

# Access to Finance Advisory Services



TechnoServe is a leader in harnessing the power of the private sector to help people lift themselves out of poverty. Operating in 29 countries, we work with men and women in the developing world to build competitive farms, businesses and industries. To accomplish this mission, we support these enterprises in accessing financial products and services that are integral to their long-term growth and success.

## THE NEED FOR INCLUSIVE CAPITAL

Access to financial products and services is a significant barrier for the small farms, businesses and industries that TechnoServe supports.

These smallholder farmers and enterprises are often unable to assess, forecast and communicate their financial needs to potential lenders and investors. Insufficient collateral also excludes them from accessing working capital loans to purchase inputs and from securing long-term credit to invest in equipment and infrastructure. Insurance and risk management products are also usually out of reach.

Despite the massive need, there are few providers of financial products and services that cater to such clients, partly due to a perception that they are too risky and costly to serve. And while there are a growing number of social lenders and impact investors searching for opportunities, even they struggle to find truly “investable” enterprises. The provision of advisory services can be effective in bridging this gap and fostering more inclusive finance.

## OUR FINANCIAL ADVISORY WORK

With nearly five decades of experience in designing and implementing business solutions to poverty, TechnoServe works in several capacities to increase access to finance. We are particularly focused on addressing underlying gender dynamics that place women at a disadvantage.

Our clients include smallholder farmers, farmer organizations, cooperatives and a variety of small- and medium-sized enterprises (SMEs). We also support the capitalization of larger agribusinesses and develop finance solutions for entire industries in developing economies.

TechnoServe’s knowledge of agricultural crops and markets places us in a unique position to also provide advisory services to financial institutions in order to help them efficiently deploy capital and deliver new and scalable financial services. We work with commercial banks, investment funds, development finance institutions and multinational corporations to determine the financial health and viability of potential clients and help structure investments to meet their needs. We advise national governments



*TechnoServe supported a cotton processing business in Uganda to identify a profitable market opportunity, develop a business plan and raise financing to expand its operations.*

and regulatory bodies to facilitate competitive and inclusive financial markets.

By offering the following integrated financial advisory services and training, TechnoServe seeks to increase efficient capital flows, promote financial inclusion, improve transparency among market actors and drive overall economic growth.

- Strategic and Financial Analysis
- Capital Mobilization
- Portfolio and Risk Management

TechnoServe’s financial advisory services are designed and implemented locally in 29 countries. Our work is guided by a worldwide “Access to Finance” practice group, which manages strategic relationships with regional and global financial services partners, and shares best practices, innovations and knowledge.

## TECHNOSERVE’S IMPACT IN 2016



## PROJECT HIGHLIGHTS

Helped revitalize the Mozambican cashew processing industry, beginning with an in-depth analysis of the sector's potential.

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Developed an industry roadmap for building a competitive regional soybean sector throughout seven countries in Southern Africa.

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Facilitated a breakthrough \$10 million risk-sharing facility between the IFC and Ethiopia's Nib International Bank, benefitting 47,000 smallholder farmers.

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Partnered with a microfinance institution in Haiti to unlock \$400,000 in short-term loans for 3,000 mango farmers.

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Supported an agricultural SME in Mozambique to access a \$650,000 loan for expansion by advising on its business plan and financial model.

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Implemented a small business accelerator model in Central America building on business plan competitions that mobilized \$5 million in financing for the region's entrepreneurs.

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Developed a cloud-based platform and SMS-technology system to facilitate market transparency and price risk management for East African coffee cooperatives.

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Managed a €10 million pan-African Technical Assistance Facility to support investments made by the African Agricultural Fund.

## Strategic and Financial Analysis

TechnoServe assists smallholder farmer and SME clients by building their technical capacity in areas such as business planning, process improvement, and financial analysis and modeling. We help them calculate their immediate cash flow requirements and long-term financial needs and aid them in understanding and preparing to access available products and services.

TechnoServe also partners with financial institutions to more accurately assess agricultural risk. We work with these institutions to design innovative financial products and investment approaches that are cost-effective, scalable and tailored to the unique needs of smallholder farmers and SMEs.

Additionally, recognizing the market inefficiencies and unreliable market information in the countries in which we work, we provide independent insight and market analysis to promote and facilitate sustainable trade and investment. This includes identifying and evaluating risks and opportunities within specific value chains, developing industry outlooks and supporting due diligence gathering for new investment or market entry activities.

## Capital Mobilization

Acting as an independent intermediary, TechnoServe builds linkages between capital providers and those seeking capital. We help our smallholder farmer and SME clients at all stages of the origination and transaction process.

This can mean preparing a cooperative or an SME to apply for a loan, or helping an investor conduct due diligence, structure the terms of an equity investment and provide pre-investment technical assistance. To address the lack of collateral and high cost of capital for our clients, we identify sources and raise funds to develop risk-sharing mechanisms, such as loan guarantees and matching funds programs. For financial institutions, these support services can lower transaction costs and increase efficiency and scale, while also unlocking much-needed capital for smallholder farmers and SMEs.

## Portfolio and Risk Management

To support loan monitoring and ensure repayment of invested capital, TechnoServe designs specialized risk-management solutions that incentivize and maintain transparency between clients and lenders. For instance, we build mobile-based management systems that allow banks to remotely monitor client inventories and track cash flows. We also work with financial institutions to develop custom products to reduce market uncertainty, such as crop insurance and price risk management tools.

Additionally, TechnoServe's trainings on financial literacy, accounting and business management are incorporated into all advisory services offered and are designed to reduce the risk profile of clients and help them put their capital to work most effectively.

We also work on behalf of financial institutions and donors to design, implement and manage large-scale technical assistance funds that provide or facilitate support to their portfolio companies of investment funds. Such support includes identifying technical assistance needs of portfolio companies and their smallholder suppliers, developing recommendations for support, identifying and contracting providers to deliver services, managing the delivery of technical assistance and monitoring and evaluating outcomes.

### HEADQUARTERS

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