



# Sector Policy Training

## Sector Policy

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**BPR** – Sector Policy Introduction



# Sector Policy – What Is It?

## Why a Sector Policy?

- Every sector is different, even within agribusiness
- Specific sector issues in Rwanda
- Main factors and/or drivers of sector
- Needs, opportunities and risks
- Specific financing solutions



# Sector Policy – What For?

## ***Sector policy use***

- Significance of sector in Rwanda (land use, economic, importance)
- Technical and financial aspects of sector
- Key players in value chain
- Identification of needs, bottle necks and risks
- Guide for client and credit approach
- Background information for reports & applications
- Base for discussion and improvement



# Sector Policy - Content

## ***Sector Policy - Contains***

- Quick Guide – Summary
- Value Chain
- Financing Needs
- SWOT
- Risks

## ***Sector Policy - Does not contain***

- Finance Product Details (see specific product descriptions)
- Crop Data (see crop data sheet)

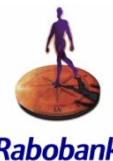


# Sector Policy – Quick Guide

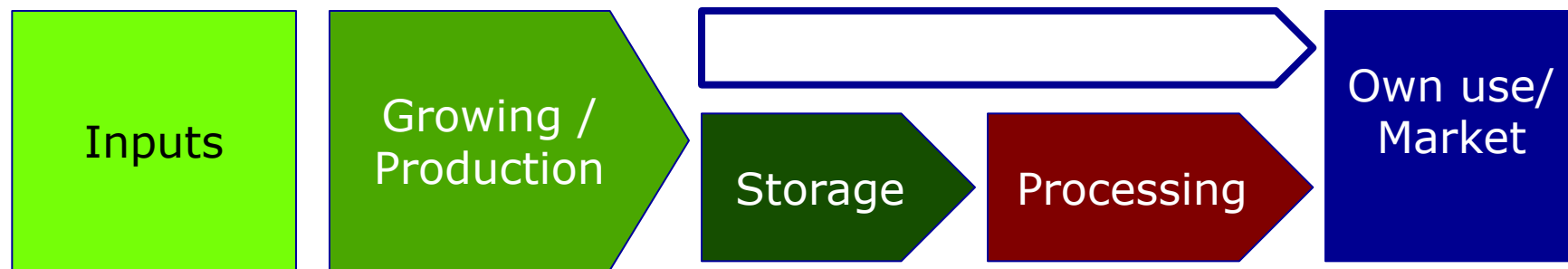
## ***What is the Quick Guide?***

- Summary of 1 or 2 pages
- Key information about Value Chain
- Essential factors of risk
- Main financing opportunities for sector

Quick reference but no substitute to good understanding of sector



# Sector Policy – The Value Chain



## ***The Value Chain***

- Different factors and issues along the value chain
- Crucial elements of the chain for each crop
- Negligible or not applicable chain elements
- Timing and importance

# Sector Policy – Financing Needs

## *Financing Needs*

- Stages and timing of financing in value chain
- Significance of financing needs
- Specific financing risks
- Potential sources of financing and repayment
- Opportunity for bank finance?

Identifying financing needs does not mean bank should be involved!



# Sector Policy – SWOT

## ***Strengths, Weaknesses, Opportunities & Threats***

- Strengths & Weaknesses are internal
- Opportunities & Threats are external
- Client's strengths & weaknesses may be different!
- Policy SWOT is indicative, needs adjustment
- Helps identify key risks and opportunities



# Sector Policy – Risks

## ***Sector Risks***

- Identification of main risks in context of sector
- Highlight of essential risks linked to specific finance product
- Illustration of potential risk mitigation to be considered
- Specific client risks are different from general sector risks

Risk assessment is not solved by the value of collateral!

# Sector Policy – Next Steps

## ***Conclusion***

- Sector policy document is a guide not a solution
- Each client, region, context is different, verify sources!
- Sector policy is knowing what and where to look for the answer
- Agribusiness is a living science, the policy must be a living document:
  - Reference to specific finance product documents
  - Reference to central sector data sheet
  - Exchange and discussion of available information