

# DERISKING/FIRST LOSS FINANCING

## Proposed Financial Instruments

Financial Product	Description
Technical Assistance Support	Pre/post investment technical support grants to SME, government, financial intermediaries, private sector enterprises, and producer organizations
Blended Loan Financing	Concessional loans for high-impact projects in which actual or perceived risks are too high for commercial finance alone. It might include working capital, trade finance, public and private assets, infrastructure, etc.
Guarantees/risk sharing	Written commitment to assume responsibility for portion of a third party's debt or obligation or for the successful performance by that third party of its obligations if an event occurs which triggers such guarantee, such as a loan default.
Mezzanine Financing	Subordinated debt or preferred equity instrument that represents a claim on a company's assets which is senior only to that of the common shares. It can be structured either as debt (typically an unsecured and subordinated note) or preferred stock.
Insurance & other products	Insurance against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.

Additional financial instruments and products may include **equity investments, grants, and local currency facilities.**