



MARKETLINKS

THE INVESTMENT MOBILIZATION PLATFORM – A NEW APPROACH TO MOBILIZING FINANCE FOR DEVELOPMENT

CHAT TRANSCRIPT

APRIL 30, 2019

PRESENTERS

Lawrence Camp, USAID Office of Private Capital and Microenterprises

Santiago Sedaca, Palladium

Johann Alexis Bounouni: good morning

Johann Alexis Bounouni: can someone confirm meeting is in 15 minutes? I am a bit confused with time zones

Jerry Brown: Good morning! The webinar starts in 20 minutes

Jess (TRG): Yes, we will begin soon.

Johann Alexis Bounouni: thank you

Benson Kimithi: Please let us know when it starts--Benson

Charlin - Marketlinks: Good morning everyone! As you're joining, please introduce yourself and say where you're joining from! I'm Charlin joining from Washington DC

Johann Alexis Bounouni: My Name is Johann and I am joining from Haiti

William Corley: William Corley, Palladium, Washington, DC

Charlin - Marketlinks: Hi Johann and William!

Benson Kimithi: Good morning--joining from USAID Kenya.

Dick Tinsley: Dick Tinsley in snowy Colorado

Charlin - Marketlinks: Welcome Benson

Charlin - Marketlinks: Hi Dick, welcome back! Stay warm

Dick Tinsley: 6 inches on our outdoor table

Arlen Yost 2: Just returned from a trip to Kenya. A beautiful country.

Charlin - Marketlinks: That sounds awesome Arlen, welcome!

Lawrence Camp: Hi participants - appreciate your participation

Arlen Yost 2: I switched to my tower. I'm not sure if my sound is working. Has anyone spoken?

Jess (Marketlinks): We are currently on mute

Nicole Reynolds: Nicole Reynolds, Brussels

Charlin - Marketlinks: Hi Nicole, welcome!

Brian Milakovsky: Brian Milakovsky - Ukraine. Is it still muted? Don't hear anything yet

Charlin - Marketlinks: Hi Brian, we're still muted. Welcome!

David Mbugua: David Mbugua, Toronto Canada

Charlin - Marketlinks: Getting started in a few minutes! Thanks for filling out the polls.

Charlin - Marketlinks: Welcome David!

indra klein: Good morning All,

Charlin - Marketlinks: Hi Indra! Welcome

Wyanie Bright: Wyanie Bright from ACDI/VOCA

Charlin - Marketlinks: Hi Wyanie. Great to have you

Mark Sevier: Hi- This is Mark Sevier joining from Feed the Future Partnering for Innovation. I am based in Washington, D.C

Ascher Kulich: Good morning. This is Ascher Kulich from We-Empower

cornelio.delgado@gmail.com: Greetings from Vancouver

Charlin - Marketlinks: Hi Mark and Ascher

Charlin - Marketlinks: Nice to have you Cornelio

Ashley Aakesson: Hi, I'm Ashley Aakesson with USAID Advancing Nutrition

Jerry Brown: Good morning! This is Jerry Brown, Agriculture Results Inc

Charlin - Marketlinks: Hey Ashley

Charlin - Marketlinks: We're starting in 1 minute

indra klein: I seem to have lost audio

Dick Tinsley: lost sound

Captioner-Heather: I have also lost audio.

Karla Yoder: The audio cut

Johann Alexis Bounouni: lost audio too

Dick Tinsley: did someone trip on the sound cable

Lawrence Camp: We are working to get the sound back up

Lawrence Camp: Hang in - we are working on it.

Jess (Marketlinks): We are experiencing difficulties getting the presentation loaded

Jess (Marketlinks): We will be back up and running in a moment

indra klein: @marketlinks...sending + energy your way!

indra klein: Yay

Nicole Reynolds: Mine kept dropping in Chrome

Dick Tinsley: loud and clear

Nicole Reynolds: but now at least I'm connected and I can hear you

indra klein: @Nicole, earlier there was message indicating that chrome is not recommended

indra klein: explorer, Firefox & safari are

Dick Tinsley: Microsoft edge is also good

Nicole Reynolds: But I use Adobe connect all the time with Chrome

Nicole Reynolds: Never had a problem

Ashley Aakesson: I'm in the app and can't hear

Nicole Reynolds: I have no sound either

Charlin - Marketlinks: We're back! Thanks for hanging in there

Dick Tinsley: they keep forgetting to have background music during the pre-webinar sign in

Charlin - Marketlinks: Thanks Dick, that's something we may need to bring back! Any music requests?

Ashley Aakesson: I can hear now

Dick Tinsley: no specific request, but it is really important for us online to make certain the audio is working, even a live pic of people milling around is good to make sure we know we are connected

Charlin - Marketlinks: that's a good suggestion! I'll talk it over with the team.

Charlin - Marketlinks: As you think of questions, type them here. We'll address them later

indra klein: Music: from areas presented in webinar

Charlin - Marketlinks: Great idea, Indra

Dick Tinsley: second indra

indra klein: What % of program participants obtain insurance? To what degree has this lowered cost of financing, if any?

Dick Tinsley: appreciate the tractor example. but one problem is the same tractor in Ghana is only 1/4th as efficient as in Iowa, mostly because of small field size and too much turning time.

Dick Tinsley: tractors also require a 2-phase loan system one for the initial cost of the tractor \$12000, second for the operational cost so service can be provided on credit with end of season payoff

indra klein: Would you elaborate on who the "players" are in financing arena? Any input from IFC, and if so, has this help leverage costs for applicant?

Charlin - Marketlinks: Great questions, thanks.

Adam Tomasek (USAID): What level of formality is recommended in building out the Finance Network? Are there statements of intent or other forms of official declarations of institutional interests?

