IFC is a Private Sector Development Arm of the World Bank Group

**IBRD**
- **Role**: To promote institutional, legal and regulatory reform
- **Clients**: Governments of member countries with per capita income between $1,025 and $6,055.
- **Products**: Technical assistance, Loans, Policy Advice

**IDA**
- **Role**: To promote institutional, legal and regulatory reform
- **Clients**: Governments of poorest countries with per capita income of less than $1,025
- **Products**: Technical assistance, Interest Free Loans, Policy Advice

**IFC**
- **Role**: To promote private sector development
- **Clients**: Private companies in member countries
- **Products**: Investment through Loan, Equity, and Quasi-Equity, Resource Mobilization, Advisory Services

**MIGA**
- **Role**: To reduce political investment risk
- **Clients**: Foreign investors in member countries
- **Products**: Political Risk Insurance

**Shared Mission**: To Promote Economic Development and Reduce Poverty
IFC Investment/Advisory Services Involve in the Agribusiness Value Chain “From Farm to Fork”

Our Interventions and Goals

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<th>Farmers/Plantations</th>
<th>Traders/Supply Chain Mgmt</th>
<th>Food Processors</th>
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Investment Climate (Business environment)
Infrastructure/Logistics, Public-Private Partnerships
Advisory/Technical Assistance
Environmental and Social Ecosystem Services

Three-fourths of the world’s poor live in rural areas. IFC’s private sector investments are part of the World Bank Group’s efforts to boost shared prosperity and end poverty. IFC invests to:

#1 ENHANCE FOOD SECURITY by increasing production, reducing losses, and raising incomes

#2 PROMOTE INCLUSIVE DEVELOPMENT by focusing on opportunities for small farmers, women, and risk management

#3 SUPPORT ENVIRONMENTAL & SOCIAL SUSTAINABILITY by helping the sector reduce its footprint

The Six Themes That Drive Our Agenda

- Water: Global Irrigation Program
  Inputs (e.g., seeds)

- Land: Princ. of Responsible Agri Investment
  Africa Hybrid Investments

- Animal Protein: Mitigate impacts of full value chain (e.g., feed efficiency)

- Small Farmers: Inclusive supply chains
  Global Food Security Program (GAFSP)

- Urbanization: Safe food processing & efficient supply chains
  Food affordability

- Nutrition & Innovation: Fortified foods and drinks
Collaborating with Financial Institutions - Example of Risk Sharing Facility

Risk sharing facility is an effective way to reach farmers and SMEs through collaboration with financial institutions and agro-integrators

- IFC support to intermediaries (either financial or agribusiness companies) that in turn finance farmers/SMEs in the agri supply/distribution chain
- IFC can risk-share into an existing or future agribusiness portfolio, developed and serviced by a partner financial institution and which meets mutually agreed eligibility criteria
- Partnership between IFC and the relevant parties (e.g. supplier or offtaker) to ensure alignment of interest

Example: Partnership with Agri Suppliers

Example: Partnership with Offtakers
COLLABORATION WITH GAFSP

Global Agriculture & Food Security Program - Private Sector Window

Managed by: IFC
Funding: US$309 Million
Donors: 5 donors (Netherlands, Canada, Japan, UK, and US)
Overview: Provides investment and advisory services to eligible private sector companies in agribusiness, in conjunction with IFC’s investments.

Type of Collaboration: Funding support, first loss, counter-guarantee, advisory services support, etc.
**KEY DEAL STRUCTURE REQUIREMENT**

### Post-harvest Financing

- Stock as collateral
  (Warehouse receipts, Collateral Management Agreement, Stock Monitoring Agreement, Forwarders’ Certificate of Receipts, Silo Certificate, Inventory Certificate, Commodity-backed Promissory Notes, etc)
- Collateral Managers
- Quality Inspection
- Loss Payee for Insurance
  (Professional Indemnity, Cargo Insurance)
- Low Loan-to-Value
- Margin calls/Top up clause
- Collection Account
- Others

### Farmer Financing

- Offtake Agreement
- Fixed Price Contract
- Collection Account
- Direct Payment to Suppliers
- Crop Insurance (Weather Insurance, Yield Insurance)
- Collateral (Fixed assets, Guarantee, Joint Liability, General Assembly resolution, Stock for post harvest, etc)
- Quality Inspection
- Warehouse Operator (Professional Indemnity Insurance, Security Guard, Bank as Collateral Manager)
- Supervision (Technical Assistance, etc)
- Others
SHOWCASE: RWANDA FARMER FINANCING FACILITY

Farmer financing facility with KCB Rwanda in support of local farmer cooperatives that will supply maize and soybeans to the DSM plant through Off-take arrangements.