took the form of a widespread sensitization campaign, strong engagement of policy makers, and establishment of multi-sectoral committees (including bureaus for women, private sector and civil society) to coordinate the process- in addition the validation workshop at the end of preparing the IP was considered useful to ensure widespread buy-in.

SE4All notes several challenges at the country level, notably: developing methodologies to track and measure national progress, data availability and quality, limited capacity and resources to implement the IPs. Emerging best practices include: establishing a flexible yet robust M&E framework to monitor implementation and make necessary adjustments, linking this to the Government’s own M&E instruments and where relevant build on existing M&E initiatives, and to involve national statistics offices in monitoring efforts.

In Kenya, the Investment Prospectus (IP) was developed over a period of 3 years in close consultation with the Ministry of Energy and Power. This started with an official appointment of the Country Focal Point, followed by a Rapid Assessment and Gap Analysis (RAGA), and Action Agenda (AA) and then subsequently development of the IP.

In general, Investment prospectuses include the following sections:

- Explanation of the Investment Prospectus: country overview with policy framework, energy sector overview, country investor readiness (policies and regulations for the sector as well as investment-related incentives and support)
- Outline of project / technical assistance programmes: projects and programmes in different sub-sectors (energy access, power and cooking fuel, renewable energy and energy efficiency, as well as project addressing “Nexus Issues”), technical assistance programmes
- Annexes: development process, projects seeking funding and details of programme investment opportunities

Overall, the document is relatively short (less than 40 pages). All projects and programmes are listed in the same format. Project information includes project name, and description, sectoral action area, project owner / developer, location, project type, detailed description and status. Programme information includes a description, implementation lead, partners and implementers, specific objectives and outcomes, financing request and allocation as well as proposed activities, resources, timeline and contact.

The IPs do not exist in isolation. They are complemented by a range of other initiatives managed under SE4All that highlight investment areas and track and communicate process. These include initiatives such as the Global Tracking Framework (GTF), Regulatory Indicators for Sustainable Energy (RISE) and HIOs.

Under SE4All’s strategy, High Impact Opportunities (HIOs) and High Impact Initiatives (HIIs) were intended to engage the private sector in SE4All’s work, but are currently being rebranded. Individual and coordinated action occurs utilizing a PPP approach across different sectors and industries under the HIOs. Many groups have made public commitments (i.e. their own HIOs), which were designed to be on-the-ground programs or projects in support of Sustainable Energy for All. Activities and models vary across the HIOs.
RISE is a set of indicators to help compare national policy and regulatory frameworks for sustainable energy, focused on access to modern energy, energy efficiency and renewable energy. It has 27 indicators covering 111 countries and represents 96% of the world’s population. RISE is designed to provide a reference point for policymakers to benchmark their sector policy and regulatory framework. Reports on indicators are published every two years, with the most recent published in 2016. The dataset is housed with the World Bank Group, and supported by the Energy Sector Management Assistance Program (ESMAP).

Applicable lessons: The IP “blueprint” informs the suggested IP format. In addition, having links to multilateral impact monitoring systems, a peer review team, and making sure there are dedicated resources to shepherd development of the IPs are applicable lessons.

IRENA
Founded in 2009, the International Renewable Energy Agency (IRENA) is an intergovernmental organization with more than 170 members that promotes the adoption and use of renewable energy globally. IRENA’s primary activities including a broad knowledge sharing agenda that involves policy advocacy to promote investments in renewable energy, developing tools and platforms to accelerate renewable energy deployment, and facilitating technology transfer. A cornerstone of the platform is up to date information and data on renewable energy employment by subsector, benefits, technology briefs, cost studies, country readiness assessments, country level policies and regulations, and country and industry action plans. Another contribution is a menu of project development tools such as the Project Navigator (an online platform providing information, tools and sector-based guidance to assist in the development of investable renewable energy projects), the Sustainable Energy Market Place (an online platform intended to facilitate matchmaking of renewable energy projects with partners and financiers through regional portals from the Caribbean, Latin America and Africa) and the ADFD Project Facility (a joint initiative by IRENA and the Abu Dhabi Fund for Development to provide soft loans to innovative renewable energy projects at the feasibility study/pre-implementation stage in developing countries). The Project Navigator includes an online search engine that provides information on active project funding sources ranging from concessional funders to large scale debt and equity funds.