Mark Sevier: How were the outcomes/milestones structured through the catalytic facility? How was this agreed upon and how does this approach allow for adaptability/flexibility so capital in priority development sectors is catalyzed?

Dick Tinsley: is your pic a Deere!!

indra klein: Can you provide any data on the ratio of financing provided to female vs male applicants? If there are any imbalances, are there any efforts to address such?

Peter Boone: Can you summarize the differences between catalyzing equity capital and debt capital? Which form of capital tends to bring more results? I can see that equity without the high interest charges could be appealing, but how easy is it to mobilize equity capital and how does the process of mobilizing equity capital compare with the process of mobilizing debt capital? Which takes longer.? Which seems to bring more results?

Dick Tinsley: How much of your financing was to individual smallholder farmers vs through producer organizations

Charlin - Marketlinks: Great questions. Please do keep them coming!

Dick Tinsley: if using a producer organizations, have you confirmed that you have a sustainable business model and the overhead costs are not exceeding the financial benefits so relying on a producer organization most likely to result in poverty enhancement despite the rhetoric of poverty alleviation??

Charlin - Marketlinks: We'll move into Q&A soon. Continue sharing your questions that we can ask Santiago and Lawrence!

Brian Milakovsky: Info about Macedonia experience would be very helpful. Quite similar to our Ukraine context

Gregory: How can this directly benefit, if at all, the micro-entrepreneur ecosystem in Benin for example?

Ashley Aakesson: Thanks--this looks like an interesting and systems-based approach. What if any is the role of the platform after the investment is made? The diagram seems to stop at that point, aside from a fairly vague "evaluate and adapt"

Nicole Reynolds: Yes, would like to get the concept note from Firm Capital

cornelio.delgado@gmail.com: Beyond cooperation agencies, who else can play roles in the catalytic facilitators?

Maggie Ngetha: I am interested on the pricing model developed with open capital, please share

Andrew: What role can/should host country governments play in these platforms?

Adam Tomasek (USAID): During the private finance related sessions at the World Bank Group Spring Meetings, many comments were made about the necessity to figure out how to engage the often-untapped capital held by institutional investors. Any examples of how Investment Platforms have been able to do this?

Tim Freeman: Hi All, please see the Pay-For-Performance Primer mentioned by Santiago Sedaca here: https://www.usaid.gov/sites/default/files/documents/1865/Pay_for_Performance_Primer_Final.pdf

Brian Milakovsky: Is there a problem with collusion between BASPs and FIs? If BASPs are incentivized for successful transactions, I would worry about collusion with some local bank officials to make bad loans and then split the incentive

Dick Tinsley: Yet if we don't get some access to contract tractors the smallholder farmer will never be able to hoe their way out of poverty.

Charlin - Marketlinks: Thanks, Tim!

Dick Tinsley: those interested in smallholder agriculture might appreciate the website: <https://smallholderagriculture.agsci.colostate.edu/> It has a few pages devoted to the importance of tractors to overcome the massive operational limits and a limited dietary energy to undertake a day of agronomic manual labor

indra klein: To what degree has FinTech been included in financing process?

Dawit - Marketlinks: Hi All, Santiago can be reached at: Santiago.Sedaca@thepalladiumgroup.com

Anna Mutinda: In Kenya Previous interventions to enhance financial inclusion targeting the smallholders main have faced challenges which included the FIs not getting the concept of funds guarantee properly and therefore just loaned the funds and when it was exhausted then program could not continue. How do you propose to address such a problem?

IESC: On the KIM program, are there plans to create a leave behind local entity or digital tool to ensure sustainability? Who are the local actors that are continuing the work on FINGAP now that the project has ended?

Brian Milakovsky: I am working on a USAID project in Ukraine, I think we'd like to meet these Macedian experts

Dick Tinsley: would it be easier to work through small private service provider such as ag dealers or tractor owner to allow them to provide their services on credit to smallholders, rather than work through producer organizations etc.

Jerry Brown: What kinds of policy issues did the mission face to encourage government support for the investment platform?

William Corley: A look at Palladium's work in Macedonia: <https://thepalladiumgroup.com/news/Fixing-Macedonias-Fractured-Business-Ecosystem>

indra klein: Thank you for a very thorough comprehensive presentation. Time well spent

Charlin - Marketlinks: Thanks for the great links! I'll include these in the post-event resources!

Charlin - Marketlinks: Glad you could join us again, Indra!

William Corley: Lessons from Financing Ghanaian Agriculture Project (FinGAP): <https://thepalladiumgroup.com/news/Agri-lending-Lessons-learned-from-Ghana>

Robin Young: How do you differentiate what project pays for and what the SMEs pay for and if the SMEs have capacity to pay how to determine additionality?

William Corley: USAID FinGAP site: <http://agrifinanceghana.org/about-usaid-fingap/>

Charlin - Marketlinks: We're moving to end polls soon, but Santiago and Lawrence will continue answering questions!

Dick Tinsley: it has been an enjoyable webinar. see you next time

indra klein: Don't have polls on my screen

indra klein: oooh, polls are closed

Charlin - Marketlinks: Do you see them now Indra?

Charlin - Marketlinks: Thanks Dick! Glad you enjoyed

Charlin - Marketlinks: Thanks for answering our polls!

michele rivard: What more would you like to be doing or testing in this arena?

Margaret: This was a wonderful webinar. Learned a lot of very useful information. Thank you both very much

Charlin - Marketlinks: Thanks for joining us, Margaret

Charlin - Marketlinks: thanks everyone for participating!

Ashley Aakesson: Thank you!

Charlin - Marketlinks: Please continue filling out the poll questions

Mary Beggs: Thank you

Brian Milakovsky: Thank you so much for information. I will reach out about Macedonian experience, very pertinent case for us

IESC: Thank you!