



Advisory Services: Technical Assistance for Agribusinesses so that they can access, through the Isidro LEAP project of CRS, to financial capital.

There are more than 500 million farmers worldwide, most of whom grow small farms and live in poverty. In addition to the lack of access to more lucrative markets and the technologies needed to access them, these producers face the growing problem of climate change. Small-scale farmers struggle with low levels of productivity, limited access to markets, and high levels of volatility in the prices of their products. However, these farmers supply 80% of the world's food.

Farmers' organizations and agricultural enterprises collect the production and processing of smallholder farmers' products, turning them into higher-value products, as well as acting as a link between farmers and commercial, special, and social markets. Small and medium-sized enterprises (SMEs) generate seven out of ten jobs in developing countries, and agricultural SMEs are the key link between millions of smallholder farmers and markets, especially markets and value chains.

The problem – and the opportunity – is that these same companies often don't have the capital and management capacity to make investments that will help grow their operations. There is a lack of investment available between the small loans offered by microfinance institutions and the larger loans typically offered by commercial financial institutions. But there is a financing gap for agriculture, estimated to be more than \$450 billion. In addition, these companies sometimes lack accounting/administrative and business systems that can give more confidence to investors or traditional financial institutions that do not have much experience in the agricultural sector.

In response, Catholic Relief Services (CRS) launched the Isidro Fund, a blended finance initiative, which offers reimbursable financing along with technical assistance, for agricultural enterprises and smallholder organizations, in order to grow their business and scale their impact. The name of the fund is a tribute to San Isidro, the patron saint of farmers and agricultural laborers.

The Isidro Fund proposes to identify underserved and/or informal small and medium-sized agribusinesses with growth potential, and to strengthen SMEs along the agro-value chains, using a combination of technical support and business development services that, upon successful completion, will allow SMEs to access an appropriate financing package for their growth plan. It is expected that the result of this work of strengthening and access to finance will generate positive impacts on producers' incomes, rural employment – for women, men and young people – and landscape restoration.

As a spin-off of the PRODERT IXOQUIB' and PROCOEES Projects, SMEs and cooperatives that have the potential to expand their inclusive mechanisms (which began through the project's direct co-investment fund and are directly linked to the project); groups of women smallholder producers (associates) to reach more smallholder farmers (associates) and link to broader and more attractive markets, in 10 value chains.

The Isidro fund offers very favorable business development loans/grants for these SMEs/cooperatives through an impact fund to make a leap in quality in the scale of their operations. As Helvetas we have the advantage of knowing SMEs/cooperatives perfectly and being able to facilitate their preparation for Isidro's facilities.

Con el apoyo de:



Implementado por:



PURPOSE

Isidro is a CRS-USCCB initiative that has two integrated components: Isidro impact, the technical assistance mechanism, and Isidro investment, the investment fund.

Isidro provides capital to companies so they can significantly grow their operations and increase their social impact. CRS-USCCB and its partners identify opportunities that meet the basic conditions of the fund and have the potential to grow and increase their positive impact on the communities they serve. Isidro Impact works with these organizations to build a business plan, identify investment opportunities, and improve their accounting and administrative systems, significantly reducing risk. Isidro Investments provides capital for the investment, but Impact Isidro continues to provide technical assistance and monitor progress throughout the investment.

Isidro needs to work with the consultant to support capacity building for agricultural enterprises based on the specific needs diagnosed through Isidro's capacity assessment.

ADVANTAGES OF ISIDRO INVESTMENTS

- Technical Assistance and Accompaniment (through CRS and partners)
- Flexible and Innovative Warranties
- Shared Risk Product (less risk for entrepreneurs)
- Multi-Packs: Working Capital, Equipment, Infrastructure
- Competitive Mugs
- 3-5 year investments

GENERAL OBJECTIVE

The objective of the consultancy is to accompany and provide technical assistance to agribusinesses based on the identified needs so that companies can access through Isidro Investments the financial capital they require to grow their business and scale their impact in rural areas of Guatemala, Mexico and Honduras.

SPECIFIC OBJECTIVES

1. Provide technical assistance linked to the improvement plan of the companies during the pre-investment process.
2. Complete the process of preparing the proposal for delivery to the Isidro Investment Fund Committee.
3. To accompany rural companies in their growth phase and preparation for investment.

PRODUCTS

Product 1. Value chain maps, crop/company maps.

Product 2. Pre and post-investment support and technical assistance (strategic plans, business plans, cost model, financial models).

Technical Assistance Available:

1. Support with Accounting and Financial Systems
2. Business Acceleration
3. Personalized Mentoring and Coaching
4. Marketing and Negotiation Support
5. Agronomic Extension
6. Institutional and organizational strengthening



EXPECTED IMPACTS

- Integrating small-scale producers into inclusive value chains
- Increase in price/differential paid to producer
- Generation of rural employment (women, men and youth)
- Promoting practices that restore landscapes and increase resilience to climate change

FAST FACTS

Geographical Location:

Departments of Guatemala and Honduras and Southern Mexico.

Phase and Duration: 2 years and 2 months

Start Date: February 09, 2024

End Date: April 30, 2026

Phase Budget: Q 182,605.00 (\$23,870.00)

Main Actors and Partners:

1. Ministry of Agriculture, Livestock and Food (MAGA) and its Municipal Rural Extension Agencies (AMER).
2. Ministry of Agriculture and Livestock of Honduras
3. Cooperatives, associations/producer organizations

Donor:

Catholic Relief Services - United States Conference of Catholic Bishops (CRS-USCCB)

With the support of: Implemented by:



Más información en:

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