

SAFIN Investment Prospectuses

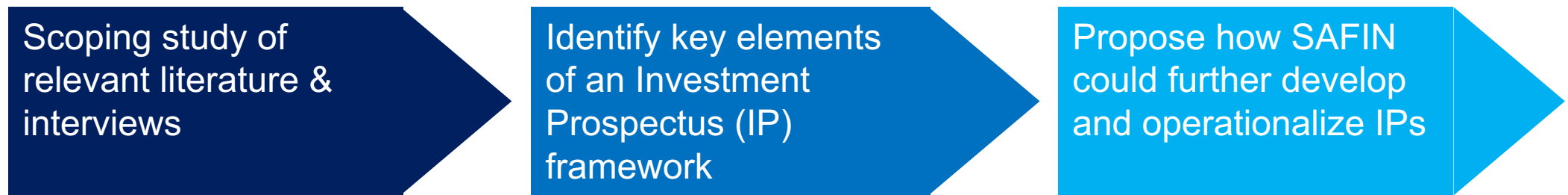
Developing Investment Prospectuses for the
Smallholder Finance and Investment Network (SAFIN)

Introduction

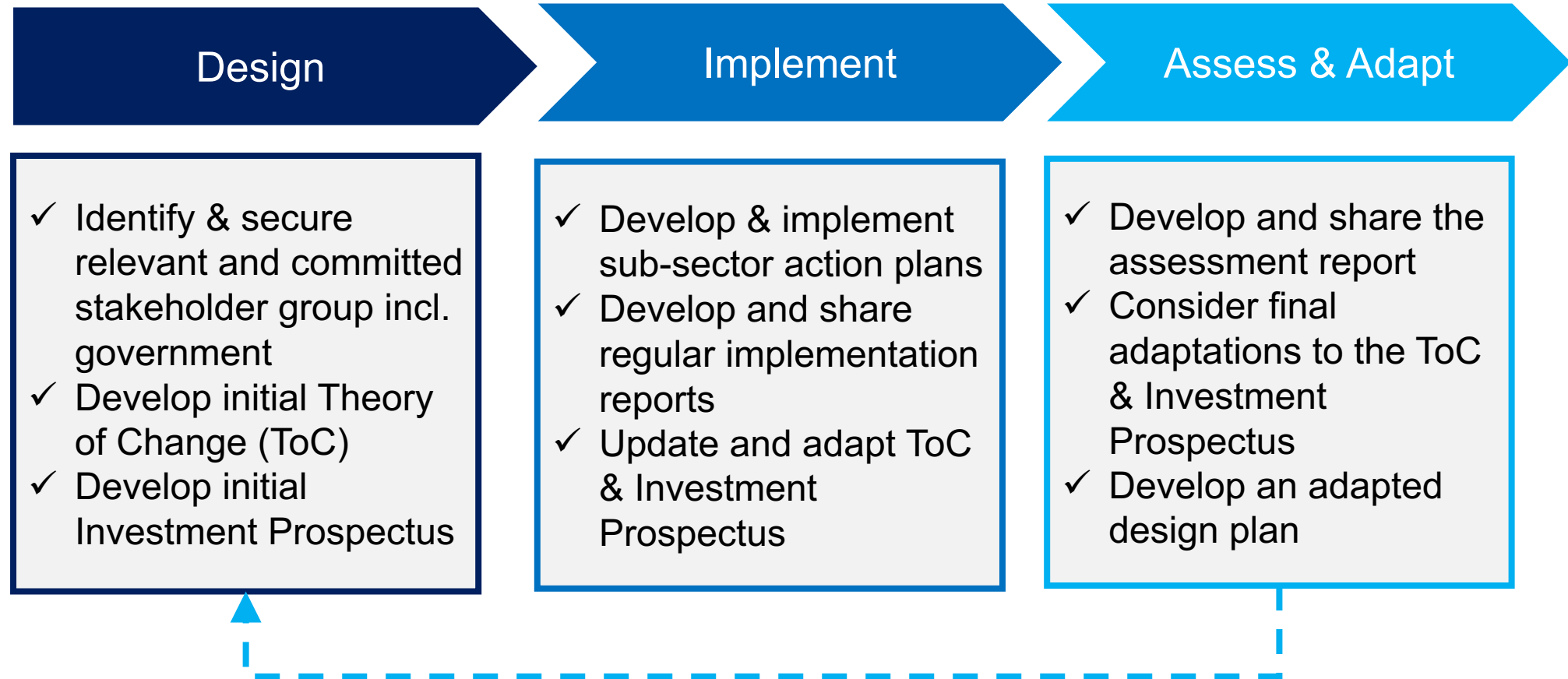
Purpose

- Identify national priorities and targets for agri-food & rural SME investments
- Provide guidance on existence information sources for evidence-based interventions
- Align relevant potential partners
- Join forces to mobilize new resources, and better use resources
- Pool efforts around innovation and scaling-up
- Support strategic knowledge agenda

