



The European Union
for Georgia

ENPARD: Support to Agriculture
and Rural Development

ENPARD – Cooperation for Rural Prosperity in Georgia

REVOLVING FUND FOR SUPPORTING COOPERATIVES

WITH FUNDING FROM
AUSTRIAN
DEVELOPMENT
COOPERATION



ISET MA Program in Economics
Policy Institute

International School of Economics at Tbilisi State University



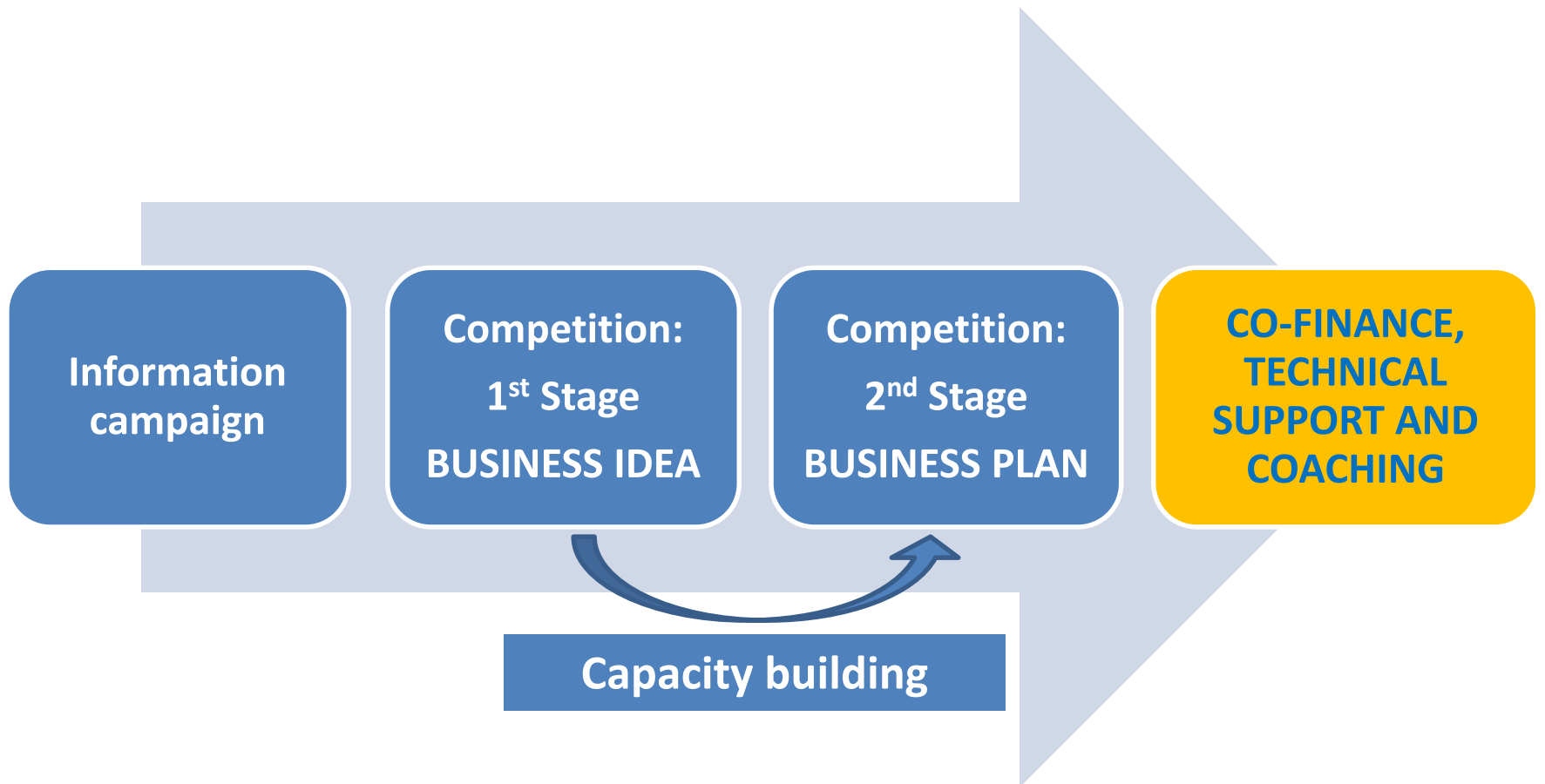


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ENPARD COOPERATIVES GENERAL SCHEME





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OUTPUT: A PROVEN REVOLVING FUND METHODOLOGY PROVIDES FURTHER FUNDING OPPORTUNITIES FOR NEW COOPERATIVES

JUSTIFICATION OF THIS APPROACH

- 1) TO REDUCE DEPENDENCY
- 2) TO INCREASE SUSTAINABILITY;
- 3) TO PREPARE COOPERATIVES FOR SCHEDULED REPAYMENTS
(making them more attractive to outside investors)
- 4) TO PROVIDE GEORGIA'S AGRICULTURAL SECTORS WITH A
SUSTAINABLE MODEL FOR SCALING UP COOPERATIVES



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SOME GENERAL PRINCIPLES ON THE IMPLEMENTATION OF THE REVOLVING FUND

- 1) THE REPAYMENT SCHEDULE IS SUGGESTED BY COOPERATIVES BASED ON THE FINANCIAL PROJECTIONS INCLUDED IN THEIR BUSINESS PLAN**
- 2) IT'S INTEGRATED IN THE AGREEMENTS WITH THE PROJECT. THE PROPER FULFILMENT IS A CONDITION FOR THE DONATION OF THE ASSETS BY THE END OF THE PROJECT**
- 3) THE COOPERATIVES HAVE THE CHANCE TO START REPAYING 18 MONTHS AFTER STARTING THE INVESTMENT**
- 4) THE PERIOD FOR REPAYMENT IS 4 YEARS IN AVERAGE**



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CURRENT SITUATION

- 1) ALMOST 15,000 EURO HAVE BEEN RETURNED UP TO DATE
- 2) IN SOME CASES, THE SCHEDULE HAD TO BE RE-NEGOTIATED ALLOWING REDUCED AMOUNTS FOR THIS YEAR
- 3) THE PROJECT WILL START REINVESTING RETURNED FUNDS BY BEGINNING OF 2017

FUTURE OF THE FUND A COUPLE OF PRINCIPLES

- 1) THE MANAGEMENT & DECISION MAKING SYSTEM SHOULD INVOLVE BENEFICIARY COOPERATIVES AND GFA
- 2) THE FUND WILL BE OPEN TO COOPERATIVES IN THE WHOLE OF GEORGIA



FUTURE OF THE FUND – SOME IDEAS

1) CREDIT UNION OR 2ND LEVEL COOPERATIVE OFFERING FINANCIAL SERVICES

GFA-CARE: Supervisory
Committee member

2ND LEVEL
COOPERATIVE –
FINANCIAL SERVICES

ENPARD
COOP

FEE / SHARE

Coop B

ENPARD
COOP

Coop A

ENPARD
COOP

Coop Z

2) FUND MANAGED UNDER GFA
WITH SUPPORT FROM CARE
-SUPERVISION AS ANGEL
INVESTOR
-COOPERATIVES REPRESENTED
IN DECISION MAKING

3) FUND MANAGED BY A
FINANCE OR A MICROCREDIT
INSTITUTION – WITH
INVOLVEMENT OF GFA, CARE
AND COOPS SOMEHOW