SMEs are a key focus of both the knowledge agenda and tool development supported by IRENA given the potential of SMEs to drive the global transition to renewable energy, particularly in developing countries. They are included in various country assessments as well as reports that examine the opportunities and needs within various industries that can substitute renewables for traditional energy sources. For example, in 2014 IRENA developed a technology roadmap for renewable energy in manufacturing. The report identified specific opportunities around SMEs since they account for more than 90% of all manufacturing businesses globally and energy represents a substantial part of their total production costs. While many of the industry reports often provide data on a global or regional level, a series of subsequent products expand on the recommendations on a country level.

In general, IRENA has focused more on knowledge creation and data dissemination, but it seems they are transitioning more towards facilitating investment beyond information sharing. Much of this is focused on online platforms and marketplaces. The extent to which such marketplaces and platforms are successful depend on dedicated resources to proactively match and facilitate deals.

Applicable lessons: IRENA is well-regarded for its online information database in the renewable energy world, in addition to its sector status reports. Though it may be some years out, developing a similar resource for the agriculture SME sector may be of use.

C. Infrastructure sector

World Bank Group
The WB Group are active in supporting infrastructure development in countries. One tool used is an Infrastructure Prioritization Framework (IPF) that utilizes exiting and accessible data via multi-criteria decision analysis. The WB Group also have a Unified Framework on Public Investment Management
(PIM) aligned with the Public Expenditure and Financial Accountability (PEFA) initiative. This guides governments through the process of infrastructure investment and delivery. This is focused primarily on large government projects, and utilizes primarily a variety of relatively complex economic methods for assessment. It is noted that this approach is often unsuited to developing countries, especially where these are resource constrained.74

**Applicable lessons:** Assessment and prioritization frameworks should be structured in manner that is complementary with development partners’ funding and impact tracking processes, including PEFA initiatives. This should improve accessibility to multilateral funders.

**WEF Infrastructure Investment Policy Blueprint**

This work is focused on helping governments to attract investment in infrastructure. It recommends focusing on three areas (illustrated below):

- **the infrastructure strategic vision:** here the components are a credible infrastructure pipeline, viable role for investors and communication strategy
- **policy and regulatory enablers:** this focuses on re-negotiation risk, procurement process, permitting process, and tax policy
- **the investor value proposition(s):** this focuses on financial returns from the investor perspective, risk allocation and market sounding.

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**Figure 10:** WEF Infrastructure Investment Policy Blueprint - policy recommendation framework


WEF also proposes a framework and process on how a government can create an effective infrastructure vision and prioritize projects. The 7 steps are: (1) understand the current infrastructure situation, (2) formulate a long-term vision and medium-term goals, (3) prepare a list of potential infrastructure deficiencies that need to be addressed and identify possible solutions, (4) decide which potential solutions create the greatest impact in terms of economic growth while considering social and environmental issues, (5) decide who should pay for the infrastructure – users or taxpayers, (6) finalize the prioritization based on available cash resources (government and private sector), (7) move from planning to action, publish and market the plan, ensure necessary policy changes are enacted, and finalize project preparation to tendering.75

**Applicable lessons:** This framework is focused on how to engage different types of private investors in infrastructure projects and programs. It considers their perceived risks, and how governments might mitigate these. A modified approach to this process might be useful when private investors are sought for specific types of deals.
D. Health and nutrition sector

**World Health Organization (WHO) Country Planning for Health Security**

The WHO-supported national planning process comprises the following steps, illustrated below. There seems to be no resources or guidance on experiences and lessons learned from applying this specific framework.

*Figure 11: National Action Plan for Health Security - Key Components*

However, WHO does collect challenges and information on strategies on how to work with the private sector, and proposes a framework for leveraging private investment. In this paper, WHO recommends considering the specific tasks that may be carried out by public vs. private sector actors, and then within this latter category, the types of private sector actors that are potentially relevant, and focusing on a sub-set of those. This paper also recommends categorizing potential interventions, describing mechanisms, and then summarizing the evidence based on effectiveness for that specific intervention. An example would be “vouchers”, which “promotes consumer choice and ability to afford to seek care from private sector actors, through subsidy of goods or services”, where evidence on effectiveness was “appear to be positive impacts on uptake of a service or commodity, but relatively limited experience with this mechanism, and administratively complex to target vouchers.”