Process



Investment Prospectus approach



Investment Prospectus framework

Section	Items	Description
N/A	Cover page, definitions & acronyms, table of contents, tables & figures, executive summary, date, contact point	Note that these should ideally be consistent across SAFIN Investment Prospectuses
1: Introduction	Focus of the Investment Prospectus (IP) Background: Purpose of IP, Overview of SAFIN and other stakeholders involved in production of IP, Definition of SMEs applied, Stakeholders – descriptions and roles, Theory of change diagram, vision, Brief summary of country & sectors, Advice on "action" including contacts	Introduces what IP purpose, how it is developed (methodology) and aims & objectives of the IP
2: Country overview	Brief description of country, business environment (including investment, tax regulations), Government priorities, plans and strategies and relevant target indicators (include sources in annex), Description of relevant government institutions (ministries, regional divisions), Relevant contact points, e.g. FDI desks, regulators, authorities	Provides a general overview of the country, including how political decisions are made, how business is conducted and that opportunities and challenges investors face

8. Investment Prospectus framework

Section	Items	Description
3: Sector overview(s)	<p>For each sector or sub-sector: Overview (description of industry stakeholders and associations, sector profitability, opportunities & risks, Policies & regulations applying to sector)</p> <p>Current programs and initiatives to support sector (including government subsidies) and attract investment – details to be provided in annex</p> <p>Investment opportunities (projects & programmes): these are one-page overviews with: Description, Activities, Lead organization & other stakeholders, Financing needs and gap analysis, Outcomes (financial and non-financial), Timeline, Relevant contacts</p>	Provides an overview of the sector(s) under consideration (e.g. agriculture, banking), including specific shortlisted opportunities
Annexes	<p>Information including: Historic economic data, Laws and regulations concerning (foreign) investment, Details on government priorities, plans and strategies, programs and initiatives to support sector(s) in target country, If applicable, (scientific) data on non-financial impact of activities in target sector</p>	Detailed information for investors intending to pursue opportunity further

Using the Investment Prospectus guide

	FOOD & AGRICULTURE VALUE CHAIN				
	Upstream				Downstream
	Inputs	Primary Production	Aggregation	Processing	Distribution
	seeds, agrochemicals, equipment, training	farming, foraging, fishing	local traders, logistics companies, warehouse operators	packaging or transformation	logistics to retailers or consumers
Corporates	Producer or manufacturing companies	Large scale farms or orchards	Regional or global traders, including their transport and storage network	Large processing factories, FMCG corporates	Regional or global traders, FMCG corporates
SME	Small producers or distributors, farmer training organizations	Small / medium sized farms, producer organizations (companies or cooperatives)	Local warehouse operators or trading companies	(Pre-)processing or packaging companies servicing local or export market	Small retailers, distributors supplying rural areas
Individuals		Individual farmers, including smallholders	Individual traders		Kiosks, mom & pop shops

	SUPPLY OF FINANCING					
	SME IN PROCESSING	Deposit-taking financial institution	Leasing company	Government agency or program	Investment fund	Initial conclusions for IP
Equity		-	-	-	SME equity fund ...	Opportunity – more supply needed
Working capital		Commercial bank ... Cooperative bank ... Rural bank ...	-	Ministry of ... Government program...	Impact fund ...	Supply adequate
Term loan		-	-	-	-	Opportunity
Lease		-	Lease Co ... Commercial bank ...	-	-	Opportunity – more supply needed
[...]						

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?
What are your main assumptions?	What are your main assumptions?	What are your main assumptions?	What are your main assumptions?	What are your main assumptions?	What are your main assumptions?	Who are your stakeholders?

Financing need	Suitable financing type	Collateral
Capital to establish or grow SME	Equity	None – shares are backed by the SME's assets net of its liabilities
Operational expenses	Working capital	Assets of the SME or its owners, as well as guarantees from third parties
Capital expenditure	Term loan	Assets of the SME or its owners, as well as guarantees from third parties
Equipment leasing	Lease	Lessor retains ownership over lease object and can repossess it in case of default by lessee
Post-harvest bridge financing	Receivables / trade finance	Produce and produce-related