*Applicable lessons: The general framework presented above is useful, and can be applied to the agri-food and rural SME sector. The focus is on specific intervention types (mechanisms), which may also be a useful way to categorize and evaluate potential finance and investment needs within the agri-food and rural SME sector.*

**Kenya: Health Sector Strategic and Investment Plan**

This type of planning document is common among countries. It describes policy objectives, indicators, baseline, status and targets to be achieved. It includes a summary of the government’s vision, methodology and status. It then provides an overview of national policies, and health sector framework. It describes the strategic objectives and outputs. It also summarizes areas of investment, resource needs and implications and implementation framework (governance, partnerships, planning, communication, etc.).

*Applicable lessons: Government planning documents may have clear targets and baselines, which can help to inform impact theory of change and indicators for SAFIN’s work.*

E. SME MSME & entrepreneurship

**India: MSME investment task force**

India has supported investment in MSMEs through a variety of programs. The government supported the creation of a dedicated task force in 2010 to mobilize more investment in local MSMEs. This overview provides a useful summary of local challenges, and critically, provides useful...
ideas and references on how to increase finance and investment. This covers traditional financing 
options (public sector banks, government institutions and schemes, venture capital funds, and new 
channels notably SME exchanges, securitization of SME credit). And, it covers alternative financing 
options such as factoring, supply chain finance, angel and VC funds. It also discusses how credit 
health for MSMEs in India can be addressed, focused on credit rating. This document is useful in 
it that covers a range of specific finance-related issues in a local context, with many helpful 
references and links. However, links to national policies are not clear.

Applicable lessons: This intervention summarizes all the existing government support programs, and 
provides national and regional contact points, which can be useful in stimulating more international 
investment in SMEs.

ANDE Entrepreneurial ecosystem snapshots
Overviews such as the ANDE entrepreneurial ecosystem snapshots have attracted some attention 
from development finance partners. They provide a very clear overview of the relevant ecosystem, 
including describing the methodology (review of existing literature, surveys & interviews, stakeholder 
meetings) and exiting market. These were recommended for the clarity of the layout and clear 
approach. They include a list of capacity development providers, non-financial support providers 
including government agencies. It is, however, unclear how this aligns with government and 
development policies, it doesn’t provide clear ideas for investment and does not advise on 
monitoring progress over time. One objective of the ecosystem maps is to inform government and 
development actors of where the gaps for supporting entrepreneurs and SMEs exist, both in terms 
of financial and non-financial resources. Through its engagement ANDE has identified a challenge 
where public programs meant to support entrepreneurs and SMEs through funding or technical 
assistances do not consider the inefficiency of a fragmented support ecosystem (e.g. the availability 
of early or follow on support). Further enterprises often are not aware of all the resources available to 
them.

Applicable lessons: this document was well laid-out visually, and is considered easy to use by 
philanthropists and development funders (including multilateral and development funders). SAFIN 
may wish to consider a similar layout for its IPs in terms of its “user friendliness” and layout.

WB & IFC Enterprise Surveys and InfoDev – Climate Technology Program (CTP)
The World Bank (WB) conducts Enterprise Surveys, firm-level surveys of a representative sample of 
an economy’s private sector focused on topics including access to finance, corruption, 
infrastructure, etc. These are done using interviews, and according to a set methodology. The IFC 
used this data set, together with research from the International Labor Organization (ILO), UNDP and 
the World Trade Organization (WTO) to develop its assessment of the MSME formal and informal 
finance gap, which led to a series of publications around the year 2010. However, this exercise has 
not been conducted again, but could be done at a country level based on similar information 
sources, notably the WB Enterprise Surveys.

The World Bank also has a dedicated multi-donor trust fund to support SMEs at the early stage 
through the Agribusiness Entrepreneurship Program and the Climate Technology Program. Both 
programs have developed incubation, acceleration and other support programs (including access to 
early stage finance between $10,000 - $500,000 USD) at the country level. Though this is a global 
trust fund, most activities are in Africa. Before engaging in a specific country, the World Bank team 
interacts closely with government counterparts and conducts an ecosystem analysis that evaluates 
the local innovation and entrepreneurial landscape, including existing SMEs active in the space, 
market potential by sector, SME surveys, a needs analysis and survey of existing support programs 
and initiatives. The trust fund uses concessional funding to work with existing ecosystem players as 
well as to design and seed new, independent organizations that work directly with entrepreneurs and 
SMEs (such as the Climate Innovation Centers, Agribusiness Entrepreneurship Centers and Climate 
Venture funds in Kenya and Ghana) and supports these organizations through the first 3-5 years of 
their development.
Applicable lessons: Development partners, notably the WBG, have several programs that relate to the agri-food and rural SME sector. There may be access to additional resources and impact metrics through these institutions. Furthermore, infoDev has developed an early stage finance collaborative of key funders interested in supporting SMEs to survive the Valley of Death in developing countries through mobilizing funding to projects. This may provide opportunities to align priorities with key foundations and development actors.

Local Chambers of Commerce
Local chambers of commerce are business networks or associations whose goal it is to further the interests of its members, often SMEs. In one capacity business owners in towns and cities form these groups to advocate on behalf of the local business community with regulatory groups, governments, the banking industry, trade organizations, standards setting bodies and other stakeholders that impact the way business is carried out locally (including the development community). In this case they are often governed by a board of elected representatives from the various businesses. A second purpose of a chamber of commerce is to operate on behalf of the private sector and government of their home country in a foreign country (e.g. the German Chamber of Commerce operating in Kenya). These groups can coordinate closely with their home Ministry of Foreign Affairs, embassies, development aid agencies or foreign direct investment bodies. Depending on their funding sources, the scope and activities of these groups vary widely from country to country and can include providing consulting services, organizing seminars, conferences, workshops and training programs, and supporting international development activities that educate and create awareness amongst local and foreign SMEs. Chambers of commerce may also contribute to identifying investment opportunities on behalf of their home governments and may work closely with various donors or DFIs (including OPIC, GIZ, KFW, among others).

Applicable lessons: Chambers of commerce may provide a network of relevant SMEs within pilot countries and may also have access to key embassy or donor funding opportunities particularly in Africa. Specific chambers of commerce have set up incubators and SME support programs to better prepare SMEs to access appropriate funding through donor and government supported programs.

F. Finance and digital

GPFI (Global Partnership for Financial Inclusion)
GPFI have a sub-group on SME finance, chaired by Germany and Turkey. This focuses on identifying, scaling-up, and improving the policy environment for successful SME financing models, including funding the winners of the SME finance challenge and launching the SME finance forum, a platform for knowledge sharing and dissemination of best practice.\(^\text{42}\) Within this, they have a specific focus on improving SME access to finance in the poorest countries, and for agricultural SMEs. The outputs of this latter group are research and analysis on best practice models in agricultural SME finance, development of guidelines on policy and regulatory frameworks conducive to agricultural finance and promotion of sustainable and responsible value chains. Much of the work related to this sub-group comes from the IFC series of reports using the WB Enterprise Surveys.

Applicable lessons: High-level buy-in to a development agenda can mobilize action, in particular action by large development funders such as the WBG. Linking the SAFIN agenda to high-profile policy initiatives may support access to resources.

UNCDF Mobile Money for the Poor
UNCDF Mobile Money for the Poor program partnered had a pilot in Uganda, this required significantly more investment than was expected (e.g. farmer training, additional infrastructure, coordination). Investment needs do not exist in a vacuum.\(^\text{43}\) There are case studies, both at project and national level, but very few if no data publicly on costs.

Applicable lessons: supporting “real” investments is typically more challenging than expected, requiring significantly more hand-holding and local resources. Budgeting for this, including through adequate local and international support, is important in the project design and pre-implementation phases.
Endnotes

5. COMESA 2017
7. SAFIN briefing note
9. Several organizations are working to improve oversight of international development assistance flows, e.g. OECD and AidData.
10. BEPS refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. Taxes are important sources of revenue for governments, and are needed to, for example, invest in agriculture. However, governments also often need to introduce tax incentives to encourage FDI. This is a challenging balancing act. For more information on this topic, refer to OECD: http://www.oecd.org/tax/
13. World Bank blog, 08/07/2017: Do Credit Guarantee Schemes encourage banks to lend to SMEs? By C. Mawadza & S. Bell
16. GPFI & IFC, November 2012: Innovative agricultural SME finance models
17. AGRA (2016)
18. These may, for example, include national sectoral strategies and plans, food security strategies and plans, national adaptation plans, financial sector mapping efforts – e.g. the MAP initiative supported by UNCDF and CENFRI, work by MicroSave or the MIX, and analyses of demand and needs of at least some actors in this sub-sector – e.g. the CGAP financial diaries.
19. One relatively recent systematic review, focused on food security-related interventions highlight some of the areas where there is evidence of impact (Netherlands, IOB study)
20. GPFI & IFC (2011): Scaling up access to finance for agricultural SMEs, policy review and recommendations. From: https://www.ifc.org/wps/wcm/connect/04da89804a02e2e19ce0fdd1a5d13d27/G20_Agrifinance_Report.pdf?MOD=AJPERES
23. A lot of work has been done to try to develop a common, universally applicable definition for SMEs and MSMEs. This challenge is described in several sources, including Gibson & van der Vaart (2008), SME Finance Forum methodology, and the IFC guidance note (2012)
24. OECD, WTO: aid for trade and value chains in agriculture
25. SAFIN briefing note (available upon request from SAFIN)
27. A lot of work has been done to try to develop a common, universally applicable definition for SMEs and MSMEs. This challenge is described in several sources, including Gibson & van der Vaart (2008), SME Finance Forum methodology, and the IFC guidance note (2012)
30. COMESA 2017
32. OECD, WTO: aid for trade and value chains in agriculture
36. OECD, WTO: aid for trade and value chains in agriculture
37. OECD, WTO: aid for trade and value chains in agriculture
38. IFC Advisory Services, 2011: Access to credit among micro, small and medium enterprises.
40 Note that many firms remain informal as they lack the incentives or capacity to formalize. See IFC (2013) for more information.
41 GPFI & IFC, November 2012: Innovative agricultural SME finance models
42 World Bank, 10/08/2017: Innovative Early Stage Financing for SMEs in India and FIRST Initiative (India): SIDBI MSME Finance in India
43 See IFC (2011): Telling our story, vol. 5 / issue 1
44 World Bank Blog, 09/07/2017: How to foster a more inclusive environment for SMEs in PPPs? By J. Chao & A.M. Toro
46 Nathan Associates, 2015
47 Note that this may include individuals very low per capita income (e.g. subsistence farmers) as well as wealthy individuals (e.g. individual traders). Despite not being incorporated, the latter may achieve ‘business’ volumes comparable to SMEs or even small corporations.
48 Their informality makes it difficult for financial institutions (or other financing providers) to assess the financial standing of individuals.
49 Nathan Associates, 2015
50 Quoted from CGAP (2017): Vision of the future: financial inclusion 2025 (not original source)
51 World Bank Group, 2016: Does mobile money use increase firms’ investment? Evidence from enterprise surveys in Kenya, Uganda and Tanzania
53 This category also includes variations on this, e.g. ROSCAs and ASCAs, and investment clubs
54 For example, in India a new SME exchange has been created that facilitates access to local investment. This is associated with tax incentives (capital gains tax), and market-making support for 3 years. See CII & PWC: Financing for MSMEs, the eastside story for more information.
55 SAGCOT Investment Blueprint
56 These are available on the SAGCOT website.
57 DFID Annual Review 2015
58 2017 Annual SAGCOT Partnership Forum: Key highlights
59 GIPC website
60 OSAA CAADP site
61 CAADP Technical Networks
63 WEF: New Vision for Agriculture
66 http://www.fao.org/3/a-at678e.pdf
67 AGRA (2016)
68 RISE (2016): Regulatory indicators for sustainable energy: a global scorecard for policy makers. World Bank Group, ESMAP, Climate Investment Funds (CIF), Sustainable Energy for All (SE4All),
69 RISE database: http://rise.esmap.org
70 World Bank Group (2016): Prioritizing infrastructure investment, a framework for government decision making
71 WEF (2014): Infrastructure investment policy blueprint
72 WHO, 31 March 2005: Working with private sector to achieve public health goals at the country level. Presented as part of the Montreux Challenge: Making Health Systems Work
74 CII & PWC: Financing for MSMEs, the eastside story
75 ANDE, Citi: Accra Entrepreneurial Ecosystem Snapshot.
76 http://www.enterprisesurveys.org/about-us
77 See: https://www.smefinanceforum.org/data/sites/ifc-enterprise-finance-gap
78 https://www.gpfi.org/subgroup-sme-finance
79 CGAP (2017): Digitizing value chain finance for smallholder farms.